

Latest Market Development:-

Severe cyclonic storm 'Helen' is expected to strike India, with maximum impact to be felt in the southern state of Andhra Pradesh, where harvesting to rice is going on.

Rice procurement by Indian government agencies for the central pool has reached around 15.7 million tons as of November 20, 2013, in the ongoing Kharif marketing season (KMS) which runs from October to September.

Total rice export in the month of October, 2013 is 9.12 lakh tonnes in which basmati contribution is 2.14 lakh tonnes and non basmati is 6.98 lakh tonnes. Major importers for non basmati rice are Benin, Senegal, Ivory Cost, South Africa etc, where as for Basmati major buyers are Iran, Saudi Arab, USA, Korea, UAE etc

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.

Rice Monthly Export:

All fig. in Lakh tonnes	Non Basmati	Basmati	Total Export 2011-12		Non Basmati	Basmati	Total Export 2012-13
12-Oct	6.65	1.95	8.6	13-Oct*	6.98	2.14	9.12
12-Nov	6.49	2.08	8.57				
12-Dec	7.5	2.85	10.35				
13-Jan	5.65	3.18	8.83				
13-Feb	4.9	3.34	8.24				
13-Mar	5.7	3.87	9.57				
13-Apr	3.93	3.93	7.86				
13-May	4.67	3.45	8.12				
13-Jun	5.56	3.78	9.34				
13-Jul	6.51	3.34	9.85				
13-Aug*	6.57	2.68	9.25				
13-Sept*	6.81	3.61	10.42				
Total	70.94	38.06	109	Total	6.98	2.14	9.12

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 109 Lakh tonnes. This is supported by strong demand from West Asia, Africa and South-East Asian countries.

Total rice exports by India in the month of October reached to 9.12 Lakh tones which is 6.2% greater than the last year at the same time.

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
Carry in	18.44	20.86	23.38	24.38
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
Carry out	20.86	23.38	24.38	26.38
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	350.31	338.25	326.26

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
2010	24.35	25.65	26.95	26.71	23.26	25.26	24.26	22.87	20.48	18.44	23.17	24.52
2011	25.58	27.80	28.70	28.82	27.76	27.64	26.86	25.27	22.7	20.5	26.83	27.63
2012	29.71	31.8	33.17	33.35	32.92	32.14	30.70	28.50	25.59	23.4	28.95	30.67
2013	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.

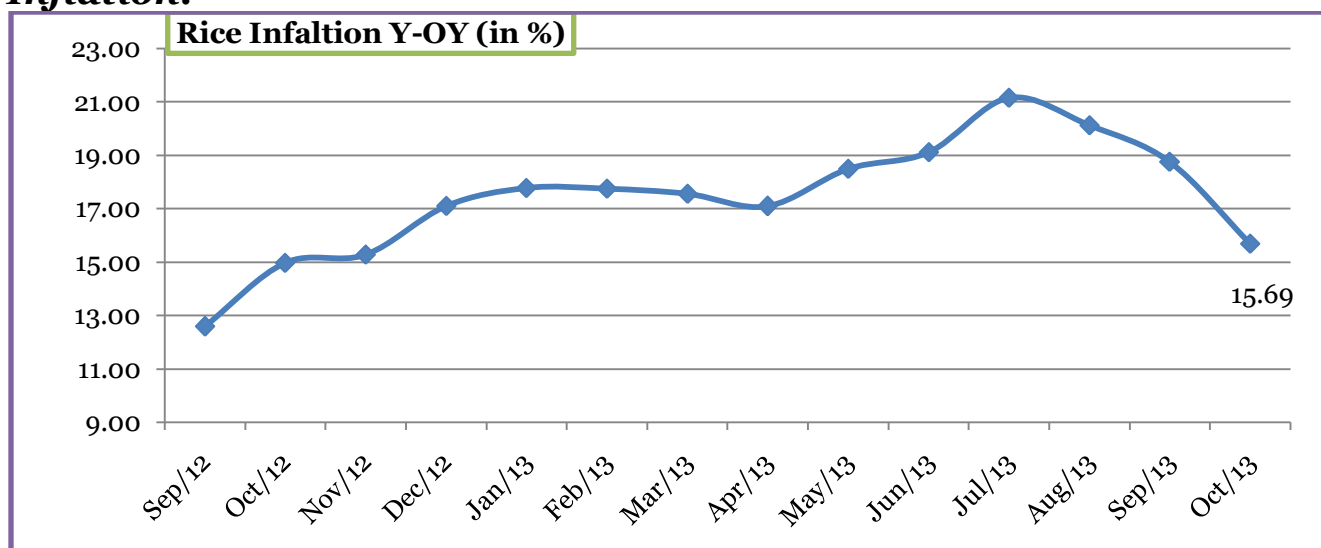
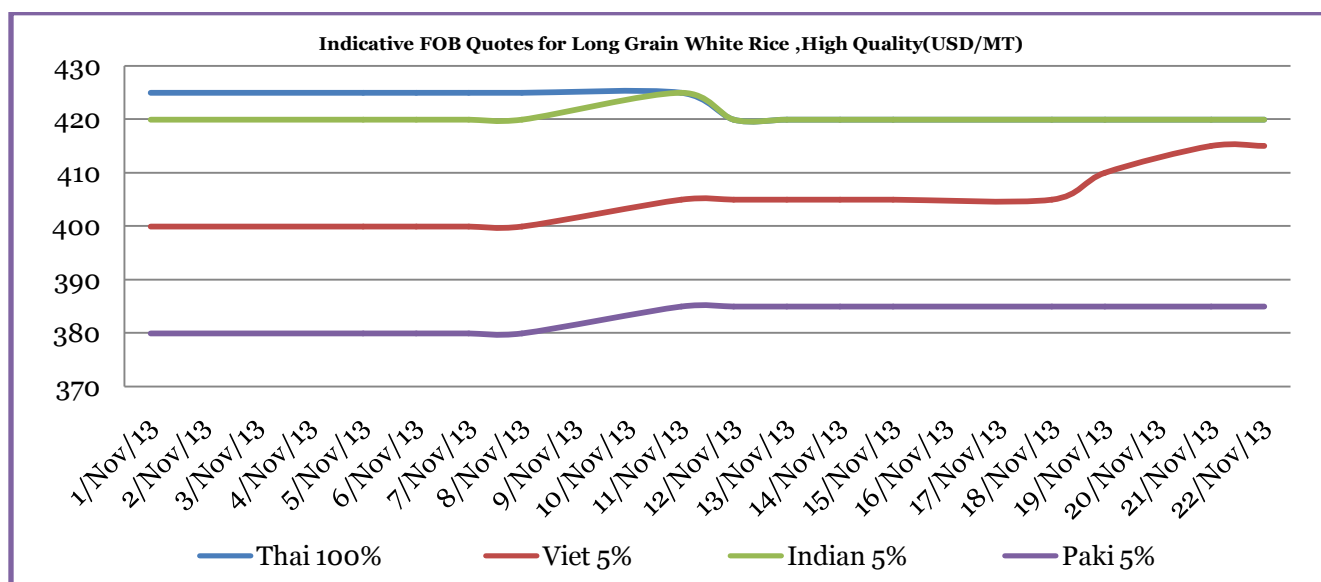
State wise Wholesale Prices Weekly Analysis for Rice Third Week of November, 2013:

State	16-23 Nov 2013	09-15 Nov 2013	01-08 Nov 2013	16-23 Nov 2012	% Change(Over Previous Week)	% Change(Over Previous Year)
A.P	2729.06	2845.08	2869.79	2604.19	-4.08	4.79
Assam	2845.4	2838.98	2929	2459.1	0.23	15.71
Gujarat	2520.92	2404.88	2665.81	2193.38	4.83	14.93
Jharkhand	2663.86	2618.48	2639.09	2373.1	1.73	12.25
Karnataka	1926.79	1859.29	1882.97	2692.23	3.63	-28.43
Kerala	3402.52	3452.67	3354.22	2903.78	-1.45	17.18
Maharashtra	4773.58	5266.38	4554.36	4547.29	-9.36	4.98
Manipur	2776.47	2826.26	2822.35		-1.76	—
Meghalaya	3420.29	3247.42	3341.67	3265.22	5.32	4.75
Delhi	2000	2000		1666.67	0	20
Orissa	2115.26	2136.25	2183.84	1678.68	-0.98	26.01
Punjab	4055.91	4237.55	3811.78	2392.86	-4.29	69.5
Tripura	2799.09	2721.45	2743.92		2.85	—
Uttar Pradesh	1721.98	1736.6	1890.3	1669.7	-0.84	3.13
Uttarakhand	1935.02	2029.11	1881.24	1750.58	-4.64	10.54
West Bengal	2577.92	2573.45	2643.02	2041.96	0.17	26.25
Average	2766.50	2799.62	2814.22	2445.62		

Prices of rice have showed the slight downward movement in November 3rd week from last week and market is expected to be steady.

Price Projection for November 4th Week in Domestic Market:

Duration	Trend	Average Price Range
4 th Week of Nov, 2013	Steady	Rs.2750-2800/Q

Inflation:

FOB Quotes for Long Grain White Rice, High Quality:


World Market Recap:

Indonesia will be self-sufficient in rice next year as paddy rice production is expected to increase to around 76.57 million tons, up about 6% from an estimated 72.06 million tons in 2013, the country's rice purchasing agency Bulog says.

Pakistan has exported around 882,132 tons of rice in the first four months of the fiscal year 2013-14 (July – June), up about 24% from around 711,393 tons exported during the same period in FY 2012-13, according to the Pakistan Bureau of Statistics (PBS).

According to a preliminary assessment by the UN's FAO, the Philippines rice import requirements are likely to increase to around 1.2 million tons in 2014, up from an estimated one million tons in 2013.

The Thai government hopes to earn around 130 billion baht (about \$4 billion, using current rates) from release of rice from its stockpile in 2014.

The Egypt government has awarded export licenses to companies for export of around 102,000 tons of white medium grain rice by January 15, 2014.

According to the forecast by National Grains Supply Company (Conab), Brazil's paddy rice production in 2012-13 is expected to reach around 12.15 million tons.

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).

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
Production	449	465	469	474	474
Trade	36	39	37	38	38
Consumption	445	458	469	473	472
Carryover stocks	99	107	107	110	109
Y-O-Y change	3	7	1	2	1
Major Exporters	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 sideways 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
4 th Week of November, 2013	Steady	15.60-16.10

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