Domestic Market Highlights:

The area under rabi/summer rice as on May 01st 2015 stands at 40.66 as compared to 44.88 lakh hectare in previous year .Total area under rabi rice and summer crops stands at 64.20 lakh hectare as compared to 66.23 lakh hectare in previous year.

All India Average rice price in the first week of May was moved up by 2.65% from previous week and currently hover in the range of Rs.2700-2720/quintal. We expect market is likely to move in the range bound to firm in coming weeks due to weak monsoon prediction by IMD and also lower rabi area by 9% from last year under paddy. Domestic buyers are active due to all above reasons and thus prices are expected to move in north direction.

Sona masuri steam price in Andhra Pradesh is ruling at Rs.3100-3200/quintal and raw price is around Rs.3500/quintal as per by local traders. PR-11 Steam in Delhi mandi is Rs.2600/quintal. In case of basmati, 1121 steam and sela is at Rs. 5700-600 and 4700-4800/ quintal respectively.

India rice export touched 10.81 million tonne in first 11 months of the FY 2014-15. It is 8.5 percent higher from the same period last year(9.96 million tonne.However ,basmati rice export has declined by 4 percent to around 3.3 million tonne during April-2014 to Feb 2015.Basmati export during same period last year was recorded at 3.44 million tonne.The reason behind lower basmati export is mainly attributed to lower demand /ban from Iran.

Pondicherry govt announced free 10 kg rice and 5 kg wheat per month under the PDS to eligible families replacing the 2-month old system of disbursing Rs 300 per family through banks, as he presented Rs 6,450-crore tax free state budget for 2015-16. The state Government had modified the scheme discontinuing supply of 10 kg rice to the families and started disbursing Rs 300 per month to them through banks since March this year. Consumer would start getting 10 kg single boiled rice and 5 kg wheat from Next month (May).

India rice export touched 10.81 million tonne in first 11 months of the FY 2014-15.It is 8.5 percent higher from the same period last year (9.96 million tonne. However, basmati rice export has declined by 4 percent to around 3.3 million tonne during April-2014 to Feb 2015.Basmati export during same period last year was recorded at 3.44 million tonne. The reason behind lower basmati export is mainly attributed to lower demand /ban from Iran.

All-India progressive procurement of Rice as on 10.04.2015 for the marketing season 2014-15 was 249.31 lakh tonnes against the procurement of 247.83 lakh tonnes up to the corresponding period of last year. Punjab, Chhattisgarh and Haryana are the major contributor for rice procurement with contribution of 77.81 lakh tonnes, 33.55 Lakh T and 20.01 Lakh T respectively, However in MY-2014-15 contribution by Punjab is lower by 4% from last year same period of 88.06 lakh tonnes due to lower production estimates for MY-2014-15 and comparatively high open market price.

A government advisory body the Commission for Agricultural Costs and Prices (CACP) on crop pricing has recommended a modest increase of Rs 50 per quintal in the minimum support price for paddy farmers. In its MSP proposals made to Agriculture Ministry for various kharif (summer-sown) crops for 2015-16, the paddy MSP has been suggested to be increased to Rs 1,410 a quintal from Rs. 1,360 for common variety and Rs. 1450 from Rs 1,400 for 'A grade' variety paddy. For the 2014-15 kharif seasons, the previous government had also raised the support price of paddy by Rs 50 per quintal to Rs 1,360 for common variety and to Rs 1,400 for 'A grade' variety paddy.

China is likely to begin rice import from India in July this year, as domestic consumption is increased in 2014-15 by 1.43% from last year as per by USDA. China previously restricted the import of Indian basmati rice due to Khapra beetle.

Price Outlook:-Average Rice price in all India is likely to trade steady to slightly Firm in 01st Week of May.

International Market Highlight:

Due to recent 7.8 Mw earthquake in Nepal, not only affected the economic condition of the country but also agriculture growth of the country. Market participant fear that rice area in the country may be much lower than expectation in the country in the coming kharif season, it will direct affect the total availability in the local rice market and Nepal could be dependent for rice on neighboring country. As per USDA Nepal produce around 3 million tonnes rice a year and import around 350,000 tonnes for total consumption. We expect that in coming season the import of agricultural produce including rice could increase from the country.

Lower demand for Vietnam's rice in the global market has compelled Vietnam Food Association to slash down MEP for 25 % broken rice from$350 to $340 per tonne.New floor price (MEP) will be effective from 30th April, 2015. Earlier in the month of March, VFA had reduced the MEP from USD 360-350/MT. Vietnam exported about 1.144

million tons of rice in January 1 - April 13, 2015, down about 35% from about 1.76 million tons of rice exported in first four months of 2014 which also indicates that the demand of the Vietnam rice is lower than last year.

As per the unofficial data, the preliminary rice exports (excluding premium white and fragrant rice) for April 13-19, 2015 totaled 13,968 metric tons, down 44,319 metric tons from the previous week and down 56,008 metric tons from the four-week moving average of 69,976 metric tonnes. Rice exports from January 1 - April 19, 2015, totaled 1,077,490 metric tons, down 2 percent from the same period last year.

Export prices declined slightly from the previous week as supplies of off-season rice continue coming into the market. This week, farm level prices of 5% grade white rice paddy fell to around 7,720 baht per metric ton ($239/MT), down 0.5 percent from the previous week. Meanwhile, inquiries from traders are reportedly quiet as they are sourcing relatively cheaper rice from Vietnam. Vietnamese rice is approximately 10 percent lower than Thai rice (new-crop 5% grade white rice) and around 5 percent lower than old-crop white rice from the government stocks.

As per Agriculture ministry of Cambodia, Country produced 9.32 million tons of paddy rice in 2014, slightly down from 9.38 million tons it produced in 2013. Based on last year's amount of production, besides local consumption, the country will have around 4.7 million tons of un- husked rice, or more than 3 million tons of milled rice, left for exports this year. In 2010, Cambodia set a goal of exporting 1 million tons of milled rice by the end of 2015; however, Commerce Minister Sun Chanthol admitted in February this year that the country was unlikely to achieve the target due to lack of milling capacity and funding. Last year, country had exported only 387,000 tons of milled rice, so it is difficult for us to achieve the target. Currently, some 61 companies have exported Cambodian rice to 40 countries and regions around the world, according to the report. Five main buyers of Cambodian rice are China, France, Malaysia, the Netherlands, and Poland.

The FAO has lowered its 2014 estimated global paddy production by 3.3 million tonnes since December, to 741.3 million tonnes (494.4 million tonnes of it milled), a level only 0.5 per cent below the record 2013 performance. The largest downward revision related to Thailand, one of the world's leading rice exporters, where unseasonable dryness leading to severe constraints in water availability for irrigation took a heavy toll on secondary crop production, the April 2015 issue of the "FAO Rice Market Monitor" states.

Thailand's rice production (paddy) declined by 2.7 per cent in 2014 to 34.3 million tonnes (22.7 million tonnes of milled rice), due mainly to a decline of secondary crop outputs affected by cuts in planted areas. However, in 2015, Thailand is expected to increase production by 2.1 per cent.

Colombian rough/paddy rice production is expected to increase 130,000 MT to 1.98 million MT in MY2015/16. In 2014, the area planted fell by about 60,000 hectares (148,000 acres). As a result, rice production declined 132,000 MT. Reduced supplies at the end of CY 2014 put upward pressure on rice prices, increasing 53% since December 2014.

The MY 2015/16 (October to September) Mexico rice production is forecast at 240,000 MT, with harvested area estimated at 41,000 ha. This year's rough rice production level converts to 165,000 MT of milled rice. The Post/New total rice production estimate for MY 2014/15 has been revised slightly upward from USDA/Official estimates to 230,000 MT (rough production) reflecting the most recent data from SAGARPA (Secretariat of Agriculture, Livestock, Rural Development, Fisheries and Food). The increase in rough rice production is equivalent to 158,000 MT of milled rice.

Rice Prices in Various Markets:

May-04-2015	White Rice 5% Broken	White Rice 25% Broken
Gujarat	2389.88	2230.55
Andhra Pradesh	2369.63	2135.50

Rice Prices in Various Markets

Market	Arrivals	Variety	Minimum Price	Maximum Price	Modal Price
	(Tonnes)		(Rs./Quintal)	(Rs./Quintal)	(Rs./Quintal)
Assam					
North Lakhimpur	NR	Common	1800	2000	1900
		Fine	2600	2800	2700
		Super Fine	3000	4000	3500
Gujarat					
Dahod	149.8	Coarse	3600	4300	4000
Jharkhand					
Giridih	12.21	Fine	3320	3500	3500
		Medium	2300	2560	2560
		Motta (Coarse) Boiled	2100	2240	2240
Lohardaga	28	Common	1800	2100	2050
		Fine	2500	2800	2670
		Medium	2200	2400	2300
Kerala					
Aroor	6	Basumathi	7800	8000	7900
		IR-8	2500	2700	2600
		Jaya	3000	3200	3100
		Other	3200	3400	3300
Chengannur	8	IR-8	2400	2600	2400
		Jaya	3200	3500	3400
Cherthala	15	IR-8	2500	2650	2600
		Jaya	3350	3500	3400
		Other	3700	3800	3750
Mannar	10	IR-8	3500	3700	3600
		Jaya	4000	4200	4100
		Other	4500	4700	4600
Manipur					
Imphal	3	Other	NR	2900	2900

Lamlong Bazaar	0.6	Other	NR	2900	2900
Thoubal	1.8	Other	2800	2800	2800
Meghalaya					
Shillong	0.6	Other	3400	3600	3500
Orissa					
Angul(Jarapada)	3.5	Other	2400	2800	2600
Balugaon	20	Sona Mansoori Non Basmati	2800	2900	2850
Bargarh	1.52	Other	2200	2400	2300
Bhanjanagar	0.1	Common	2000	2200	2100
Chandabali	85	Common	2200	2800	2400
Deogarh	9	Other	2000	3000	2500
Jagatsinghpur	1.9	Alur Sanna	2200	2600	2400
		Basamti Dawat	3500	5500	4500
Jajpur	NR	Other	2000	2500	2500
Jatni	2	Other	2000	2400	2200
Karanjia	5.6	Common	2400	2700	2500
		Other	2200	2500	2400
Nilagiri	9	Other	2200	2400	2300
Tripura					
Taliamura	32	Other	2500	2700	2600
Uttrakhand					
Gadarpur	3063	Other	1700	2050	1875
Tanakpur	5	Other	1800	2000	1900
West Bengal					
Balurghat	23	Other	1960	2040	2000
Barasat	75	Masuri	2350	2450	2400
		Other	2500	2600	2550
Baruipur(Canning)	8.5	Super Fine	3500	3700	3600
Coochbehar	49	Coarse	2100	2175	2125
		Masuri	2750	2900	2800
Egra/contai	54	Coarse	1970	2110	2070
		Fine	2350	2450	2400
Habra	60	Other	1850	1850	1850
Jalpaiguri Sadar	20	Fine	2700	2750	2725
		Other	2000	2050	2025
		Super Fine	3400	3600	3440

Kaliaganj	26	Other	2400	2500	2450
Karimpur	2	Other	3100	3200	3150
Medinipur(West)	10	Other	2280	2320	2300
Pandua	48	Ratnachudi (718 5-749)	2550	2800	2700
Pundibari	8	Coarse	2050	2150	2100
Purulia	48	Other	2360	2400	2380
Raiganj	27	Other	2500	2600	2550
Ramkrishanpur(Howrah)	22.2	Other	2500	2700	2600
		Sona Mansoori Non Basmati	2300	2500	2400
Uluberia	11.8	Other	2200	2400	2300
		Sona Mansoori Non Basmati	1800	2000	1900

(Arrivals and Prices in Rs/Qtl)

Disclaimer

The information and opinions contained in the document have been compiled from sources believed to be reliable. The company does not warrant its accuracy, completeness and correctness. Use of data and information contained in this report is at your own risk. This document is not, and should not be construed as, an offer to sell or solicitation to buy any commodities. This document may not be reproduced, distributed or published, in whole or in part, by any recipient hereof for any purpose without prior permission from the Company. IASL and its affiliates and/or their officers, directors and employees may have positions in any commodities mentioned in this document (or in any related investment) and may from time to time add to or dispose of any such commodities (or investment). Please see the detailed disclaimer at © 2015 Indian Agribusiness Systems Pvt. Ltd.