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Rice Market Highlights

Monthly average rice price in the month of April was slightly up by 1.26% from last month and currently hover in the range of Rs.2780-2790/quintal. Lower rabi rice acerage, lean season and expectation of weak rainfall in coming monsoon remain supportive for rice cash market in coming months and we expect price will move towards the north direction.

The area under rabi /summer rice as on May 1st 2015 stands at 40.66 as compared to 44.88 lakh hectare in previous year. Total area under rabi rice and summer crops stands at 64.20 lakh hectare as compared to 66.23 lakh hectare in previous year.

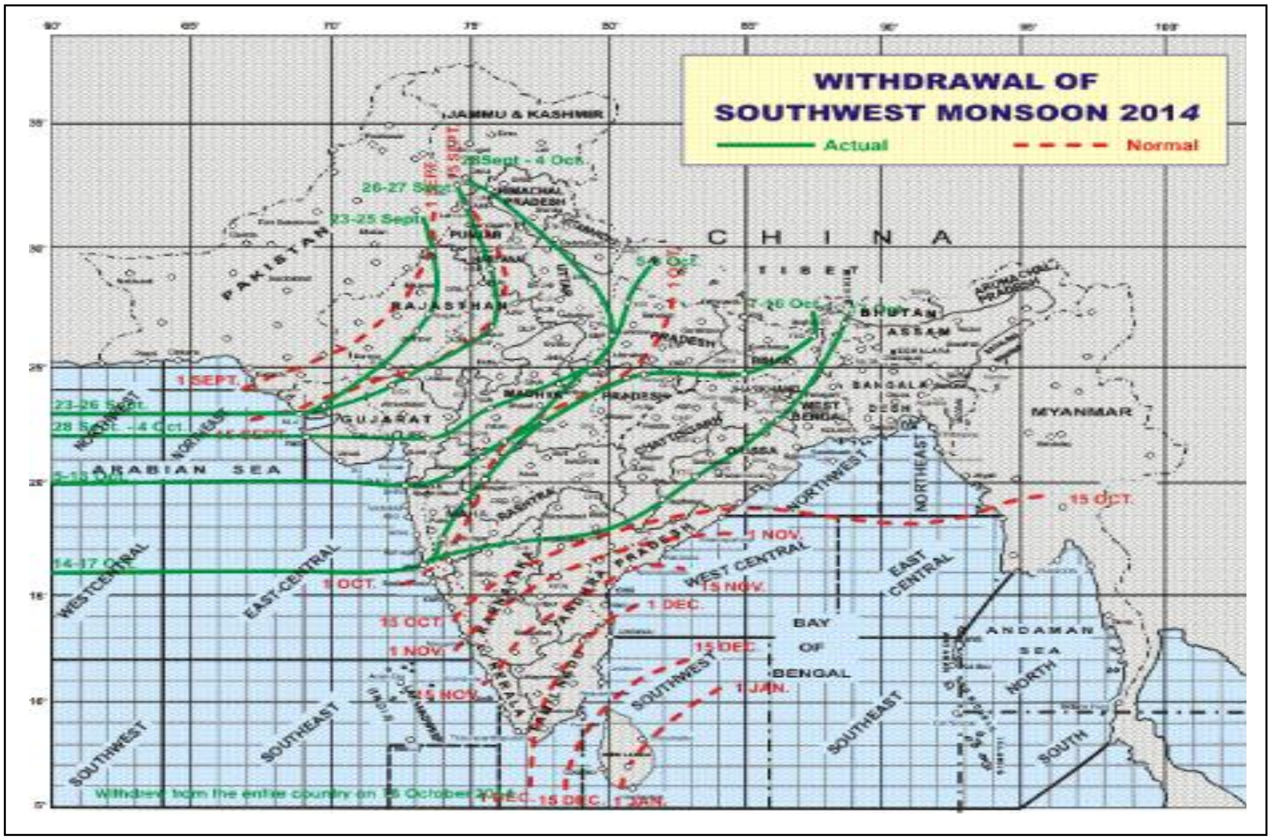
A government advisory body The Commission for Agricultural Costs and Prices(CACP) on crop pricing has recommended a modest increase of Rs 50 per quintal in the minimum support price for paddy farmers. In its MSP proposals made to Agriculture Ministry for various kharif (summer-sown) crops for 2015-16, the paddy MSP has been suggested to be increased to Rs 1,410 a quintal from Rs. 1,360 for common variety and Rs. 1450 from Rs 1,400 for 'A grade' variety paddy. For the 2014-15 kharif seasons, the previous government had also raised the support price of paddy by Rs 50 per quintal to Rs 1,360 for common variety and to Rs 1,400 for 'A grade' variety paddy.

India rice export touched 10.81 million tonne in first 11 months of the FY 2014-15. It is 8.5 percent higher from the same period last year (9.96 million tonne. However, basmati rice export has declined by 4 percent to around 3.3 million tonne during April-2014 to Feb 2015.Basmati export during same period last year was recorded at 3.44 million tonne.The reason behind lower basmati export is mainly attributed to lower demand /ban from Iran.

All-India progressive procurement of Rice as on 24.04.2015 for the marketing season 2014-15 was 254.27 lakh tonnes against the procurement of 255.62 lakh tonnes upto the corresponding period of last year.

Pondicherry govt announced free 10 kg rice and 5 kg wheat per month under the PDS to eligible families replacing the 2-month old system of disbursing Rs 300 per family through banks, as he presented Rs 6,450-crore tax free state budget for 2015-16. The state Government had modified the scheme discontinuing supply of 10 kg rice to the families and started disbursing Rs 300 per month to them through banks since March this year. Consumer would start getting 10 kg single boiled rice and 5 kg wheat from Next month (May).

Monsoon Watch:



Source-IMD

Rain/thundershowers would occur at many places over SubHimalayan West Bengal & Sikkim, Arunachal Pradesh and Assam &Meghalaya and at a few places over Nagaland, Manipur, Mizoram & Tripura.Rain/thundershowers would occur at a few places over Western Himalayan region and at isolated places over plains northwestIndia and central India.Rain/thundershowers would occur at a few places over south peninsular India.

In the pre-monsoon season, cumulative Rainfall for the country as a whole during the period 1 st March to 22nd April, 2015 was 96% higher than Long Period Average (LPA). Rainfall (% departure from LPA) in the four broad geographical divisions of the country during the above period was higher by 226% in Central India, 156% in North West India, 130% in South Peninsula and 1% in East & North East India.

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:

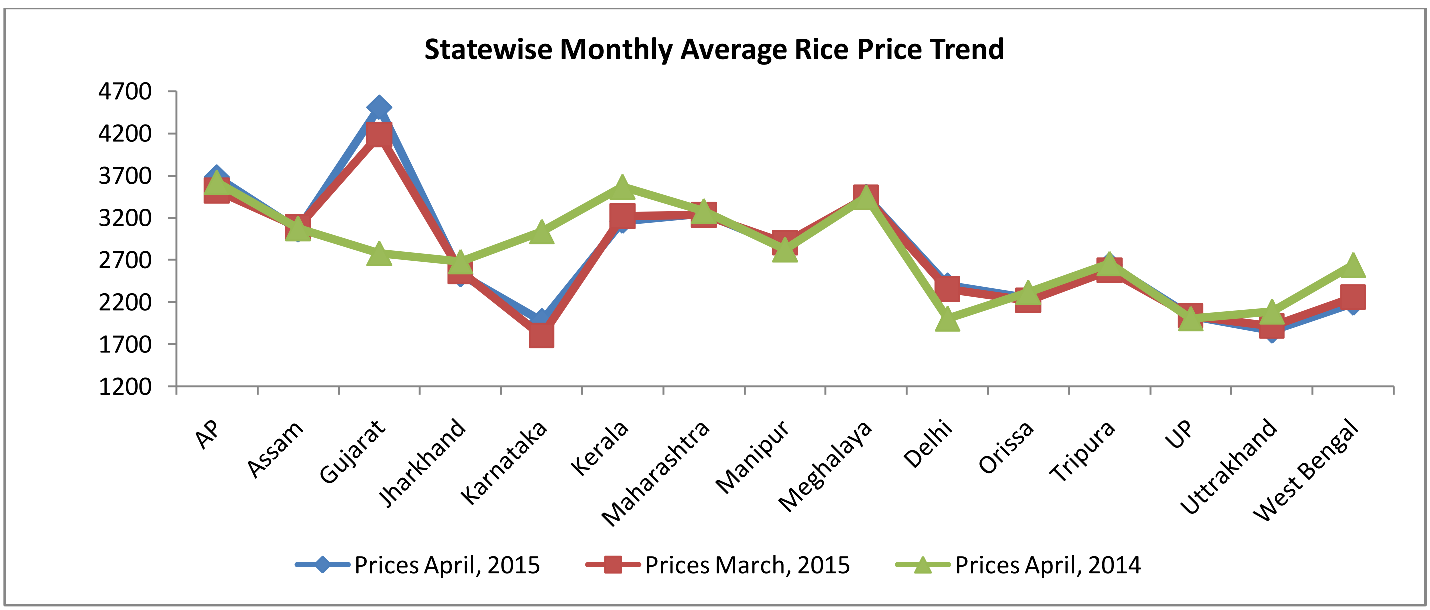
State	Prices April, 2015	Prices March, 2015	Prices April, 2014	% Change(Over Previous Month)	% Change(Over Previous Year)
AP	3680.82	3517.54	3622.69	4.64	1.6
Assam	3054.98	3085.18	3071.58	-0.98	-0.54
Gujarat	4507.7	4182.7	2777.77	7.77	62.28
Jharkhand	2526.8	2564.17	2682.12	-1.46	-5.79
Karnataka	1971.87	1799.38	3035.42	9.59	-35.04
Kerala	3160.05	3216.01	3564.33	-1.74	-11.34
Maharashtra	3247.87	3229.7	7076.98	0.56	-54.11
Manipur	2850.28	2900	2820.14	-1.71	1.07

Meghalaya	3442.48	3438.06	3446.12	0.13	-0.11
Delhi	2399.64	2351.11	2000	-14.95	-0.02
Orissa	2249.62	2219.56	2317.84	1.35	-2.94
Tripura	2642.12	2575.97	2656.87	2.57	-0.56
UP	2030	2035.35	2003.53	-0.26	1.32
Uttarakhand	1857.79	1915.74	2085.7	-3.02	-10.93
West Bengal	2187.22	2256.01	2639.96	-3.05	-17.15
Average	2787.28	2752.43	3053.4		
***Report Generation: As per the data reported by APMCs**					

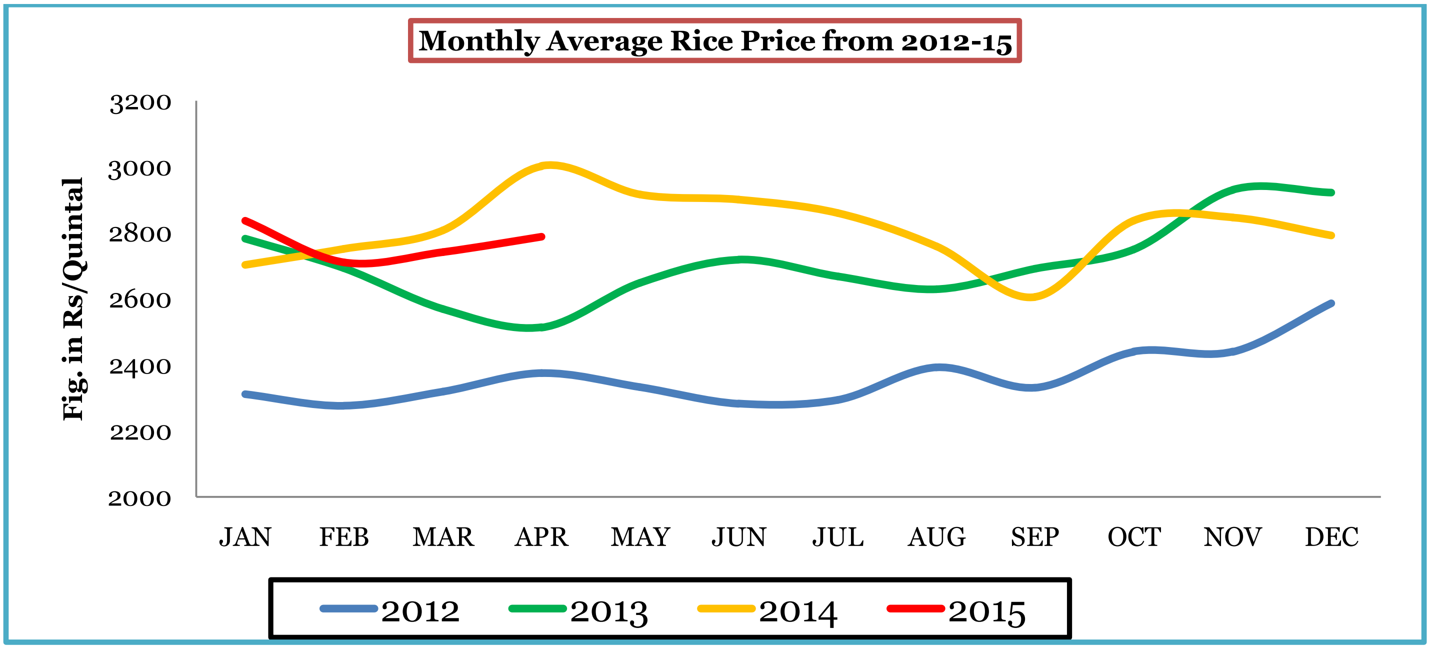
Source-Agmark

Average rice price in the month of April was moved up by 1.26 % from last month. Market participants are active to buy rice at this time as demand is picking up from major consuming countries. Lean season and expectation of lower monsoon push the price up and it is expected that price will move firm in coming months too.

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.2780-2790/quintal. However market is not following the last year price trend but still in upward direction. Last year price crossed the highest level due to good domestic as well overseas demand.

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	23.82								

Total rice stocks in India's central pool have up to 23.82 million tons as of April- 1, 2015 which is down by 0.9% from last month and 22% from same period last year.

Source-FCI

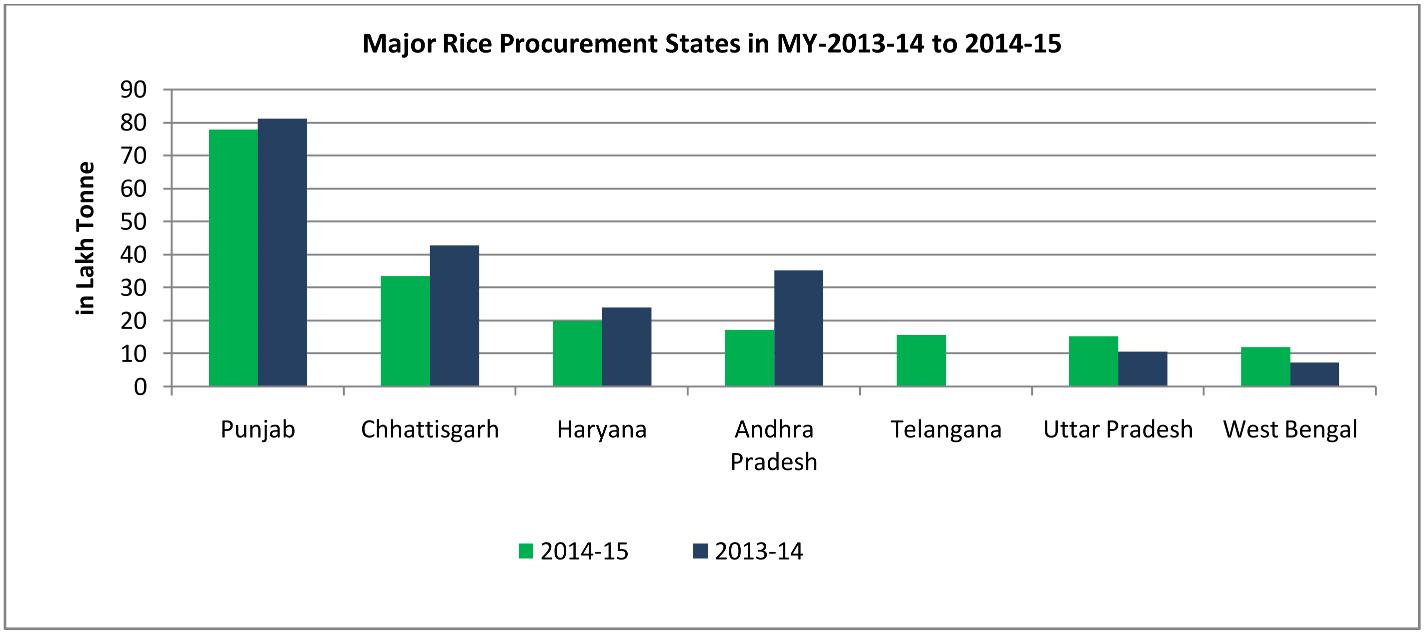
Progressive Procurement of Rice as on 24.04.15: Figure in lakh T

State	Total procurement in marketing season	Progressive Procurement as on 24.04.2015	
	2013-14 (Oct. - Sept.)	In Marketing season 2014-15	In Marketing season 2013-14
Andhra Pradesh	37.38	19.71	40.49
Telangana	44.00	16.95	0.00
Chhattisgarh	43.0	33.55	42.85
Haryana	24.06	20.09	24.05
Kerala	4.00	3.14	2.86
Punjab	81.06	77.81	81.06
Madhya Pradesh	10.14	8.07	10.40
Maharashtra	2.00	1.37	1.29
Tamil Nadu	7.0	0.06	0.59
Uttaranchal	4.63	4.31	3.86
Uttar Pradesh	11.27	16.18	11.05
West Bengal	13.59	13.31	8.27
Others	36.46	4.02	9.42
All-India	**319**	**254.27**	**255.62**

Source-Agricoop

All-India progressive procurement of Rice as on 24.04.2015 for the marketing season 2014-15 was 254.27 lakh tonnes against the procurement of 255.62 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***	9.45	3.49	**12.94**
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***	6	3.98	**9.98**
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-14	9.64	2.03	**11.67**	**September-15**			
Total	**69.66**	**34.59**	**104.25**	**Total**	**43.39**	**18.59**	**61.98**

Source-DGCIS and * IBIS

Rice Market Outlook:

Rice market is likely to trade steady to slightly firm due to improved demand from middle east countries and increasing fear of lower output from kharif crop this year due to lower forecast for rain fall this year. Area under kharif may decrease if monsoon rainfall decreases more of 7 percent from LPA. Besides, continuous demand for aromatic rice remains supportive to the cash market fundamentals. Market may trade firm in the month of May.

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:

Due to recent 7.8 Mw earthquake in Nepal, not only affected the economic condition of the country but also agriculture growth of the country. Market participant fear that rice area in the country may be much lower than expectation in the country in the coming kharif season, it will direct affect the total availability in the local rice market and Nepal could be dependent for rice on neighboring country. As per USDA Nepal produce around 3 million tonnes rice a year and import around 350,000 tonnes for total consumption. We expect that in coming season the import of agricultural produce including rice could increase from the country.

Lower demand for Vietnam's rice in the global market has compelled Vietnam Food Association to slash down MEP for 25% broken rice from$350 to $340 per tonne.New floor price (MEP) will be effective from 30th April, 2015. Earlier in the month of March, VFA had reduced the MEP from USD 360-350/MT. Vietnam exported about 1.144 million tons of rice in January 1 - April 13, 2015, down about 35% from about 1.76 million tons of rice exported in first four months of 2014 which also indicates that the demand of the Vietnam rice is lower than last year.

The FAO has lowered its 2014 estimated global paddy production by 3.3 million tonnes since December, to 741.3 million tonnes (494.4 million tonnes of it milled), a level only 0.5 per cent below the record 2013 performance. The largest downward revision related to Thailand, one of the world's leading rice exporters, where unseasonable dryness leading to severe constraints in water availability for irrigation took a heavy toll on secondary crop production, the April 2015 issue of the "FAO Rice Market Monitor" states.

Thailand's rice production (paddy) declined by 2.7 per cent in 2014 to 34.3 million tonnes (22.7 million tonnes of milled rice), due mainly to a decline of secondary crop outputs affected by cuts in planted areas. However, in 2015, Thailand is expected to increase production by 2.1 per cent.

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 23.04.15 2015-16
Production	467	472	476	475	474
Trade	39	39	43	42	41
Consumption	458	469	479	483	483
Carryover stocks	109	112	109	101	100
Y-O-Y change	8	3	-3	-	-9
Major Exporters	37	40	37	31	30

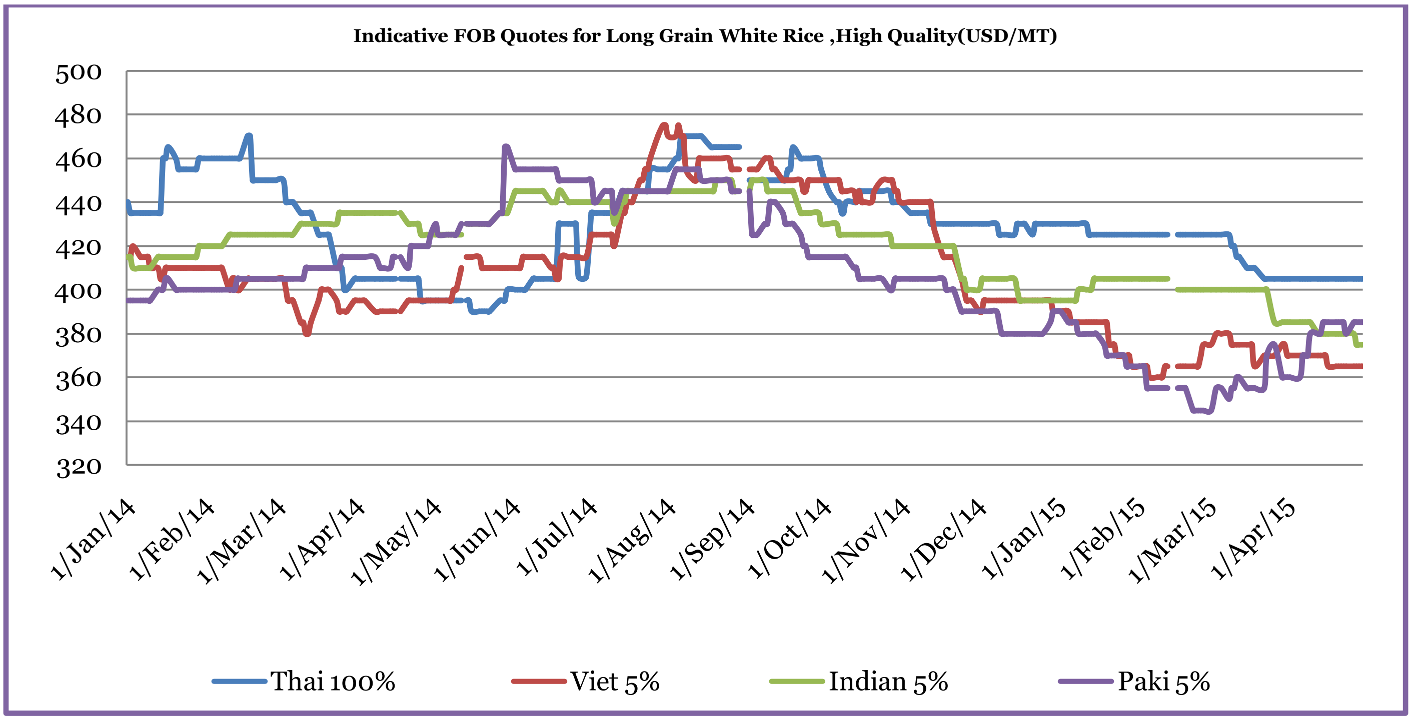
Note: Major exporters are India, Pakistan, Thailand, Vietnam, and United States

IGC Rice Balance sheet Highlights:

The 2014/15 global rice outturn is seen fractionally lower m/m, at 474m t, a negligible fall from the previous year's record. With a reduced figure for carry-ins leading to tighter supplies, global end-season stocks are cut slightly, to 100m t, the y/y drop of 8% mostly in the major exporters. Forecast trade in 2015 is down marginally m/m, to 41m t, a decline of 4% from the 2014 peak owing to reduced demand from Asian buyers.

At 474m t, world rice output in 2014/15 is anticipated to be marginally below the previous year's record. As increased uptake, mainly in Asia, boosts consumption to a new peak of 483m t, world end-season inventories are forecast to contract by 8% y/y, to a five-year low. Within the total, major exporters' stocks are seen dropping by one-fifth, to 30m t, on heavy falls in Thailand and India. Global trade in 2015 is expected to recede by about 4%, mainly on reduced buying interest from Asian importers.

FOB Quotes for Long Grain White Rice, High Quality:



Source-Oryza

FOB quotes for high quality white rice in the month of April was moving downward in all major exporters expect Pakistan. Thailand white rice 100% high quality FOB price was moved down by 2.17% from last month price of USD 414/MT, India and Vietnam rice 5% broken high quality was move down by 4.2% and 1.86% from last month price of USD 397/MT and USD 375/MT respectively.

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

Duration	Trend	Support	Resistance
May-2015	Steady to Weak	S1-9.50 S2- 9.30	R1-10.20 R2-10.50