## Domestic Market Highlights:

**Aromatic rice price in ( all varieties) wholesale markets are continuously firming up due to boost in local** demand and also lower sowing of basmati varieties reported in this kharif season as per traders and farmers feedback received last week. We expect firmness to continue in coming weeks.

**Total area planting to India's 2015-16 Kharif (main)** rice crop (June - December) stood at around 13.211 million hectares as of July 17, 2015, up about 4% from around 12.655 million hectares planted during the same time last year.

**India received 8% below normal rainfall in the third week of July, according to the Indian Meteorological Department (IMD). Central, south peninsular and north-east regions received 15%,** 13% and 4% below average rains during the week. However, the north-west region received 12% above-average rainfall. AW is concerned that less rainfall in July could severely impact rice yields. If rains do not pick up in the next few days, a substantial decline in acreage and yields is possible. The IMD is predicting rains to improve in the central and southern regions after July 20-25.

**The lifting of sanctions on Iran by the U.S. and the E.U will not affect India's basmati rice exports** though exports of other commodities like soymeal, sugar and corn are likely to be affected. A former President of the All India Rice Exporters Association (AIREA) noted that basmati rice exports to Iran may now increase by about 10% as Iranian traders were limiting their purchases and were preferring other routes, but now they are free to work directly with Indian exporters. He added that Iran may import around one million tons of Indian basmati rice. India exported around 900,000 tons of basmati rice to Iran in FY 2014-15 (April - March) compared to around 1.44 million tons in FY 2013-14 due to a temporary ban imposed by the Middle East nation citing surplus stocks.

**Food grains procurement by the West Bengal state government has fallen far short of the target set** by the Mamata Banerjee government. The paddy procurement target in Kharif season was 23, 70,000 tonnes. So far, only 13, 15,217 tonnes could be procured. Food minister Jyotipriya Mullick, though, claimed that the target could be achieved by September. However, this year's target achievement is a notch higher than last year's. Last year, the target was 22, 00,000 tonnes and the achievement was only 9, 16,087 tonnes. Higherprice offered in open market could be the main reason for lower procurement in 2014-15 seasons.

**Total Rice export for MY-2014-15 till June-15 was 91.17 lakh tonnes which was up by around** 20% from same period last year export of 75.71 lakh tonnes. Non basmati rice export in the month of June was 5.98 lakh tonnes and basmati exports for MY-2014-15(Oct14-Sep-15) in the month was 3.43 lakh tonnes.

For remaining three months (July-Sept-2015) we expects that around 7-7.5 lakh tonnes rice will be exported from India which account total rice export expectation comes to approx 9.5-9.8 lakh tonnes for MY- 2014-15.

**Basmati rice imports by the European Union (EU) nations declined to around 223,549 tons during** September 1, 2014 - June 18, 2015, down about 27% from around 305,469 tons imported during the same period last year. Netherlands remains the largest buyer of basmati rice with 45,783 tons (about 20% of total basmati imports during the stated period) followed by the U.K with 38,307 tons (about 17% of total basmati imports during the period). Basmati rice imports by the other EU nations during September 1, 2014 - June 18, 2-015 is as follows: Belgium (37,126 tons; 16.6%); France (35,484 tons; 15.8%); Italy (25,385 tons; 11.3%) and Spain (24,813 tons; 11%). While basmati rice imports by the Netherlands increased about 17% from around 39,249 tons last year, those by the U.K declined about 68% from around 121,429 tons last year.

Government of basmati producing states (Punjab and Haryana) have been advised to plant Pusa basmati 1509 variety after July 15 to avoid incidence of breakage. About 300,000 hectares in Punjab and about 250,000 hectares in Haryana were used to plant basmati 1509 variety 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:

**The Philippines, one of the world's biggest rice importers, could ship in more to boost buffer stocks** and keep local prices stable because of an El Nino dry weather pattern now forecast to last until next year, potentially hurting the local harvest. Rice imports this year have reached 750,000 tonnes out of which 550,000 tonnes from Vietnam and the rest from Thailand. The NFA has permission from President Benigno Aquino to import an additional 250,000 tonnes if drought conditions worsen and hurt local rice production. However rice production is likely to up by 4.3% from last year with 12.4 million tonnes in coming season of 2015-16

**The price of Thai rice is expected to climb steadily** into next year, mainly because of the impact of drought on the world market as well as production in Thailand. However, there are still some factors that could suppress the price including the world economy, the financial problems in some countries, and the oil price, as it affects the purchasing power of some rice-importing nations. The Thai Rice Exporters Association (TREA) latest forecast that Thailand should be able to export between 9.5 million and 10 million tonnes of rice this year, as drought has increased demand in many countries, while Thailand has plenty of rice stocks. The drought will encourage higher rice prices in the world market and domestically amid higher demand amid lower production in Thailand and many countries. In Thailand alone, rice output is expected drop by 15-20 per cent or about 2 million to 3 million tonnes from the drought.

**Vietnam rice exported stood about 2.92 million tonnes from January 01, 2015 – 23 July** 2015 which is down by 19% from last seven months export figure of 3.63 million tones as per data received from Vietnam Food Association. The average FOB for rice in this year is approx USD 414/MT, down by 4% from last year same period price of USD 431/MT.

**Overall rice exports from Pakistan have declined sharply in July-March 2015 because Pakistani basmati cannot compete with Indian Basmati on marketing grounds. More especially** Pakistani basmati export to the UAE has declined 26.4 percent yoy in July-February 2015. Due to a slump in global prices non-basmati rice came down in value terms but not in quantity. However, the report warns Pakistani exporters to remain vigilant as Thailand is gradually firming up its export orders.

**Thai rice exports for 2015 are expected to reach 9.5 million tonnes, according to the Thai Rice Exporters Association's** estimate. Its previous forecast was 10 million tonnes. In the first half of this year, 4.5 million tonnes of Thai rice have been sold already. Thailand is expected to sell 800,000 tonnes per month on average as foreign demand remains rapid from Indonesia and the Philippines. According to TREA President Chareon Laothamatas the situation would improve in the second half.

**Rice Prices in Various Markets:**

| July-27-2015 | White Rice 5% Broken | White Rice 25% Broken |
|---|---|---|
| Gujrat | 2524.45 | 2300.76 |
| Andhra Pradesh | 2504.20 | 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** | | | | | |
| Addanki | NR | B P T | 3750 | 3800 | 3770 |
| Divi | 0.1 | B P T | 3100 | 3200 | 3100 |
| Kondapi | 0.1 | B P T | 3600 | 3800 | 3700 |
| Assam | | | | | |
| Cachar | 30 | Common | 2400 | 2900 | 2700 |
| | | Fine | 3000 | 3600 | 3200 |
| | | Other | 2000 | 2500 | 2300 |
| Gauripur | 20 | Fine | 3500 | 5000 | 4500 |
| | | Other | 2200 | 3000 | 2600 |
| Jharkhand | | | | | |
| Gumla | NR | Other | 3000 | 3200 | 3100 |
| Khunti | NR | Coarse | 1750 | 1850 | 1800 |
| | | Fine | 2500 | 2900 | 2700 |
| | | Medium | 2350 | 2450 | 2400 |
| | | Other | 1800 | 2200 | 2000 |
| Lohardaga | 20 | Common | 1800 | 2200 | 2000 |
| | | Fine | 2700 | 3000 | 2800 |
| | | Medium | 2200 | 2400 | 2300 |
| Pakur | 3.68 | Fine | 3044 | 3233 | 3158 |
| Karnataka | | | | | |
| Bangalore | 1595 | Medium | 4000 | 4500 | 4300 |
| Bangarpet | 196 | Broken Rice | 1360 | 1720 | 1580 |
| | | Sarbati Raw | 2580 | 3240 | 2620 |
| Honnali | 10 | Sarbati Raw | 1800 | 1800 | 1800 |
| Hoskote | 4 | Coarse | 4175 | 4175 | 4175 |
| Kerala | | | | | |
| Cherthala | 10 | IR-8 | 2500 | 2600 | 2550 |
| | | Jaya | 3350 | 3500 | 3400 |
| | | Other | 3650 | 3800 | 3700 |
| Mannar | 10 | IR-8 | 2800 | 3000 | 2900 |
| | | Jaya | 3600 | 3800 | 3700 |
| Orissa | | | | | |
| Bonai | 0.4 | Other | 2200 | 2400 | 2400 |
| Deogarh | 9 | Other | 2000 | 3000 | 2500 |
| Jajpur | NR | Other | 2000 | 3000 | 2500 |

| | | | | | |
|---|---|---|---|---|---|
| Jatni | 2 | Masuri | 2000 | 2500 | 2250 |
| Karanjia | 4.5 | Common | 2400 | 2700 | 2500 |
| | | Other | 2200 | 2500 | 2400 |
| Nilagiri | 10 | Other | 2200 | 2500 | 2300 |
| Tileibani | 9 | Other | 2000 | 3000 | 2500 |
| Tripura | | | | | |
| Melaghar | 4 | Coarse | 2200 | 2300 | 2250 |
| | | **Fine** | **2900** | **3000** | **2950** |
| | | Masuri | 2500 | 2600 | 2550 |
| Uttar Pradesh | | | | | |
| **Achalda** | **40** | **III** | **NR** | **NR** | **2285** |
| Ajuha | 19.5 | Other | NR | NR | 2050 |
| Allahabad | 190 | Other | NR | NR | 2185 |
| Balrampur | 40 | Other | 2025 | 2060 | 2045 |
| Barabanki | 65 | III | 2000 | 2050 | 2025 |
| Baraut | 5 | III | NR | NR | 2100 |
| Bareilly | 158 | Coarse | NR | NR | 2160 |
| Basti | 68.5 | III | 1850 | 2000 | 1925 |
| **Bijnaur** | **8** | **III** | **NR** | **NR** | **2145** |
| Bindki | 90 | Other | 2130 | 2160 | 2150 |
| Buland Shahr | 18 | III | 1800 | 2100 | 2030 |
| Chaandpur | 600 | Other | NR | NR | 2150 |
| Dadri | 55 | III | NR | NR | 2080 |
| Devariya | 75 | III | 2000 | 2030 | 2015 |
| Farukhabad | 6 | III | NR | NR | 2210 |
| **Gazipur** | **59** | **III** | **1970** | **2000** | **1985** |
| Gonda | 170 | III | 1950 | 2020 | 1975 |
| Hapur | 60 | III | NR | NR | 2120 |
| Jaunpur | 70 | Coarse | 1950 | 2050 | 1980 |
| **Kasganj** | **16.5** | **Coarse** | **2020** | **2075** | **2040** |
| Khairagarh | 11 | III | 2010 | 2070 | 2040 |
| **Khurja** | **6** | **III** | **NR** | **NR** | **2030** |
| Lakhimpur | 10 | Other | 2100 | 2200 | 2135 |
| Lalganj | 2 | III | 1980 | 2000 | 1990 |
| Lucknow | 112 | Coarse | 2100 | 2200 | 2150 |
| Mawana | 1.5 | III | NR | NR | 2170 |
| Partaval | 20 | III | 1925 | 1975 | 1950 |
| Pilibhit | 120 | Coarse | 2170 | 2210 | 2190 |
| Pratapgarh | 35 | III | 2020 | 2070 | 2045 |
| **Rampur** | **6** | **Other** | **2100** | **2150** | **2120** |
| Robertsganj | 7 | III | NR | NR | 1940 |
| **Saharanpur** | **57** | **III** | **NR** | **NR** | **2150** |
| Sardhana | 1 | III | NR | NR | 2160 |
| Shahganj | 25 | III | 1870 | 1940 | 1900 |
| Shahjahanpur | 60 | Other | 2000 | 2020 | 2010 |
| Sitapur | 28 | Coarse | 2060 | 2200 | 2112 |
| Siyana | 2 | III | NR | NR | 2040 |
| Soharatgarh | 13.5 | III | 1925 | 1970 | 1945 |
| Sultanpur | 350 | Other | 2035 | 2125 | 2070 |

| | | | | | |
|---|---|---|---|---|---|
| Uttrakhand | | | | | |
| Gadarpur | 2097 | Other | 1863 | 2070 | 1967 |
| West Bengal | | | | | |
| Bolpur | 194 | Fine | 2100 | 2200 | 2150 |
| | | Other | 1950 | 2050 | 1980 |
| Champadanga | 15 | Ratnachudi (718 5-749) | 2400 | 2600 | 2500 |
| Coochbehar | 18 | Coarse | 2025 | 2100 | 2050 |
| | | Masuri | 2750 | 2900 | 2850 |
| Habra | 51 | Other | 1870 | 1870 | 1870 |
| Jalpaiguri Sadar | 24 | Fine | 2750 | 2850 | 2800 |
| | | Other | 2150 | 2250 | 2200 |
| | | Super Fine | 2450 | 3550 | 3500 |
| Kalipur | 74 | Other | 1850 | 1950 | 1900 |
| | | Sona Mansoori Non Basmati | 1750 | 1900 | 1800 |
| Lalbagh | 14 | Other | 2250 | 2350 | 2300 |
| Medinipur(West) | 15 | Other | 2250 | 2300 | 2300 |
| Mekhliganj | 18 | Common | 1800 | 1900 | 1850 |
| | | Fine | 2950 | 3100 | 3050 |
| Pandua | 48 | Ratnachudi (718 5-749) | 2300 | 2500 | 2400 |
| Sheoraphuly | 3.5 | Ratnachudi (718 5-749) | 2350 | 2400 | 2375 |

**(Arrivals and Prices in Rs/Qtl)**