

## ***Latest Market Development:-***

**According to Agriculture Ministry. Planting** area under India's winter season crop (Rabi crop) stands at around 52,000 hectares as of November 14, 2013, unchanged from planting area recorded during the same time last year.

**India's southern state of Karnataka is planning** to buy paddy rice from farmers at about Rs. 1,600 per quintal, about 22% above support prices of around Rs. 1310 a quintal, according to market participants.

**The Inflation of rice has decreased to 15.69%** in the month of October as compare to 18.76% in the month of September; however WPI has increased to 234.5 in October as compare to 231.7 in the month of September.

**India's rice stocks in the central pool** stand at around 28.2 million tons (including milled equivalent of around 11.38 million tons of paddy) as of November 1, 2013, which is down about 2.5% from rice stocks in the central pool recorded on November 1, 2012.

**Pakistan basmati rice accounted for about 46.5%** of EU's total basmati rice imports of around tons in MY 2010-11. However, it declined to around 19.4% in MY 2011-12 and to about 18.3% in MY 2012-13. Meanwhile, India's basmati rice market share in the EU has surged to around 81% in MY 2012-13, up from around 80.6% in MY 2011-12 and from around 53.4% in MY 2010-11.

**According to Market participants the West Bengal** government will provide about 25% of the required amount or about Rs. 55 – Rs. 80 lakh for the construction of new rice mills. An additional Rs. 5 lakh will also be provided to each mill. The new mills are likely to begin functioning from next year and will augment the number of rice mills in the state to over 1,183 mills.

**According to India's Central Rice Research Institute (CRRI)** scientist, crop damage due to cyclone Phailin is estimated at around one million tons in Odisha state alone. Losses could be significantly higher due to heavy rains that followed the cyclone and unseasonal rainfall in key rice producing states of Punjab and Haryana.

**The Indian government has accepted** a proposal to supply rice and other food grains in 5-kilogram packs under the Public Distribution System (PDS) to prevent corruption in the implementation of the Food Security Law and to help control soaring rice prices in the country.

**The USDA Post has increased** the estimates for India's rice exports in the marketing year 2012-13 (October – September) to a record 11 million tons, up about 6% from around 10.38 million tons exported in MY 2011-12, and up about 10% from USDA official estimates of around 10 million tons.

**Average wholesale rice prices in India have surged** to around Rs.2, 753/Q as of October 30, 2013, up about 2% from around Rs. 2,691/Q in the previous month, and up about 14% from around Rs.2, 408 per quintal seen a year ago in October 2012.

### ***Rice Monthly Export:***

All fig. in Lakh tonnes	Non Basmati	Basmati	Total Export 2011-12		Non Basmati	Basmati	Total Export 2012-13
11-Oct	4.29	1.77	6.06	12-Oct	6.65	1.95	8.6
11-Nov	6.39	2.14	8.53	12-Nov	6.49	2.08	8.57
11-Dec	7.68	3.57	11.25	12-Dec	7.5	2.85	10.35
12-Jan	7.23	3.07	10.3	13-Jan	5.65	3.18	8.83
12-Feb	8.9	2.76	11.66	13-Feb	4.9	3.34	8.24
12-Mar	3.5	3.93	7.43	13-Mar	5.7	3.87	9.57
12-Apr	2.75	2.79	5.54	13-Apr	3.93	3.93	7.86
12-May	7.16	3.23	10.39	13-May	4.67	3.45	8.12
12-Jun	5.92	3.46	9.38	13-Jun	5.56	3.78	9.34
12-Jul	4.86	2.99	7.85	13-Jul	6.51	3.34	9.85
12-Aug	4.72	2.51	7.23	13-Aug*	6.57	2.68	9.25
12-Sep	4.46	2.31	6.77	13-Sept*	6.81	3.61	10.42
<b>Total</b>	<b>67.86</b>	<b>34.53</b>	<b>102.39</b>	<b>Total</b>	<b>70.94</b>	<b>38.06</b>	<b>109</b>

Source: DGCIS and \* IBIS (Revised export Figure)

Total rice exports by India in the current Marketing Year (MY) October 2012 to September 2013, has reached almost 11 million tonnes. This is supported by strong demand from West Asia, Africa and South-East Asian countries.

Basmati rice export from October 2012 to September 2013 reached 38.06 lakh tonnes which is 10.15% higher than previous year basmati export of 34.53 lakh tons last year for the same period.

### ***Rice Balance Sheet:-***

With good start of monsoon and above normal rainfall Agriwatch expects higher rice production in 2013-14 at 105 million T. With higher initial production estimate total availability would increase from 127.38 million T to 129.88 million T. Consumption is expected to increase by 1.5 million T. As export is expected to decrease by more than one million T due to lower demand in global market, total usage may increase slightly on back of increase in consumption due to cheaper rice available from Food Security Bill.

Figure in MMT	2010-11	2011-12	2012-13	2013-14* E
<b>Carry in</b>	<b>18.44</b>	<b>20.86</b>	<b>23.38</b>	<b>24.38</b>
Production	95.98	104.32	104	105
Imports	0	0	0	0
Total Availability	114.42	125.18	127.38	129.88
Consumption	90.78	91.6	92.5	94
Exports	2.78	10.2	10.5	9
Total Usage	93.56	101.8	103	103
<b>Carry out</b>	<b>20.86</b>	<b>23.38</b>	<b>24.38</b>	<b>26.38</b>
Av Monthly Consumption	7.57	7.63	7.71	7.83
Stock to Month Use	2.76	3.06	3.16	3.43
Stock to Consumption Ratio	0.23	0.26	0.26	0.29

(Source: Agriwatch Research, USDA)

### ***Progressive Procurement of Rice***

***(Fig. in Lakh tonnes)***

States	Total procurement in marketing season 2011-12 (Oct. – Sept.)	As on 24.05.2013	
		In Marketing season 2012-13	In Marketing season 2011-12
Andhra Pradesh	75.40	59.05	65.83
Chhattisgarh	41.15	48.50	41.13
Haryana	20.07	26.58	20.07
Kerala	3.72	2.30	3.42
Madhya Pradesh	6.35	9.27	6.35
Maharashtra	1.78	1.78	1.90
Orissa	28.64	29.52	21.36
Punjab	77.31	88.71	77.31
Tamil Nadu	15.96	4.75	15.84
Uttar Pradesh	33.55	32.48	33.01
Uttaranchal	3.78	7.36	3.36
West Bengal	20.41	13.95	21.66
All-India	<b>350.31</b>	<b>338.25</b>	<b>326.26</b>

Source: <http://dacnet.nic.in/>

Rice procurement by Government agencies has now going very slow due to lean season and procurement target of 400 lakh tonnes in this season (September-2013) is unlikely to achieve as stock of rice is not as much available in the markets, however procurement is likely to touch around 350 lakh tonnes same as last year in this season.

### Month-wise Rice Stock in Central Pool (As on 1st day of the month) Values in MMT

Year	Jan	Feb	Mar	Apr	May	June	July	Aug	Sept	Oct	Nov	Dec
<b>2010</b>	24.35	25.65	26.95	26.71	23.26	25.26	24.26	22.87	20.48	18.44	23.17	24.52
<b>2011</b>	25.58	27.80	28.70	28.82	27.76	27.64	26.86	25.27	22.7	20.5	26.83	27.63
<b>2012</b>	29.71	31.8	33.17	33.35	32.92	32.14	30.70	28.50	25.59	23.4	28.95	30.67
<b>2013</b>	32.22	35.4	35.8	35.46	34.72	33.3	31.50	29.23	26.78	23.13	28.58	

\*Format of stock position has been revised w.e.f. 1.9.2013. In earlier format, rice included unmilled paddy lying with FCI and State Agencies in terms of rice.

Total rice stocks in India's central pool 28.58 million tons as of November 1, 2013.

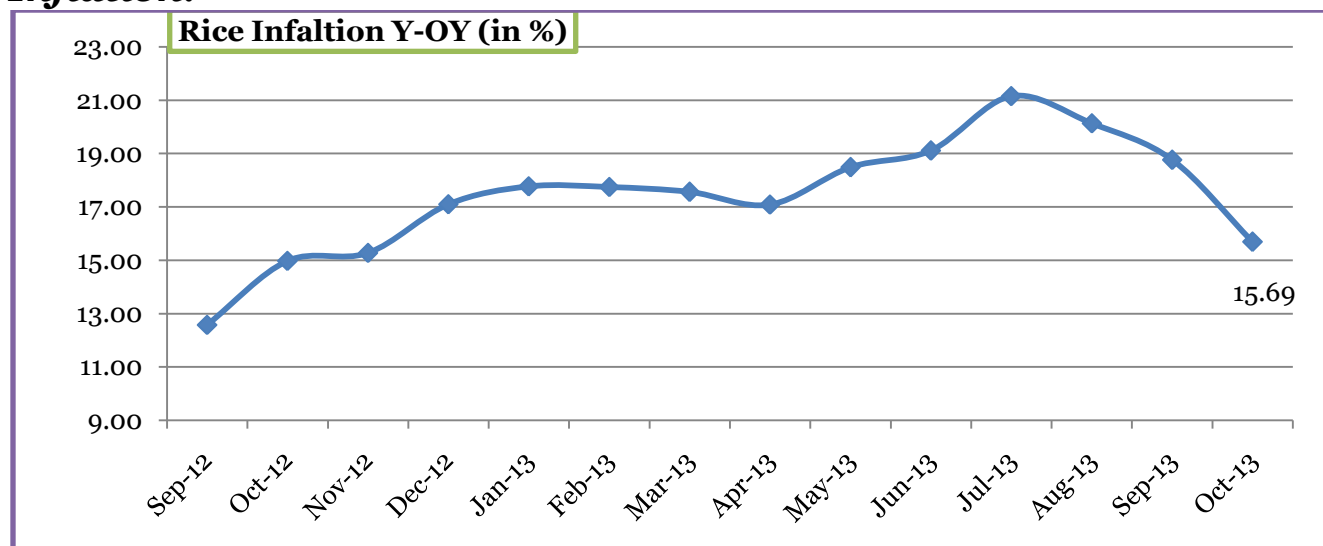
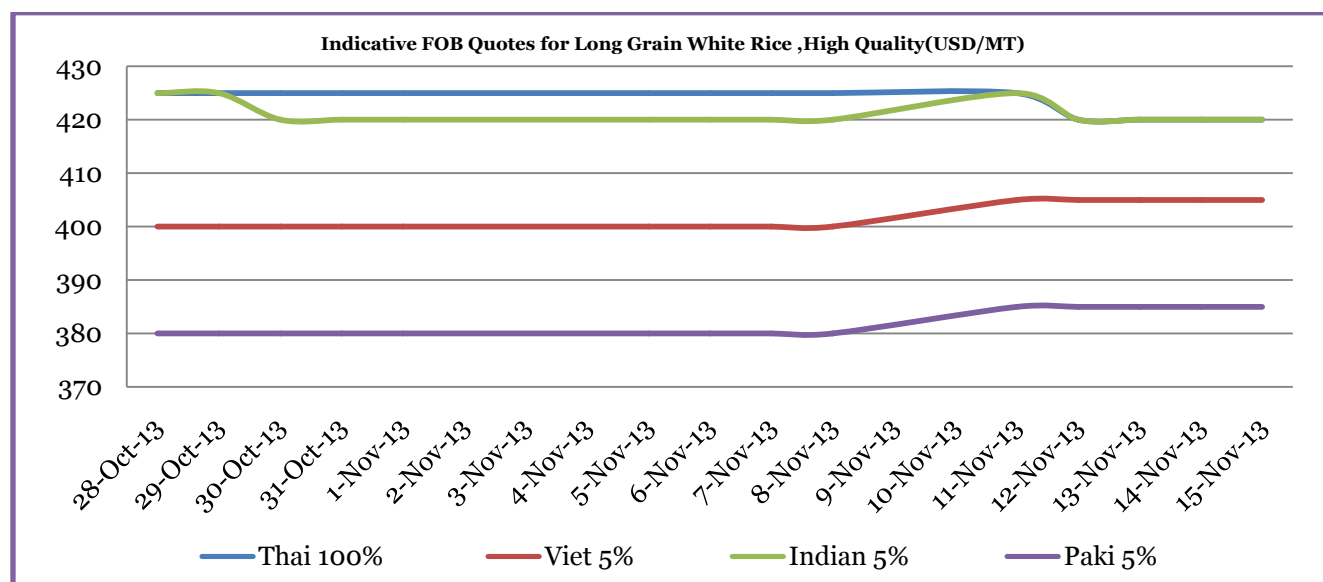
### State wise Wholesale Prices Weekly Analysis for Rice First Week of November, 2013:

State	09-15 Nov 2013	01-08 Nov 2013	24-31 Oct 2013	% Change(Over Previous Week)	% Change(Over Previous Year)
Andhra Pradesh	3329.63	2855.18	1771.07	16.62	17.64
Assam	2847	2929	2931.88	-2.8	11.86
Gujarat	2469.66	2665.81	2477.61	-7.36	16.32
Jharkhand	2614.68	2638.05	2693.15	-0.89	10.7
Karnataka	1880.18	1882.97	3003.46	-0.15	-29.55
Kerala	3410.76	3354.22	3365.37	1.69	19.52
Maharashtra	5255.91	4554.36	6779.47	15.4	18.67
Manipur	2826.26	2822.35	2853.82	0.14	—
Meghalaya	3187.5	3341.67	3496.43	-4.61	6.72
Orissa	2102.19	2185.11	2384.28	-3.79	22.54
Punjab	4237.55	3811.78		11.17	85.66
Tripura	2761.67	2743.92	2756.59	0.65	—
Uttar Pradesh	1722.68	1887.2	1892.77	-8.72	2.95
Uttrakhand	2029.11	1881.24	1948.62	7.86	9.41
West Bengal	2564.15	2644.42	2571.34	-3.04	25.24
<b>Average</b>	<b>2882.59</b>	<b>2813.2</b>	<b>2923.3</b>		

Prices of rice have showed the slight upward movement in November 2<sup>nd</sup> week from last week and market is expected to move downward due to harvesting pressure.

**Price Projection for November 3<sup>rd</sup> Week in Domestic Market:**

Duration	Trend	Average Price Range
3 <sup>rd</sup> Week of Nov, 2013	<b>Steady to slightly Weak</b>	<b>Rs.2850-2900/Q</b>

**Inflation:**

**FOB Quotes for Long Grain White Rice, High Quality:**


**World Market Recap:**

**South Korea's rice production is estimated** to reach around 4.24 million tons in 2013, up about 234,000 tons or about 6% from around 4 million tons produced in 2012, according to Statistics Korea (KOSTAT).

**According to the China National Grain and Oils Information Center (CNGOIC)**, China's rice imports may increase to a record 5 million tons in 2013-14 (October to September) due to lower production and high domestic prices.

**Global rice trade is likely to decline** in 2012-13 and 2013-14 due to lower purchases by leading importers and poor production prospects in India and China, according to FAO. Rice trade in 2012-13 is expected to reach around 37.6 million tons, down about 2% from around 38.4 million tons in the previous year. In 2013-14, global rice trade is likely to decline further by around 0.5% to around 37.4 million tons, according to the FAO.

**The IMF says that the Thailand** government should discontinue its rice mortgage program to reduce the country's fiscal deficit and use cash transfers to help poor farmers. The IMF says that the fiscal position of Thailand is strong, but the government has to reduce spending on populist schemes to reduce fiscal deficit which is estimated at around 3.4% of GDP in the fiscal year 2012-13 (October – September).

**According to Vietnam Food Association** Vietnam's rice exports from the beginning of the year to November 7, 2013 have reached around 5.8 million tons, down about 19% from around 7.1 million tons exported during January 1- November 30, 2012.

**Thailand has exported around 4.6 million** tons in January - September, 2013, down about 8% from rice exports during the same period last year, according to the USDA Post in Bangkok.

**As per USDA latest report global rice** production is expected to fall to 473.18 million tonnes as compared to 476.77 million tonnes. Production is expected to fall due to adverse weather condition in India, Pakistan and US.

**Rice imports by the countries in the European Union (EU)** reached a record 1.23 million tons in MY 2012-13 (October to September), up about 10.6% from around 1.11 million tons in the previous marketing year 2011-12, according to the European Commission.

**Rice production in the Philippines is expected** to increase to around 11.7 million tons (milled basis) in MY 2013-14 (May to April), up about 2.6% from around 11.4 million tons produced in the previous year, according to the USDA Post in Manila.

*Source: <http://oryza.com>*

**IGC Balance Sheet:**
**(Fig. In Million Tonnes)**

	2010-11	2011-12	2012-13 est.	Projection for 2013-14	
				26.09.2013	31.10.2013
<b>Production</b>	449	465	469	474	474
<b>Trade</b>	36	39	37	38	38
<b>Consumption</b>	445	458	469	473	472
<b>Carryover stocks</b>	99	107	107	110	109
<b>Y-O-Y change</b>	3	7	1	2	1
<b>Major Exporters</b>	30	37	40	43	42

Note: Major exporters are India, Pakistan, Thailand, Vietnam, and United States

**IGC Rice Balance sheet Highlights:-**

- While the IGC GOI rice sub-Index was broadly unchanged month on month basis, markets were again mixed, with values in Vietnam underpinned by export demand and crop worries, but weaker in Thailand on limited buying interest and heavy intervention reserves.
- World production is projected to expand by 1% year on year basis, to an all-time high in 2013-14, with larger crops in Far East Asia, notably India; global demand is set to rise by 1%, led by Asia.
- The 2013-14 world carryovers is likely to increase for the ninth consecutive year, with major exporters' stocks at a new record.
- Global trade is tentatively expected to rise in 2014, with higher sales to Far East Asia, though China's needs remain uncertain.

**Rice Price Trend @ CBOT January- 14, Rough Rice):**


(Prices in US\$/hundredweight)

### ***Market Analysis:***

The CBOT January rough rice chart indicates upward movement in previous sessions. We expect market will test previous resistance at USD 16.40/ hundredweight in coming sessions.

### ***Price Projection (International-CBOT):-***

Duration	Trend	Price Range
3 <sup>rd</sup> Week of November, 2013	<b>Steady to firm</b>	16.00-16.40

#### ***Disclaimer***

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