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Rice Market Highlights

Monthly average rice price in the month of February was down by 4.04% from last month and currently hover in the range of Rs.2700-2720/quintal, however rice market is currently follow the last year trend. We expect price will move slightly up from current level as this year rice production was down by around 3-4% in 2014-15.

Basmati rice markets continue to reel under pressure due to slackness in demand. Virtually, there is no buyers in the market for bulk quantity and stockiest/millers are unable to hold stock and want to get rid of it as there is a limit of their holding capacity. Aromatic rice price in different Mandis of Punjab and Haryana are down by 2-15% from last month.

For the first time, the country's buffalo meat exports in the first three quarters of the current fiscal have surpassed that of Basmati rice. The shipment of Basmati rice in the same period fell marginally to Rs 20,471 crores mainly due to import curbs by Iran, the largest export destination for Basmati rice. In 2013 -14, the country exported Basmati worth of Rs 29,291 crores while buffalo meat shipment was at Rs 26,457 crores.

Demand for aromatic rice from major buyers like Iran, UAE, Kuwait and Saudi Arabia is unlikely to improve in the weeks ahead as low crude oil price may impact their disposable income-it is feared. Higher production, discouraging demands from these countries may cap any upward momentum for head rice. Market may rule steady to slightly up in the second quarter.

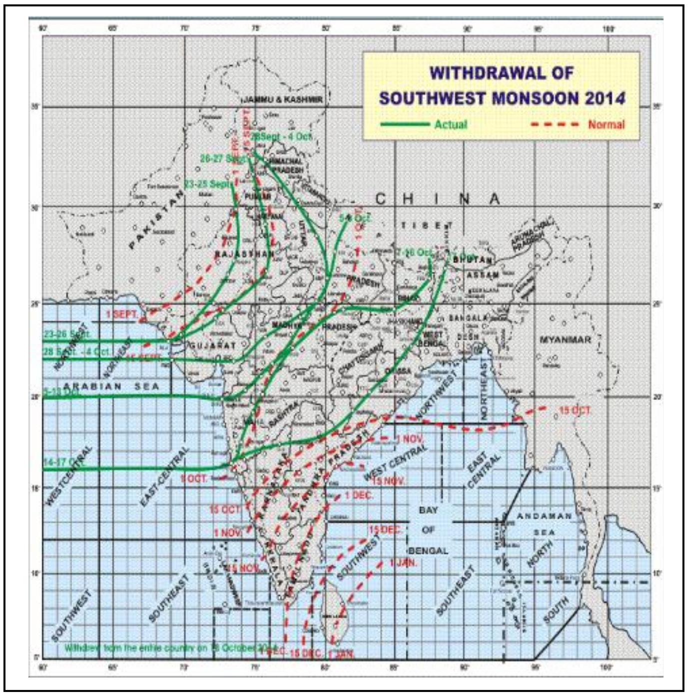
All-India progressive procurement of Rice as on 27.02.2015 for the marketing season 2014-15 was 215.73 lakh tonnes against the procurement of 232.83 lakh tonnes up to the corresponding period of last year.

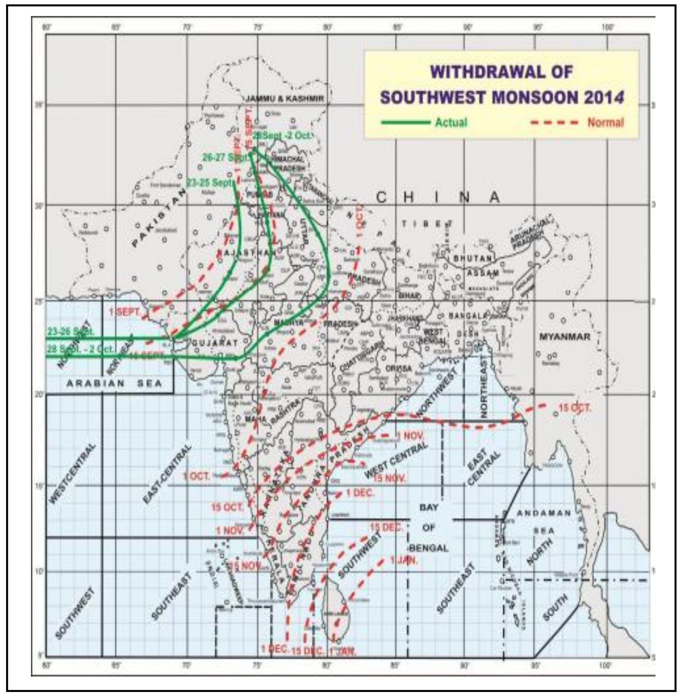
As per AW survey report, Production of basmati rice (all varieties combined) has increased by nearly 20.5% in Kharif season 2014 as compared to the previous year. The total production of all basmati is expected to be around 7.3 million tonnes in 2014-15 as compared to 6.07 million tonnes in 2013-14.

As per Rabi Crops data released by Directorate of Economics and Statistics, Ministry of Agriculture, total area coverage as on 13 Feb-2015, under Rabi crops moves to 617.97 lakh hectares while last year's sowing area was at 659.31 lakh hectare. The area under sowing of Rice is at 27.04 lakh hectares this year which covered 57% of total rabi coverage under rice while the last year's figure was 31.51 lakh hectares. Andhra Pradesh and West Bengal are reported highest area under rabi paddy with contribution of 16.41% and 14.04% respectively.

As per data received by IBIS, rice export for MY-2014-15(Oct14-Sep-15) in the month of January was 10.35 lakh tonnes which is higher by around 11% from last month export of 9.32 lakh tonnes.

Monsoon Watch:





Source-IMD

Rain/snow would occur at many places over Western Himalayan region. Rain/thunderstorm would also occur at few places over adjoining plains of northwest India & central India.Rain/thundershower would occur at a fe-w place over Madhya Maharashtra, Marathwada and northeastern states.

Supply & Demand

Figure in MMT	2013-14	2014-15*
Carry in	26.19	23.41
Production	106.54	103
Imports	0	0
Total Availability	132.73	126.41
Consumption	99.18	99.15
Exports	10.14	9
Total Usage	109.32	108.15
Carry out	23.41	18.26
Av Monthly Consumption	8.27	8.26

Stock to Month Use	2.83	2.21
Stock to Consumption Ratio	0.24	0.18

Agriwatch has revised its rice production and ending stock estimates in February, 3rd week. Kharif harvesting is 100%over in all over India. After second advance estimates released by Government of India, Agriwatch revised the rice production from 100 million tonnes to 103 million tonnes which is down by around 3% from last year milled rice production, this may be due to late arrival of monsoon and cumulative rainfall during this year's monsoon till 30th September -2014 was approx 12% below the Long Period Average (LPA) for the country as a whole.

At Export front, it is same from Agriwatch's last estimates, however we expect that export of rice (including basmati and non basmati rice) could vary from 8.5 million tonnes to 9.5 million tonnes depends upon global demand for Indian rice and competitive price offer from major competitors like Thailand, Pakistan and Vietnam.

Domestic consumption is likely to steady in 2014-15, but fall in production, fall in total availability and around 9 million tonnes of export could be the main reason for lower carry stock in MY 2014-15. This may push the rice price in upward direction in medium to long term (April-August).

Source-Agriwatch

In Above given a rural development and livelihood manager is talking with farmer of Kantipuram village (Ananthagiri Mandal, Visakhapatnam district, Andhra Pradesh) who has done 10 times SRI in 5 years (2 times in a year - Kharif and Rabi).

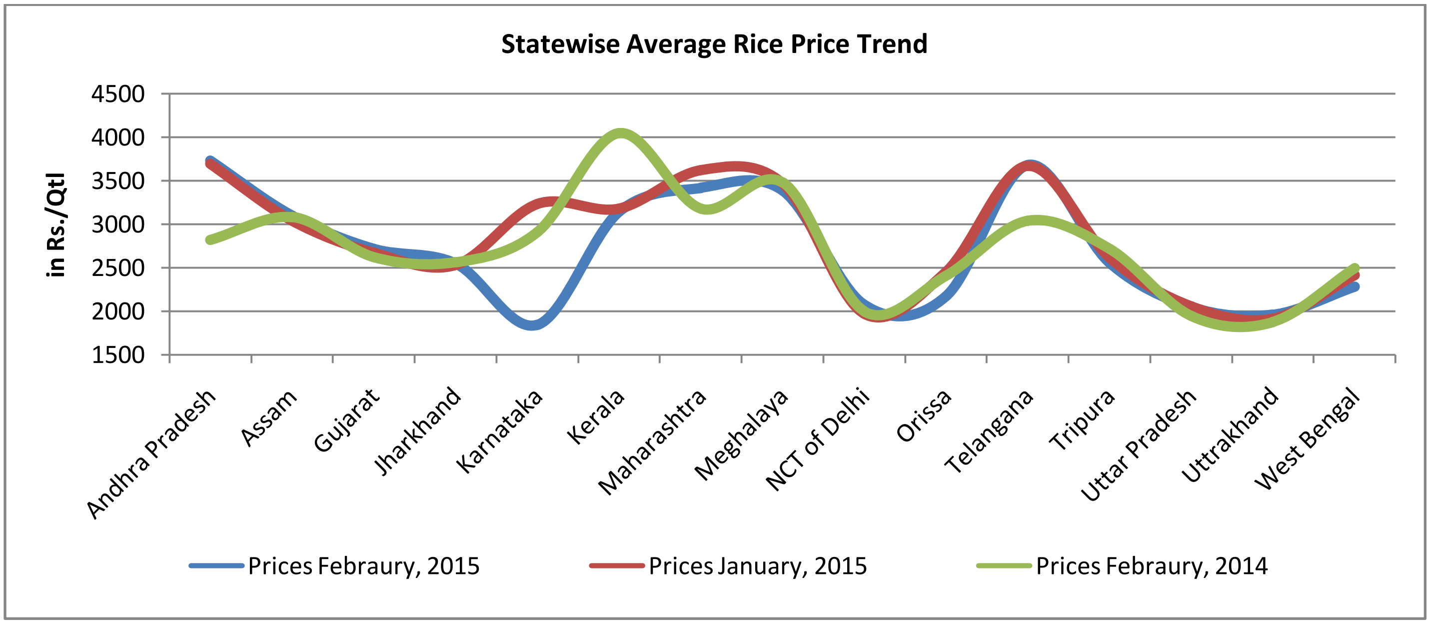
State wise Wholesale Price Monthly Analysis:

State	Prices February, 2015	Prices January, 2015	Prices February, 2014	% Change(Over Previous Month)	% Change(Over Previous Year)
Andhra Pradesh	3733.77	3692.95	2820.1	1.11	32.4
Assam	3102.4	3043.5	3081.08	1.94	0.69
Gujarat	2715.09	2669.41	2619.32	1.71	3.66
Jharkhand	2545.49	2532	2562.11	0.53	-0.65
Karnataka	1842.44	3234.7	2904.89	-43.04	-36.57
Kerala	3140.09	3182.47	4047.63	-1.33	-22.42
Maharashtra	3418.89	3625.04	3180.58	-5.69	7.49
Meghalaya	3383.74	3467.61	3480.05	-2.42	-2.77
NCT of Delhi	2075	1971.43	2000	5.25	3.75
Orissa	2168.36	2454.92	2409.61	-11.67	-10.01
Telangana	3680.82	3671.82	3043.02	0.25	20.96
Tripura	2557.24	2610.21	2716.62	-2.03	-5.87
Uttar Pradesh	2046	2054.4	1944.17	-0.41	5.24
Uttarakhand	1962.07	1916.08	1875.97	2.4	4.59
West Bengal	2282.5	2412.06	2496.97	-5.37	-8.59
Average	2710.26	2835.91	2745.47		

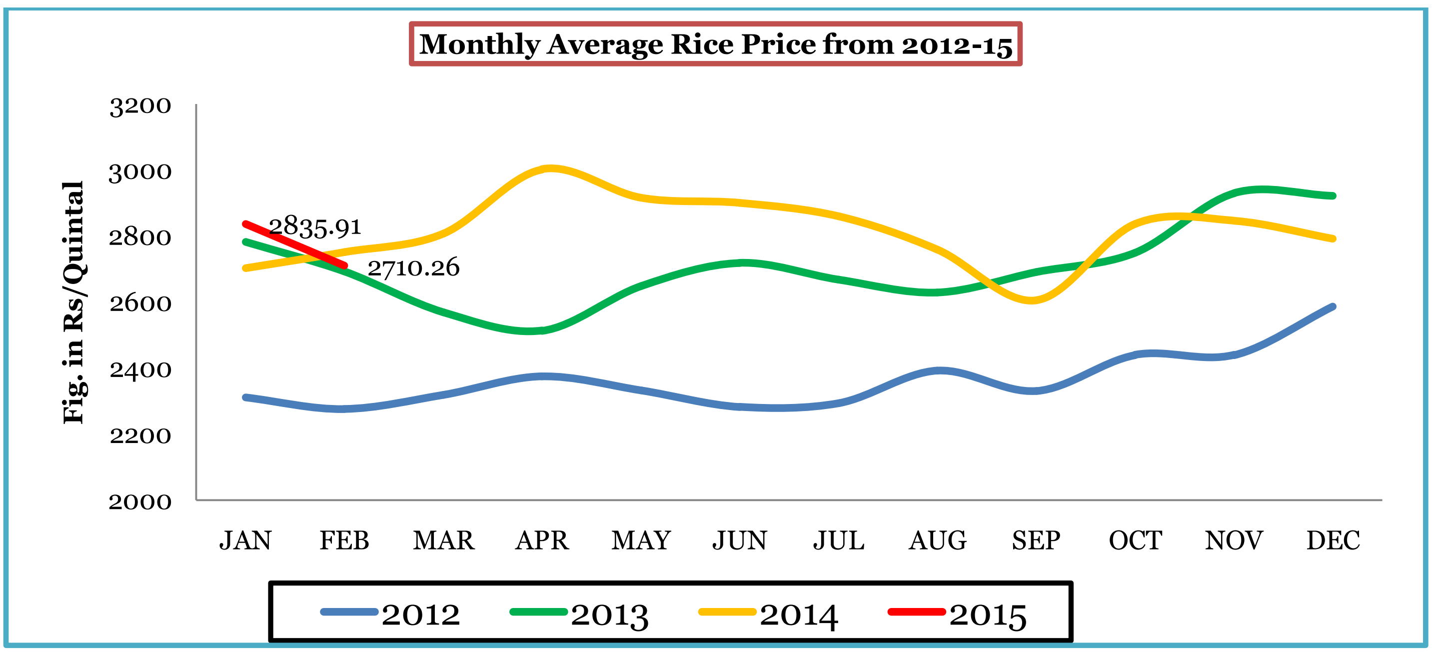
Source-Agmark

Average rice price in the month of February was move down by 4.43% from last month and lower by only 1.28% from same period last year due to lower than normal domestic as well overseas demand. Buyers are not active at this time for rice purchasing. Average rice price for the country in the month of February was moved in the range of Rs.2700-2720/quintal. We expect rice price would likely to move in the range bound to slightly firm in coming month.

Indian Average Rice Price Trend- February:



Monthly Average Rice Price Trend:



Monthly average rice price in the month of February was down by 4.04% from last month and currently hover in the range of Rs.2700-2720/quintal, however rice market is currently follow the last year trend. We expect price will move slightly up from current level as this year rice production was down by around 3-4% in 2014-15.

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

Year	Jan	Feb	Mar	Apr	May	June	July	Aug	Sept	Oct	Nov	Dec
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	35.4	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	31.26	30.55	28.65	32.00	27.66	24.56	21.65	18.62	23.21	21.57
2015	23.13	25.22										

Total rice stocks in India's central pool have up to 25.22 million tons as of Feb- 1, 2015.

Source-FCI

Progressive Procurement of Rice as on 27.02.15: Figure in lakh T

State	Total procurement in marketing season	Progressive Procurement as on 27.02.2015	
	2013-14 (Oct. - Sept.)	In Marketing season 2014-15	In Marketing season 2013-14
Andhra Pradesh	37.38	15.01	30.27
Telangana	44.00	15.38	0.00
Chhattisgarh	43.0	33.54	53.37
Haryana	24.06	19.96	24.03
Kerala	4.00	1.22	1.18
Punjab	81.06	77.81	81.06
Madhya Pradesh	10.14	8.00	10.40
Maharashtra	2.00	1.20	1.12
Tamil Nadu	7.0	0.04	0.55
Uttaranchal	4.63	4.29	3.05
Uttar Pradesh	11.27	14.18	9.34
West Bengal	13.59	9.70	5.88
Others	36.46	4.02	9.42
All-India	**319**	**215.73**	**232.83**

Source-Agricoop

All-India progressive procurement of Rice as on 27.02.2015 for the marketing season 2014-15 was 215.73 lakh tonnes against the procurement of 232.83 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**	5.37	3.95	**9.32**
January-14	6.85	3.44	**10.29**	**January-15**	6.75	3.60	**10.35**
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**	**20.88**	**12.92**	**33.8**

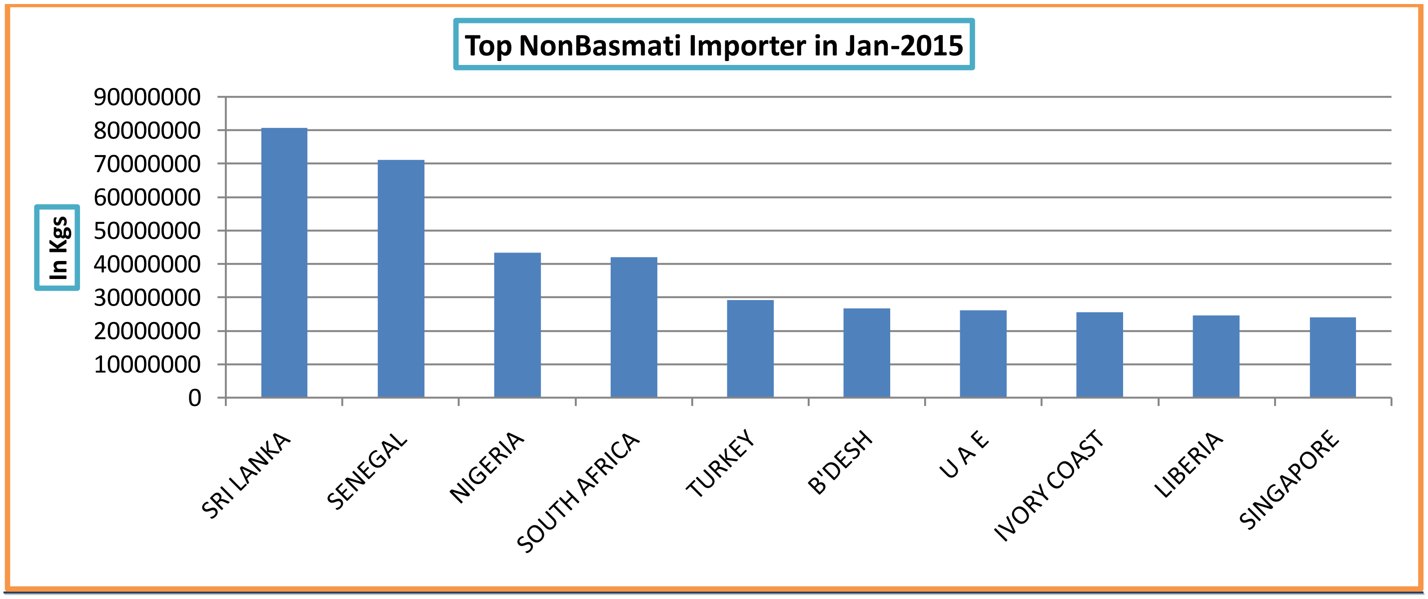
Source-DGCIS and * IBIS

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.

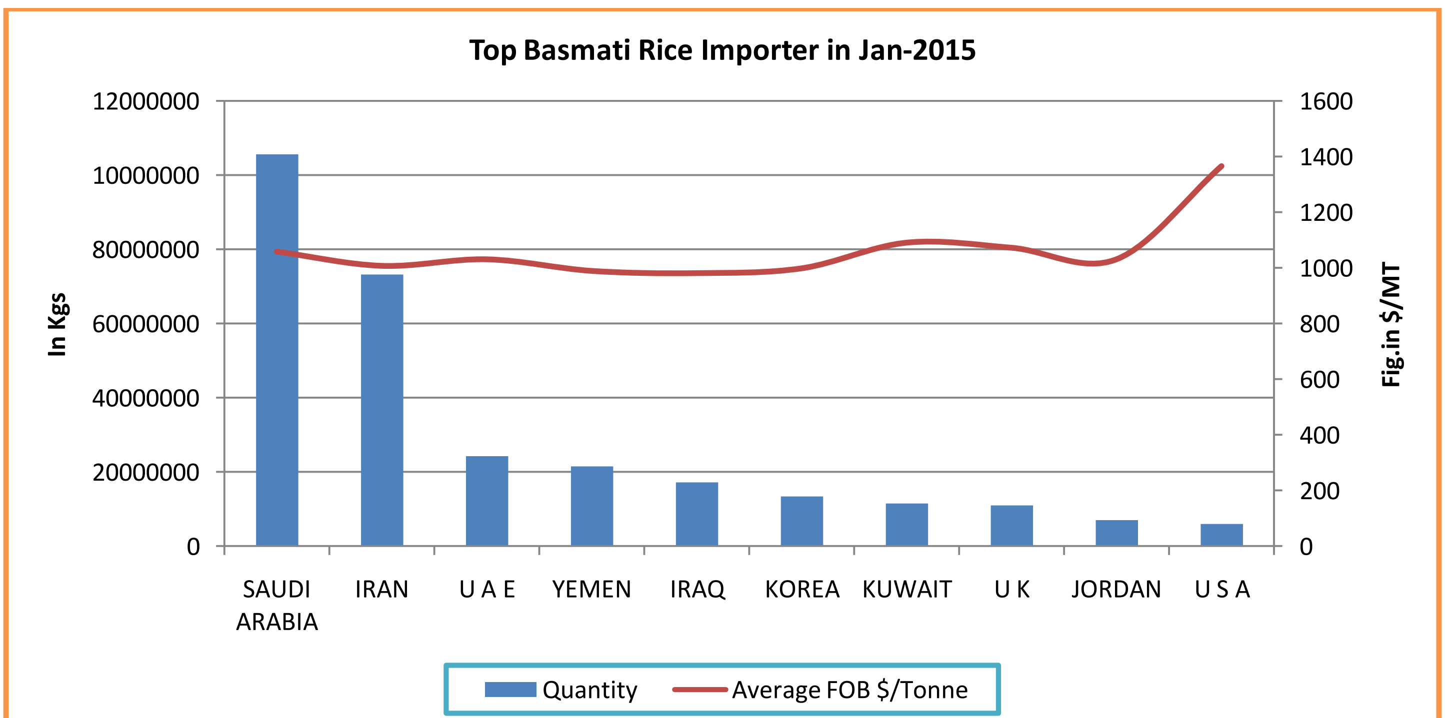
Total Rice export for MY-2014-15 was 33.8 lakh tonnes which was down by around 2% from same period last year export of 34.47 lakh tonnes. Non basmati rice export in the month of January was 6.75 lakh tonnes and basmati exports for MY-2014-15(Oct14-Sep-15) in January was 3.60 lakh tonnes which is lower by around 09% from last month. Saudi Arabia was the largest buyer in the month and import approx 105 thousand MT followed by Iran which import around 73 thousand MT, as per data received from IBIS a customs data provider.

Note: Awaited for February Export

Top 10 Countries of Non Basmati Rice Export in January-2015



Top 10 Countries of Basmati Rice Export in January-2015



Rice Market Outlook:

Despite it being a lean season for the rice market prices is unlikely to get firmer unexpectedly. Ample supply side from govt's granary and sluggish export demand restricts uptrend in rice market. Some improvement might be seen in April, as exporters may start fresh buying at lower level. Increasing fear of lower crop size may lend support to the rice market fundamentals. Non- basmati rice may trade in the range of RS 2725 to Rs 2750 per qtl. in north Indian market.

Basmati market too is likely to trade under pressure as there is no export demand from major overseas buyers. Higher stock in govt.'s granary too remains unsupportive to the cash market. As stock is at higher level, two-three million tonne lower production would not impact market sentiments. Major suppliers of rice like Thailand, Vietnam, and Mayanmar have ample stock and they offer rice at competitive prices and attract buyers. Normal demand in domestic market with ample surplus stock and sluggish export demand would encourage market to smooth with stability in the month of March.

Global Updates:

Malaysian Rice production is forecast to increase from 1.8 million tons in 2014/15 to 1.81 million tons in 2015/16. This expected increase is due to new planted areas in East Malaysia, better irrigation system, and the use of high yielding paddy varieties. Producers receive various incentives to produce, such as subsidized seeds, fertilizer, pesticides, and irrigation. The GOM set the support price for paddy at RM1, 200 per ton. Domestic consumption is relatively stable and is forecast at around 2.8 million to 2.82 million tons in 2014/15 and 2015/16 respectively

As paddy harvesting is continue in Vietnam and rice production is up about 0.31% from last year, also demand of Vietnamese rice in global market is not picking up, thus Vietnam Food Association has cut the floor price (minimum export price) of the lower quality 25% broken rice exports to around $350 per ton, down about 3% from around $360 per ton. Vietnam also cut the export price for 25% broken rice to 360/T from 380/T in January-2015. Even after this export quantity of rice from the country in the first two month (January-February) was only 356,012 tonnes which is down by 44% from same period last year.

As per data received from Pakistan Bureau of Statistics, total rice export (basmati rice & non basmati) in the month of January was 419,153 tonnes in which non basmati contribution was

91.75%. Rice export in the month was down by approx 14% from last month export of 490,371 tonnes. Basmati rice export in the month of January was 34,567 tonnes which was down by 12% from last month basmati export. In Pakistan basmati FOB front currently hover in the range of USD 876/MT which is down by 1.1% from last month as per FAO price.

IGC Balance Sheet:

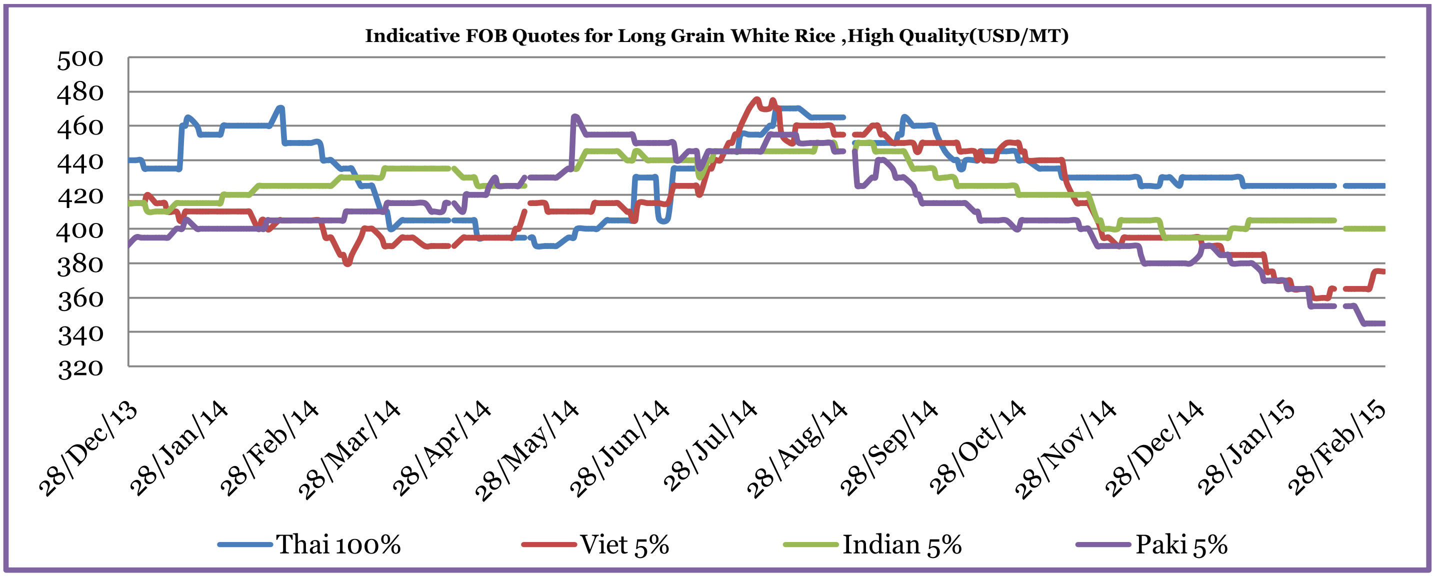
	2011-12	2012-13	2013-14 est.	2014-15 projection 22.01.15	projection 26.02.15
Production	476	472	476	474	474
Trade	39	38	40	42	42
Consumption	459	469	477	482	483
Carryover stocks	107	110	109	102	101
Y-O-Y change	7	3	-0		-9
Major Exporters	37	40	39	32	30

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

IGC Rice Balance sheet Highlights:

- 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 lower, with lesser supply by India. 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 February was steady for Indian and Thailand white rice 5% and 100% respectively, while Pakistan FOB quotes for white rice high quality was moved slightly down from last month and Vietnam FOB for same was slightly up from last month.

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

Duration	Trend	Support	Resistance
March-2015	Steady	S1-10.20 S2- 10.00	R1-10.90 R2-11.20