Domestic Market Highlights:

Aromatic rice market traded against all expectations and decreased by 2-10% in the month of May. Previously market expected increase in price due to higher import expectation from Iran and increased consumption in domestic market, however forecast for lower rainfall went against common expectation of the market. Generally area increases under basmati in weaker monsoon season. Lower rainfall in major aromatic growing states like Punjab, Haryana and U.P is expected to increase by 5-10% this year too which has impacted the cash market fundamental negatively. Currently 1121 steam price in Delhi market is hover in the range of Rs.5000-5100/quintal and Basmati raw is around Rs.6000-6200/quintal.

Pakistan Basmati FOB in the month of May was down from the Indian basmati rice FOB by 15 US Dollar and currently hover in the range of USD 890-895/MT. Pakistan basmati rice price have declined slightly in May after increasing continuously for two months. The decrease is due to better rice growing prospects as per FAO.

Agriwatch revised the rice export in the second week of May after updating of rice export by APEDA. Total Rice export for MY-2014-15 till May-15 was 81.76 lakh tonnes which was up by around 22% from same period last year export of 67.02 lakh tonnes. Non basmati rice export in the month of May was 4.92 lakh tonnes and basmati exports for MY-2014-15(Oct14-Sep-15) in the month was 4.04 lakh tonnes.

India average wholesale rice prices continued to increase for the third consecutive month in May 2015 and currently hover in the range of Rs.2900-2910/quintal which is up by 2%from last month due to expected lower production from the just being completed Rabi secondary rice crop (November - May). Non basmati rice prices declined in February due to increased supplies and declining export demand.

There is a gossip in the market that Iran would start buying aromatic rice from India July onward. Notably Iran has banned aromatic rice import from mid November last year to support local growers and lighten the burden of higher stock. Most likely Iran may resume import from Ramdan-Says A.K Gupta, adviser, APEDA. Iran has imported 9.35 lakh tonne basmati from India in 2014-15.Total basmati shipment was registered at 37.8 lakh tonne in 2014-15.

Basmati acreage is expected to increase this year by 4 to 5 percent in comparison to 2.1million ha. last year. The main reason behind it is attributed mainly to lower rainfall, better returns and Punjab govt.'s move to encourage farmers to grow more basmati due to declining ground water level. Common rice need more water.

As per recent updates from PIB, kharif rice sowing for MY-2015-16 commenced in major growing states and 1.80 lakh hectares has been covered till 20th May 2015 which is up by 0.30 lakh hectare from same period last year.

Price Outlook:-Average Rice price in all India is likely to trade steady to firm with lean season in coming days.

International Market Highlight:

Pakistan has surplus stocks of wheat, rice and other agricultural commodities; the government is likely to impose duty ranging from 15 to 30 per cent on the import of these products in the budget 2015-16.The government is likely to review the rate of duty on the import of basmati rice which is second largest export of Pakistan after India. It has been proposed that duty should be increased from 10pc to 30pc in the next budget as import of basmati would forged domestic production. Similarly, it was proposed that duty on the import of broken rice should be enhanced from 10pc in 2014-15 to 30pc during the next fiscal year since rice is a cash crop and Pakistan earns foreign exchange on the export of rice.

According to Reuters, Vietnam the one of the major rice exporter, has increased the floor price (minimum export price, MEP) of its lower quality (25% broken) rice exports by about 3% to around $350 per ton from around $340 per ton in advance of the Philippines tender which is on June 5, 2015. The new MEP will reportedly be effective from June 1, 2015.

As per Belarus Alesya Obodkova, the deputy director for logistics of the Belcoopsoyuz's Belcoopvneshtorg plans to rise up shipments of rice, fresh and dried fruits, nuts from Pakistan. Rice is a very popular product in Belarus. Belcoopsoyuz's Belcoopvneshtorg imports 300 tonnes of rice per month. They already took samples of rice in Pakistan and will test them for quality. For the time being country will sign an agreement of intent, statement given by Alesya Obodkova.

As per the latest report by IGC released on 28th May 2015, the Council's first projections for 2015/16, world rice output is seen increasing to a record of 482m t on larger outturns in key Asian producers. With food demand expected to boost total consumption to a peak of 489m t, aggregate end-season carryovers are set to contract by 7%, to a six-year low, including another steep drop in major exporters' inventories. Traded volumes in 2016 are anticipated to be only fractionally below the forecast for the current year as competitively priced supplies likely stimulate above-average shipments to Africa and Asia.

Unofficial preliminary rice exports (excluding premium white and fragrant rice) for April 20-26, 2015 totaled 77,242 metric tons, up 63,275 metric tons from the previous week and up 7,755 metric tons from the four-week moving average of 69,487 metric tons. Rice exports from January 1 – April 26, 2015, totaled 1,154,732 metric tons, down 2 percent from the same period last year.

As of April 28, Thailand had shipped 2.95 million tonnes of rice since the beginning of the year, up by just 2.46 per cent year on year. Meanwhile India's exports rised by 32.11 per cent to 2.87 million tonnes, and Pakistan are increased by 32.09 per cent to 1.73 million tonnes. Vietnam's rice exports were up by 2.71 per cent to 1.71 million tonnes.

Rice Prices in Various Markets:

June-08-2015	White Rice 5% Broken	White Rice 25% Broken
Gujarat	2459.38	2363.56
Andhra Pradesh	2439.13	2135.50

In Rs./Quintal

Rice Prices in Various Markets

Market	Arrivals	Variety	Minimum Price	Maximum Price	Modal Price
	(Tonnes)		(Rs./Quintal)	(Rs./Quintal)	(Rs./Quintal)
Andhra Pradesh					
Chirala	0.1	B P T	3500	3600	3550
Divi	0.1	B P T	3100	3200	3100
Kondapi	0.1	B P T	3600	3800	3700
Nandyal	0.1	Sona Fine	3900	4000	3950
Tiruvuru	NR	Fine	3300	3500	3400
Visakhapatnam	0.1	B P T	3400	3600	3500
Assam					
Cachar	40	Common	2400	2900	2700
		Fine	3000	3600	3200
		Other	2000	2500	2300
Dibrugarh	NR	Other	2200	2800	2500
Gauripur	28	Fine	3500	5000	4500

		Other	2200	3000	2600
Karimganj	20	Common	2200	2400	2300
Lanka	30	Medium	1850	1900	1875
Jammu and Kashmir					
Jammu (Grain Mandi)	NR	Basmatibar (Raw/Old)	10000	10400	10200
Jharkhand					
Gumla	NR	Other	2900	3200	3050
Khunti	NR	Coarse	1750	1850	1800
		Fine	2500	2900	2700
		Medium	2350	2450	2400
Lohardaga	NR	Common	1800	2200	2060
		Fine	2600	2800	2750
		Medium	2200	2400	2335
Sahebganj	NR	Fine	2400	3000	2600
		Medium	1800	2400	1900
Karnataka					
Bangalore	2245	Medium	4000	4600	4300
Gangavathi	7	Other	2380	2400	2380
Kerala					
Aroor	6	Basumathi	6800	7000	6900
		IR-8	2300	2500	2400
		Jaya	3400	3600	3500
		Other	3100	3300	3200
Chengannur	8	IR-8	2400	2800	2500
		Jaya	3200	3600	3300
Mannar	10	IR-8	2800	3000	2900
		Jaya	3500	3700	3600
Maharashtra					
Bhivandi	8	1009 Kar	1500	1700	1600
Mumbai	1652	Other	2000	5500	3750
Orissa					
Bolangir	6	Other	2400	2500	2400
Deogarh	9	Other	2000	3000	2500
Jajpur	NR	Other	2000	3000	2500
Jeypore(Kotpad)	38	Common	3000	3300	3250
Jhumpura	NR	Other	1800	2600	2200
Kalahandi(Dharamagarh)	28.69	Other	2100	2200	2200
Nilagiri	10	Other	2200	2400	2300
Nimapara	6.5	Other	1800	2000	1900
Tusura	4	Other	2300	2400	2300
Uttar Pradesh					
Allahabad	19	Other	NR	NR	2150
Ballia	170	III	1950	2050	1985
Balrampur	31.5	Other	1970	2000	1985
Basti	69	III	1850	2000	1925
Bindki	45	Other	2100	2150	2120
Buland Shahr	18	III	1800	2100	2025
Chandoli	7	Other	1865	1900	1885

Chorichora	**15**	**III**	**1950**	**1965**	**1955**
Fatehpur	30	III	NR	NR	2180
Gazipur	37	III	2000	2020	2010
Ghaziabad	50	III	NR	NR	2170
Gulavati	2	III	2000	2060	2035
Jahanabad	12	Coarse	2150	2170	2160
Jasra	18	III	NR	NR	2100
Jaunpur	75	Coarse	1975	2075	2015
Jhansi	7	Other	1900	2000	1960
Karvi	16.5	III	1925	2125	2025
Khaga	11	Coarse	NR	NR	2170
Khurja	**4**	**III**	**NR**	**NR**	**2035**
Lakhimpur	12	Other	2100	2200	2165
Lalganj	2	III	1970	2000	1985
Mirzapur	8	Other	NR	NR	1985
Muradabad	10	III	NR	NR	2075
Naugarh	**8.5**	**III**	**1900**	**1975**	**1935**
Pilibhit	90	Coarse	2160	2195	2180
Pratapgarh	27	III	1990	2040	2015
Pukhrayan	5	III	NR	NR	2215
Raibareilly	4	Other	2000	2030	2015
Sambhal	17	III	2125	2160	2140
Sardhana	NR	III	NR	NR	2125
Shahjahanpur	**171**	**Other**	**1980**	**2015**	**2000**
Siyana	2	III	NR	NR	2050
Varanasi(Grain)	426	Other	1975	2030	1995
Yusufpur	25	III	1900	1970	1930
Uttrakhand					
Gadarpur	925	Other	2100	3100	2600
West Bengal					
Alipurduar	58	Common	2150	2250	2200
		Fine	3150	3250	3200
		Super Fine	3600	3700	3650
Balurghat	**28**	**Other**	**1860**	**1950**	**1900**
Beldanga	45	Other	2250	2350	2300
Bishnupur(Bankura)	**50**	**Masuri**	**1850**	**1950**	**1900**
		Other	2150	2250	2200
Champadanga	**14**	**Ratnachudi (718 5-749)**	**2400**	**2500**	**2450**
Coochbehar	43	Coarse	1975	2100	2050
		Masuri	2775	2900	2825
Darjeeling	2.5	Parimal (New)	2600	2800	2700
Ghatal	NR	Common	1870	1930	1910
		Fine	2000	2060	2030
Habra	55	Other	1850	1850	1850
Kalimpong	1.4	Other	2300	2500	2400
Kasimbazar	50	Other	2250	2350	2300
Khatra	**37**	**Other**	**2200**	**2300**	**2240**

Pundibari	23	Coarse	1975	2025	2000
Purulia	60	Other	2360	2400	2380
Sheoraphuly	8	Ratnachudi (718 5-749)	2825	2900	2875

(Arrivals and Prices in Rs/Qtl)