Contents

Rice Market Highlights

Average non basmati rice price in the month of November was steady to firm recorded in various states even with higher arrival. Higher than normal domestic demand for non basmati rice, pushed the price up. We expect that market will move in the range bound with firm bias in coming months. Currently non basmati rice price is moving in the range of Rs.2800-2850/quintal.

Basmati average prices in the month of November were drastically dropped by 6-25% in major markets like Karnal, Amritsar and Delhi due to much higher arrival than last year. Arrival is at its peak at major mandis of Haryana, Punjab and U.P and consequently, prices are continuously moving downward on monthly comparison. Thus buyers should keep buying in installments at regular intervals to meet their procurement needs. With domestic demand also subdued, prices may continue to fall gradually.

Recently Iran ban on rice imports which will further drag the basmati prices down. Iran is the major basmati importers of Indian Basmati rice and import contribution is approx 30-35% of total basmati rice from India. The beginning stock in 2013-14 of Iran is 9.25 million tonnes which is higher by 45% from last year also production in the year was 5.9 million tonnes up by 12.38% from last year production of 5.25 million tonnes in 2012-13, this could be main reason for banning of rice import, however it might be for the time being and imports will likely to restart once the carry over stock will thinning in the country.

Among the food grains, Inflation of Rice has decreased to 6.47% from the previous month's level of 6.87%. The inflation for Pulses has decreased to 4.02% from the previous month's level of 6.69%, Cereals to 3.29% from the previous month's level of 3.45% and Wheat to - 1.92% from the previous month's level of -1.50%.

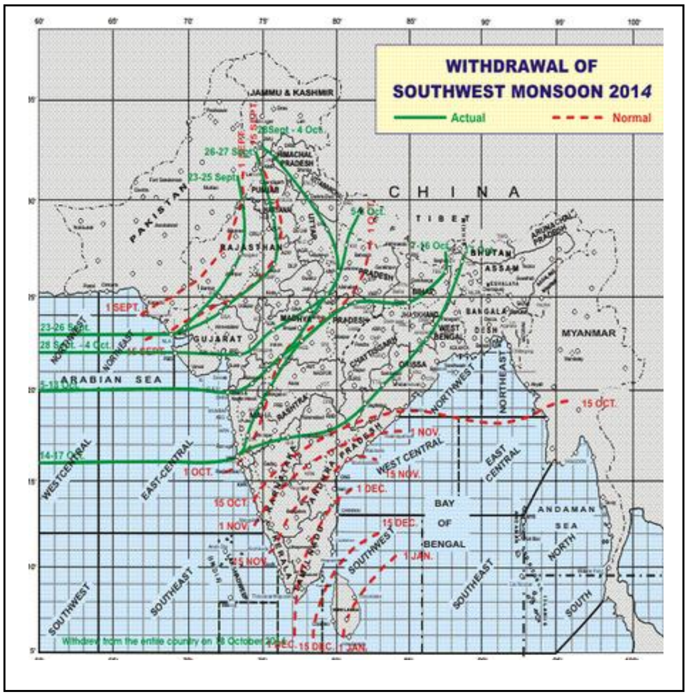
All-India progressive procurement of Rice as on 28.11.2014 for the marketing season 2014-15 was 105.92 lakh tonnes against the procurement of 110.29 lakh tonnes up to the corresponding period of last year.

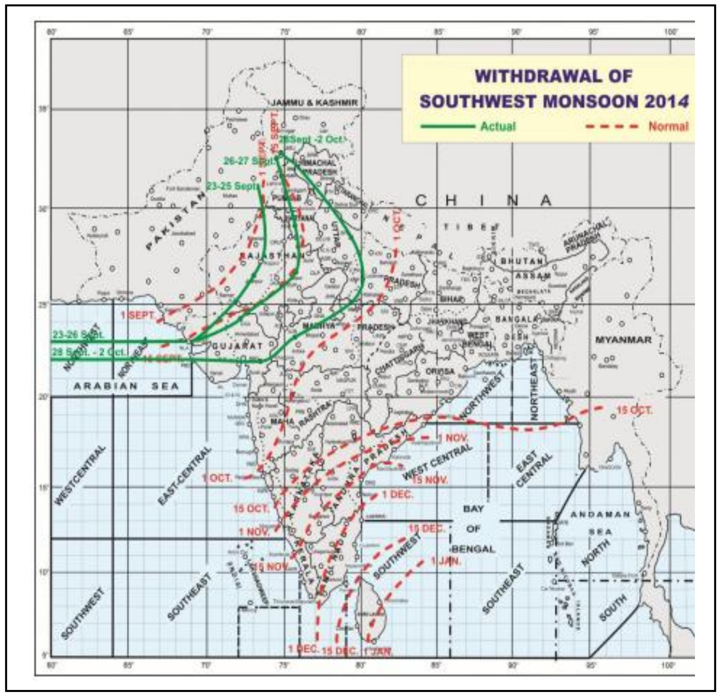
All-India progressive procurement of Rice as on 28.11.2014 for the marketing season 2013-14 was 318.40 lakh tonnes against the procurement of 339.43 lakh tonnes up to the corresponding period of last year.

In the post-monsoon season, cumulative Rainfall for the country as a whole during the period 1st October to 26th November, 2014 is (-) 32% lower than LPA. Rainfall (% departure from LPA) in the four broad geographical divisions of the country during the above period was lower by (-) 31% in North West India, (-) 31% in Central India, (-) 69% in East & North East India and (-) 14% in South Peninsula.

As per data received by IBIS, rice export for MY-2014-15(Oct14-Sep-15) in the month of November was 9.65 lakh tonnes which is higher by 5.17 lakh tonnes from last month export of 4.48 lakh tonnes.

Monsoon Watch:





Source-IMD

The Southwest Monsoon withdrew from Punjab, Haryana, Chandigarh & Delhi, Rajasthan, most parts of West Uttar Pradesh & Gujarat State and some parts of Jammu & Kashmir, Himachal Pradesh, East Uttar Pradesh, West Madhya Pradesh and north Arabian Sea.

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

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.

Source-USDA & Agriwatch

Paddy Picture after Harvesting:

Source-Agriwatch

Above given picture is of SRI method of Paddy after harvesting in Bihar. High yielding can be seen in picture and farmer is happy by doing SRI.

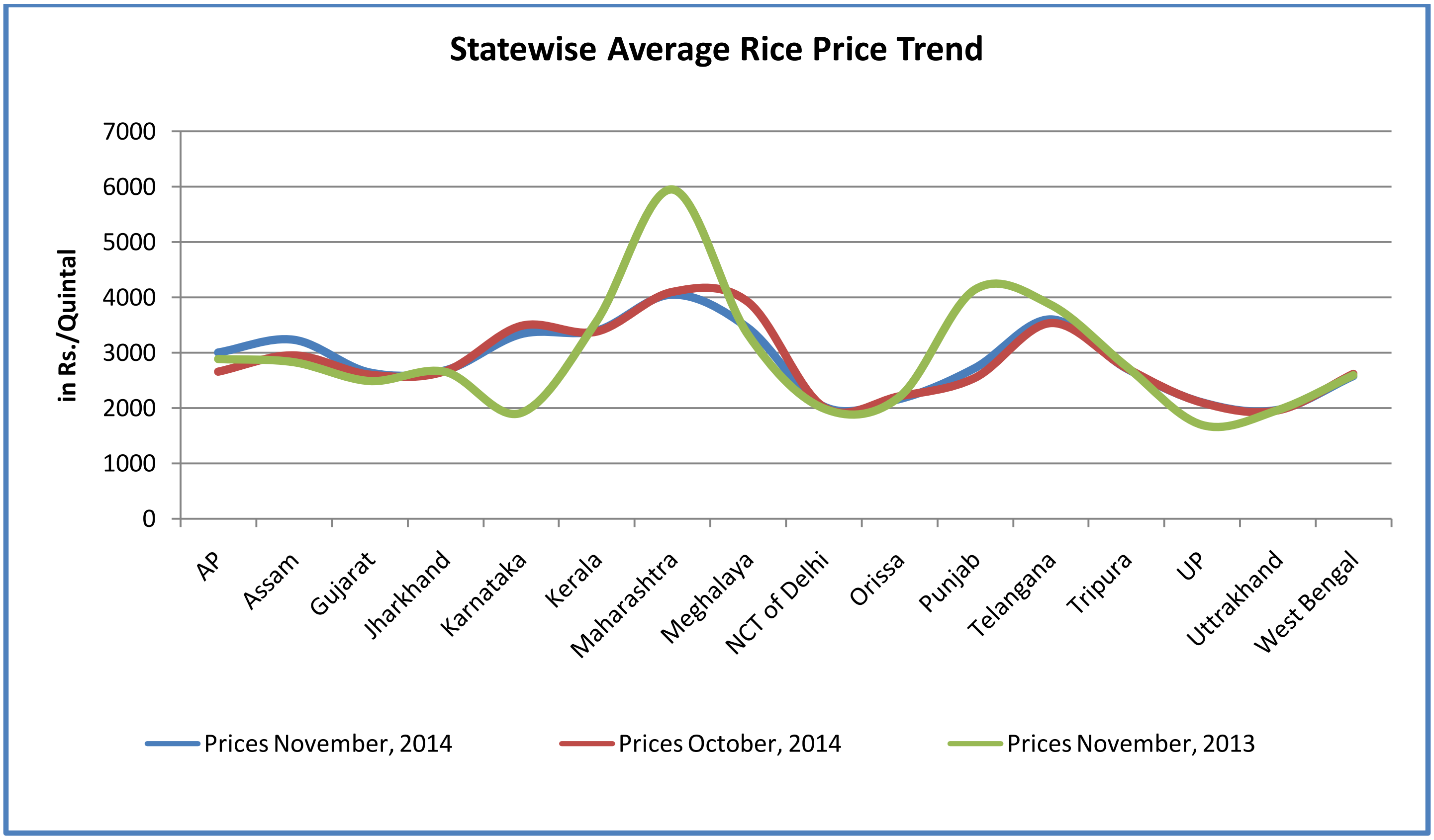
State wise Wholesale Price Monthly Analysis:

State	Prices November, 2014	Prices October, 2014	Prices November, 2013	% Change(Over Previous Month)	% Change(Over Previous Year)
AP	2996.22	2653.11	2882.76	12.93	3.94
Assam	3226.22	2946.8	2825.13	9.48	14.2
Gujarat	2635.64	2599.36	2484.04	1.4	6.1
Jharkhand	2673.76	2661.84	2650.62	0.45	0.87
Karnataka	3328.7	3478.63	1905.54	-4.31	74.69
Kerala	3389.92	3376.68	3564	0.39	-4.88
Maharashtra	4042.08	4093.41	5952.09	-1.25	-32.09
Meghalaya	3440.58	3913.25	3326.72	-12.08	3.42
NCT of Delhi	2022.58	2015.38	1988.89	0.36	1.69
Orissa	2154.35	2207.88	2194.05	-2.42	-1.81
Punjab	2715.4	2541.15	4139.99	6.86	-34.41
Telangana	3595.1	3530.72	3866.39	1.82	-7.02
Tripura	2708.41	2719.21	2750.88	-0.4	-1.54
UP	2095.88	2094.2	1688.99	0.08	24.09
Uttarakhand	1959.13	1953.52	1956.13	0.29	0.15
West Bengal	2571.01	2613.89	2589.24	-1.64	-0.7
Average	2847.19	2837.43	2922.84		
*Report Generation: As per the data reported by APMCs					

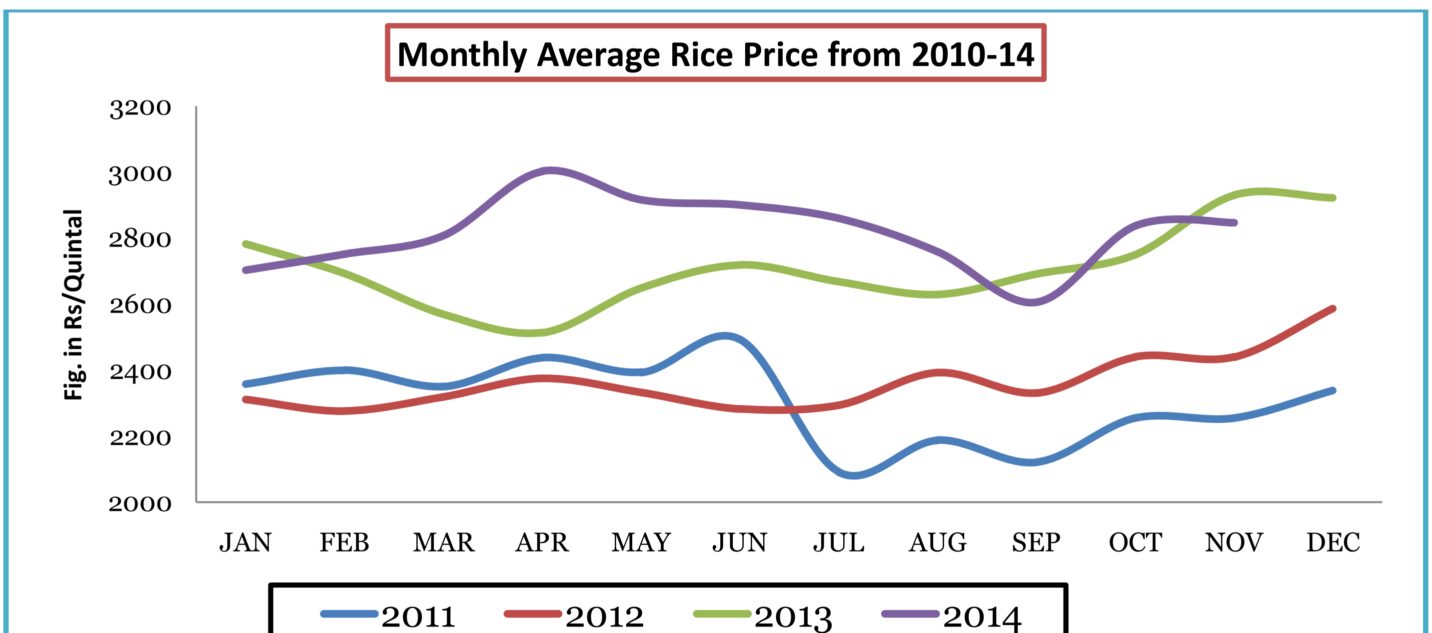
(Source: Agmarknet.nic.in)

Average non basmati rice price in the month of November was steady to firm recorded in various states even with higher arrival. Higher than normal domestic demand for non basmati rice, pushed the price up. We expect that market will move in the range bound with firm bias in coming months.

Indian Average Rice Price Trend- November:



Monthly Average Rice Price Trend:



Monthly average price in the month of November was following the last year trend, and currently move in the range of Rs. 2840-2850/quintal. Rice cash Market is likely to move slightly up from current level in month ahead.

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	23.21	

Source-FCI

Rice Stock in the central pool kitty as on October 01st, 2014 was 23.21 million tons which is down about 18.80% from last year same period's stock of 28.58 million tons.

Progressive Procurement of Rice as on 21/11/2014: **Figure in lakh T**

State	Total procurement in marketing season	Progressive Procurement as on 14.11.2014	
	2013-14 (Oct. - Sept.)	In Marketing season 2014-15	In Marketing season 2013-14
Andhra Pradesh	37.38	0.00	1.56
Telangana	44.00	3.10	0.00
Chhattisgarh	43.0	0.00	0.00
Haryana	24.06	19.77	23.90
Kerala	4.00	0.77	0
Punjab	81.06	76.84	80.26
Madhya Pradesh	10.14	0.29	0.30
Tamil Nadu	7.0	0.03	0.49
Uttaranchal	4.63	0.28	0.12
Uttar Pradesh	11.27	0.74	0.54
West Bengal	14.00	0.0	0.00
All-India	319	101.95	107.31

Source-Agricoop

All-India progressive procurement of Rice as on 21.11.2014 for the marketing season 2014-15 was 101.95 lakh tonnes against the procurement of 107.31 lakh tonnes up to the corresponding period of last year.

Rice Export Statistics:

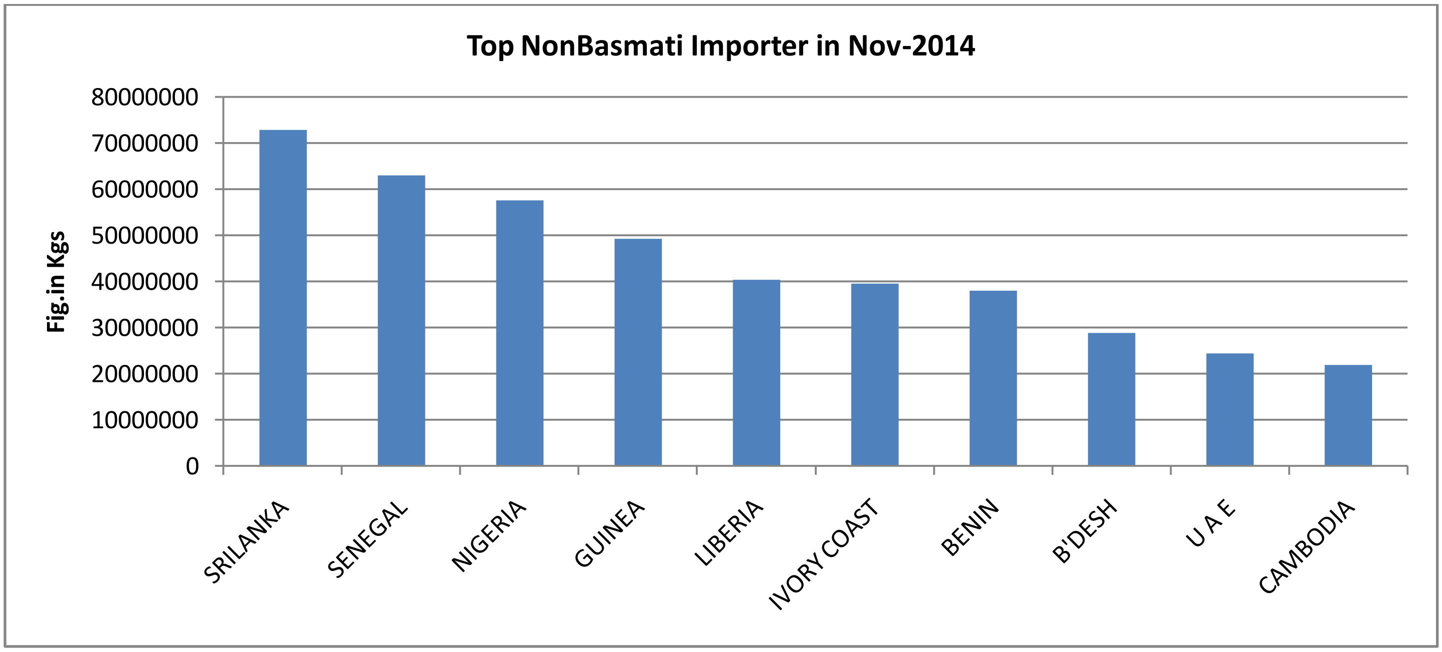
MY-2013-14	Non Basmati	Basmati	Total Export 2013-14	MY-2014-15	Non Basmati	Basmati	Total Export2014-15
October-13	6.7	1.8	**8.5**	**October-14**	2.14	2.34	**4.48**
November-13	4.29	2.49	**6.78**	**November-14**	6.62	3.03	**9.65**
December-13	5.11	3.79	**8.9**	**December-14**			
January-14	6.85	3.44	**10.29**	**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**	**8.76**	**5.37**	**14.13**

Source-DGCIS and * IBIS

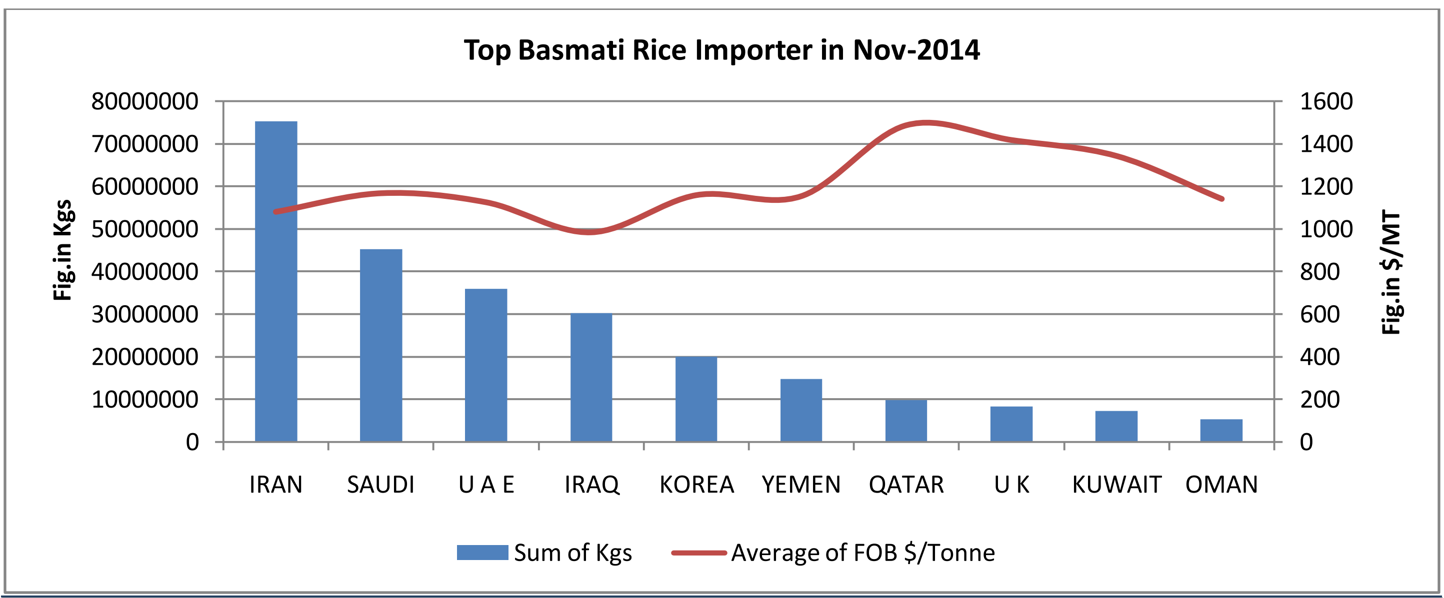
Total rice export in MY-2013-14 till the end of season was around 10.14 million tonnes in which non basmati and basmati rice contribution were approx 6 million tonnes and 3.5 million tonnes respectively as per data received from DGCIS and IBIS.

Total Rice export for MY-2014-15 was 14.13 lakh tonnes which was down by 7.52% from same period last year export of 15.28 lakh tonnes. Non basmati rice export in the month of November was 6.62 lakh tonnes and basmati exports for MY-2014-15(Oct14-Sep-15) in November was 3.03 lakh tonnes which is higher by around 30% from last month. Iran was the largest buyer in the month and import approx 75 thousand MT followed by Saudi Arabia which import around 45 thousand MT, as per data received from IBIS a customs data provider.

Top 10 Countries of Non Basmati Rice Export in November-2014



Top 10 Countries of Basmati Rice Export in November-2014



Rice Market Outlook:

Non basmati rice market traded steady to weak with arrival in main producing states like A.P, West Bengal, Uttar Pradesh, Punjab, Haryana and Bihar etc. Lower production prospects as well increasing demand of non basmati rice from Senegal, Sri lanka and Nigeria put the support in the non basmati rice price in near to medium term. We expect market will trade in the range of Rs.2800-2900/quintal even with arrival season.

In case of aromatic rice Average wholesale price of 1121 steam decreased from Rs.8000 to Rs.6500/quintal and price of 1121 paddy also fell by around 2-3% from last month and currently trades at Rs.2700-2900/quintal. Overall rice market outlook remains bearish in the near term due to approx 20% higher production estimates from last year and also major buyers are not active in this point.

Global Updates:

The National Space Agency of Pakistan estimate the country's rice production for 2014-15 to decline about 19% from last year to about 5.65 million tonnes, USDA forecast that production would be lower by 3% from last year. In front of FOB quotes in the month of November for Indian basmati is now ruling in the range of USD 1100-1125/MT, lower by Pakistan's FOB of USD 1181/MT.

The UN's Food and Agricultural Organization (FAO) has forecasted Laos 2014 paddy rice production to decline about 3% to around 3.3 million tons (around 2 million tons, basis milled) from around 3.415 million tons (around 2.15 million tons, basis milled) last year. The decline is attributed to heavy rains in early August that led to localized flooding and consequent crop losses across northern and central parts of the country. Relatively low prices during the sowing time also discouraged farmers from planting for the wet season rice crop (May - December) thus leading to a slight contraction in planting area. According to USDA, usually Laos imports around 10,000 tons or rice to meet the local annual consumption demand of around 1.58 million tons. However, this year, FAO forecasts Laos to be self sufficiency in rice production without the need to import rice.

Cambodia exported around 304,788 tons of rice in the first ten months of 2014, up about 3% from around 295,154 tons exported during the same period in 2013, according to data from the Secretariat of One Window Service for Rice export Formality (SOWS-REF). Cambodia exported 379,856 tons of rice in 2013.

The USDA Post has estimated Indonesia to import around 1.225 million tons of rice in MY 2013-14 (January 2014 - December 2014), up about 88% from an estimated 650,000 tons in MY 2012-13.

However, the Post has lowered its estimates for Indonesia's imports from the official estimates by about 12.5% from around 1.4 million tons due to an expected decline in premium rice imports by the private sector following the introduction of new rice import rules earlier this year. In Indonesia, only the state Logistics Agency Bulog is permitted to import medium-quality rice while private sector is allowed to import specialty rice (basmati, Thai Hom Mali, and japonica) as well as 100% broken rice, glutinous rice, and rice for diabetic purposes. The private sector usually imports about 200,000 - 250,000 tons of specialty rice. The government tightened import procedures to avert misappropriations and smuggling of rice.

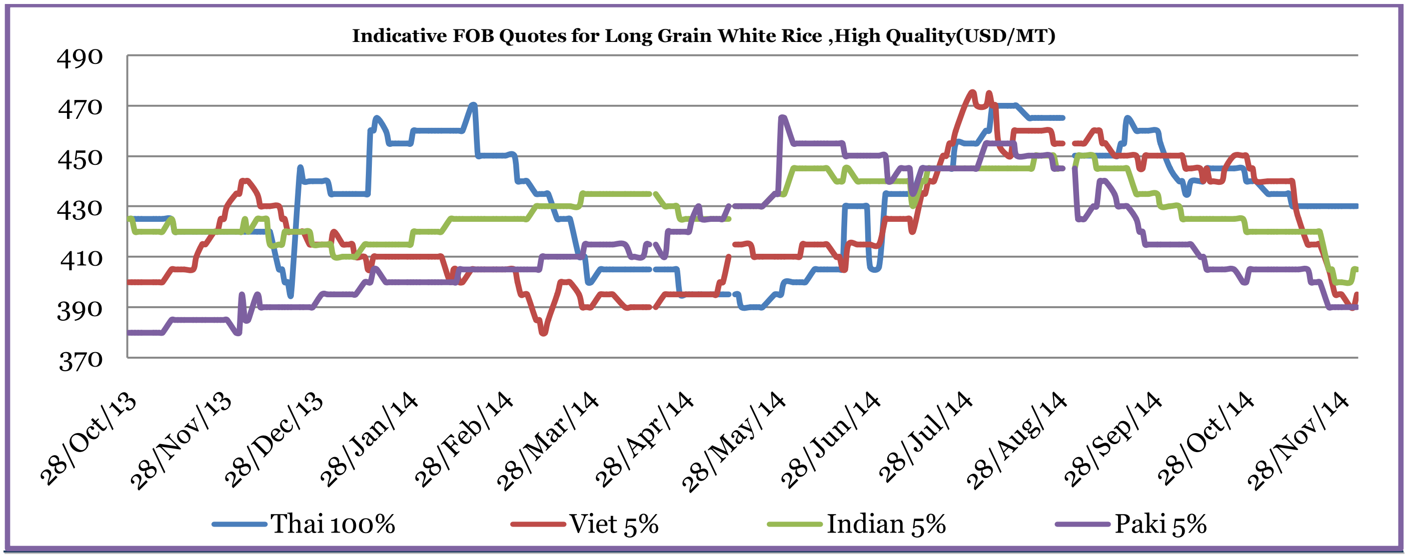
Source-Oryza

IGC Balance Sheet:

	2011-12	2012-13	2013-14 est.	2014-15 projection 30.10.14	projection 27.11.14
Production	476	472	476	476	475
Trade	39	38	40	41	41
Consumption	459	469	477	481	482
Carryover stocks	107	110	109	103	102
Y-O-Y change	7	3	-0		-6
Major Exporters	37	40	39	34	33

- ➔ Mostly due to a smaller main crop in India, world 2014/15 production is forecast to fall fractionally y/y. With demand expected to increase to new highs, end-season stocks are placed at their lowest in four years.
- ➔ Global trade in 2015 is forecast to edge higher, with larger purchases by China and sub-Saharan Africa. Forecast exports by Thailand are increased for both 2014 and 2015.
- ➔ Rice prices fell comparatively steeply, the IGC GOI sub-Index down by 3% m/m, on ample supplies and sluggish demand.

FOB Quotes for Long Grain White Rice, High Quality:



Source-Oryza

FOB quotes for high quality white rice in the month of November was down in all major exporters due to onset of new arrival of main crop. FOB quotes for Thailand white rice high quality ruling highest among all country in the range of USD 425-435/MT, however Pakistan, Vietnam and Indian FOB are almost ruing in same trend.

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

Duration	Trend	Support	Resistance
January-2014	Steady to Weak	S1-11.00 S2- 11.80	R1-12.90 R2-13.10