

Latest Market Development:-

Bihar has set a target to procure 30 lakh tonnes of paddy this year at a minimum support price of Rs 1,310 per quintal, according to state Food Minister Shyam Rajak .

According to the Ministry of Agriculture, planting area under India's Rabi rice (winter) crop has reached around 128,000 hectares as of December 6, 2013, up about 11% from around 115,000 hectares recorded during the same time last year.

The USDA Post in New Delhi has lowered India's MY 2013-14 (October – September) rice production forecast to about 103 million tons, down around 2 million tons or about 2% from USDA official projection of around 105 million tons.

India's Kerala Agricultural University (KAU) has developed new hybrid rice varieties that have higher yeilds compared to other rice varieties in the southern state of Kerala.

Average wholesale rice prices in India continue to rise, reaching around Rs. 2,931 per quintal in November 2013, up about 7% from around Rs. 2,750 per quintal in October 2013, and up about 20% from around Rs. 2,441 per quintal in **November** 2012.

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, the world's second biggest rice producer, has decided to extend by one year the stock holding limit on the grain to check any rise in prices on account of hoarding of the essential food item, a government statement said on Friday. The extension will be valid until November 30, 2014. The government will continue to exempt rice exporters from the stock holding limit, traders said.

The latest nuclear deal between Iran and global powers is likely to go against Indian basmati rice exporters as normal business practice would resume. Pakistan and Thailand would take maximum advantage of new emerging situation in Iran. They offer cheaper rice in comparison to India and thus Indian supremacy in Iran market may be challenged.

Lower demand from Iran is likely to pressurize Indian cash market in the weeks ahead, competition would increase and Indian market would be more competitive to maintain export status in Iran. Cash market is likely to trade lower as demand from bulk and medium buyers continues to dip at higher level.

In the current fiscal, basmati exports have increased by 16 per cent in volumes to exceed two million tonnes against 1.7 mt during the same time a year ago. "Demand continues to be good from the traditional buyers. At this pace, we may end up exporting over 3.8 mt for the current fiscal," said R. Sundaresan, Executive Director of the All-India Rice Exporters Association.

Cyclone "Helen" has damaged ready-to-harvest rice crop in an estimated 460,000 hectares in India's southern state of Andhra Pradesh, according to the Indian Meteorological Department (IMD).

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 First Week of December, 2013:

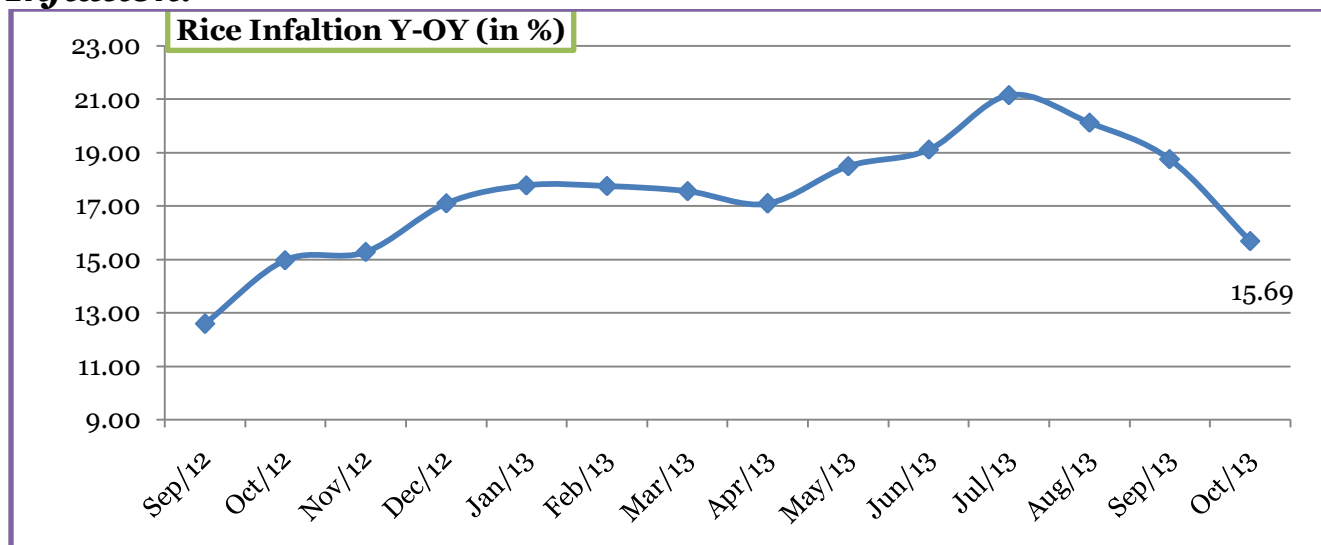
State	01-08 Dec 2013	24-30 Nov 2013	16-23 Nov 2013	01-08 Dec 2012	% Change(Over Previous Week)	% Change(Over Previous Year)
AP	2791.08	3857.72	3750.73	2756.78	-27.65	1.24
Assam	3161.2	2768.87	2818.66	2474.15	14.17	27.77
Gujarat	2612.22	2583.08	2558.94	2264.06	1.13	15.38
Jharkhand	2612.31	2701.2	2645.43	2272.81	-3.29	14.94
Karnataka	2043.21	1958.06	1947.79	2624.91	4.35	-22.16
Kerala	3518.65	3527.74	3522.13	3092.07	-0.26	13.8
Maharashtra	3530.11	6037.08	6375.38	4388.85	-41.53	-19.57
Manipur	2748.23	2614.05	2776.47	1983.82	5.13	38.53
Meghalaya	3352.11	3332.03	3420.29	3233.8	0.6	3.66
Delhi	NA	1960	2000	NA	—	—
Orissa	2193.89	2227.65	2181.38	1884.38	-1.52	16.43
Punjab	3997.08	3973.67	4055.91	2741.11	0.59	45.82
Tripura	NA	2723.68	2812.7	NA	—	—
UP	1793.29	1681.57	1636.4	1673.54	6.64	7.16
Uttrakhand	2194.26	1985.14	1916.85	1834.8	10.53	19.59
West Bengal	2462.81	2529.78	2577.65	2098.52	-2.65	17.36
Average	2786.46	2903.83	2937.29	2523.11		

Prices of rice have showed the downward movement in December 1st week from last week and market is expected to be steady.

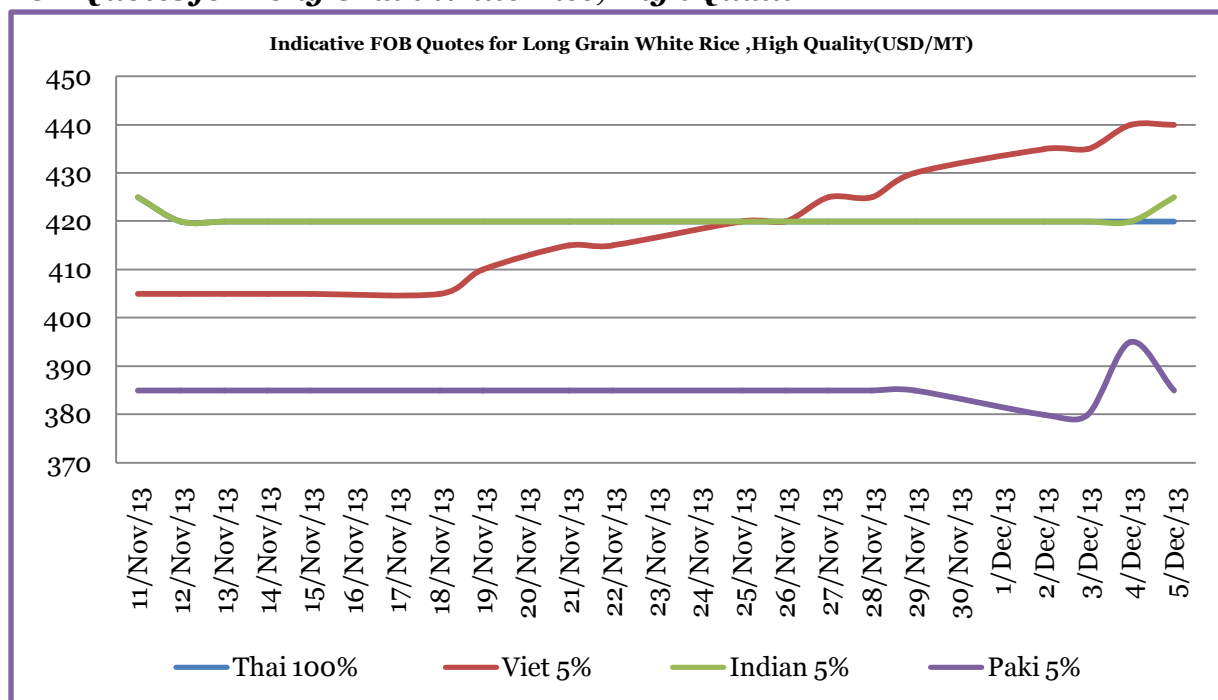
Price Projection for December 2nd Week in Domestic Market:

Duration	Trend	Average Price Range
2 nd Week of Dec, 2013	Steady	Rs.2700-3000/Q

Inflation:



FOB Quotes for Long Grain White Rice, High Qualit



World Market Recap:

Thailand's total 2013-14 paddy production is estimated at 31 million tons, up 1-2% from the previous year, according to the USDA Post.

The Food and Agriculture Organization is crafting a strategy on rice, the consumption of which has been increasing while resources related to its production are dwindling. The FAO, an agency of the United Nations, has called on an external rice advisory group for recommendations for such a strategy, focused mainly on the Asia-Pacific region where 90 percent of global supply is grown.

The South Asian country surpassed Thailand and Vietnam to become the leading exporter of rice in 2012, when it sold around 10 million tonnes of the grain in the overseas market.

According to the UN's Food and Agriculture Organization (FAO), North Korea's rice production in 2013-14 (November – October) is expected to reach around 1.915 million tons.

Vietnam has exported around 5.93 million tons of rice in January 1 – November 21, 2013, down about 16% from around 7.12 million tons of rice exported during January 1 – November 30, 2012, according to the Vietnam Food Association.

The Thai Rice Exporters Association (TREA) says that Thailand's 2013 rice exports are expected to improve to around 7 million tons, unchanged from previous year's levels but up around 8% from TREA's previous forecast of 6.5 million tons.

The Egyptian government will continue to ban rice exports to control rice prices, despite an **estimated** surplus of around 800,000 tons and last week's decision to grant export licenses to 39 companies for export of around 102,000 tons of white medium-grain rice until January 15, 2014.

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.

<http://oryza.com>

IGC Balance Sheet:
(Fig. In Million Tonnes)

	2010-11	2011-12	2012-13 est.	Projection for 2013-14	
				31.10.2013	28.11.2013
Production	449	465	469	474	471
Trade	36	39	37	38	38
Consumption	445	458	469	472	471
Carryover stocks	99	107	107	109	108
Y-O-Y change	3	7	1	1	-1
Major Exporters	30	37	40	42	41

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

IGC Rice Balance sheet Highlights:-

- The IGC rice sub-Index was broadly steady over the month, as a further easing in Thailand was balanced by higher quotations in Vietnam on prospects for fresh sales to the Philippines.
- The projection for world rice production in 2013/14 is downgraded, mainly owing to reduced expectations for India's main crop, but would still be at a new record.
- Led by increases in Asia, global demand is set to grow by 1% and the 2013/14 world carryover is projected to decline y/y, but supplies are set to remain ample, especially in major exporters.

Total trade is expected to expand in 2014, with larger deliveries to Far East Asia, including the Philippines.

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


(Prices in US\$/hundredweight)

Market Analysis:

The CBOT January rough rice chart indicates weak movement in previous sessions. We expect market will hover in the range of USD 15.20 to USD 15.80/ hundredweight in coming sessions.

Price Projection (International-CBOT):-

Duration	Trend	Price Range
2 nd Week of December, 2013	Weak	15.20-15.80

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