Domestic Market Highlights:

Rice prices are expected to move up in coming months as stock is depleting and kharif production prospects too look not so sound.As of now prices are ruling lower. However emerging scenario points towards firmness, Kharif rice production is estimated at 90.61 million tonnes in 2015-16 crop year. As major growing states are facing deficit rainfall, estimated production is unlikely to turn into a reality now.

Besides, higher export volume and supply for PDS (Public Distribution System) and other welfare schemes will continue to weigh on availability in the open market. All these developments may lend support to cash market fundamentals.

Wholesale Prices for India as an average for first week of November traded slightly firm by 0.46% and are currently hovering at Rs.2670-2675/quintal. We expect non-basmati rice market to move range bound in coming week. Sluggish trading activities are being expected due to continuous holidays this week. Fresh trade may be expected from next week. No major developments in bench mark markets have been reported.

Aromatic rice monthly average prices in the first week of November were registered at Rs.3700/quintal(1121 Sela) and Rs.4800/quintal(Steam). We expect price of 1121 varieties to move range bound in coming week.

Despite ban imposed by Iran on aromatic rice import Indian basmati rice continued to enter into Iran Market through UAE. Notably, world powers had agreed to lift sanctions on Iran four months ago and after this Dubai has emerged the new stopover for India's basmati rice exports to Iran. According to market experts Indian aromatic rice export volume has suddenly increased from Ave of 15000 T to Around 80,000 T now. Normalcy in trading conditions has given Indian basmati rice exporters the opportunity to use ports in Dubai to ship basmati rice to Iran.

This kharif season mandis of Hariyana have received 49.53 lakh tonne paddy so far.Out of the total arrival of paddy, 43.26 lakh tonnes were of Grade A, 13,555 tonnes Sharbati, 1.73 lakh tonnes Muchhal and 4.40 lakh tonnes were Basmati. Govt agencies have procured 40.75 lakh tonne.Last year till date total arrival was registered at 35.95 lakh tonne. Food and Supplies Department has purchased 18.50 lakh tonnes,hafed has purchased 14.50 lakh tonnes while 4.24 lakh tonnes has been purchased by the Haryana Agro-industries Corporation and Haryana Warehousing Corporation has procured3.49 lakh tonnes.

Government procurement of MY 2015/16 rice under the minimum support price is significantly ahead of last year due to the timely harvest of rice unlike last year where harvest was delayed by about two weeks due to October rains. Government procurement through October 25, 2015, is estimated at 6.54 MMT compared to 5.05 MMT during the corresponding period of MY 2014/15. Most of the procurement is currently limited to the northern states, but will gradually spread to other parts of the country from November onwards as harvest progresses. Based on the production and procurement estimates suggested by various states, the government has set the MY 2015/16 kharif rice procurement target of 30 MMT compared to MY 2014/15 kharif rice procurement of 25.3 MMT (target 30.1 MMT).

The Agricultural Products Export Development Authority (APEDA) is planning to promote basmati rice exports in retail packs with Indian brands in key markets in order to boost the country's basmati rice exports. This will increase the Basmati price in some extent. It is anticipated that the prices would bounce back by late December primarily due to an increase in demand from the Middle East and Iran which is expected to resume imports of the aromatic rice after January-February as Agriwatch expected.

Total Rice exported from India in fourth week of October (26 Oct-01 Nov) was 145388.83 tonnes out of which basmati rice contributes 43.01%, and 56.98% non-basmati rice exported in this period with quantity of around 82848.22 tonnes as per latest data extract from IBIS. Major importers for Indian Basmati rice in this period were UAE, Iran, Saudi Arabia and Korea. We expect Middle East countries to remain the major basmati buyers for Indian Basmati from Mundra and Kandla Port in coming weeks. Rice exports in this week were up by 64% from last week export of 88483.77 tonnes.

As per Agriwatch second preliminary estimates after final Kharif sowing ,Indian rice production (including rabi) is expected to down by 4-5% from last year production of 104.5 million tonnes to 99-100 million tonnes in KMS 2015-16 due to lower area and lower rainfall in major growing states. Average rice price is likely to trade steady even with harvesting season starts, due to lower production estimates and lower carryover stock.

Price Outlook:-Average Rice price in all India is likely to reel under pressure with beginning of new arrival.

International Market Highlight:

According to the Guyana Rice Development Board (GRDB), Guyana has exported around 437,448 tons of rice in the first ten months (January - October) of 2015, up about 6% from around 412,228 tons exported during the same period last year.

Rice exporters in Combodia are not happy with local export policy as they are paying high er tax per container in comparison to Vietnam & Thailand. They pay $50 per container higher for export as tax.Higher port and container cost would derail export target of 1 MMT for the country. A group of Analysts opined that the target would be possible only if the country successfully sort out issues like blocking competitiveness, including high costs related to transportation.

According to the UN's Food and Agriculture Organization (FAO), Pakistan basmati rice export prices have declined for second consecutive month after increasing in August 2015. The decline can be attributed to increasing supplies from the current harvest, lack of export demand as well as surging stocks. Pakistan rice exporters reportedly hold around 500,000 tons of basmati rice from last season. In October 2015, Pakistan's basmati rice export prices have declined by about 23% to around $661 per ton from around $855 per ton in September 2015, and down about 54% from their year-ago levels of around $1,435 per ton. Unlikely, Indian FOB in the month of October moved up from last month and currently is in the range of USD 820-825/MT which is up by around 3.86% from last month price.

Iran may do away with ban on aromatic rice import from Pakistan. However,prevailing condition is not in favor of Pakistan.If ban is lifted Pakistan would not be able to grab opportunity again asthe decision will remain ineffective until proper currency transfer arrangements between the two countries are made. Pak Rice association chaiman says that an effective and trusted formal banking channel of currency transfer and Good Manufacturing Practices (GMP) Certificates by Iran government for Pakistani exporters can revive rice export from Pakistan.Under current condition India is taking advantage ofpreferential exchange rate due to availability of official channel against Pakistani exporters.

According to the Bureau of Agricultural Statistics (BAS), The Philippines rice stocks have increased in October 2015 after declining for four months continuously due to increase in imports. Total rice stocks in the Philippines as of October 1, 2015 stood at around 2.2 million tons, up about 12.2% from around 1.96 million tons recorded on September 1, 2015, and up about 21.5% from around 1.81 million tons recorded during the same period last year.

The IGC forecasts 2015-16 global rice trade at around 42 million tons, unchanged from the previous year's 42 million tons as well as its previous estimate of around 42 million tons. Thailand is projected to be the world's leading exporter in 2016.

According to data from the Vietnam Food Association (VFA), Vietnam exported about 4.48 million tons of rice in January 1 - October 20, 2015, down about 17% from about 5.37 million tons of rice exported in first ten months of 2014. Global rice prices especially of Vietnam are continuing to increase amid fears of lower supplies and increased demand from Indonesia and the Philippines. This could be opportunity for Indian rice export as international rice price is ruling below from all major suppliers and Indian rice export could increase in MY 2015-16.

Indonesia has finally agreed to import rice from Thailand and Vietnam to secure domestic stocks and maintain stable prices after previously insisting that stocks were low but enough to satisfy his commitment to self-sufficiency in the vital commodity. Indonesia needs rice supplies from overseas to maintain sufficient stocks in anticipation of failed harvests due to prolonged drought caused by the El Niño weather phenomenon. As per State Logistics Agency current stocks had almost run out, with only 1.4 million tons remaining. Vietnam had agreed to provide 1 million tons of rice for Indonesia. Thailand has not yet come to an agreement. As Agriwatch expect, it is likely to increase the rice price of Vietnam after this deal as demand of Vietnam rice is more in overseas market.

Vietnam 5% broken rice is now showing at about $375 per ton, up about $15 per ton from a week ago, up about $15 per ton from a month ago and down about $65 per ton from a year ago.

Rice Prices in Various Markets:

Nov-17-2015	White Rice 5% Broken	White Rice 25% Broken
Gujarat	2340.25	2245.00
Andhra Pradesh	2320.00	2145.50

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	3900	4000	3950
Divi	0.1	B P T	3500	3600	3500
Kandukur	0.1	B P T	3550	3650	3600
Kondapi	0.1	B P T	3700	3800	3750
Markapur	0.1	B P T	3900	4000	3950
Nandyal	0.1	Sona Fine	4200	4350	4250
Narasaraopet	NR	B P T	3900	4100	4000
Tiruvuru	NR	Fine	3400	3600	3500

Visakhapatnam	0.1	B P T	3600	3800	3700
Assam					
Dhekiajuli	15	Common	1900	2100	2000
		Fine	2300	2650	2500
Gauripur	46	Fine	3500	5500	4500
		Other	1800	3000	2600
Howly	67	Broken Rice	1400	1500	1450
		Common	1700	2000	1900
		Fine	2600	2900	2800
		Super Fine	4700	4900	4800
Lanka	50	Common	1700	1750	1725
North Lakhimpur	12	Common	1800	2000	1900
		Fine	2600	2800	2700
		Super Fine	3000	4000	3500
Gujarat					
Jambusar	NR	Other	3200	4000	3600
Jambusar(Kaavi)	NR	Other	3200	4000	3600
Jammu and Kashmir					
Jammu (Grain Mandi)	NR	Basmatibar (Raw/Old)	7500	8000	7750
Karnataka					
Bangalore	3328	Medium	4000	4300	4100
Holenarsipura	10	Broken Rice	1340	1340	1340
		Coarse	1930	1930	1930
Honnali	36	Sarbati Raw	1850	2000	1900
Kerala					
Aroor	4	Basumathi	6800	7000	6900
		IR-8	2400	2600	2500
		Jaya	2800	3000	2900
		Other	2700	2900	2800
Cherthala	10	IR-8	2300	2400	2350
		Jaya	3150	3300	3200
		Other	3600	3700	3650
Maharashtra					
Alibagh	3	Other	3000	4000	3500
Kolhapur(Laxmipuri)	20	1009 Kar	2000	5000	3500
Mangaon	1	Other	1800	3500	2800
Palghar	49	1009 Kar	2313	3056	2523
Orissa					

Bonai	0.5	Other	2200	2200	2200
Deogarh	9.5	Other	2000	3000	2500
Jajpur	NR	Other	2000	2800	2400
Jeypore	1.4	Common	300	330	325
Jeypore(Kotpad)	1.5	Common	3000	3300	3250
Tileibani	2.5	Other	2000	3000	2500
Tripura					
Mohanpur	5	Masuri	2800	3000	2900
		Other	2600	2800	2700
Uttar Pradesh					
Mirzapur	6	Other	1970	2050	1995
Uttrakhand					
Ramnagar	5	Common	2100	2100	2100
West Bengal					
Garbeta(Medinipur)	28	Other	2280	2330	2300
Ghatal	32	Common	1850	1890	1860
		Fine	2070	2150	2110
Islampur	3.2	Other	2100	2200	2150
Kolaghat	12	Common	2300	2450	2400
		Fine	2500	2650	2600
Medinipur(West)	15	Other	2270	2280	2280
Nadia	50	Fine	2900	3000	2950
Pandua	48	Ratnachudi (718 5-749)	2350	2500	2450
Purulia	54	Other	2100	2120	2100
Sheoraphuly	11	Ratnachudi (718 5-749)	2400	2600	2500
Tamluk (Medinipur E)	12	Common	2300	2450	2400
		Fine	2500	2650	2600
Uluberia	20	Other	2400	2600	2500
		Sona Mansoori Non Basmati	2100	2300	2200

(Arrivals and Prices in Rs/Qtl)

Disclaimer