
Market Highlights

- Average monthly wholesale rice prices in India increased to around Rs. 3002 per quintal in April 2014, up about 9 % from around Rs. 2,751 per quintal in March 2014, and up about 4.61% from around Rs. 2, 630 per quintal seen a year ago in February 2013. On the other hand India's 5% broken rice ended the month at \$420 per ton, down about 2% from a month ago and down about 6% from a year ago.
- Area under India's Rabi (winter) rice crop planting stands at about 4.14 million hectares as of March 07, 2014, which is up about 0.73 million hectare more from about 3.41 million hectares recorded during the same time last year, according to the Ministry of Agriculture.
- Rice export in the month of March 2014 is reported 7.31 lakh tones which are about 24% lower than previous month, due to Arsenic issue raised by Iran, the main basmati importer from India and we expect export is likely to move up from may onwards due to overseas demand from African and gulf countries.
- India's rice stocks in the nation's central pool reached at about 30.25 million tons as on April 1, 2014, down about 15% from about 35.5 million tons recorded during same time last year; current rice stocks are still more than double the required buffer and strategic reserve norms of about 14.2 million tons for this time of the year, according to the Food Corporation of India (FCI).
- Among the food grains, inflation for Rice has decreased to 12.56% from the previous month's level of 13.65%, Cereals to 8.85% from the previous month's level of 9.08% and Wheat to 6.23% from the previous month's level of 6.52%. Inflation for Pulses has increased to (-) 1.29% from the previous month's level of (-) 4.12%.
- All-India progressive procurement of Rice as on 17.04.2014 for the marketing season 2013-14 was 269.50 lakh tonnes against the procurement of 301.02 lakh tonnes upto the corresponding period of last year.
- The Indian government says in its second advance estimates that rice production in 2013-14 (October - September) is likely to reach a record 106.19 million tons, the highest ever on record and up about 1% from an estimated 105.24 million tons produced in the previous year. India exported around 4 million tons of basmati rice in FY 2013-14 (April - March), up about 14% from around 3.5 million tons in FY 2012-13. India's total rice exports, including non-basmati exports, stand at around 10.5 million tons in FY 2013-14, up about 3% from around 10.2 million tons exported in FY 2012-13.

Rice Paddy- Progressive Rabi Sowing: (As on 07th March- 2014) - Area in Lakh Hectare

S. No	State	Normal Area (DES)	Normal Area of Corresponding week #	Current year 2013-14	2012-13
1	Andhra Pradesh	14.84	13.30	16.20	11.41
2	Arunachal Pradesh	0.00	0.00	0.00	0.00
3	Assam	3.65	3.44	3.53	3.61
4	Bihar	0.94	0.60	0.45	0.55
5	Chhattisgarh	0.40	0.27	1.81	1.35
6	Gujarat	0.49	0.00	0.00	0.00
7	Haryana	0.00	0.00	0.00	0.00
8	Himachal Pradesh	0.00	0.00	0.00	0.00
9	Jammu & Kashmir	0.00	0.00	0.00	0.00
10	Jharkhand	0.12	0.00	0.00	0.00
11	Karnataka	3.68	2.49	2.45	1.73
12	Kerala	0.49	0.36	0.17	0.20
13	Madhya Pradesh	0.00	0.00	0.00	0.00
14	Maharashtra	0.28	0.00	0.00	0.00
15	Meghalaya	0.13	0.00	0.00	0.00
16	Odessa	2.92	2.36	2.45	2.35
17	Punjab	0.00	0.00	0.00	0.00
18	Rajasthan	0.00	0.00	0.00	0.00
19	Tamil Nadu	1.60	1.81	1.71	0.89
20	Tripura	0.69	0.00	0.00	0.00
21	Uttar Pradesh	0.20	0.00	0.00	0.00
22	Uttarakhand	0.15	0.00	0.00	0.00
23	West Bengal	14.18	12.62	12.50	11.90
24	Others*	0.20	0.00	0.18	0.16
25	Total	44.96	37.26	41.450	34.15

(Source: Directorate of Economic & Statistics (DES), SDA- State Dept of Agriculture, Patna)

Rice Supply & Demand:

Figure in MMT	2011-12	2012-13	2013-14* E
Carry in	23.5	25.43	25.77
Production	105.3	105.24	105
Imports	0	0	0

Total Availability	128.8	130.67	130.77
Consumption	93	94	96
Exports	10.37	10.9	10
Total Usage	103.37	104.9	106
Carry out	25.43	25.77	24.77
Av Monthly Consumption	7.75	7.83	7.92
Stock to Month Use	3.28	3.29	3.18
Stock to Consumption Ratio	0.27	0.27	0.27

Source: Agriwatch and USDA

Rice production in India has been stable from last three years despite variations in coverage area. Area under rabi and kharif crop has been unstable while yield has improved in the eastern states. Kharif remains major rice crop contributing around 89 to 90 million tonne production. If we include rabi production around 14 to 15 million tonne, total production comes to 105 million tonnes.

Export is expected to be around 10 million tons till end of this Marketing year September 2014. Higher prices in domestic market and likely higher supply in the global market due to stock piles in Thailand and emerging scenario of unloading this stock at discounted price might reduce buyer's interest in Indian rice. Vietnam too would remain active seller during the rest months of the year. Carryout is expected to reduce slightly from 25.77 to 24.77 million tonne in 2013-14 due to higher consumptions.

State Wise Price Movement (Non- Basmati):

State	Prices April, 2014	Prices March, 2014	Prices April, 2013	% Change(Over Previous Month)	% Change(Over Previous Year)
AP	3223.02	3605.79	3194.33	-10.62	0.9
Assam	3132.93	3158.92	2538.56	-0.82	23.41
Gujarat	2777.77	2701.14	2625.57	2.84	5.8
Jharkhand	2681.48	2582.28	2423.21	3.84	10.66
Karnataka	3035.42	3004.8	3010.83	1.02	0.82
Kerala	3566.89	3889.21	3181.22	-8.29	12.12
Maharashtra	7077.34	5108.93	5263.47	38.53	34.46
Manipur	2820.14	2657.44	2119.03	6.12	33.09

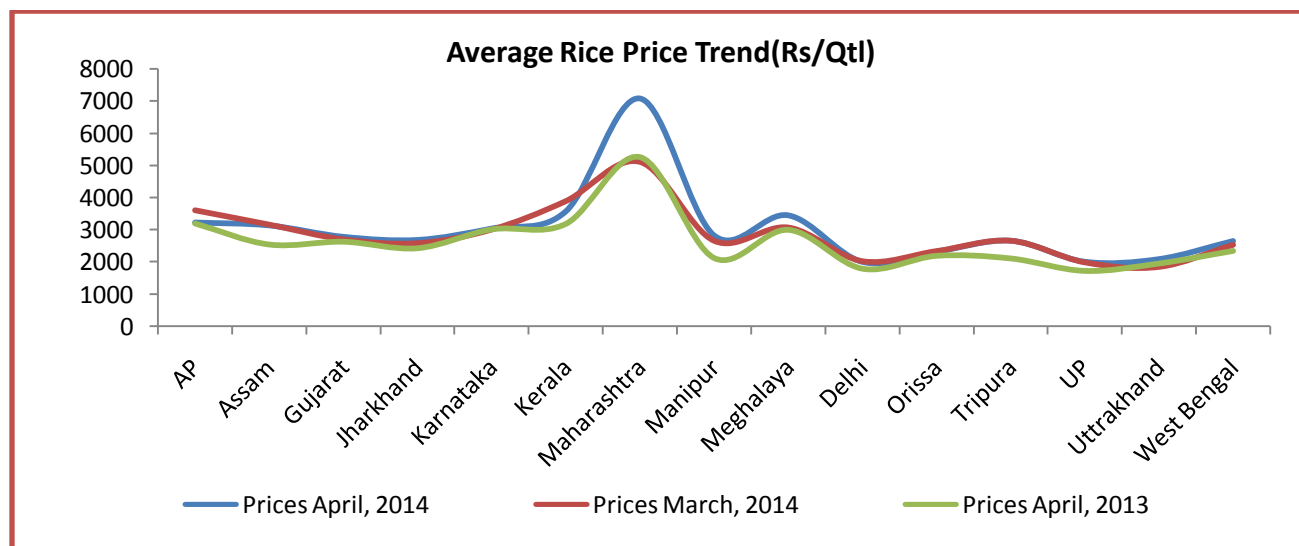
Meghalaya	3446.12	3069.18	2996.72	12.28	15
Delhi	2000	2022.06	1785	-1.09	12.04
Orissa	2317.52	2336.79	2186.07	-0.82	6.01
Punjab	2300	--	--	—	—
Rajasthan	--	1980	1875	—	—
Tripura	2657.49	2658.39	2104.56	-0.03	26.27
UP	2003.38	1985.82	1716.19	0.88	16.73
Uttrakhand	2085.7	1845.11	1946.92	13.04	7.13
West Bengal	2647.79	2531.44	2338.74	4.6	13.21
Average	2985.81	2821.08	2581.59		

***Report Generation: As per the data reported by APMCs**

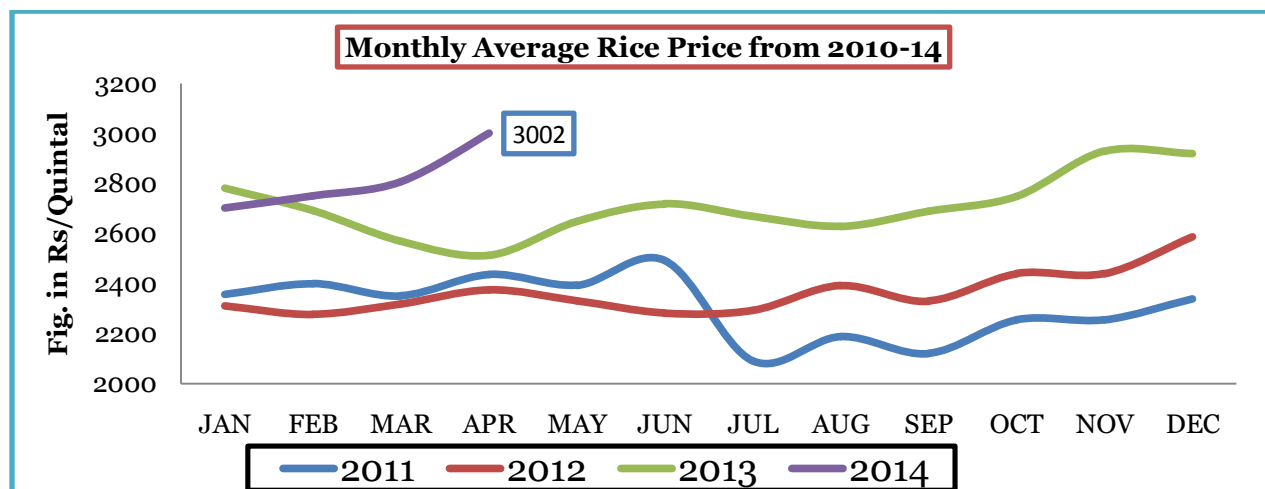
(Source: Agmarknet.nic.in)

Average price of PR variety in the month of April ruled firm, however in Maharashtra it is up due to current demand from domestic markets as summer starts and consumption of rice also increased considerably in India.

Indian Average Rice Price Trend, April-2014:



(Source: Agmarknet)

Monthly Average Price Trend:-


Average price in the month of April is up from last month and we expect market will move in the range bound with positive territory in coming months due to domestic as well as overseas demand.

Progressive Procurement of Rice as on 17/04/2014:

(Fig. in Lakh tonnes)

States	Total procurement in marketing season 2012-13 (Oct. – Sept.)	In Marketing season 2013-14 (in Lakh ton)	In Marketing season 2012-2013 (in Lakh ton)
Andhra Pradesh	64.64	38.19	43.09
Chhattisgarh	48.04	53.37	48.01
Haryana	26.09	23.97	26.03
Kerala	2.40	2.02	2.40
Madhya Pradesh	8.98	10.40	7.66
Maharashtra	1.92	1.30	1.76
Orissa	36.13	21.68	28.16
Punjab	85.58	81.06	85.58
Tamil Nadu	4.81	6.63	4.66
Uttar Pradesh	22.86	10.99	22.00
Uttaranchal	4.97	3.85	4.50

West Bengal	17.66	7.90	12.51
All-India	340.20	269.50	301.02

Progressive paddy procurement in 2013-14 till 17th April, 2014 reached to 269.50 lakh tonnes which is around 11% down by same period last year, total procurement in 2012-13(September-2012-October-2013) is 34 million tonnes which is down by around 3% of target procurement of 35 million tonnes. Procurement can be seen stumpy in major rice producing states mainly due to paddy and rice prices is ruling all time high of around Rs. 1350-1450/quintal in country which is above than MSP of Rs.1345/quintal. However Madhya Pradesh paddy procurement is around 36% higher from last year.

Rice Export:

All fig. in Lakh tonnes	Non Basmati	Basmati	Total Export 2012- 13	All fig. in Lakh tonnes	Non Basmati	Basmati	Total Export 2013- 14
12-Oct	6.65	1.95	8.6	13-Oct*	6.7	1.8	8.5
12-Nov	6.49	2.08	8.57	13-Nov*	4.29	2.49	6.78
12-Dec	7.5	2.85	10.35	13-Dec*	5.11	3.79	8.9
13-Jan	5.65	3.18	8.83	14-Jan*	6.85	3.44	10.29
13-Feb	4.9	3.34	8.24	14-Feb	6.18	3.5	9.68
13-Mar	5.7	3.87	9.57	14-Mar	4.17	3.14	7.31
13-Apr	3.93	3.93	7.86	14-Apr	Awaited		
13-May	4.67	3.45	8.12	14-May			
13-Jun	5.57	3.78	9.35	14-Jun			
13-Jul	6.51	3.34	9.85	14-Jul			
13-Aug	7.11	2.75	9.86	14-Aug			
13-Sep	7.72	2.06	9.78	14-Sep			
Total	72.4	36.58	108.98	Total	33.3	18.16	51.46

(Source: DGCIS, India and * IBIS)

Total rice export in the crop year of 2013-14 till March 2014 is registered as 51.46 lakh tons. Rice export in the month of March is around 7.31 lakh tons (IBIS) which is down by around 24% from last month due to Iran's arsenic issue as Iran is the major basmati rice importer from India. However total rice exports in this year is estimated to touch 10 million tons till September. We expect export is likely to increase in the month of April onwards due to good overseas demand from African and gulf countries.

Month-wise Rice Stock in Central Pool (As on 1st day of the month) Values in MMT

Year	Jan	Feb	Mar	April	May	June	July	Aug	Sept	Oct	Nov	Dec
2010	24.35	25.65	26.95	26.71	23.26	25.26	24.26	22.87	20.48	18.44	23.17	24.52
2011	25.58	27.80	28.70	28.82	27.76	27.64	26.86	25.27	22.7	20.5	26.83	27.63
2012	29.71	31.8	33.17	33.35	32.92	32.14	30.70	28.50	25.59	23.4	28.95	30.67
2013	32.22	35.38	35.8	35.46	34.72	33.3	31.50	29.23	26.78	23.13	28.58	28.62
2014	28.69	31.52	30.55	30.25	28.65							

Source:-FCI

Total rice stocks in India's central pool have 28.65 million tons as on 1 May-2014.

Price Outlook:

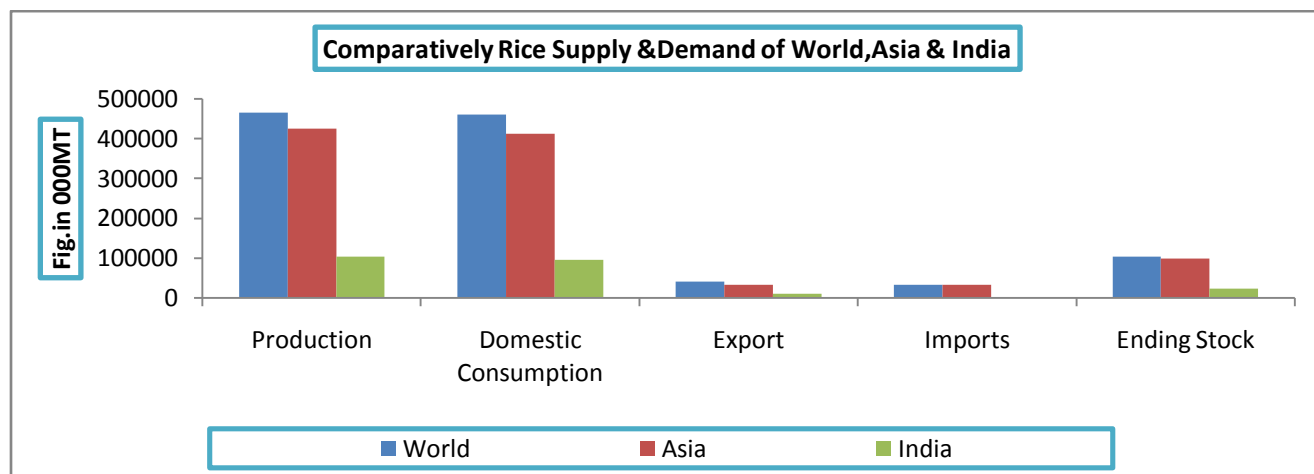
Domestic Rice price in month of May is expected to rule higher in some extent due to emerging El-Nino fear which could drop the overall rice production in next year, and also supported by good demand from domestic as well as overseas markets. Rice consumption of rice in summer season is usually increase and thus demand of bulk buyers will drive the price up. Upcoming festival of Ramdan in the month of June and thus demand from Middle East will also push the price in north ward.

Continent Wise Supply & Demand:-

2013-14						
Rice	Beginning Stock	Production	Imports	Exports	Domestic Consumption	Ending Stock
African Countries	2147	16713	11385	1090	27359	1796
Asian	99506	425085	17105	31792	411602	98302
Europe	58	110	218	0	333	53
N. America	1324	6180	1767	3157	5027	1087
Oceania	120	680	355	520	565	70
S. America	1754	16160	1892	3265	14595	1946
Total	104909	464928	32722	39824	459481	103254

 Source:-USDA
 Fig. in 000MT

World Supply & Demand of Rice



Total rice production in world is approx 464 million tonnes in which contribution from Asian countries is around 91% in 2013.-14; however domestic consumption of Asian countries is about 90%. Rice export from India is 25% among the world which is highest throughout the world. Indian dominance in global export rice business is likely to continue in MY-2014-15 due to ample marketable surplus in domestic market supported by higher stock in central pool kitty besides rabi production prospects would encourage private exporters and avail the benefit of Thailand gap due to higher prices over there.

Thailand Rice Summary:-

- Pressure on Thai rice market continues with the end of Thai mortgage program and the local govt. is still battling to raise funds to pay farmers. Meanwhile Thai election commission has approved 613 million Fund from Central Budget to pay Farmers.
- Lower price in local market and growing possibility of El-Nino impact have increased the fear of lower production by 2 percent to in 2014-15. Farmers Thailand has sold 730, 000 Tonnes of Stockpiled Rice to Exporters at Low Prices
- Thailand Sells 730, 000 Tons of Stockpiled Rice to Exporters at Low Prices. Lower prices in domestic market, lower production estimate have raised concern of exporters. New season is likely to be more challenging for Thai rice farmers, exporters and the Govt.
- Thailand 5% broken rice quoted at about \$375 per ton, down about \$5 per ton from a week ago, down about \$10 per ton from a month ago and down about \$160 per ton from a year ago. This week, Thailand announced plans to hold new elections on July 20, after protesters disrupted the February 2 election.
- It is likely protesters will again interfere with the voting, especially since many farmers in the country still haven't been paid for their rice under the now-defunct rice mortgage scheme.
- Thailand's Public Warehouse Organization (PWO) has signed a deal with a Chinese government company to supply 20,000 tons of Hom Mali fragrant rice at an average price of 30,000 baht (about \$928.4).

Outlook remains bearish for Thai rice market. Availability is ample and its marketing rather tough despite slashed price as other exporting countries like India, Vietnam, Pakistan and Myanmar are selling rice at very competitive price.

Vietnam Rice Summary:-

- With a view for supporting the local market Vietnamese govt. had asked private enterprises to purchase one million tons of rice for temporary reserves from March 15, 2014. But its impact failed to get desired result in the local market despite interest free loan availability for private trades. Initially, prices recovered after the announcement of the plan, but prices are down again due to slow purchases.
- Pressure still continues on price as there is ample supply in the global market. According to the Ministry of Agriculture and Rural Development (MARD), output from the 2013-14 winter-spring crop in the region reached about 4.3 million tons, of which 3.2 million tons has been harvested so far. Farmers are now urging the government to take steps to speed-up purchases and stabilize prices.
- Vietnam's total milled rice production in MY 2013-14 is likely to reach about 27.8 million tons, up by about 1% from about 27.5 million tons produced in 2012-13. Vietnam exported about 1.566 million tons of rice during Jan 1 - April 24, 2014, down about 27% from about 2.151 million tons of rice exported during Jan-April, 2013, according to data from the Vietnam Food Association (VFA). The average rice export price so far in this year stands at about \$439 per ton (FOB), unchanged from last year.
- During April 1-24, 2014, Vietnam exported about 350,934 tons of rice, which is down about 50% from about 700,710 tons rice exported in full month of April 2013, and down about 40% from about 583,294 tons rice exported in full month of March 2014. The average export price so far in April stands at around \$454 per ton, up about 6% from about \$430 per ton recorded in April year ago, and up about 3% per ton from about \$439 per ton recorded in March 2014.
- Exporters are not interested in procuring rice as they are unsure of export consignments. The Thai government sales of rice from its massive stockpile are affecting Vietnam's rice exports. The government has instructed the Ministry of Industry and Trade, the VFA and export enterprises to expand consumption markets. It has also asked the Trade Ministry to keep track of major exporting and importing countries. The government is planning to increase promotion activities in China and Mexico. It is also pinning hopes on the upcoming Philippines open tender for 800,000 tons of rice.

Pressure on price is likely to continue as other suppliers are on the fray to offer rice at attractive prices.

Global Updates:

The Turkish Grain Board (TMO) can now import up to 200,000 tons of rice at zero customs duty in 2014, due to dry weather conditions and poor crop development in the Central Anatolia and Cukurova regions, USDA Port reports. The Post reports that imports over and above 200,000 tons are subject to customs tax as per the country's import regime, and that the import licenses issued under this directive will be valid until September 1, 2016. Traders expect the TMO to import part of the allocations within the scope of this decision through import tenders in September and October of this year, according to the Post.

Thailand has exported about 2.2 million tons of rice in January - March period of 2014, up about 43% from about 1.54 million tons exported during the same period in 2013, according to data from Thai Rice Exporters Association (TREA). Thailand has exported about 799,534 tons of rice in March, 2014, up about 13% from about 709,832 tons exported in February 2014, and up about 47% from about 531,803 tons exported in March 2013. Of the total March sales, white rice accounted for about 476,129 tons, Hom Mali rice accounted for about 120,012 tons, broken rice accounted for 79,726 tons, glutinous variety accounted for 10,773 tons, parboiled rice accounted for about 101,538 tons and husked (brown) rice accounted for about 11,356 tons.

The Brazilian paddy rice index maintained by CEPEA stood at about 35.98 real per 50 kilograms as of May 5, 2014, up about 1% from about 34.67 real per 50 kilograms recorded on April 28, 2014. In terms of USD per ton, the index stood at about \$323 per ton on May 5, 2014, up about 1% from about \$318.65 per ton recorded on April 28, 2014.

Since September 1, the beginning of the 2013-14 crop year, until April 29 Italy has sold about 1,045,499 tons of paddy, equivalent to about 72% of available paddy supplies. Last year 1,045,499 tons were sold, equivalent to about 64% of availability. Total beginning paddy availability (including about 9,000 tons in carryover stocks) for 2013-14 amounted to 1,447,783 tons, down from 1,646,103 tons in 2012-13.

Cambodia exported about 120,291 tons of rice in first four months of calendar year 2014, up about 1.5% from about 118,504 tons rice exported in the same period last year, according to data from the Secretariat of One Window Service of Rice Export Formality (SOWS-REF). During April 2014, Cambodia exported about 35,961 tons of rice, up about 54.5% from about 23,276 tons of rice exported in April 2013 and up about 1% from about 35,757 tons of rice exported in March 2014. During the month of April, Cambodia exported mainly long grain white rice (about 17,264 tons), Jasmine rice (about 11,157 tons) and long grain parboiled rice (about 3,255 tons).

Pakistan rice exporters, led by the Union of Small and Medium Enterprises (UNISAME) have urged the Trade Development Authority of Pakistan (TDAP) to reconcile rice trade with Mexico, which has banned rice exports from Pakistan in June 2013 after finding traces of Khapra beetle in some rice shipments from Pakistan, according to local sources. Mexican port authorities placed around 3,000 tons of Pakistan rice shipment in quarantine and later returned them to Pakistan and since then, Pakistan has not shipped rice to Mexico due to an import ban from the Central American country.

Thailand's Public Warehouse Organization (PWO) has signed a rice deal with a China's government company to supply 20,000 tons of Hom Mali fragrant rice at an average price of 30,000 baht (around \$928.4) per ton, according to Thai media sources. The President of the PWO stated that the first lot of Hom Mali Jasmine rice would be shipped to the Chinese company before May 2014 in lots of 5, 15, and 50 kilogram packs.

Source:-Oryza

IGC Balance Sheet:

(Fig. In Million Tonnes)

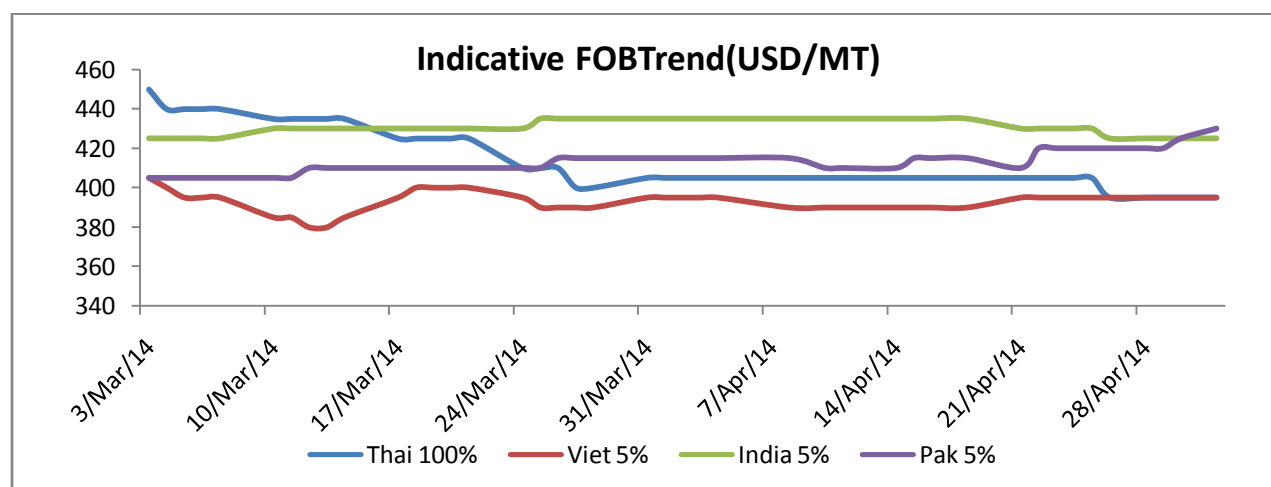
	2011-12	2012-13 est.	2013-14 forecast	2014-15 projection 27.03.2014	25.04.2014
Production	449	466	471	474	475
Trade	36	39	38	39	39
Consumption	445	459	468	474	475
Carryover stocks	100	107	110	109	111
Y-O-Y change	4	8	3	-	0
Major Exporters	31	37	40	41	41

Note: Major exporters are India, Pakistan, Thailand, Vietnam, and United States

IGC Rice Balance sheet Highlights:-

- The IGC GOI rice sub-Index was broadly unchanged m/m as weakness in Thailand and Vietnam, due to ample export availabilities and soft demand, was offset by currency-linked strength in South Asia.
- Underpinned by marginal increases in Far East Asia producers, world rice output is set to rise to an all-time high in 2013/14.
- Aggregate global end-season inventories in 2013/14 are projected to be broadly steady y/y, with major exporters' stocks especially comfortable, and set to exceed global trade.
- Larger shipments to Far East Asia, namely Indonesia and the Philippines, are forecast to support a 4% rise in world trade in 2014, while China's purchases will again be substantial.

Export Prices, Market Trends:



FOB quotes for the month of April is moving up in Pakistan, Vietnam 5% and Thailand 100% is now ruling almost same as removing of Thai pledging scheme. If Thailand price is continuously moving in same direction, it will be big competitors for India, Pakistan and Vietnam. However we expect India will remain the top rice exporter in this year till September.

Rice Price Trend @ CBOT (March- 14, Rough Rice):



(Prices in US\$/hundredweight)

Market Analysis:

The U.S. cash rice market shows upward trading in current trading session; we expect market will move steady to firm in coming months due to good demand. Market will likely to move in the range of 15.45 (support) to 16.68 (Resistant).

Price Projection (International-CBOT):-

Duration	Trend	Support	Resistance
May-2014	Firm	S1-15.25 S2- 15.45	R1-16.20 R2-16.65

Disclaimer

The information and opinions contained in the document have been compiled from sources believed to be reliable. The company does not warrant its accuracy, completeness and correctness. Use of data and information contained in this report is at your own risk. This document is not, and should not be construed as, an offer to sell or solicitation to buy any commodities. This document may not be reproduced, distributed or published, in whole or in part, by any recipient hereof for any purpose without prior permission from the Company. IASL and its affiliates and/or their officers, directors and employees may have positions in any commodities mentioned in this document (or in any related investment) and may from time to time add to or dispose of any such commodities (or investment). Please see the detailed disclaimer at <http://www.agriwatch.com/Disclaimer.asp>
 © 2014 Indian Agribusiness Systems Pvt Ltd.