Domestic Market Highlights:

Wholesale Prices for India as an average for second week of October traded weak by 2.32% and are currently hovering at Rs.2640-2650/quintal. We expect non-basmati rice market to move range bound to slightly weak due to start of new arrivals in major north Indian market.

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.

Price Outlook:-Average Rice price in all India is likely to reel under pressure 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-19-2015	White Rice 5% Broken	White Rice 25% Broken
Gujarat	2372.50	2112.50
Andhra Pradesh	2352.25	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					
Kandukur	0.1	B P T	3400	3600	3500
Tiruvuru	NR	Fine	3400	3600	3500
Assam					
Dhekiajuli	30	Common	1960	2200	2100
		Fine	2300	2700	2500
North Lakhimpur	8.7	Common	1800	2000	1900
		Fine	2600	2800	2700
		Super Fine	3000	4000	3500
Silapathar	40	Fine	2500	3500	3000
		Medium	2100	2300	2200

Gujarat					
Jambusar	NR	Other	3200	3800	3500
Jambusar(Kaavi)	NR	Other	3200	3800	3600
Jharkhand					
Latehar	NR	Boiled Rice	1900	2000	1950
		Fine	2900	3100	3000
		Medium	2400	2600	2500
Karnataka					
Bangalore	1615	Medium	4000	4400	4200
Bangarpet	247	Broken Rice	1540	1800	1660
		Sarbati Raw	2360	2860	2560
Madikeri	6	Other	1450	1450	1450
Kerala					
Cherthala	10	IR-8	2350	2500	2400
		Jaya	3150	3300	3200
		Other	3650	3800	3700
Mannar	10	IR-8	2500	2700	2600
		Jaya	3000	3200	3100
		Other	6000	6200	6100
Maharashtra					
Mangaon	1	Other	1800	3500	2800
Palghar	64	1009 Kar	1843	3632	2963
Orissa					
Jajpur	NR	Other	2000	2800	2400
Uttar Pradesh					
Ajuha	12.5	Other	NR	NR	2100
Ballia	140	III	1940	2100	1970
Balrampur	21	Other	2030	2075	2050
Basti	110	III	1975	2150	2050
Bijnaur	16	III	NR	NR	2225
Buland Shahr	5	III	NR	NR	2035
Gazipur	34	III	2000	2020	2010
Gonda	87	III	2150	2320	2180
Haldaur	90	Other	NR	NR	2180
Jahanabad	13.5	Coarse	NR	NR	2350
Jasra	15	III	NR	NR	2085
Jaunpur	30	Coarse	1950	2050	2000
Khairagarh	10	III	2030	2070	2050
Mainpuri	75	Coarse	NR	NR	2060
Mirzapur	6	Other	1950	2000	1975
Partaval	20	III	1950	2000	1975

Pilibhit	800	Coarse	2160	2200	2180
Sardhana	0.8	III	NR	NR	2090
Sultanpur	250	Other	2100	2175	2135
Unnao	6	III	2150	2200	2170
Yusufpur	30	III	1960	2040	2000
Uttrakhand					
Bazpur	1521.95	Common	1820	1975	1942
West Bengal					
Chakdah	26.5	Other	2900	2900	2900
Garbeta(Medinipur)	27	Other	2230	2270	2250
Islampur	3.2	Other	2100	2200	2150
Jalpaiguri Sadar	23	Fine	2800	3000	2875
		Other	2000	2050	2030
		Super Fine	3600	3800	3650
Kaliaganj	12	Other	2720	2800	2750
Raiganj	14	Other	2870	2940	2900
Sheoraphuly	12	Ratnachudi (718 5-749)	2400	2600	2500

(Arrivals and Prices in Rs/Qtl)