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Rice Market Highlights

Monthly wholesale average rice prices, which increased in January 2015 and declined in February 2015 due to increased supply and declining export demand, have again increased in March 2015 due to expected lower production from ongoing rabi crop. All India average rice price in the month of March was firm by 1.01% from last month and down by 3.6% from same period last year.

As per data released by Ministry of agriculture, Planting for India's 2014-15 rabi (secondary) rice crop (November-May) has reached about 3.943 million hectares as of March 27, a decrease of about 9.5% from the same period last year.

Railway minister Suresh Prabhu has announced a 10% increase in freight rates for grains and pulses in the railway budget for the next fiscal, which traders said will make these commodities costlier for consumers. Retail prices of rice and wheat are expected to increase between 50 paise to Re 1 per kilogram while pulses may cost Rs 1-2 more per kg.

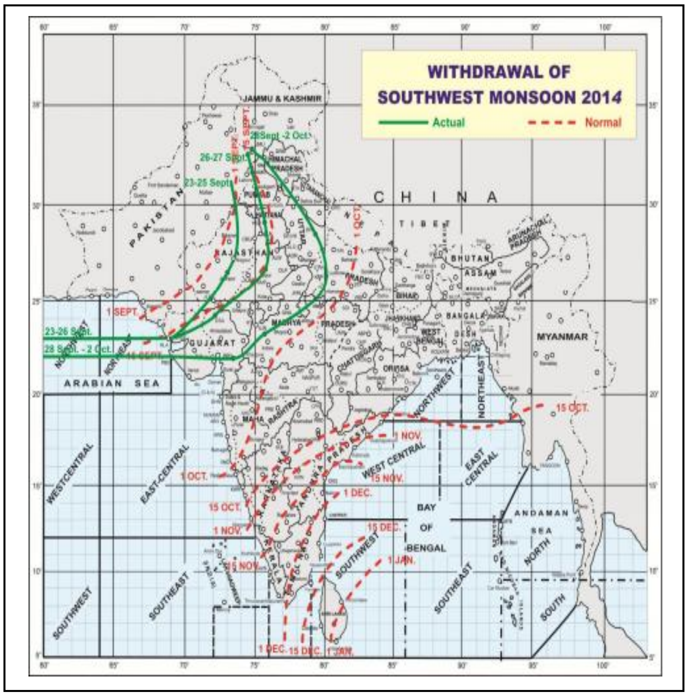
Export prices of rice, too, will go up because 75% of the transportation of the 7-8 million rice exports is done by the railways. As per said by ,BV Krishna Rao, managing director at Pattabhi Agro Foods, the country's biggest exporter of non-basmati rice, In retail, rice being sold for Rs 20 /kg rice might increase by 50 paise. Similarly, Indian white rice quoted at $ 350 a tonne will see a hike of $2 per tonne.

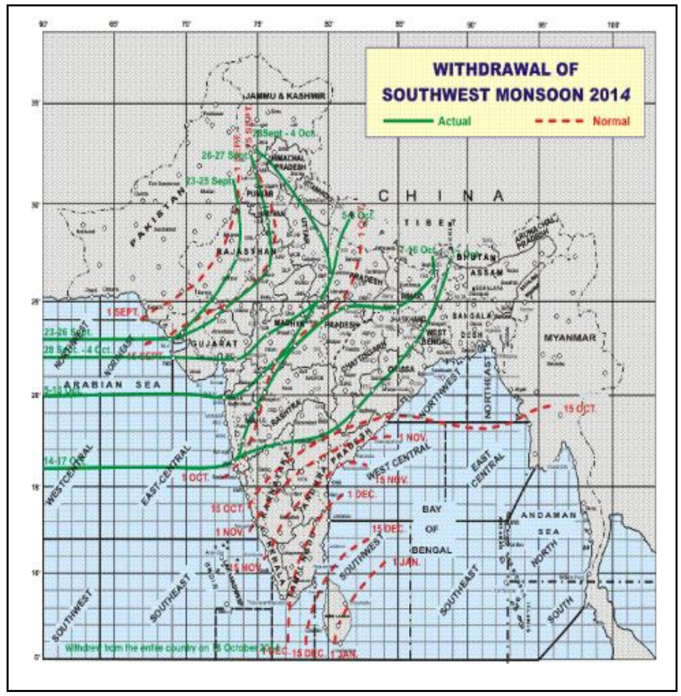
In the pre-monsoon season, cumulative Rainfall for the country as a whole during the period 1st March to 25th March, 2015 was 105% higher than Long Period Average (LPA). Rainfall (% departure from LPA) in the four broad geographical divisions of the country during the above period was lower by -56% in East & North East India and higher by 135% in South Peninsula, 154% in North West India and 355% in Central India.

All-India progressive procurement of Rice as on 27.03.2015 for the marketing season 2014-15 was 240.66 lakh tonnes against the procurement of 243.94 lakh tonnes upto the corresponding period of last year.

China is likely to begin rice import from India in July this year, as domestic consumption is increased in 2014-15 by 1.43% from last year as per by USDA. China previously restricted the import of Indian basmati rice due to Khapra beetle.

Monsoon Watch:





Source-IMD

- Heavy rain would occur at isolated places over Arunachal Pradesh, Assam & Meghalaya and Na galand, Manipur, Mizoram & Tripura.
- Thunderstorms accompanied with squall/hailstorm would occur at isolated places over Bihar, north Madhya Pradesh, Jharkhand & west Bengal and Sikkim.
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- Thunderstorms accompanied with squall/hailstorm would occur at isolated places over Jharkh-and Odisha and West Bengal & Sikkim.

During the week 19th March to 25th March, 2015, the maximum temperature anomaly ranged between -2 to 2o C over entire country except Saurashtra & Kutch, Arunachal Pradesh, Nagaland, many parts of East Uttar Pradesh, East Madhya Pradesh, Himachal Pradesh, Manipur, Andaman & Nicobar Islands, few parts of Gujarat region, West Rajasthan and at isolated parts of West Uttar Pradesh, West Madhya Pradesh and Chhattisgarh. The minimum temperature anomaly during the above period ranged between -2 to 2o C over the entire country except Saurashtra & Kutch, Himachal Pradesh, Uttarakhand, Jharkhand, Madhya Maharashtra, many parts of West Rajasthan , few parts of Gangetic West Bengal, Odisha, East Madhya Pradesh, Gujarat region , Andaman & Nicobar Islands and at isolated parts of Bihar, West Madhya Pradesh, Konkan, Telengana and Coastal Andhra Pradesh.

Supply & Demand

Figure in MMT	2013-14	2014-15*
Carry in	26.19	22.65
Production	106.54	102.5
Imports	0	0
Total Availability	132.73	125.15
Consumption	99.18	99.35
Exports	10.9	9
Total Usage	110.08	108.35
Carry out	22.65	16.8
Av Monthly Consumption	8.27	8.28
Stock to Month Use	2.74	2.03
Stock to Consumption Ratio	0.23	0.17

Agriwatch has revised its rice production and ending stock estimates in April, 1st week. Rabi sowing is almost over in rabi rice growing states and acreage is 9.5% down from last year so we down the rice production for MY-2014-15 from 103 million tonnes in previous estimates(3rd week Of February) to 102.5 million tonnes.

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 by major competitors like Thailand, Pakistan and Vietnam.

Domestic consumption is likely to up by 1.17% from last year consumption of 99.18 million tonnes to 99.35 million tonnes in 2014-15. 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).

Rabi Paddy Picture in Chhattisgarh:

Source-Agriwatch

Above given picture shows the rabi paddy condition in the state of Chhattisgarh by farmers. Overall weather condition is good at this stage and water is sufficient for growth. In second picture male farmer is showing the paddy cultivation by SRI method while female is demonstrating through traditional method.

State wise Wholesale Price Monthly Analysis:

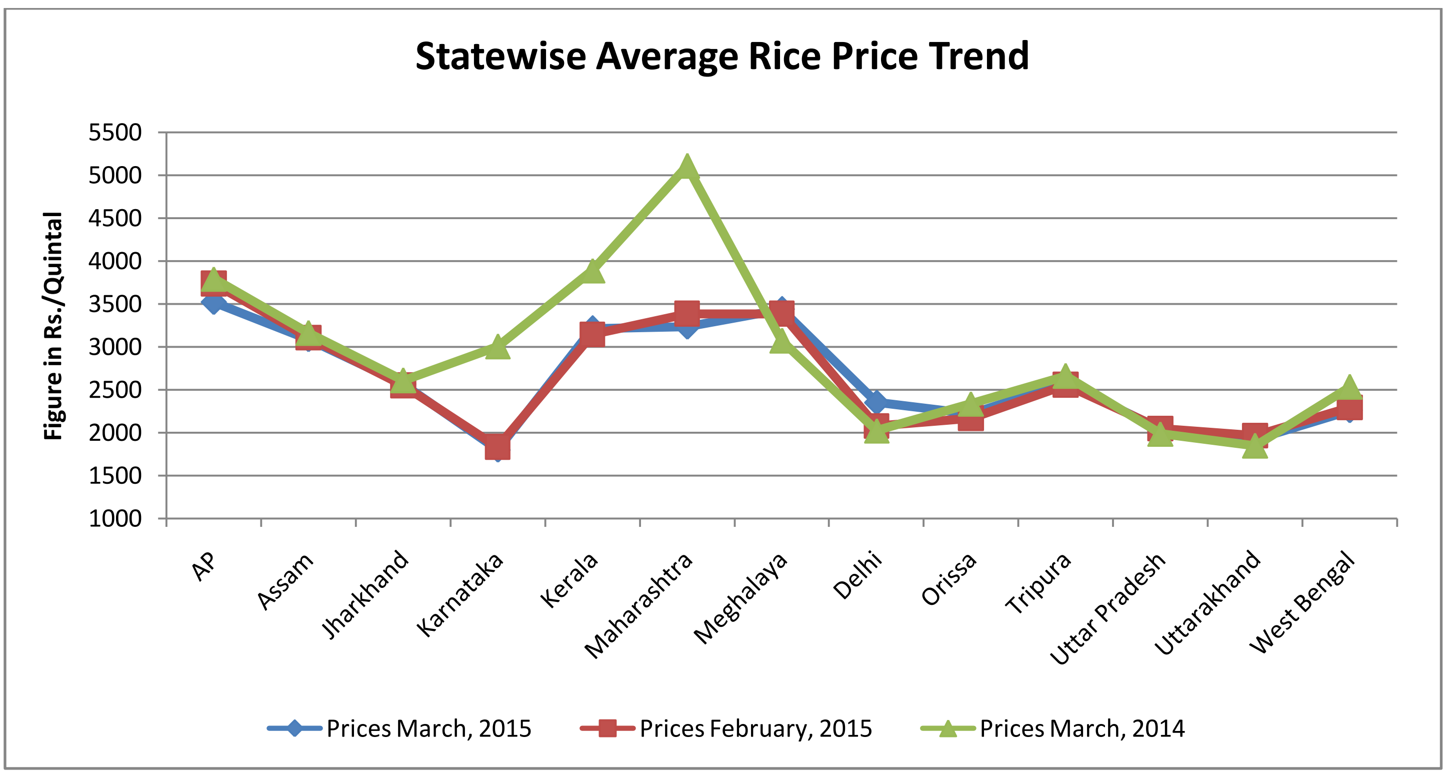
State	Prices March, 2015	Prices February, 2015	Prices March, 2014	% Change(Over Previous Month)	% Change(Over Previous Year)
AP	3517.54	3733.07	3792.13	-5.77	-7.24
Assam	3085.18	3102.4	3158.92	-0.56	-2.33
Gujarat	4182.7	2715.09	2701.14	54.05	54.85
Jharkhand	2564.17	2546.54	2607.19	0.69	-1.65
Karnataka	1799.38	1832.83	3004.8	-1.83	-40.12
Kerala	3212.99	3140.09	3889.21	2.32	-17.39
Maharashtra	3229.63	3382.85	5108.93	-4.53	-36.78
Manipur	__	2809.28	2657.44	__	__
Meghalaya	3438.06	3383.74	3069.18	1.61	12.02

Delhi	2351.11	2075	2022.06	13.31	16.27
Orissa	2219.29	2168.36	2336.79	2.35	-5.03
Tripura	2575.97	2557.24	2658.39	0.73	-3.1
Uttar Pradesh	2035.34	2045.91	1985.82	-0.52	2.49
Uttarakhand	1915.74	1962.07	1845.11	-2.36	3.83
West Bengal	2255.61	2288.88	2533.53	-1.45	-10.97
Average	2741.62	2714.01	2846.15		
***Report Generation: As per the data reported by APMCs**					

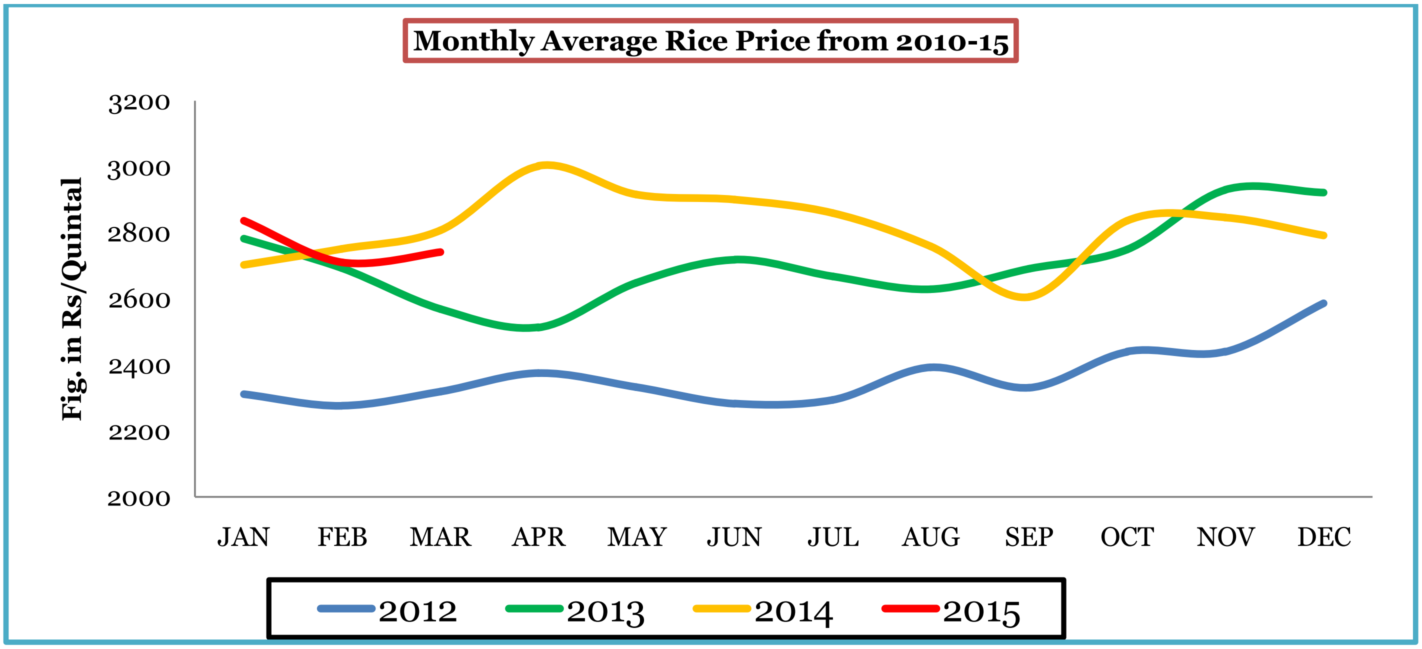
Source-Agmark

Average rice price in the month of March was moved up by 1.01% from last month. However it is clear shown in above given table that rice price decreased in major producing states like Andhra Pradesh, west Bengal and Uttar Pradesh, while it is up in consuming states like Delhi, Kerala, and Gujarat. Increase in rice price is likely due to domestic buyers are active in the market at this level and we expect price will move in the range bound to firm in coming month.

Indian Average Rice Price Trend- March:



Monthly Average Rice Price Trend:



As expected in the last month Agriwatch rice report, rice price in the month of March achieved the target and moved in the north direction. Currently average wholesale rice price is moving in the range of Rs.2720-2740/quintal. Market is following the last year price trend and likely to maintain its bullish momentum in the coming months.

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	24.05									

Total rice stocks in India's central pool have up to 24.05 million tons as of March- 1, 2015 which is down by 4.63% from last month and 23.06% from same period last year.

Source-FCI

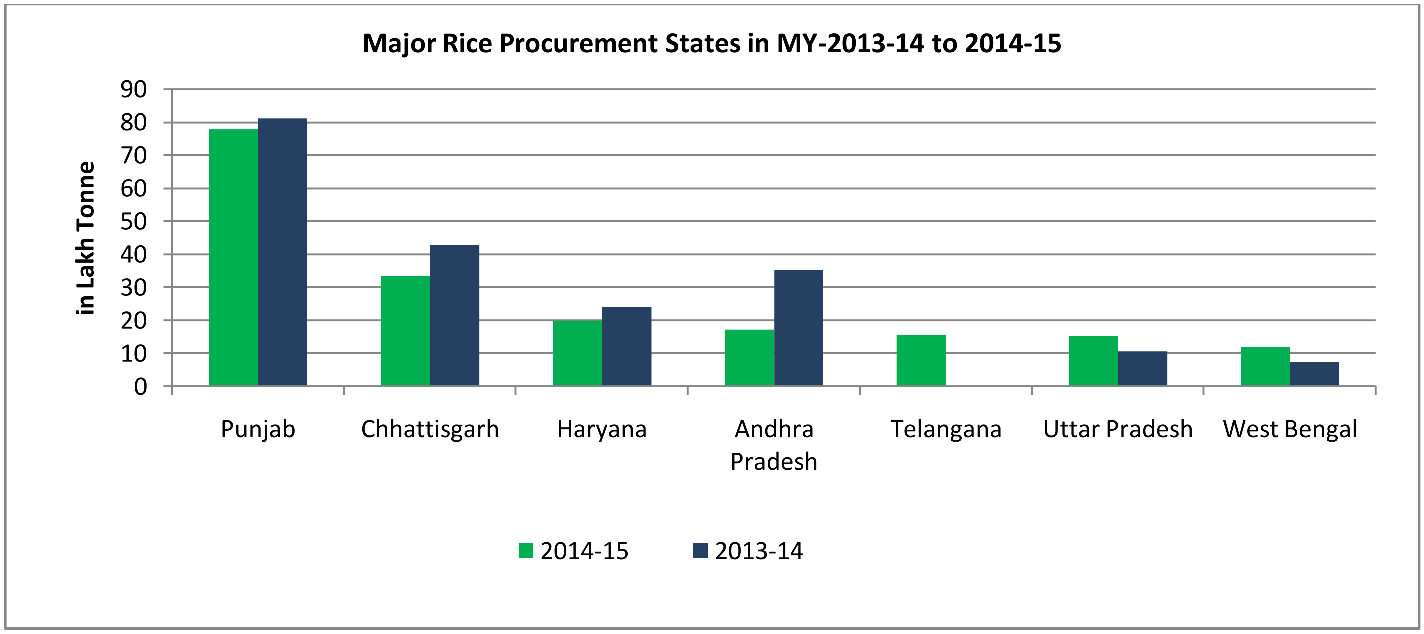
Progressive Procurement of Rice as on 27.03.15: **Figure in lakh T**

State	Total procurement in marketing season	Progressive Procurement as on 27.03.2015	
	2013-14 (Oct. - Sept.)	In Marketing season 2014-15	In Marketing season 2013-14
Andhra Pradesh	37.38	17.20	35.13
Telangana	44.00	15.77	0.00
Chhattisgarh	43.0	33.55	42.85
Haryana	24.06	20.01	24.05
Kerala	4.00	2.02	1.88
Punjab	81.06	77.81	81.06
Madhya Pradesh	10.14	8.00	10.40
Maharashtra	2.00	1.32	1.26
Tamil Nadu	7.0	0.06	0.59
Uttaranchal	4.63	4.29	3.71
Uttar Pradesh	11.27	15.32	10.68
West Bengal	13.59	11.98	7.34
Others	36.46	4.02	9.42
All-India	**319**	**240.66**	**243.94**

Source-Agricoop

All-India progressive procurement of Rice as on 27.03.2015 for the marketing season 2014-15 was 240.66 lakh tonnes against the procurement of 243.94 lakh tonnes up to the corresponding period of last year. Punjab, Chhattisgarh and Haryana are major contributor for rice procurement in the season.

Graphical Presentation of Rice Procurement State wise:



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**	9.06	2.52	**11.58**
November-13	4.29	2.49	**6.78**	**November-14**	6.75	2.98	**9.73**
December-13	5.11	3.79	**8.9**	**December-14**	6.39	3.79	**10.18**
January-14	6.85	3.44	**10.29**	**January-15***	6.75	3.6	**10.35**
February-14	6.18	3.5	**9.68**	**February-15***	5.74	1.83	**7.57**
March-14	4.17	3.19	**7.36**	**March-15**			
April-14	3.95	2.85	**6.8**	**April-15**			
May-14	4.26	3.37	**7.63**	**May-15**			
June-14	5.02	3.64	**8.66**	**June-15**			
July-14	6.5	2.33	**8.83**	**July-15**			
August-14	6.99	2.16	**9.15**	**August-15**			
September-15	9.64	2.03	**11.67**	**September-15**			
Total	**69.66**	**34.59**	**104.25**	**Total**	**34.69**	**14.72**	**49.41**

Source-DGCIS and * IBIS

Total Rice export for MY-2014-15 till February-15 was 49.41 lakh tonnes which was up by around 12% from same period last year export of 44.15 lakh tonnes. Non basmati rice export in the month of February was 5.74 lakh tonnes and basmati exports for MY-2014-15(Oct14-Sep-15) in the month was 1.83 lakh tonnes which is lower by around 15% and 49% respectively from last month.

The fall of basmati rice export was mainly due to import ban by Iran who is a major basmati rice importer from Iran. This year Agriwatch expects that total rice export may fall from 10.14 million tonnes to 9-9.5 million tonnes due to lower production prospects as well tough competition from Thailand, which is planning to sell rice from their stockpiles at cheaper rate in global market.

Rice Market Outlook:

In the month of March rice market showed some bullish trend due to fresh requirement came from domestic buyers as well global countries like china and South Africa. Apart from this lower rabi rice coverage also encourage the buyers to buy at this level. Some improvement might be seen in coming month in non basmati rice price, as exporters and domestic buyers 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 2750-2850 per quintal in north Indian market.

Aromatic rice and paddy prices traded under pressure from the beginning of the new season and touched its lower level in the beginning of March. 1121 steam rice Touched Rs 5200 per quintal while Paddy traded at Rs 2300 per qtl. Market participants expect recovery from this level in the weeks ahead amid supportive new deal from Iran. Recovery in market seems a visible possibility as fresh buying is expected to start by the end of this month.

Global Updates:

Pakistan 5% broken rice in the last week of March shown at about $370 per ton, up about $10 per ton from a week, up about $30 per ton from a month ago and down about $40 per ton from a year ago. The UN's FAO estimates that Pakistan will export about 3.8 million tons of rice in 2015, up slightly from 2014 due to increased production expected. China's Guangdong Grain Association has signed an agreement with the Rice Exporters Association of Pakistan to import about 1,500 tons of rice this year.

Brunei is expected to increase its imports of rice from Thailand because it is favoured by 90% of the population for its healthy properties, according to government spokesman Yongyuth Mayalarp. The country imported 30,000 tonnes of Thai rice last year. The spokesman quoted Brunei authorities as replying that 90% of the Brunei population ate Thai rice and that imports were likely to increase because it was considered to be healthy and reduced the risk of diabetes, especially rice berry rice and brown rice.

According to a press release, the 10-member delegation of the Guangdong Grain Association met with representatives of the Rice Exporters Association of Pakistan (REAP) at the head office of the Trade Development Authority of Pakistan (TDAP). The business-to-business meeting of the two associations was arranged by the TDAP, which was held in a friendly atmosphere. The participants discussed issues related to rice exports to China and their possible solutions. Earlier on March 23, the Chinese delegation visited a rice processing factory in Karachi, which was arranged jointly by the TDAP and REAP.

Peru a country in western South America's Rice production in MY 2015/16 is forecast at 2.15 MMT (milled basis), remaining in the same level as current production. Rice production has reached a maximum level and is now limited by water availability and demand. The total rice harvested area for MY 2015/16 is forecast to fall to 400,000 hectares, about the same as the previous year. With good weather conditions and plentiful water, rice production in CY 2014 reached almost 2 MMT. Rice is normally harvested April through May in the country, averaging $317 per MT in CY 2014. This price represents a 3.6 percent increase compared to the previous year.

The International Grains Council estimates 2015 world rice trade will reach about 42 million tons, down about 3% from a record 43 million tons in 2014. The IGC estimates world rice production for 2014-15 will be about 475 million tons, down slightly from 2013-14. World rice consumption in 2014-15 may increase to about 483 million tons, up about 1% from the previous year. World rice ending stocks are expected to decline from the previous year to around 101 million tons in 2014-15.

IGC Balance Sheet: (Fig in Million T)

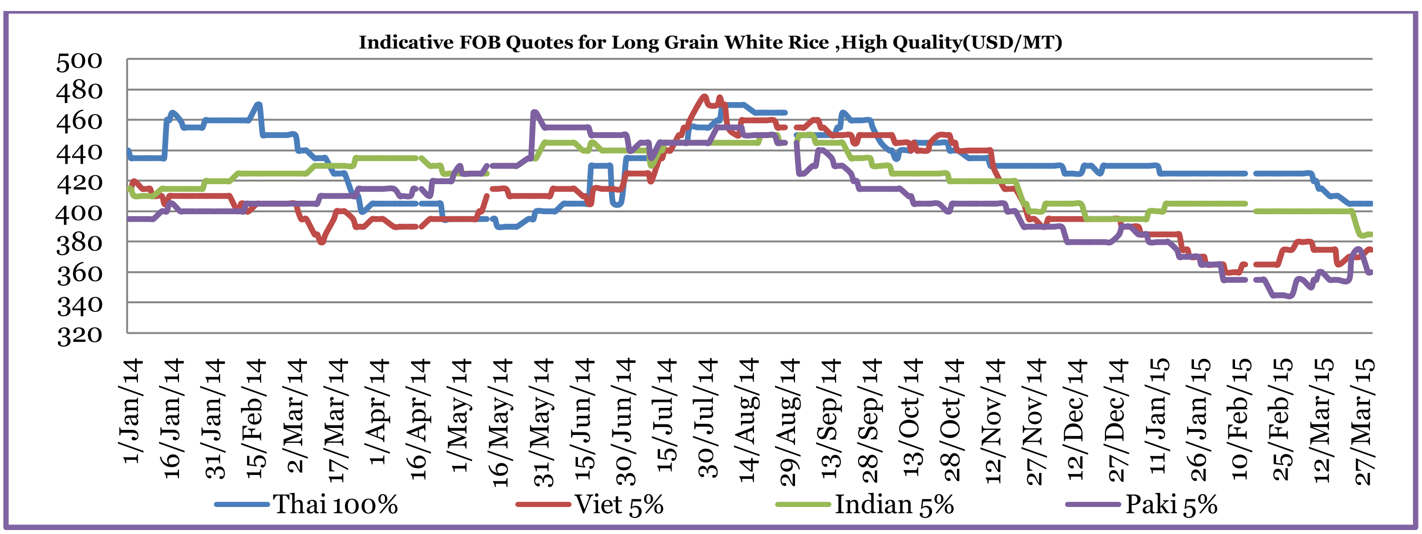
	2012-13	2013-14 est.	projection 26.02.15	2014-15 Forecast 22.01.15	projection 26.0315 2015-16
Production	467	472	476	474	475
Trade	39	29	43	42	42
Consumption	458	468	479	483	483
Carryover stocks	109	113	110	101	101
Y-O-Y change	8	4	-3		-8
Major Exporters	37	40	38	30	31

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

IGC Rice Balance sheet Highlights:

World rice output in 2014/15 is placed fractionally higher than before, at 475m t, only slightly lower y/y. The increase from February is absorbed through upward adjustments to use and stocks. Nevertheless, world carryovers are still seen at a four-year low of around 101m t, led by a steep contraction in leading exporters. Forecast world trade in 2015 (Jan/Dec) is cut marginally, to some 42m t, only 3% below last year’s high. Underpinned by increased food demand in Asia, global rice consumption in 2014/15 is anticipated to rise by 1% y/y, to a fresh peak. And with total use set to exceed world production, end-season carryovers are expected to fall by 8%. Much of the contraction will be due to the major exporters, namely Thailand and India. World trade in 2015 (Jan/Dec) is forecast to fall by 3% from the previous year’s record on a contraction in shipments to South Asian markets.

FOB Quotes for Long Grain White Rice, High Quality:



Source-Oryza

FOB quotes for high quality white rice in the month of March was weak in all major exporters except Pakistan. FOB for Thailand, Vietnam and India were down by -4%, -1.3 and -3.75% respectively in the month of March from last month. Due to lower production prospects and lower carryover stock in Pakistan, rice international price was moved up in last month by 4.34%.

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

Duration	Trend	Support	Resistance
April-2015	Steady to Firm	S1-10.50 S2- 10.30	R1-11.20 R2-11.45