Domestic Market Highlights:

Pusa basmati paddy has started hitting the Fazilka mandi in Punjab, purchasing is yet to commence. Millers are hesitant to buy paddy at current price as they had incurred heavy losses last year due to lower price in global market. Millers are not going to offer Rs 1700 to Rs 1800 per qtl this year. Higher price than this would make their business unviable. They say basmati price is ruling Rs3700 to Rs 3800 per qtl and at this price they are unable to offer more than Rs 1800 per qtl. They fear that large quantity of last year is still unsold. It would continue to restrict aromatic rice price in the weeks ahead. On the other hand farmers says that price should be around Rs 2500 per qtl so that they can meet their input cost and continue to grow basmati.

With increasing cost of production, lower rainfall and declining prices for aromatic rice prices farmers in Punjab and Haryana are facing problems related to basmati rice marketing this season. Ample stock in major importing countries, unexpectedly lower price, quality issue and sluggish demand from global market for aromatic rice have pressurized basmati rice price further. Farmers are in depressed mood and when they are expecting higher prices for their produce, prices rules lower. This has increased their problem. Now they have started protesting against the prevailing lower price are demanding a Minimum Support Price (MSP) of Rs 4200 to Rs 5000 per quintal from the government.

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 beginning of new arrival.

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					
Addanki	NR	B P T	3950	4000	3980
Divi	0.1	B P T	3500	3600	3500
Kandukur	0.1	B P T	3400	3600	3500
Kondapi	0.1	B P T	3700	3800	3750
Nandyal	0.1	Sona Fine	3200	3300	3250
Narasaraopet	0.1	B P T	3900	4100	4000
Repalli	0.1	B P T	4200	4400	4300
Tiruvuru	NR	Fine	3400	3600	3500
Visakhapatnam	0.1	B P T	3600	3800	3700
Assam					
Dhekiajuli	15	Common	1970	2200	2100
		Fine	2340	2650	2500
North Lakhimpur	31	Common	1800	2000	1900
		Fine	2600	2800	2700
		Super Fine	3000	4000	3500
Silapathar	4	Fine	2500	3500	3000
		Medium	2100	2300	2200
Bihar					
Kishanganj	NR	Other	2400	2800	2600
Gujarat					
Dahod	62.6	Coarse	3800	4200	4000
Jambusar	NR	Other	3000	4000	3500
Jambusar(Kaavi)	NR	Other	3500	4000	3800
Jhagadiya	NR	Other	1900	3100	2550
Jharkhand					
Daltenganj	NR	Other	2210	2400	2320
Gadhwah	NR	Other	2300	2900	2500
Jamshedpur	NR	Fine	3560	3700	3600
		Medium	2500	2700	2600
Ranchi	NR	Coarse	1775	2180	2000
		Fine	2900	5800	3060
		Medium	2225	2810	2250
Saraikela	NR	Medium	2410	2600	2540
		Other	1840	2000	1950
Karnataka					
Bangarpet	192	Broken Rice	1420	1820	1510
		Hansa	2560	2980	2820
Maharashtra					

Mangaon	2	Other	1800	3800	3000
Orissa					
Bonai	0.5	Other	2200	2400	2200
Jajpur	NR	Other	2000	2800	2400
Tripura					
Taliamura	42	Masuri	2600	2700	2650
Uttar Pradesh					
Achalda	35	III	NR	NR	2275
Allahabad	130	Other	NR	NR	2265
Baberu	2	Other	2100	2200	2150
Balrampur	15	Other	2030	2075	2050
Banda	25	III	NR	NR	2185
Baraut	8	III	NR	NR	2045
Bareilly	310	Coarse	NR	NR	2250
Basti	81.5	III	2000	2150	2060
Bindki	25	Other	NR	NR	2255
Dadri	70	III	NR	NR	2060
Devariya	180	III	2010	2030	2020
Dibiapur	8	III	NR	NR	2260
Faizabad	85	III	2125	2170	2150
Fatehpur	4	III	NR	NR	2245
Firozabad	14	III	NR	NR	2030
Ghaziabad	80	III	NR	NR	2070
Gonda	900	III	2160	2200	2180
Gorakhpur	280	III	2050	2200	2120
Gulavati	2	III	2000	2080	2045
Jahanabad	15	Coarse	NR	NR	2300
Jasra	16	III	NR	NR	2080
Jasvantnagar	600	III	NR	NR	2270
Jaunpur	50	Coarse	1950	2050	2015
Khaga	3.5	Coarse	NR	NR	2225
Khatauli	1	III	1950	2030	2000
Mawana	1	III	NR	NR	2050
Meerut	17.5	III	NR	NR	2065
Mirzapur	5	Other	1950	2010	1980
Muradabad	14	III	NR	NR	2250
Naugarh	11	III	1970	2025	1995
Partaval	20	III	1950	2000	1975
Payagpur	8.5	III	2050	2090	2070
Saharanpur	98	III	NR	NR	2140
Sardhana	1	III	NR	NR	2070
Shahjahanpur	2425.1	Other	2000	2060	2030
Sirsa	12	III	NR	NR	2160
Uttrakhand					
Bazpur	475.85	Common	1845	2210	2100
Gadarpur	2307	Other	1580	2050	1810
West Bengal					
Beldanga	41.5	Other	2300	2350	2325
Chakdah	25	Other	2900	2900	2900

Garbeta(Medinipur)	20	Other	2230	2270	2250
Ghatal	24	Common	1770	1850	1810
		Fine	**1980**	**2060**	**2020**
Islampur	3.2	Other	2000	2100	2050
Nadia	50	Fine	2850	2950	2900

(Arrivals and Prices in Rs/Qtl)