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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 across the country and 23.28 lakh hectares has been covered till 26th June 2015 which is down by 1.76 lakh hectare from same period last year. Sowing of 1121 basmati has also started in Punjab and Haryana whereas it will take another 15-20 days to start in Uttar Pradesh. Punjab and Haryana governments suggested to paddy farmers not to sow ’PUSA Basmati 1509' before July 15 after exporters complained of high incidence of breakage in basmati rice due to early plantation.

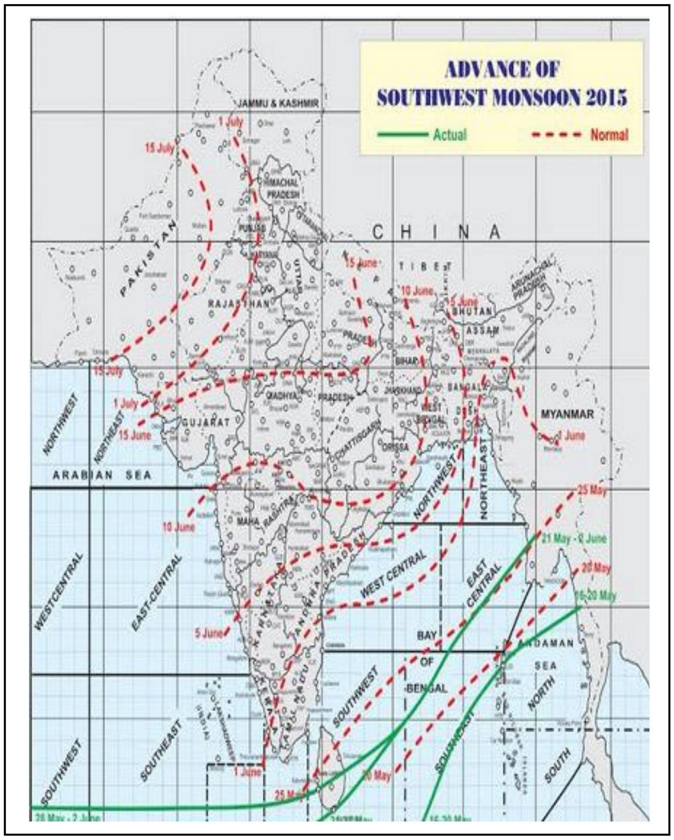
Agriwatch first preliminary production estimates that this year KMS (2015-16) rice production is expected to be around 104 million tonnes under current rainfall condition. However if paddy growing states receive lower rain fall between -5 to -10%, production may decrease by 1.5% to 103.23 million tonnes.

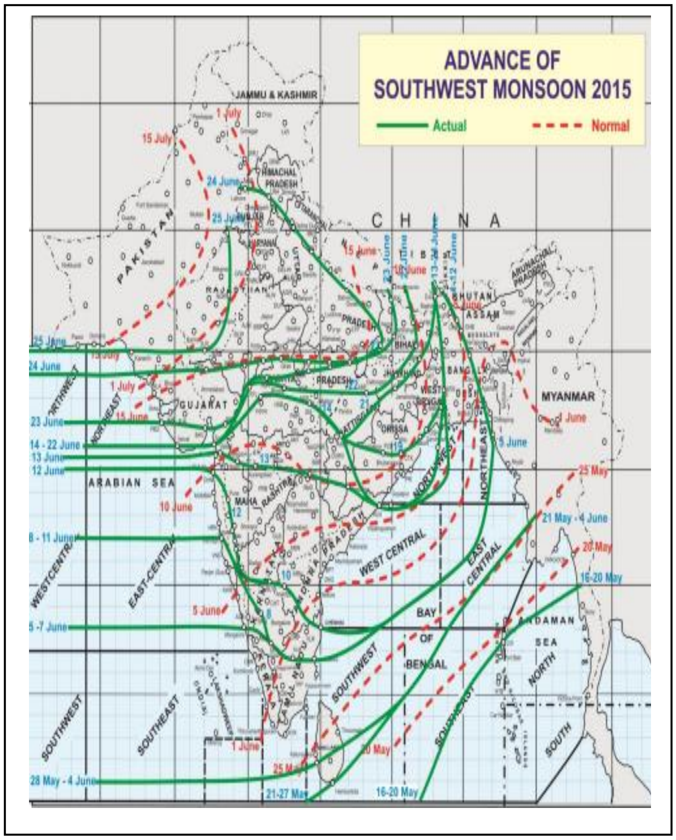
Total Rice export for MY-2014-15 till May-15 was 81.76 lakh tonnes which was up by around 22% from last year’s export of 67.02 lakh tonnes for the same period. Non- basmati rice export in the month of May was 4.92 lakh tonnes and basmati exports for MY-2014-15(Oct14-Sep-15) in the month was 4.04 lakh tonnes.

The Cabinet Committee on Economic Affairs, chaired by the Prime Minister Shri Narendra Modi, has given its approval for the Minimum Support Prices (MSPs) for Kharif Crops of 2015-16 Seasons. The decision is based on recommendations of Commission for Agricultural Costs and Prices (CACP) for the Price Policy for Kharif Crops for the Marketing Season 2015-16.MSP of paddy increases by Rs.50/quintal for both grade and current floor price for common grade is Rs.1410/quintal and grade A price is Rs.1450/quintal.

India’s rice stocks in the central pool as of June 1, 2015 stood at around 22.485 million tons (including a milled equivalent of about 9.234 million tons of paddy), down about 20% from around 28.03 million tons recorded during the same period last year, according to data from the Food Corporation of India (FCI).

Monsoon Watch:





Source-IMD

For the country as a whole, cumulative rainfall during this year's monsoon upto 24 June has been 24% above the Long Period Average (LPA). Rainfall activity was excess over central India and south Peninsula. Till 03rd July, the southwest monsoon has advanced over the remaining parts of the country and Arabian Sea except some parts of West Rajasthan

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

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

Kharif Rice Production Statewise-2015-16:

State	Normal Yield (Kg/Hect)	NormalArea (in 000 Ha.)	Rainfall Status (As on 18th June 2015)	Production in lakh T			
				5 Year Average Production	2015-16(Normal ExpectedP roduction)	Rice Production @ Below Normal (Rain less than 5-10%	Rice Production @ Deficit Monsoon (More Than 10%
Andhra Pradesh	3020.6	3234	**170%**	9606.716	11664.80	11489.83	11431.50
Assam	1958	2150	**23%**	3811.254	4830.87	4758.40	4710.10
Bihar	1811.2	3040.2	**-68%**	5103.844	6108.53	5986.36	5925.28
Chhattisgarh	1661.4	3741.6	**87%**	5049.618	6386.03	6290.24	6258.31
Gujarat	2070	689	**-11%**	1336.994	1626.67	1602.27	1577.87
Haryana	3106.6	1062	**-7%**	826.398	1333.03	1313.04	1293.04
Himachal Pradesh	1638.8	72.5	**-3%**	1845.320	2028.30	1997.88	1967.45
Jharkhand	2009	1388.2	**-28%**	2405.460	2961.87	2917.44	2873.01
Karnataka	2743.4	1290	**49%**	2889.296	3483.20	3430.95	3413.54
Kerala	2497.25	234.8	**-32%**	423.886	515.07	507.34	499.61
Madhya Pradesh	1381.2	1590.2	**96%**	2219.124	2950.20	2905.95	2891.20
Maharashtra	1881.6	1545	**61%**	2359.872	2977.13	2932.48	2902.71
Odisha	1567	4117	**39%**	5592.036	7361.63	7251.21	7177.59
Punjab	3870.4	2810	**-23%**	8863.074	11221.67	11053.34	10885.02
Rajasthan	47.2	152.8	**56.50%**	221.352	283.57	279.31	275.06
Tamil Nadu	3183.6	1868.4	**38%**	4489.364	4976.73	4902.08	4877.20
Telangana	--	--	**125%**	--	--	--	--
Uttar Pradesh	2347.2	5829	**-67%**	11396.784	14280.67	13995.05	13852.25
Uttarakhand	2165.2	290	**-49%**	472.580	587.80	578.98	570.17
West Bengal	2736.4	5125	**-20%**	12096.572	15248.87	15020.13	14791.40
Others	2411	2720.2	**20%**	3126.276	3979.47	3919.77	3860.08
India	**2367.2**	**42949.9**	**23%**	**84135.820**	**104806.10**	**103234.01**	**102032.38**

This kharif season 2015-16, better-than-expected monsoon rains in the past two weeks have helped farmers in several parts of India to sow all kharif crops like paddy, cotton, pulses and oilseeds on time, on the other hand IMD is still sticking to its forecast of a likely drought but more than two-thirds of the country has now received normal or above-normal levels of rainfall so far this monsoon season, which starts on June 1. Overall, rainfall is 23 percent above normal as of Wednesday.

Agriwatch first preliminary production estimates that this year KMS (2015-16) rice production is expected to be around 104.86 million tonnes under current rainfall condition. However if paddy growing states receives lower rain fall between -5 to -10%, production may decreases by 1.5-2% to 103.23 million tonnes, if rainfall will occurs lower than 10% than in the deficit condition rice production is expected to reach about 102.03 million tonnes.

Kharif Sowing Commenced:

Source-Agriwatch

In the above given picture, Farmers are preparing nursery for paddy in Bihar. Trainers are giving training on SRI technique.

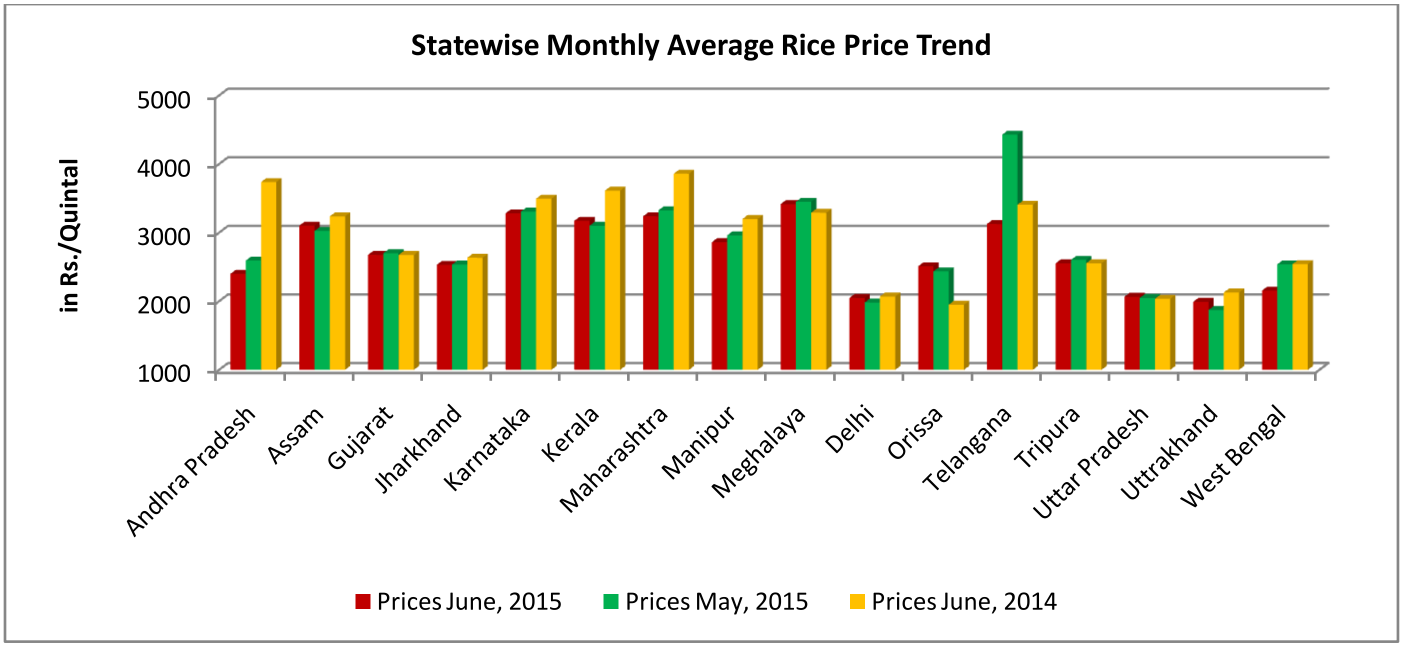
State wise Wholesale Price Monthly Analysis:

State	Prices June, 2015	Prices May, 2015	Prices June, 2014	% Change(Over Previous Month)	% Change(Over Previous Year)
Andhra Pradesh	2400	2593.38	3738.51	-7.46	-35.8
Assam	3101.9	3025.17	3237.94	2.54	-4.2
Gujarat	2676.93	2700.91	2675.52	-0.89	0.05
Jharkhand	2531.62	2535.58	2634.88	-0.16	-3.92
Karnataka	3282.35	3307.57	3495.8	-0.76	-6.11
Kerala	3173.4	3101.22	3612.41	2.33	-12.15
Maharashtra	3238.48	3325.48	3859.59	-2.62	-16.09
Manipur	2861.59	2960.93	3199.29	-3.36	-10.56
Meghalaya	3416.53	3450.35	3290.96	-0.98	3.82
Delhi	2048.78	1982.05	2069.23	3.37	-0.99
Orissa	2510.06	2435.36	1949.32	3.07	28.77
Telangana	3126.09	4429.3	3407.36	-29.42	-8.25
Tripura	2553.92	2603.88	2553.9	-1.92	0
Uttar Pradesh	2065.31	2048.12	2036.73	0.84	1.4
Uttrakhand	1992.1	1872.33	2128.56	6.4	-6.41
West Bengal	2155.54	2538.27	2541.15	-15.08	-15.17
Average	2696	2806.86	2901.95		
*Report Generation: As per the data reported by APMCs					

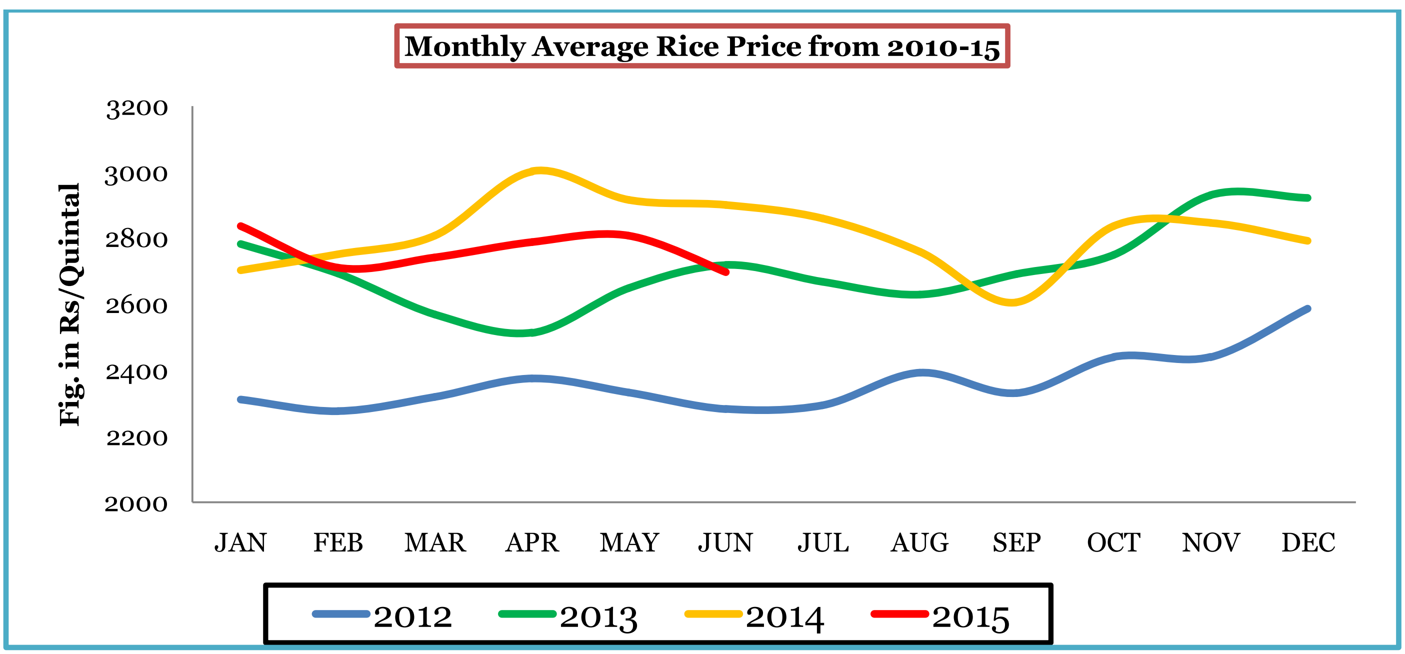
Source-Agmark

All India average wholesale rice prices declined sharply in June 2015 by 3.94% after continuously increasing for three consecutive months from March to May. The decline can be attributed to increasing supplies in the domestic market due to a sluggish buying from international markets.

Indian Average Rice Price Trend- June:



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	22.48						

Source-FCI

Total rice stocks in India's central pool have moved up to 22.48 million tons as of June- 1, 2015.

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

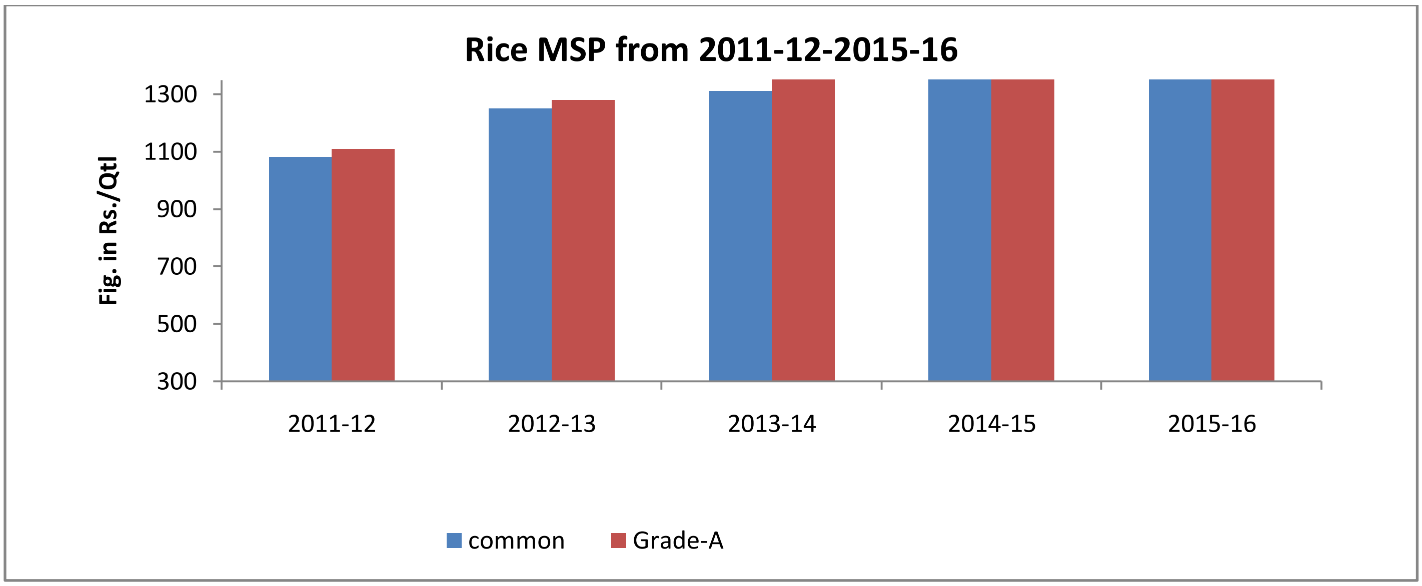
All-India	**319**	**281.19**	**277.79**

Source-Agricoop

Note: No update after 29th May 2015

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:



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***	4.92	4.04	**8.96**
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**	**53.71**	**28.05**	**81.76**

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 May-15 was 81.76 lakh tonnes which was up by around 22% from last year's export of 67.02 lakh tonnes for the same period. Non- basmati rice export in the month of May was 4.92 lakh tonnes and basmati exports for MY-2014-15(Oct14-Sep-15) in the month was 4.04 lakh tonnes.

Assuming that Iran starts the basmati import from India after July, total rice export till the end of MY 2014-15 is likely to reach 10-10.5 million tonnes and India maintains the title of top rice exporter in this year.

Rice Market Outlook:

India's average non-basmati rice prices are likely to increase in the coming month if India's production is dampened by a moderate drought inducing El Nino weather pattern, which is expected to persist between July and September. Weather bureaus in Australia and Japan are forecasting an intensifying El Nino weather pattern, which is already causing dry conditions in South East Asian countries, including Thailand, North Korea, Indonesia and the Philippines. The government of India is monitoring the impact of El Nino on monsoon rains in the country, which have been so far unaffected by the phenomenon.

USDA and Agriwatch estimates India's 2015-16 (October - September) production at around 104 million tons, up about 1.5% from an estimated 102.5 million tons in 2014-15.

Aromatic rice prices are likely to move up continuously even with expectation of higher area coverage due to lean season and also supported by overseas demand.

Global Updates:

As per report by the Food and Agriculture Organization of the U.N., a severe drought may reduce North Korea's rice harvest by 12 percent this year from a year earlier. The recent FAO report put North Korea's rice production at an estimated 2.3 million tons for this year, compared with the country's rice harvest of 2.6 million tons a year earlier.

The Mekong Delta Rice Research Institute has estimated that summer-autumn crops of the region would generate 9 million tonnes of rice this year, up 120,000 tonnes from the same period last year, despite the reduction in cultivated area. Average yield of the entire region is estimated around 5.45 tonnes per hectare while that of Can Tho, An Giang and Dong Thap provinces reaches 6.3-6.5 tonnes per hectare. The provinces focused on growing high-quality rice with more than 85 percent of paddy areas while disease control and irrigation works were well-prepared. The farmers were also provided soft loans to purchase agricultural equipment for improved cultivation.

According to the latest report from the Office of Agricultural Economics, the Thai government lowered its forecast for this year's main-crop rice output by over 2 million tonnes, as the major rice-producing nation battles with a severe drought. A drop in output in Thailand, one of the world's top rice exporters, could underpin benchmark Thai prices of the grain. Prices are near their lowest since January 2008 amid a massive overhang of rice stocks built up under the previous government's buying program. The Ministry of Agriculture and Cooperative's Office of Agricultural Economics said that Thailand will produce 24,135,450 tonnes of main-crop rice this year, lower than its previous forecast of 26,576,150 tonnes.

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

	2012-13	2013-14 est.	2014-15 Forecast	projection 28.05.15	projection 25.06.15
			22.01.15	2015-16	2015-16
Production	473	478	476	482	481
Trade	38	43	42	42	42
Consumption	469	479	484	489	489
Carryover stocks	113	112	103	97	96
Y-O-Y change	4	-2	-8	-	-7
Major Exporters	40	37	28	21	21

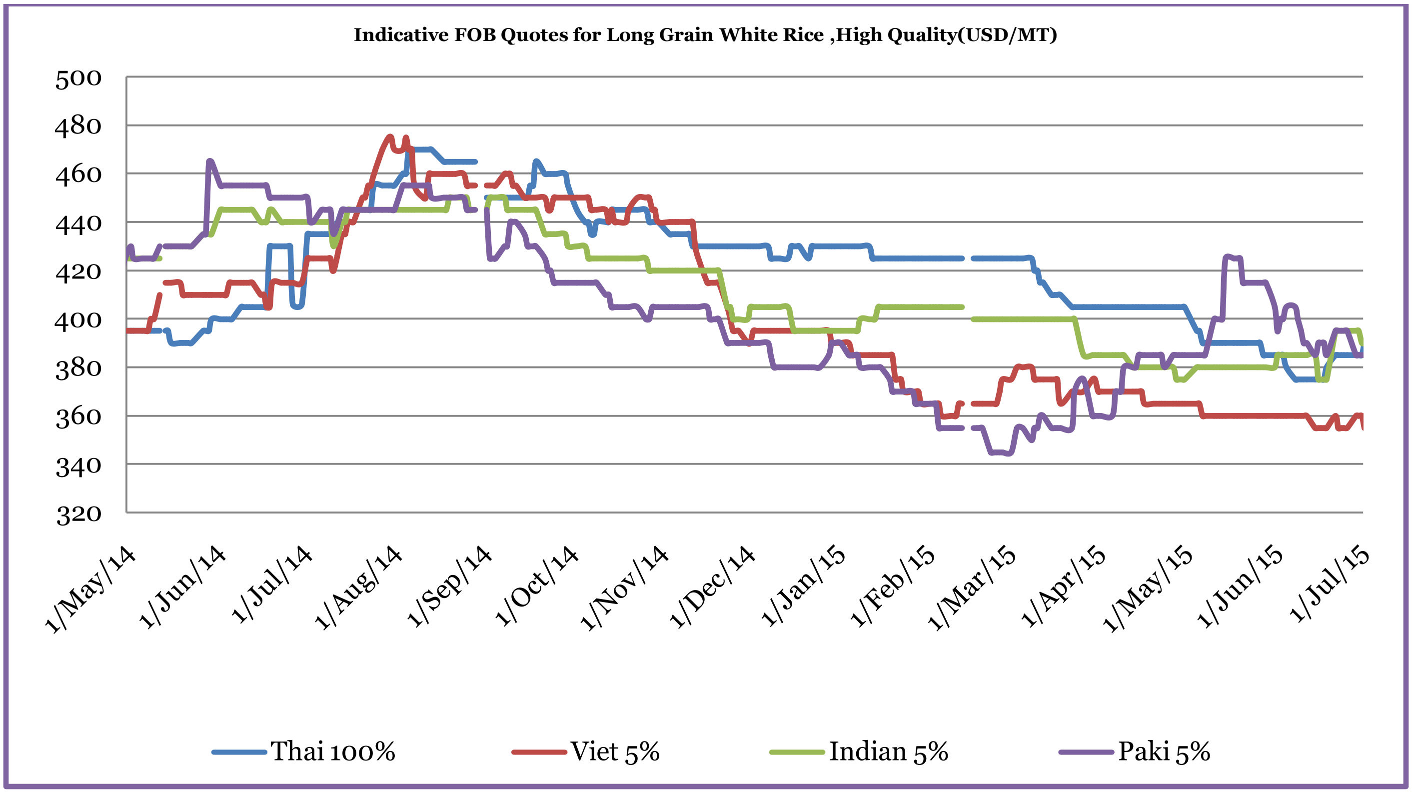
Note: Major exporters are India, Pakistan, Thailand, Vietnam, and United States

IGC Rice Balance sheet Highlights:

Global rice production in 2015/16 is projected almost unchanged m/m, at a new record; the outlook is tentative, especially given uncertainty about the impact of El Niño on crops in Asia. Owing to reduced opening stocks, supplies are expected to tighten and, with uptake to expand further, world end-season inventories are forecast to drop to a six-year low. Major exporters' stocks are seen declining by about one-quarter y/y, to 20.9m t, the smallest since 2007/08. World trade is expected to remain high on firm demand from Asia and Africa.

Assuming bigger crops in key Asian producers, global rice output in 2015/16 is anticipated to reach a new peak. However, with supplies set to contract, world carryovers are projected to drop by 7% y/y, to a six-year low. As China's inventories are set to edge up, much of the fall is likely due to a steep decline in leading exporters. China's imports could expand further in 2016 and, together with another year of above-average shipments to traditional buyers in Asia and Africa, trade is seen only fractionally lower y/y, at close to 42m t. Given tightening availabilities, India's exports are forecast to fall, but Thailand's shipments are placed at a fresh record.

FOB Quotes for Long Grain White Rice, High Quality:



Source-Oryza

FOB quotes for high quality white rice in the month of June was moving in the range bound to weak in major exporters expect India. Thailand white rice 100% high quality FOB average price was moved down by USD 10/MT from last month price of USD 390/MT, Indian rice 5% broken high quality was moved up by 1.84% from last month price of USD 379/MT.

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

Duration	Trend	Support	Resistance
July-2015	Steady to Firm	S1-9.60 S2- 9.20	R1-10.80 R2-11.00