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Rice Market Highlights

Average non basmati rice price in the month of October was increased by 11% from last month and also up by around 3% from same period last year and currently hover in the range of Rs.2850-2890/quintal. The increase in price even after arrival season is due to lower production prospects for MY-2014-15 and also crop loss in major growing states like Andhra Pradesh, Odisha and West Bengal.

As per by Ministry of agriculture, Planting of kharif rice crop, or main rice crop (June – December; harvesting begins in October) in India has reached 38 million hectares of rice area as of October-10, 2014, up about 1.06% from 37.6 million hectares planted during the same time last. Sowing is almost over in all major growing states and overall acreage under aromatic paddy is approx 40% higher than last year.

Basmati average prices in the month of October were dropped by 5-15% in major markets like Karnal, Amritsar and Delhi due to increasing arrival of aromatic paddy. Average wholesale price of 1121 steam decreased from Rs.9600 to Rs.8500/quintal and paddy price of 1121 also fall by around 19% from last month and currently hover in the range of Rs.2900-3200/quintal.

The harvesting of 1509 is almost over now in the main growing states; however well to do farmers are holding back 15-20% stocks this year in expectation of higher price in next year despite bumper production. As per by Agriwatch preliminary estimates based on farmers feedback, aromatic paddy production is likely to up by 20-25% from last year and overall availability in domestic markets from Punjab, Haryana, U.P, U.K and M.P would increase considerably.

Among the food grains, Rice Inflation has increased to 6.87% from the previous month's level of 5.44%. The inflation for Pulses has decreased to 6.69% from the previous month's level of 7.81%, Cereals to 3.45% from the previous month's level of 3.70% and Wheat to -1.50% from the previous month's level of 0.67%.

All-India progressive procurement of Rice as on 24.10.2014 for the marketing season 2014-15 was 318.59 lakh tonnes against the procurement of 339.06 lakh tonnes up to the corresponding period of last year.

In the post-monsoon season, cumulative Rainfall for the country as a whole during the period 1st October to 22nd October, 2014 is (-) 31% lower than LPA. Rainfall (% departure from LPA) in the four broad geographical divisions of the country during the above period was lower by (-) 21% in North West India, (-) 19% in Central India, (-) 19% in South Peninsula and (-) 63% in East & North East India.

As per data received by IBIS, basmati export for MY-2014-15 (Oct14-Sep-15) in the month of October was 2.34 lakh tonnes which is higher by 30% from same period last year export of 1.8 lakh tonnes.

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Supply & Demand

Figure in MMT	2013-14	2014-15*
Carry in	25.77	25.92
Production	106.29	99
Imports	0	0
Total Availability	132.06	124.92
Consumption	96	97.4
Exports	10.14	10.5
Total Usage	106.14	107.9
Carry out	25.92	17.02
Av Monthly Consumption	8.00	8.12
Stock to Month Use	3.24	2.10
Stock to Consumption Ratio	0.27	0.17

Source-USDA & Agriwatch

Agriwatch has revised its rice production estimates in November and based on area survey, feedback received from farmers and prevailing weather condition throughout the growing regions, rice production in India would increase by one million ton by Agriwatch previous preliminary estimates from 98 million to 99 million tonnes for 2014-15. The main reason for lower production in this year is mainly attributed to damage done by HudHud in coastal states. Despite 1% higher area coverage than last year, final size of the crop would likely to fall by 6% due to lower yield expectation in Uttar Pradesh and West Bengal.

At Export front, Agriwatch expect export volume to increase due to higher export volume of aromatic rice. Notably, this year aromatic rice production is likely to up by 20% from last year. Currently India is exporting non basmati rice at USD 415-420/MT (basis FOB South Indian Port), and aromatic rice at USD 1600-1620/MT. with commencement of harvesting, supply in the domestic market could increase and pressurize prevailing market price in the weeks to come.

Higher export volume of rice this year is the main reason for lower carryout stock in MY 2014-15. Carryout stock is likely to decrease considerably this year from 25.92 million tonnes to 17.02 million tonnes.

1121 & 1509 Paddy Field in Major States:


Source-Agriwatch

Above given picture Chhattisgarh practicing SRI by adopting Sustainable Agriculture Practices and happy too. She didn't apply any chemical fertilizer and pesticides.

State wise Wholesale Price Monthly Analysis:

State	Prices October, 2014	Prices September, 2014	Prices October, 2013	% Change(Over Previous Month)	% Change(Over Previous Year)
AP	2653.11	2748.31	3041.89	-3.46	-12.78
Assam	2946.8	3011.66	2864.32	-2.15	2.88
Gujarat	2599.36	2609.61	2421.01	-0.39	7.37
Jharkhand	2661.89	2646.04	2618.82	0.6	1.64
Karnataka	3478.63	3515.87	3262.98	-1.06	6.61
Kerala	3376.68	3327.97	3496.88	1.46	-3.44
Maharashtra	4093.41	3565.08	3401.37	14.82	20.35
Meghalaya	3913.25	3469.31	3519.79	-	11.18
Orissa	2207.88	2249.29	2409.42	-1.84	-8.36
Punjab	2541.15	2308.09	2800	10.1	-9.24

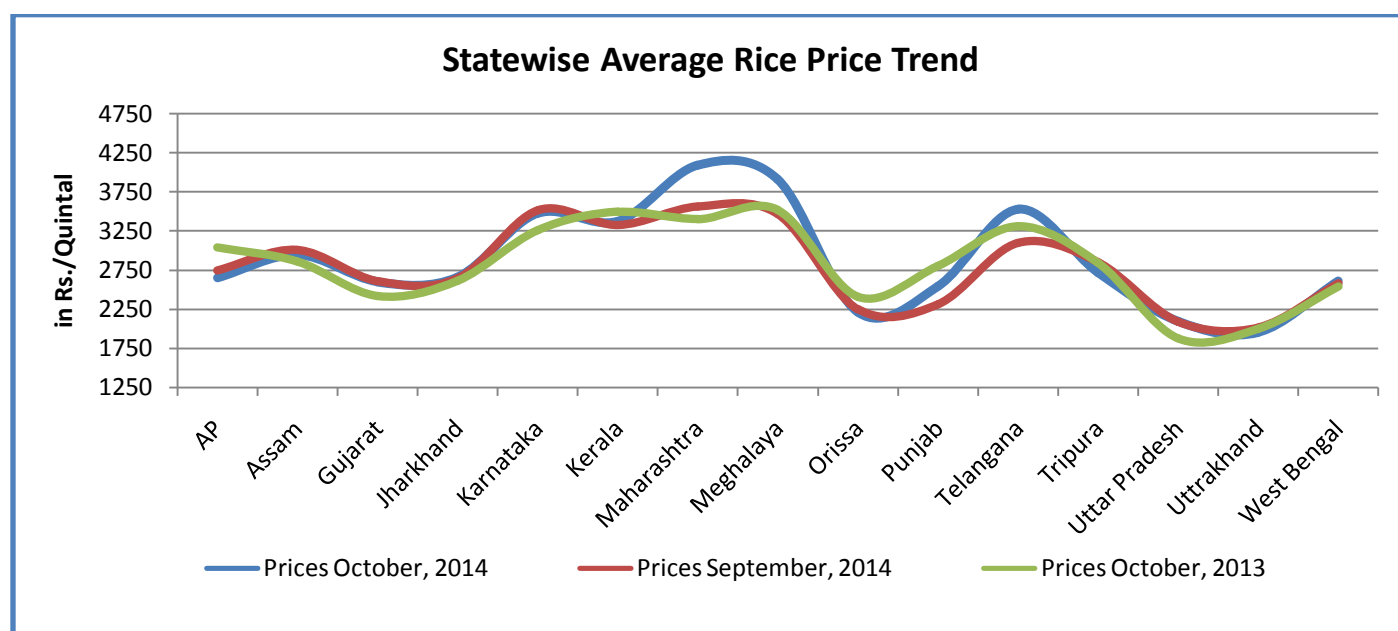
Telangana	3530.72	3100	3310.52	13.89	6.65
Tripura	2719.21	2854.54	2843.29	-4.74	-4.36
Uttar Pradesh	2094.54	2090.62	1878.89	0.19	11.48
Uttrakhand	1953.52	2013.1	2002.5	-2.96	-2.45
West Bengal	2613.89	2582.35	2543.04	1.22	2.79
Average	2892.26	2606.12	2827.64		

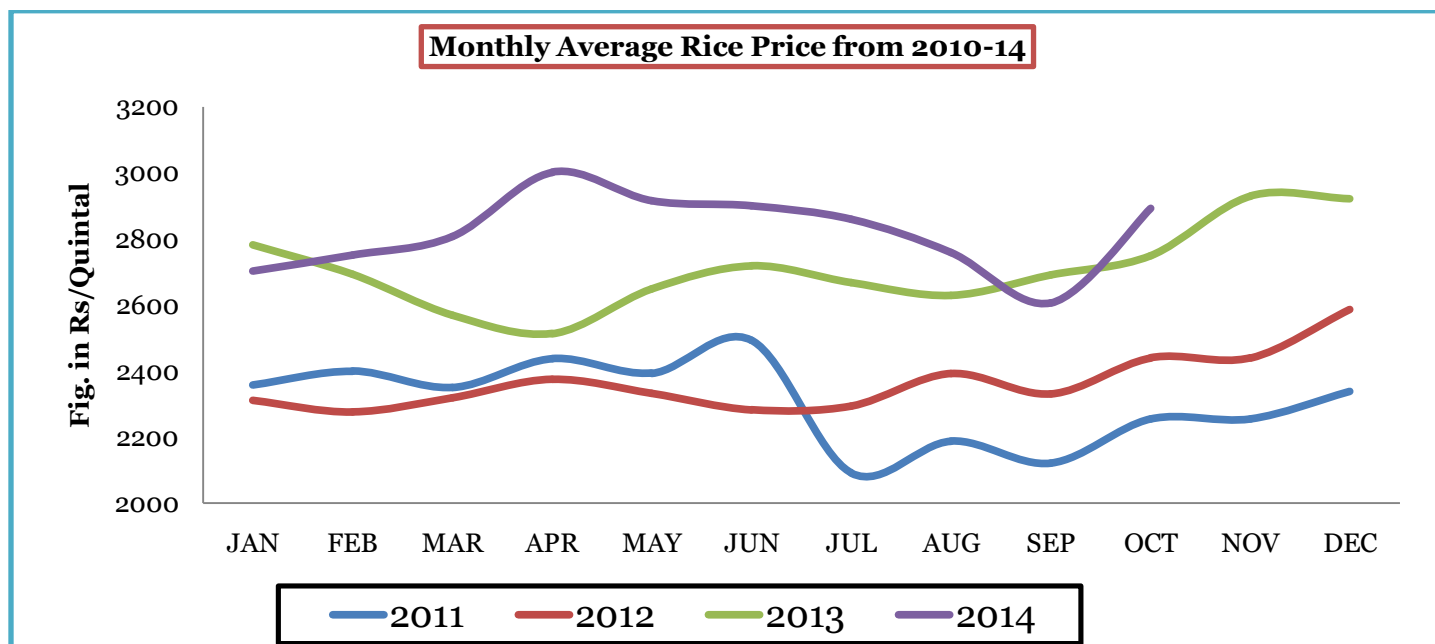
***Report Generation: As per the data reported by APMCs**

(Source: Agmarknet.nic.in)

Average non basmati rice price in the month of October was increased by 11% from last month and also up by around 3% from same period last year and currently hover in the range of Rs.2850-2890/quintal. Average rice price was moved up in major states like W.B, U.P and Punjab.

Indian Average Rice Price Trend- October:



Monthly Average Rice Price Trend:


Monthly average rice price in the month of October was again firmed up like previous season even with harvesting starts in Punjab, Haryana and U.P. However harvesting is yet to be start in south and eastern states due to delayed sowing in this kharif season.

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	32.00	25.41	24.56	21.65	18.62		

Source-FCI

Rice Stock in the central pool kitty as on October 01st, 2014 was 18.62 million tons which is down about 19.49% from last year same period's stock of 13.13 million tons.

Progressive Procurement of Rice as on 19/09/2014:
Figure in lakh T

State	Total procurement in marketing season	Progressive Procurement as on 24.10.2014	
	2012-13 (Oct. - Sept.)	In Marketing season 2013-14	In Marketing season 2012-13
Andhra Pradesh	64.71	80.85	64.64
Bihar	13.03	9.42	12.49
Chhattisgarh	48.04	42.90	48.04
Haryana	26.09	24.06	26.09
Kerala	2.40	3.59	2.40
Madhya Pradesh	8.98	10.45	8.98
Maharashtra	1.92	1.61	1.92
Odisha	36.13	28.20	36.13
Punjab	85.58	81.06	85.58
Tamil Nadu	4.81	6.84	4.81
Uttar Pradesh	22.86	11.27	22.86
Uttaranchal	4.97	4.63	4.97
West Bengal	17.66	13.59	17.66
All-India	340.28	318.59	339.06

Source-Agricoop

All-India progressive procurement of Rice as on 24.10.2014 for the marketing season 2013-14 was 318.59 lakh tonnes against the procurement of 339.06 lakh tonnes up to the corresponding period of last year.

Rice Export Statistics:

MY-2013-14	Non Basmati	Basmati	Total Export 2013-14	MY-2014-15	Non Basmati	Basmati	Total Export 2014-15
October-13	6.7	1.8	8.5	October-14	2.14	2.34	4.48
November-13	4.29	2.49	6.78	November-14			
December-13	5.11	3.79	8.9	December-14			
January-14	6.85	3.44	10.29	January-15			
February-14	6.18	3.5	9.68	February-15			
March-14	4.17	3.19	7.36	March-15			

April-14	4.2	2.85	7.05	April-15			
May-14	3.76	3.37	7.13	May-15			
June-14	4.32	3.65	7.97	June-15			
Jul-14*	4.81	2.3	7.11	July-15			
Aug-14*	6.07	2.15	8.22	August-15			
Sep-14*	8.96	2.26	11.22	September-15			
Total	66.43	35.06	101.49	Total	2.14	2.34	4.48

Source-DGCIS and * IBIS

Total rice export in MY-2013-14 till the end of season was around 10.14 million tonnes in which non basmati and basmati rice contribution were approx 6 million tonnes and 3.5 million tonnes respectively as per data received from DGCIS and IBIS.

Rice export in the starting of MY 2014-15 (Starting from oct-2014) is 4.48 lakh tonnes which is down by around 47% from same period last year. Rice exports from the Kakinada port have suffered a setback due to the outbreak of the Ebola virus in West Africa, Almost 98 per cent of rice exports from the Kakinada port are bound for African countries. However, most European vessels are not showing any interest in going to the African countries because of the virus threat. On the other hand basmati exports for MY-2014-15 (Oct14-Sep-15) in October was 2.34 lakh tonnes which is higher by 30% from same period last year when export stood at 1.8 lakh tonnes due to better parity for Indian basmati at this time.

Rice Market Outlook:

Cash rice market is likely to trade steady to slightly weak in coming month due to increasing supply from newly harvested crop. Export demand at this point of time remains at lower side because major buyers wait for market to stabilize. Higher supply against normal demand in the month of November and December puts a cap on any spike in price. Currently non basmati markets are ruling in the range of rs.2800-2850/quintal and it may dip further around Rs.50-100/quintal. More dip in non basmati rice is not possible because of lower production of Parmal Variety in Punjab, Haryana and Uttar Pradesh.

In case of aromatic rice Average wholesale price of 1121 steam decreased from Rs.9,600 to Rs.8,500/quintal and price of 1121 paddy also fell by around 19% from last month and currently trades at Rs.2900-3200/quintal. Overall rice market outlook remains bearish in the near term.

Global Updates:

In 2014-15, Australian rice production is expected to increase by 7 per cent to 890,000 tons, provided that irrigation water is available. Milled production in 2014-15 is projected to increase by 7.5 per cent to 644,000 tons due to higher acreage planted and expected favorable returns to growers. In 2014-15, yields are forecast to fall to 9.5 tons per hectare. The industry averages a yield of 9.7 tons per hectare. The 2013-14 crop averaging 11 tons per hectare, the highest in the world. Eighty five per cent of rice is exported and the rest is consumed domestically.

Prolonged rains over the past week in the Cuu Long (Mekong) Delta have severely affected the harvest and quality of the summer-autumn rice crop. The delta is entering peak harvest time for the crop, but harvesting has been slow, as ripe rice plants have been toppled by heavy rains and wind. Pham Thi Ngot, who cultivates 0.6ha rice in Tam Binh District in Vinh Long Province, said more than 70 per cent of her plants had collapsed and must be harvested by hand. Ngot said she was also short of workers as demand for farm help was high this season. Heavy winds and rain have toppled about half of 27,000ha of ripe rice in Vinh Long Province, according to the province's Department of Agriculture and Rural Development.

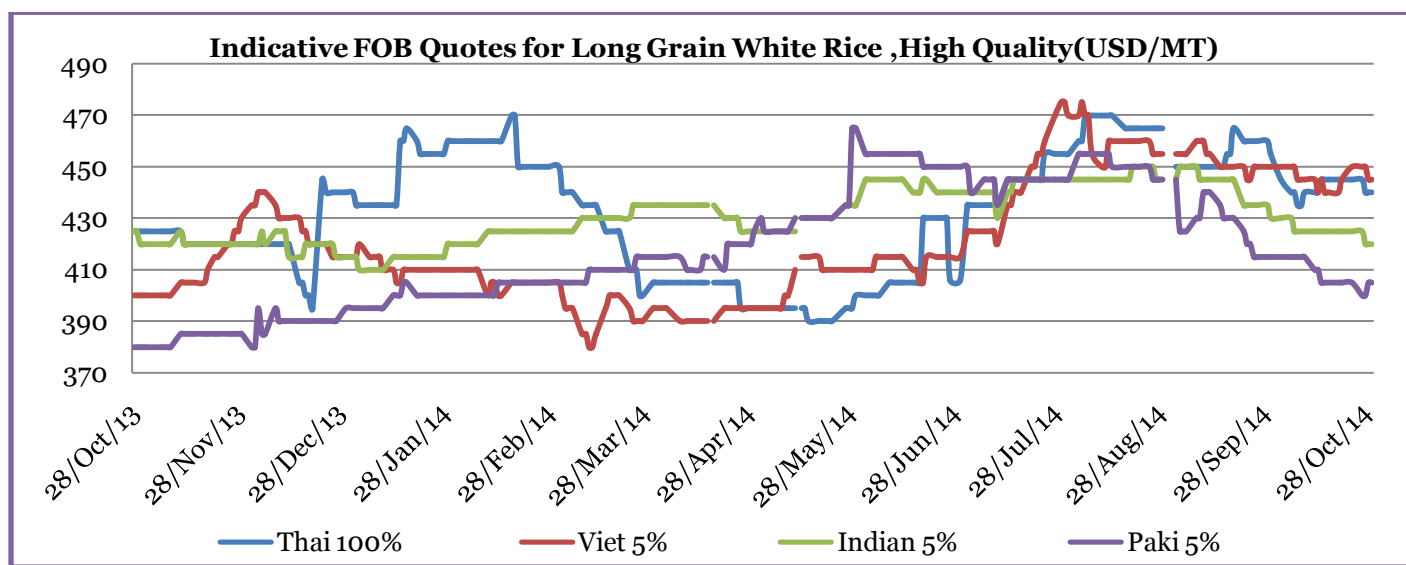
Bangladesh will export 50,000 tonnes of rice to Sri Lanka for the first time under a government-to-government deal at \$450 a tonne, including cost, freight and insurance, Food Minister Mohammad Karmul Islam said on Monday. (Reporting by Ruma Paul; Editing by Sunil Nair)

California rough rice stocks in all positions on October 1, 2014 totaled 7.54 million hundredweight (cwt), up 158 percent from the total on October 1, 2013 of 2.93 million cwt. California rough rice stocks were down 31 percent from the August 1, 2014 level. Medium grain varieties accounted for 89 percent of the total rough rice, while long and short varieties combined account for 11 percent of the total rough rice stocks. California milled rice stocks in all positions totaled 1.11 million cwt, down 22 percent from the August 1, 2014 level and 8 percent below a year ago.

IGC Balance Sheet:

	2011-12	2012-13	2013-14 est.	2014-15 projection 25.09.14	projection 30.10.14
Production	476	472	476	476	476
Trade	39	38	40	41	41
Consumption	459	469	477	481	481
Carryover stocks	107	110	109	104	103
Y-O-Y change	7	3	-0		-5
Major Exporters	37	40	39	34	34

- ➔ World production in 2014/15 is forecast to show little change y/y. Demand is seen at a new record peak, but growth in Asia may be slower than in earlier years. Closing stocks are placed at a four-year low, but still in line with average.
- ➔ Following the disbanding of Thailand's paddy mortgage scheme earlier this year, efforts to boost exports have been successful, and the country will likely be the world's top exporter in 2015.
- ➔ In contrast to strength in other markets, rice values dropped to a five-month low on generally sluggish global demand.

FOB Quotes for Long Grain White Rice, High Quality:


Source-Oryza

FOB quotes for the month October was downward for major exporting countries. Currently Pakistan FOB for long grain white rice high quality has better parity followed by India, as harvesting for main crop is starting for India and Pakistan. Thailand and Vietnam crop is also ready for harvesting and we expect price will likely to move down in coming months.

Rice Price Trend @ CBOT (Nov- 14, Rough Rice & Outlook):



Duration	Trend	Support	Resistance
November-2014	Steady	S1-12.30 S2- 12.20	R1-13.10 R2-13.30

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