Contents

Rice Market Highlights

India average wholesale rice prices continued to increase for the third consecutive month in May 2015 and currently hover in the range of Rs.2900-2910/quintal which is up by 2%from last month due to expected lower production from the just being completed Rabi secondary rice crop (November - May). Non basmati rice prices declined in February due to increased supplies and declining export demand.

As per recent updates from PIB, kharif rice sowing for MY-2015-16 commenced in major growing states and 1.80 lakh hectares has been covered till 20th May 2015 which is up by 0.30 lakh hectare from same period last year. Trans planting of Satha crop (60 days) has just started in Uttar Pradesh and recent rains are considered to be beneficial to the standing crop. The crop will be ready for harvesting in the second week of July.

India exported about 11.65 million tonnes of rice (including basmati and non basmati) in the FY 2014-15 (April - March), up about 8% from about 10.78 million tons exported during the same period in FY 2013-14.

As per data received from IBIS Rice export in the month of April was registered at 7.61 lakh tonnes which include 4.17 lakh tonnes of non basmati and 3.44 lakh tonnes of basmati rice and total rice export is approx 24% lower than last month.

Major basmati importers in the month of April were Saudi Arabia, Iran and U.A.E contributing 1.01 lakh tonnes, 55 thousand T and 33 thousand T respectively.

Chennai-based Intellectual Property Appellate Board is slated to hear the claims of all the parties for three consecutive days from July 8 for granting GI certification to Basmati rice. Indian basmati rice is set to get IPR (intellectual property rights) protection within country. Indian exporters support centre's view that M.P can't be deemed part of the Indo-Gangetic plain. With this approach ground has been cleared for basmati entry into GI registry.GI registration/protection may debar India's competitors to use basmati tag in favor of their own.

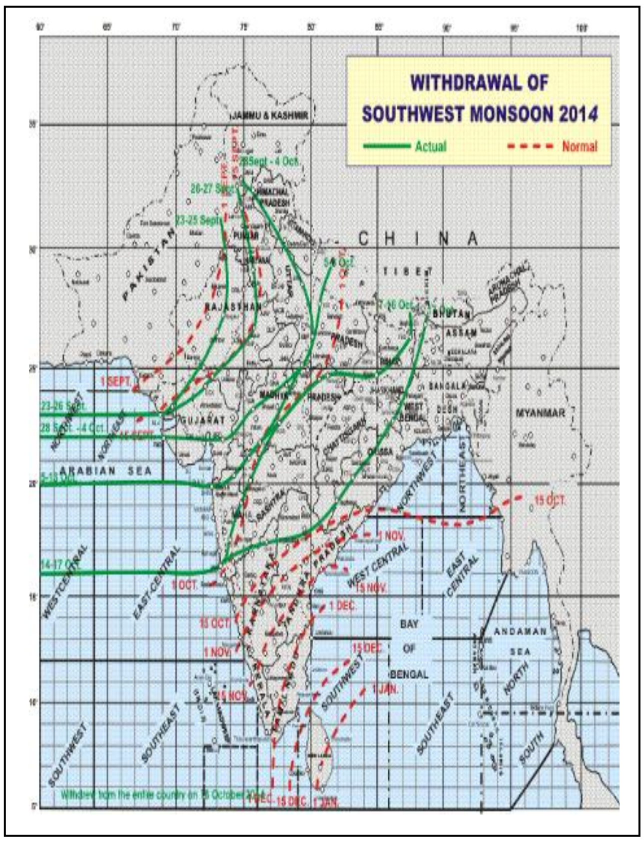
All-India progressive procurement of Rice as on 29.05.2015 for the marketing season 2014-15 was 281.19 lakh tonnes against the procurement of 277.79 lakh tonnes upto the corresponding period of last year.

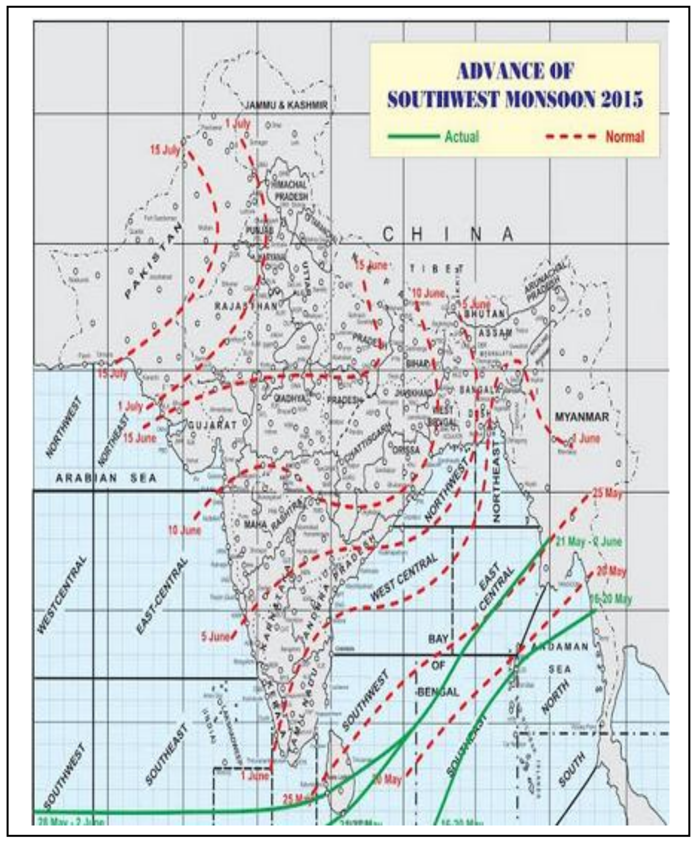
In the pre-monsoon season, cumulative Rainfall for the country as a whole during the period 1st March to 27th May, 2015 was 42% higher than Long Period Average (LPA). Rainfall (% departure from LPA) in the four broad geographical divisions of the country during the above period was higher by

100% in Central India, 95% in North West India, 48% in South Peninsula and lower by 6% in East & North East India.

The monsoon in country is likely to arrive late as forecasted by Indian Meteorological Department (IMD). IMD believes that southwest monsoon will arrive by June 5, on the southern coast of Kerala against the normal start date of June 01. IMD earlier forecasted the onset date of Monsoon as May 30 with the model error of plus-minus 4 days. Monsoon rains during the previous year i.e. 2014, arrived on Kerala coast on June 6.

Monsoon Watch:





Source-IMD

Rainfall over the country as a whole for the 2015 southwest monsoon season (June to September) is likely to be deficient (<90% of LPA). Quantitatively, monsoon season rainfall for the country as a whole is likely to be 88% of the long period average with a model error of ±4%. Region wise, the season rainfall is likely to be 85% of LPA over North-West India,¬ 90% of LPA over Central India, and 92% of LPA over South Peninsula and 90% of LPA over North-East India all with a model error of ± 8 %. The monthly rainfall over the country as whole is likely to be 92% of its LPA during July and 90% of LPA during August both with a model error of ± 9 %.

Supply & Demand

Figure in MMT	2013-14	2014-15	2015-16*
Carry in	26.19	22.65	16
Production	106.54	102.5	104
Imports	0	0	0
Total Availability	132.73	125.15	120
Consumption	99.18	99.35	99.5
Exports	10.9	9.8	8.5
Total Usage	110.08	109.15	108
Carry out	22.65	16	12
Av Monthly Consumption	8.27	8.28	8.29
Stock to Month Use	2.74	1.93	1.45
Stock to Consumption Ratio	0.23	0.16	0.12

Agriwatch give the 1st Supply and demand estimates for MY-2015-16 in the 1st week of June. Rice production for MY 2015-16 is likely to up from 102.5 million tonnes to 104 million tonnes due to favorable weather at sowing stage in various growing states in north east and southern regions. The reason for increasing production is some area in U.P under sugarcane is expected to shift towards paddy.

At Export front, we expect that in MY 2015-16, rice export is likely to down by around 13% from last year export of 9.8 million tonnes due to lower carry over stock. However demand of Indian rice in overseas markets and price of competitive nations also screw the export front in coming years.

Domestic consumption is likely to up by 0.15% from last year consumption of 99.35 million tonnes to 99.5million tonnes in 2015-16.

Satha Crop (60 days) in Uttar Pradesh:

Source-Agriwatch

Above given picture shows the satha paddy condition in the state of U.P by Female farmer. Overall weather condition is good at this stage and water is sufficient for growth

State wise Wholesale Price Monthly Analysis:

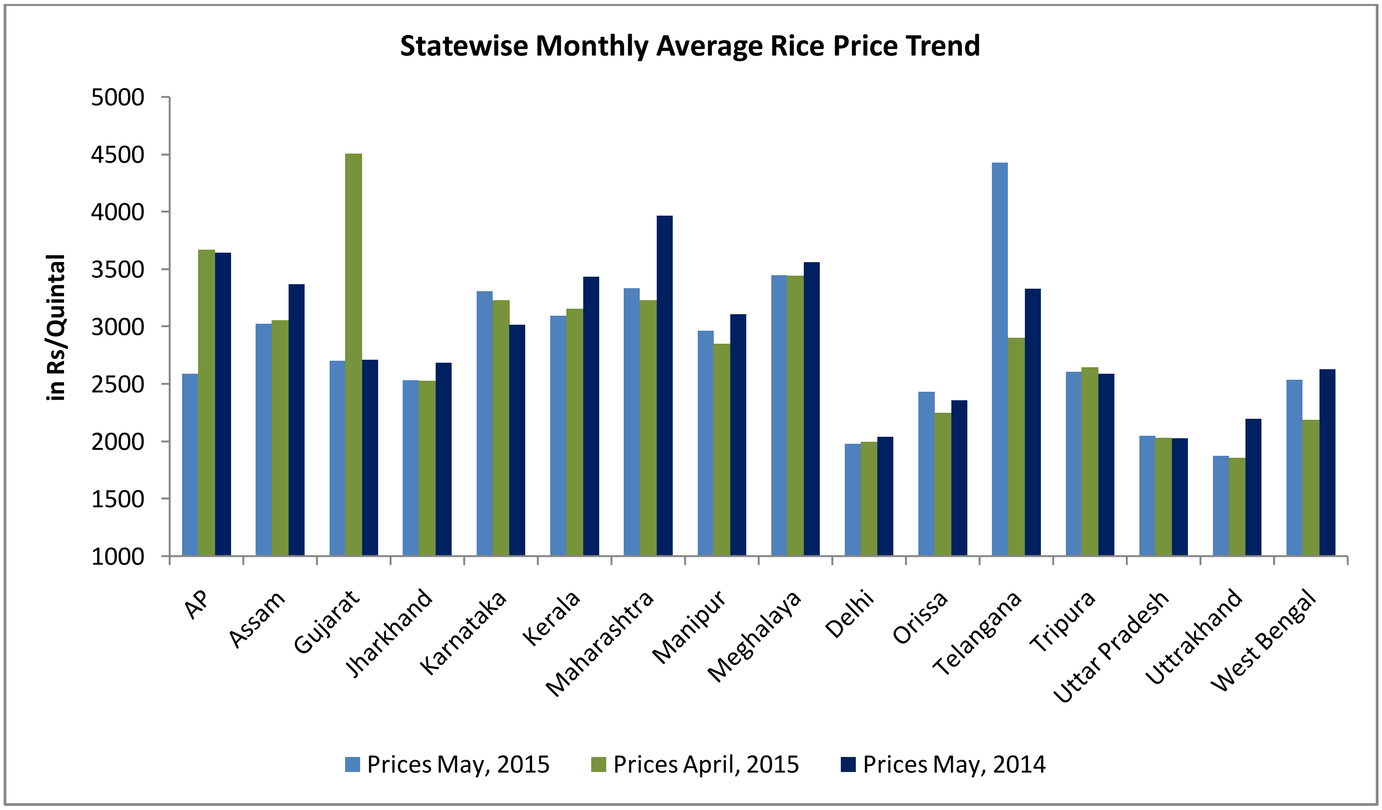
State	Prices May, 2015	Prices April, 2015	Prices May, 2014	% Change(Over Previous Month)	% Change(Over Previous Year)
AP	2591.5	3672.74	3641.12	-29.44	-28.83
Assam	3025.17	3054.98	3367.95	-0.98	-10.18
Gujarat	2700.91	4507.7	2712.44	-40.08	-0.43
Jharkhand	2535.84	2525.33	2684.65	0.42	-5.54
Karnataka	3310.51	3230.13	3016.05	2.49	9.76
Kerala	3098.65	3160.05	3439.13	-1.94	-9.9
Maharashtra	3338.26	3232.86	3964.33	3.26	-15.79
Manipur	2960.93	2850.28	3105.41	3.88	-4.65
Meghalaya	3450.35	3442.48	3558.76	0.23	-3.05
Delhi	1982.05	1999.64	2041.94	-0.88	-2.93
Orissa	2434.64	2249.75	2358.76	8.22	3.22
Telangana	4429.3	2900	3328.11	52.73	33.09
Tripura	2603.88	2642.12	2591	-1.45	0.5

Uttar Pradesh	2047.12	2030.03	2024.99	0.84	1.09
Uttarakhand	1872.33	1857.79	2198.27	0.78	-14.83
West Bengal	2538.27	2186.59	2627	16.08	-3.38
Average	2904.1	2846.4	2916.24		
***Report Generation: As per the data reported by APMCs**					

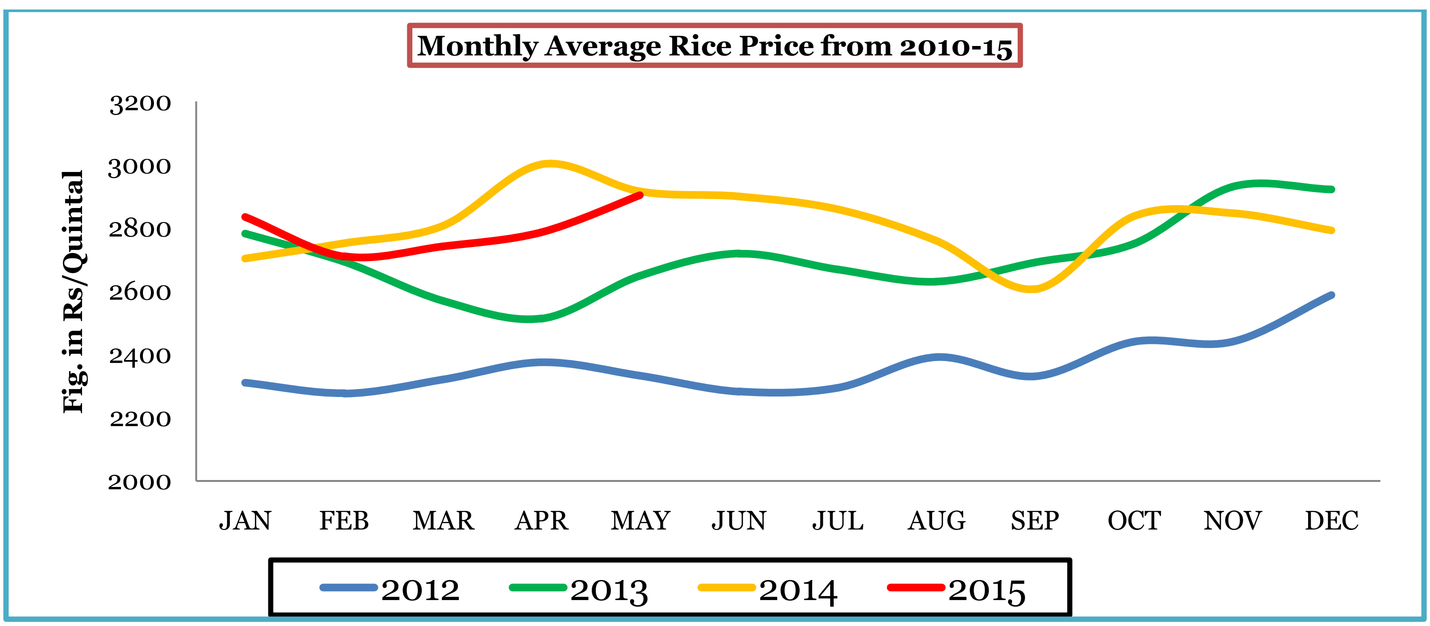
Source-Agmark

Average monthly wholesale rice prices in India increased to around Rs.2,904.1 per quintal in May 2015, up about 2% from around Rs.2,846.4 per quintal in April 2015, and slightly down from their year-ago levels of around Rs.2,916.24 per quintal.

Indian Average Rice Price Trend- May:



Monthly Average Rice Price Trend:



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	22.23							

Total rice stocks in India's central pool have up to 22.23 million tons as of May- 1, 2015.

Source-FCI

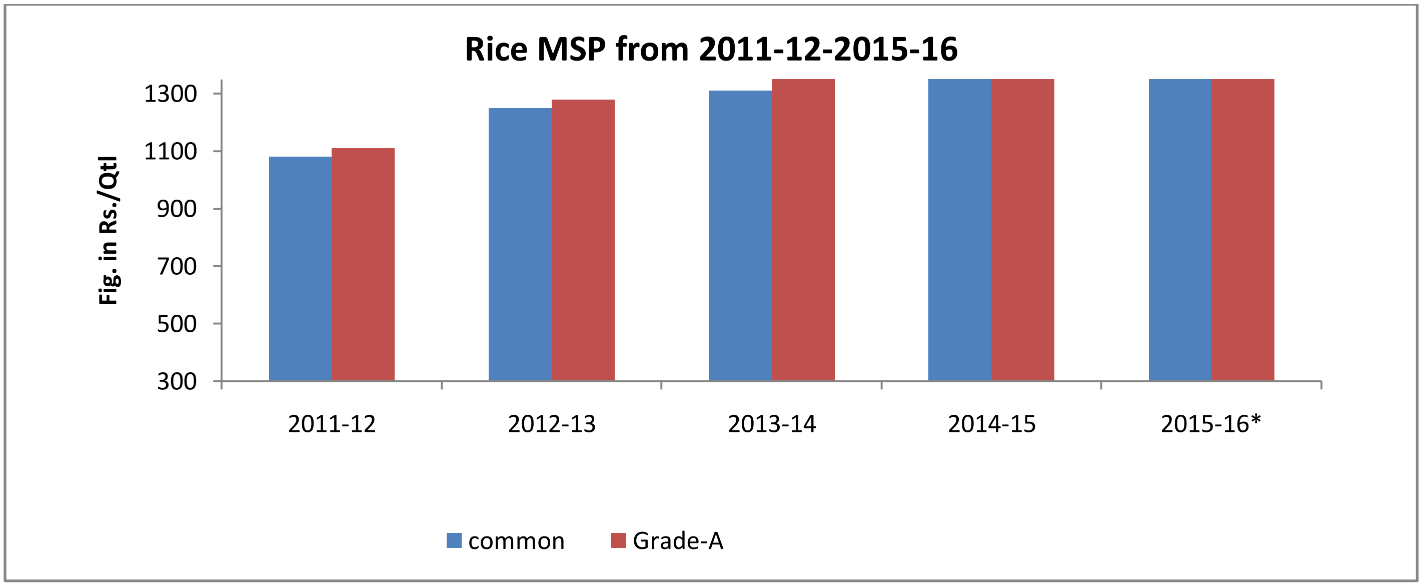
Progressive Procurement of Rice as on 29.05.15: Figure in lakh T

State	Total procurement in marketing season	Progressive Procurement as on 29.05.2015	
	2013-14 (Oct. - Sept.)	In Marketing season 2014-15	In Marketing season 2013-14
Andhra Pradesh	37.38	32.61	59.39
Telangana	44.00	28.45	0.00
Chhattisgarh	43.0	33.55	42.85
Haryana	24.06	20.09	24.05
Kerala	4.00	3.72	3.48
Punjab	81.06	77.82	81.06
Madhya Pradesh	10.14	8.07	10.40
Maharashtra	2.00	1.45	1.40
Tamil Nadu	7.0	0.06	0.59
Uttaranchal	4.63	4.61	4.13
Uttar Pradesh	11.27	16.46	11.18
West Bengal	13.59	14.21	8.83
Others	36.46	4.02	9.42
All-India	**319**	**281.19**	**277.79**

Source-Agricoop

All-India progressive procurement of Rice as on 29.05.2015 for the marketing season 2014-15 was 281.19 lakh tonnes against the procurement of 277.79 lakh tonnes up to the corresponding period of last year.

Paddy MSP from Last 5 Years:



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.

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**	8.22	2.95	**11.17**

November-13	4.29	2.49	**6.78**	**November-14**	8.1	2.56	**10.66**
December-13	5.11	3.79	**8.9**	**December-14**	5.38	3.82	**9.2**
January-14	6.85	3.44	**10.29**	**January-15**	8.3	3.47	**11.77**
February-14	6.18	3.5	**9.68**	**February-15**	8.62	3.79	**12.41**
March-14	4.17	3.19	**7.36**	**March-15***	6	3.98	**9.98**
April-14	4.61	2.85	**7.46**	**April-15***	4.17	3.44	**7.61**
May-14	4.68	3.37	**8.05**	**May-15**			
June-14	5.05	3.64	**8.69**	**June-15**			
July-14	5.76	2.33	**8.09**	**July-15**			
August-14	7.45	2.16	**9.61**	**August-15**			
September-14	8.86	2.03	**10.89**	**September-15**			
Total	**69.71**	**34.59**	**104.3**	**Total**	**48.79**	**24.01**	**72.8**

Source-DGCIS and * IBIS

Agriwatch revised the rice export in the second week of May after updating of rice export by APEDA. Total Rice export for MY-2014-15 till April-15 was 72.8 lakh tonnes which was up by around 24% from same period last year export of 58.97 lakh tonnes. Non basmati rice export in the month of April was 4.17 lakh tonnes and basmati exports for MY-2014-15(Oct14-Sep-15) in the month was 3.44 lakh tonnes.

Market sources report strong exports to the traditional Middle East and African markets and neighboring Bangladesh and Sri Lanka. However, export prospects in the second half of the marketing year are likely to be affected by expected firm domestic prices and concerns on the MY 2015/16 rice planting and production. Assuming slightly higher pace of exports in the second half of the marketing season and is expected to reach 9.5-10 MMT due to removal of basmati rice import ban from Iran who is a major Indian basmati Importer,

Rice Market Outlook:

Non basmati Rice market is continuously moving firm from last three months due to lower production estimates given by government 3rd estimates and constant demand from domestic and international market. In the coming month of June too rice market is likely to trade steady with positive territory due to lean season.

Aromatic rice as prices are likely to shoot up continuously due to farmers intension to grow other lucrative cash crop, besides hopes of more buying from Iran from July-15 would continue to lend support domestic aromatic rice market.

Farmers would start buying seed for planting by the end of this month and it may increase demand for aromatic rice paddy.

Global Updates:

The Philippines, one of the world's biggest rice importers, is seeking 250,000 tonnes of the grain to boost its buffer stocks and could buy more if the drought-inducing El Nino weather phenomenon intensifies. Officials at the state grains agency on Friday said the country was preparing to issue a tender in early June for the supply of 25-percent broken variety of rice via a government-to-government deal.

Vietnam's rice exports have struggled to compete with cheaper shipments from Thailand in the first four months of 2015 as the Thai government has sought to offload inventories at highly discounted prices. As a result, a representative of the Vietnam Food Association (VFA) said the country's exports to highly price sensitive markets such as those in Africa could fall by as much as 60% from the figures in 2014. Lower exports are resulting in more rice remaining in Vietnamese miller's and farmers inventories, piling pressure on already-bulging storage and raising the spectre of grain spoiling in temporary silos. The Thai government began executing a subsidized scheme earlier this year in which it plans to sell 10 million tonnes of broken rice in 2015 and an additional seven million tonnes in 2016 at prices substantially below market prices. As one example, the Thai government in March sold 5% broken rice from its inventories at around US$236 to US$378 per tonne compared to the global market price of US$405 per tonne.

Iran – the biggest buyer of Indian basmati – is expected to resume imports of the aromatic rice after July, officials said. Iran had banned rice imports mid-November last year to protect the interests of local growers on higher domestic output and stocks. "We are getting feelers from various stakeholders that imports from Iran are likely to resume after Ramzan. However, there is no written communication from them so far," said AK Gupta, Advisor, Agricultural and Processed Foods Export Development Authority (Apeda).'

Indian shipments

Iran imported about 9.35 lakh tonnes of basmati in 2014-15, accounting for about a fourth of the Indian shipments. India had exported a total of 11.65 million tonnes (mt) of rice in 2014-15, of which basmati accounted for about 3.78 mt. In fact, the shipments to Iran declined by 35 per cent in 2014-15 over previous year's 14.40 mt, largely due to the curbs imposed by the largest buyer of the Indian basmati.

Paddy crop will be cultivated on over 4.5 million acres of land during 'Kharif' season in various rice growing areas of Punjab. Sources in the Agriculture department told APP Sunday that paddy would be sown over 1.6 million acres of land in Gujranwala division while 352,000 acres land would be brought under the crop in Sialkot district.

In Sialkot district, the cultivation of paddy has been reduced by 40,000 acres of land as compared to previous year's target due to lack of interest of farmers and unfavorable weather conditions.

IGC Balance Sheet: **(Fig in Million T)**

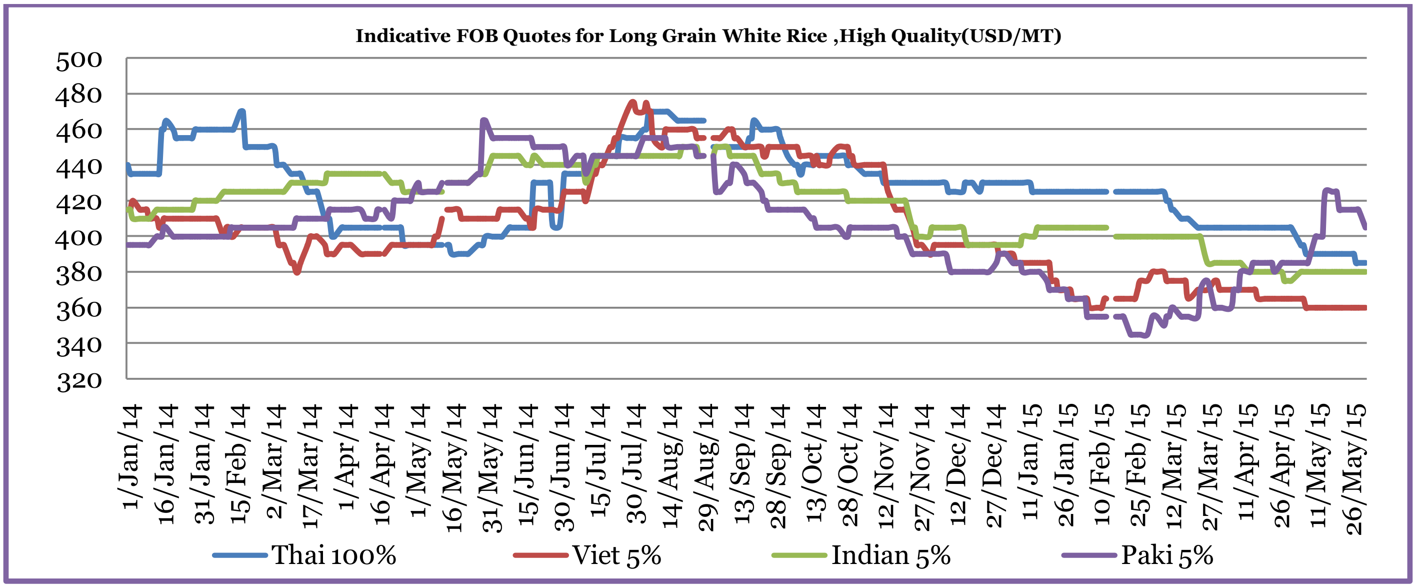
	2012-13	2013-14 est.	2014-15 Forecast 22.01.15	projection 23.04.15 2015-16	projection 28.05.15 2015-16
Production	473	477	476	--	482
Trade	38	43	42	--	42
Consumption	469	479	484	--	489
Carryover stocks	113	112	103	--	97
Y-O-Y change	4	-2	-8		-7
Major Exporters	40	37	29	--	21

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

IGC Rice Balance sheet Highlights:

In the Council's first projections for 2015/16, world rice output is seen increasing to a record of 482 mt on larger outturns in key Asian producers. With food demand expected to boost total consumption to a peak of 489mt, aggregate end-season carryovers are set to contract by 7%, to a six-year low, including another steep drop in major exporters' inventories. Traded volumes in 2016 are anticipated to be only fractionally below the forecast for the current year as competitively priced supplies likely stimulate above-average shipments to Africa and Asia.

FOB Quotes for Long Grain White Rice, High Quality:



Source-Oryza

FOB quotes for high quality white rice in the month of May was moving in the range bound in all major exporters expect Pakistan and Vietnam. Thailand white rice 100% high quality FOB price was moved down by 4.93% from last month price of USD 405/MT, Indian rice 5% broken high quality was move down by 1.36% from last month price of USD 365/MT.

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

Duration	Trend	Support	Resistance
July-2015	Steady to Slightly Firm	S1-9.20 S2- 8.80	R1-10.50 R2-10.80