Domestic Market Highlights:

Total Rice exported from India in the first week of October (05-11) was 168107.87 tonnes in which basmati rice contribution is 98.15% ,only 1.84% non basmati rice exported in this period with quantity of around 3103 tonnes as per latest data extract from IBIS. Major importers for Indian Basmati rice in this period was Saudi Arabia, Iraq and UAE.

Inflation: Among the food grains, Inflation of Rice in the month of September has increased to 0.04% from the previous month's level of 238.2.

Total rice exports from India for MY-2014-15 till September-15 was 118 Lakh tonnes which was up by around 14% from last year's export of 104.3 lakh tonnes for the same period. Non- basmati rice exports in the month of September was 5.0 lakh tonnes and basmati exports in the month was 3.83 lakh tonnes. The total rice export is touched 118 lakh tonnes for MY- 2014-15, which will up by 13% from MY 2013-14 export of 104 lakh tonnes. Basmati exports in the end of marketing year were 41 lakh tonnes which is 18% up from last year exports of 34.59 lakh tonnes. Even after ban from Iran which is one of the largest buyers of Indian Basmati rice. In MY 2014-15, Saudi Arabia, Iraq, Kuwait, USA were the main buyers.

According to FAO, Pakistan Basmati FOB in the month of September traded weak by 3.66% from the previous month and currently hovers in the range of USD 855/MT, Similarly, Indian FOB in the month of September moved down from last month and currently is in the range of USD 790-795/MT which is down by around 11% from last month price. According to the FAO, rice prices in India and Pakistan declined due to the on-going harvesting.

Total rice planting to India's main crop (June-December) stood 37.59 million hectare as of Oct-01, 2015 which is up by 0.72 lakh Ha during same period last year. This is almost final figure of main crop.

Punjab Govt. has re-imposed 7% tax on basmati rice procurement again to check manipulation by trades and exporters. The state govt had withdrawer taxes on the hope of higher prices. The applicable tax includes 2% tax towards market fee, 2% towards rural development fund and 3% towards Punjab Infrastructure Development Fund. Now millers/exporters require paying 7 % tax. However, exporters can get a refund if they export total purchased quantity. Actually govt had incurred heavy loss due to this tax withdrawal last year. This year production of basmati in Punjab is expected around 3.2 million tonne. It will give govt. Rs 448 crores.

The Odisha cabinet approved the state food and procurement policy for kharif marketing season (KMS) 2015-16 that targets to procure 30 lakh tonnes of paddy in kharif and rabi seasons. An initial target of 30 lakh tonnes of paddy has been fixed for kharif season 2015-16 by the government procuring agencies. As much as 23 lakh tonnes in kharif and 7 lakh tonnes in rabi season would be procured from the farmers in the state. Government agencies would be allowed to procure paddy from the Regulated Market Committee yards (mandis). In KMS 2014-15, state has procured around 34 lakh tonnes of paddy and due to major destroyed of paddy standing crop this year paddy procurement target is only 30 lakh tonnes

The procurement of paddy began in Haryana mandis from 24 September 2015, a week ahead of schedule. The procurement Centre also agreed to the request of the Haryana government for procurement of PB 1509 variety of paddy. Procurement will continue till December 15. Paddy of common variety will be procured at a Minimum Support Price (MSP) of Rs 1,410 a quintal and Grade-A at MSP of Rs 1,450 a quintal.

Price Outlook:-Average Rice price in all India is likely to trade steady to weak with arrival season is about to starts in coming days.

International Market Highlight:

USDA forecasts 2015 global rice trade at around 42.4 million tons, down 2% from an estimated 43.2 million tons in 2014 and unchanged from last month's forecast. USDA expects a 2 million ton or 18% decline y/y in 2015 Thai rice exports and weaker shipments from Egypt, but says an increase from other countries such as India, Pakistan and the U.S. may not fully compensate for fall in Thai exports.

The Philippines rice stocks have declined for fourth consecutive month in September 2015 after increasing in April and May, according to the Bureau of Agricultural Statistics (BAS). Total rice stocks in the Philippines as of September 1, 2015 stood at around 1.96 million tons, down about 12.5% from around 2.24 million tons recorded in August 2015, and up about 31.5% from around 1.49 million tons recorded during the same period last year.

Lower Rice Output Could Not Affect Thai Rice Export in 2015-16: Due to dry weather, rice production in Thailand is likely to drop by around 4% from last year production of 18.75 million tonnes, but export from country may be steady with 10 million tonnes. The stockpiled rice accumulated under the previous government is expected to offset the possible decline in production. The military government holds about 13 million tons of rice stocks and it seeks to sell all the stockpiled rice by the end of next year, according to the Commerce Minister. Thailand FOB for white rice high quality is too favorable for major importing countries and currently average FOB is around USD 360-367/MT which is down by 17% from same time last year.

Vietnam average Rice FOB (International Price) in this year is about USD 420/MT which is down by 2-3% from last year price of USD 430-435/MT. Even after lower quotes offered by Vietnam, export from January till September 2015 was 4.8 million tonnnes which is 9% down by last year nine months export. This year importers switched towards Thailand and India due to better parity and good quality also.

Vietnam's rice stockpile shrinks as exports increase: On the back of the lowered expectations for the year, the VFA has dropped its export target to 6.1-6.3 million metric tons, 700,000-500,000 metric tons less than last year. The VFA official warned that despite the decline in rice exports, there is not much stockpiled because the central region had a poor crop. Nearly 1.4 million metric tons on order have not been delivered to customers, nearly 800,000 metric tons of which belong to Chinese customers. The VFA official expressed concern that many of these contracts are unlikely to be fulfilled.

Thai white rice long grain high quality is moving in the range of USD 350-360/T which is down by USD 20/MT and USD 100/MT from last month and last year respectively. Main crop harvesting is just started in some areas and will pick up in coming weeks and thus price is expected to move downwards.

For MY15/16, Philippines rice production and area harvested are likely to decline from the previous year's level as a result of the El Nino dry spell. As a result, milled rice imports in TY and MY15/16 were raised to 2 million tons for a modest increase from the MY14/15 level. In early September 2015, the Philippine government (GPH) approved the importation of an additional 750,000 tons of milled rice for arrival in the last quarter of 2015 (250,000 tons) and the first quarter of 2016 (500,000 tons). The GPH very recently awarded the supply contract for 750,000 tons of milled rice to Vietnam and Thailand. Export from India could also increase in the country.

Rice Prices in Various Markets:

Oct-15-2015	White Rice 5% Broken	White Rice 25% Broken
Gujarat	2368.85	2109.25
Andhra Pradesh	2348.60	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	3950	4000	3970
Chirala	0.1	B P T	3900	4000	3950
Kandukur	0.1	B P T	3400	3600	3500
Nandyal	0.1	Sona Fine	4200	4300	4250
Ongole	0.1	B P T	3700	3800	3760
Repalli	0.1	B P T	4200	4400	4300
Tiruvuru	NR	Fine	3400	3600	3500
Assam					
Cachar	120	Common	2400	2900	2700
		Fine	3000	3600	3200
		Other	2000	2500	2300
Gauripur	43	Fine	3500	5500	4500
		Other	1800	3000	2600
Hailakandi	4	Common	2400	2900	2700
		Fine	3000	3600	3200
		Other	2000	2500	2300
Karimganj	20	Common	2200	2400	2300
North Lakhimpur	6.3	Common	1800	2000	1900
		Super Fine	3000	4000	3500
Bihar					
Nawada	NR	Other	2000	2200	2100
Gujarat					
Jambusar	NR	Other	3200	3400	3300
Jambusar(Kaavi)	NR	Other	3300	3400	3350
Jharkhand					
Daltenganj	NR	Other	2240	2400	2330
Gadhwah	NR	Other	2300	2900	2500
Godda	NR	Medium	2400	2800	2600

		Other	1800	2200	2000
Jamshedpur	NR	Fine	3700	3750	3720
		Medium	2500	2550	2520
Saraikela	NR	Medium	2410	2600	2550
		Other	1890	2000	1970
Karnataka					
Bangalore	2647	Medium	4000	4400	4200
Bangarpet	534	Broken Rice	1450	1860	1520
		Sarbati Raw	2450	3050	2500
Kerala					
Aroor	4	Basumathi	7000	7200	7100
		IR-8	2400	2600	2500
		Jaya	2600	2800	2700
		Other	2900	3100	3000
Mannar	10	IR-8	2900	3100	3000
		Jaya	3600	3800	3700
		Other	6000	6200	6100
Punalur	NR	Jaya	1600	1600	1600
Maharashtra					
Devala	NR	Other	1650	1650	1650
Lakhandur	2	Other	1525	1525	1525
Palghar	17	1009 Kar	2070	2070	2070
Manipur					
Bishenpur	0.9	Other	2900	2900	2900
Lamlong Bazaar	1.2	Other	NR	3000	3000
Thoubal	1.4	Other	3000	3000	3000
Orissa					
Chandabali	85	Common	1400	1600	1600
Deogarh	9.5	Other	2000	3000	2500
Nilagiri	15	Other	2300	2500	2400
Tripura					
Mohanpur	5	Masuri	2800	3000	2900
		Other	2600	2800	2700
Uttar Pradesh					
Ballia	160	III	1950	2100	1975
Bareilly	295	Coarse	NR	NR	2230
Bijnaur	NR	III	NR	NR	2210
Bindki	27	Other	NR	NR	2255
Chorichora	10	III	2120	2155	2140
Farukhabad	4.5	III	NR	NR	2190
Gazipur	23	III	1990	2030	2010

Jaunpur	40	Coarse	1950	2050	2010
Mawana	1.5	III	NR	NR	2050
Mirzapur	4.5	Other	1950	2010	1980
Nautnava	1940	III	1850	2400	2000
Pilibhit	850	Coarse	2170	2205	2190
Sardhana	1	III	NR	NR	2090
Sehjanwa	74	III	2100	2185	2125
Shahjahanpur	3481.7	Other	2000	2060	2030
Varanasi(Grain)	220	Other	1950	2150	2010
Uttrakhand					
Gadarpur	4576	Other	1879	1975	1927
West Bengal					
Beldanga	41	Other	2300	2350	2325
Bishnupur(Bankura)	105	Masuri	1950	2050	2000
		Other	2250	2350	2300
Islampur	3.5	Other	2100	2200	2150
Kasimbazar	39	Other	2300	2350	2325
Khatra	39	Other	2200	2300	2250
Nadia	50	Fine	2850	2950	2900

(Arrivals and Prices in Rs/Qtl)