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Rice Market Highlights

India average wholesale rice prices declined for the second consecutive month in July by 0.37% from last month and currently hover in the range of Rs.2640-2650/quintal. The decline can be attributed to increasing domestic supply and lower export in the month of July. Higher area coverage under paddy for MY 2015-16 and recovery of monsoon could also be reasons to push the price downward.

Aromatic rice monthly average prices in the month of July were firm by 2-12% in all major markets of Amritsar, Karnal and Delhi, due to limited supply from producing belts.

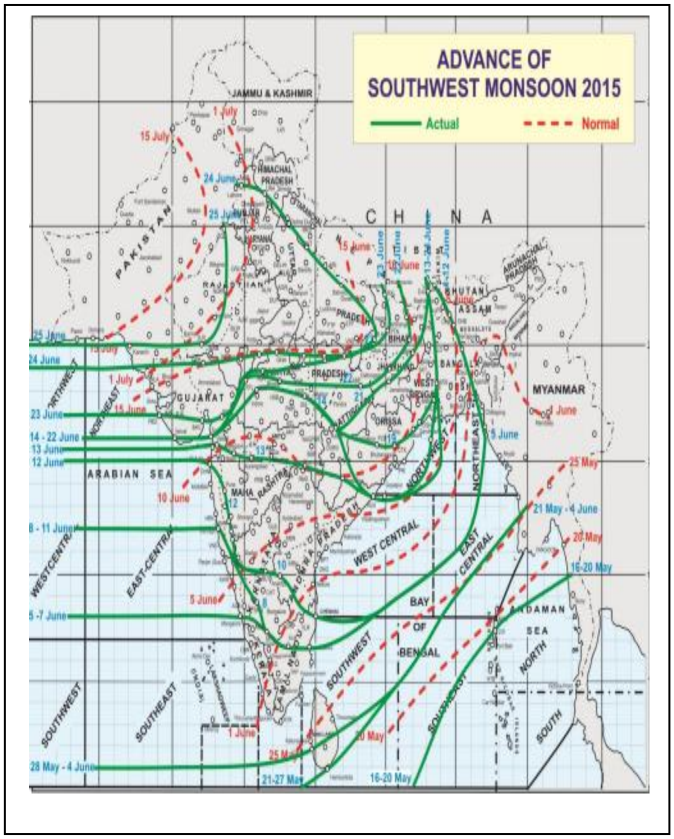
Total rice planting to India's main crop (June-December) stood 22.8 million hectare as of July 31, 2015 which is up by 6% from around 21.5 million hectare planting during same period last year.

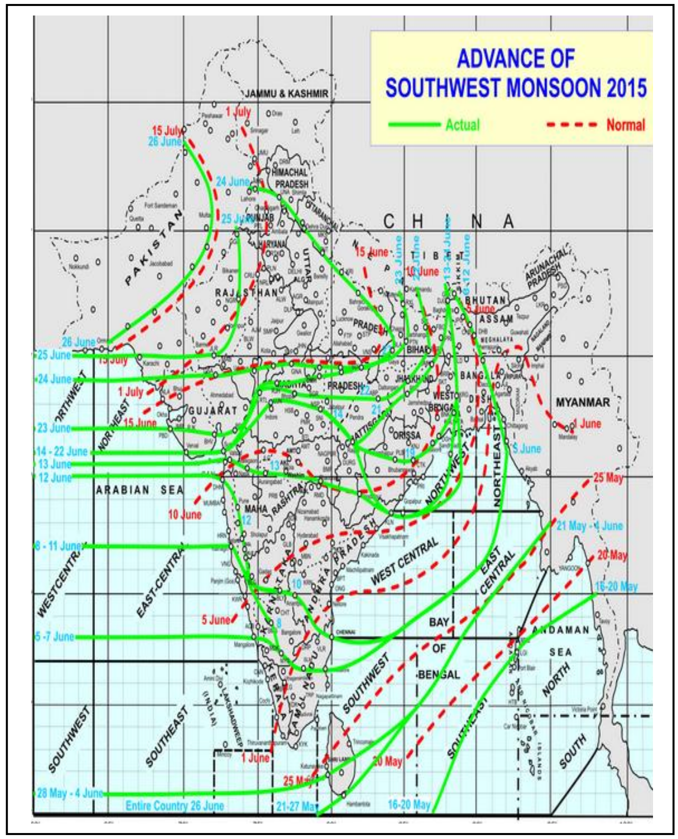
As per trade sources, this year planting of aromatic varieties is around 15-20% lower than last year due to lower price realization. Farmers shifted their area to other non-basmati like PR in Punjab and Haryana. We expect prices of aromatic variety to go up in remaining months of MY 2014-15.

The government set a target to procure 30 million tonne (MT) of rice during the next kharif marketing season (2015-16) starting from October 1. We expect government to procure 27.5-28.5 million tonnes which is lower by 8-9% from procurement target due to higher open market price and lower stock with private traders. Punjab (8.2 mt) has the highest target, followed by Chhattisgarh (3.6 mt), Odisha (2.8 mt), Uttar Pradesh (2.75 mt), Haryana (2.35 mt), Andhra Pradesh and Bihar (2 mt each), Telangana and West Bengal (1.8 mt each).

In the monsoon season, weekly Rainfall for the country as a whole during the week 23rd July to 29th July, 2015 was 21% 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 33% in North West India and 68% in Central India and lower by 50% in South Peninsula and 22% in East & North East India.

Monsoon Watch:





Source-IMD

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Rice Supply & Demand

Figure in Million Tonnes	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

Rice production for MY 2015-16 is likely to be up from 102.5 million tonnes to 104 million tonnes due to better rainfall and expectation of higher yield in MY 2015-16. At Export front, we expect that in MY 2015-16, rice export to be down by around 13% from 2014-15 and is expected to reach 9.8-10 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 31 July 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	**12%**	9606.716	11664.80	11489.83	11431.50
Assam	1958	2150	**-22%**	3811.254	4830.87	4758.40	4710.10
Bihar	1811.2	3040.2	**-32%**	5103.844	6108.53	5986.36	5925.28
Chhattisgarh	1661.4	3741.6	**-10%**	5049.618	6386.03	6290.24	6258.31
Gujarat	2070	689	**0%**	1336.994	1626.67	1602.27	1577.87
Haryana	3106.6	1062	**-24%**	826.398	1333.03	1313.04	1293.04
Himachal Pradesh	1638.8	72.5	**-15%**	1845.320	2028.30	1997.88	1967.45
Jharkhand	2009	1388.2	**22%**	2405.460	2961.87	2917.44	2873.01
Karnataka	2743.4	1290	**-47%**	2889.296	3483.20	3430.95	3413.54
Kerala	2497.25	234.8	**-32%**	423.886	515.07	507.34	499.61
Madhya	1381.2	1590.2	**38%**	2219.124	2950.20	2905.95	2891.20

Pradesh							
Maharashtra	1881.6	1545	**-30%**	2359.872	2977.13	2932.48	2902.71
Odisha	1567	4117	**-5%**	5592.036	7361.63	7251.21	7177.59
Punjab	3870.4	2810	**-27%**	8863.074	11221.67	11053.34	10885.02
Rajasthan	47.2	152.8	**65%**	221.352	283.57	279.31	275.06
Tamil Nadu	3183.6	1868.4	**-2%**	4489.364	4976.73	4902.08	4877.20
Telangana	--	--	**-25%**	--	--	--	--
Uttar Pradesh	2347.2	5829	**-29%**	11396.784	14280.67	13995.05	13852.25
Uttarakhand	2165.2	290	**-12%**	472.580	587.80	578.98	570.17
West Bengal	2736.4	5125	**52%**	12096.572	15248.87	15020.13	14791.40
Others	2411	2720.2	**-3%**	3126.276	3979.47	3919.77	3860.08
India	**2367.2**	**42949.9**	**-6%**	**84135.820**	**104806.10**	**103234.01**	**102032.38**

Currently revival of monsoon in East & West India signals the bumper non-basmati rice crop production in 2015-16. Right now, the pattern of rainfall and sowing area coverage is almost similar to that of 2013-14, which was a bumper crop year. If this situation occurs continues till growth stage, rice production is likely to go up by 104 to 105 million tonnes.

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 decrease by 1.5-2% to 103.23 million tonnes, if rainfall is 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 and trainers are preparing transplanting of paddy in U.P and Jharkhand respectively. Trainers are providing training on SRI technique.

State wise Wholesale Price Monthly Analysis:

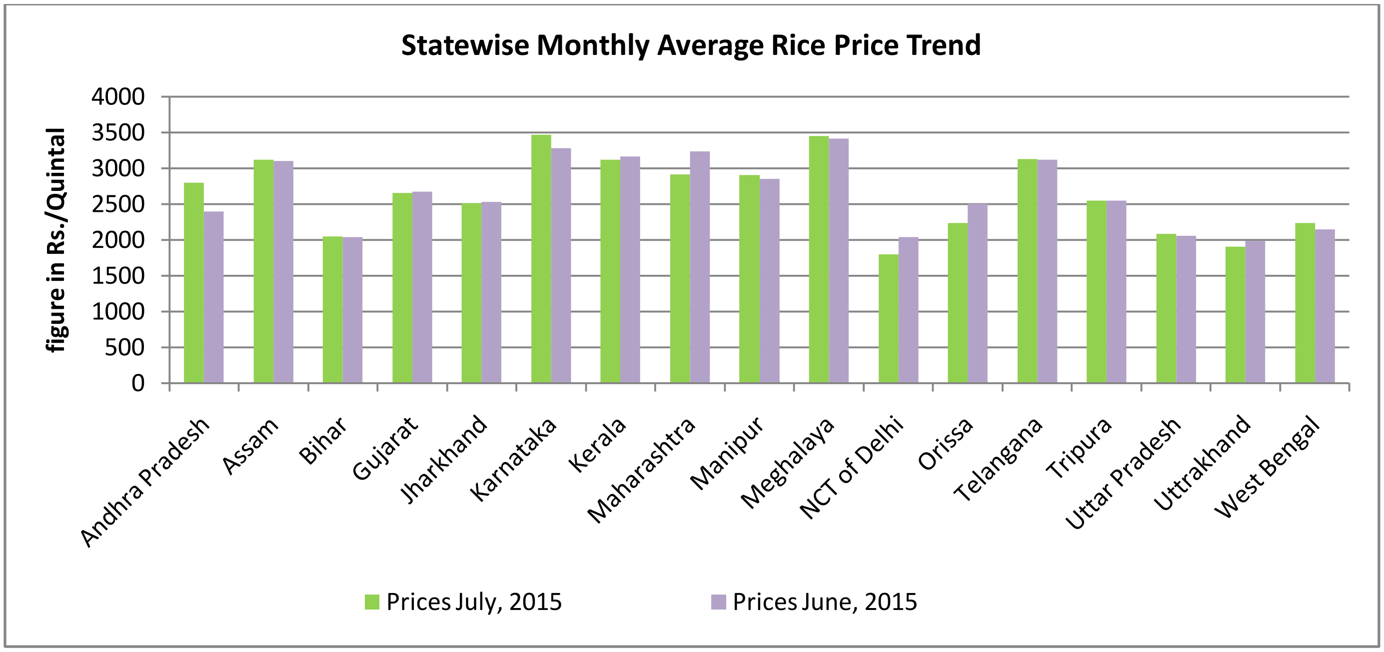
State	Prices July, 2015	Prices June, 2015	Prices July, 2014	% Change(Over Previous Month)	% Change(Over Previous Year)
Andhra Pradesh	2804.58	2400	3706.77	16.86	-24.34
Assam	3128.76	3109.69	3011.63	0.61	3.89
Bihar	2054.79	2048.2		0.32	__
Gujarat	2663.69	2676.93	2603.5	-0.49	2.31
Jharkhand	2520.82	2531.62	2643.33	-0.43	-4.63
Karnataka	3474.12	3282.1	3464.43	5.85	0.28
Kerala	3126.16	3172.37	3542.75	-1.46	-11.76
Maharashtra	2917.54	3238.51	7858.95	-9.91	-62.88
Manipur	2909.92	2861.59		1.69	__
Meghalaya	3459.41	3416.53	3361.15	1.26	2.92
NCT of Delhi	1800	2048.78		-12.14	__
Orissa	2245.37	2510.79	2345.29	-10.57	-4.26
Telangana	3134.05	3126.09	3321.5	0.25	-5.64
Tripura	2553.23	2553.92	2516.05	-0.03	1.48
Uttar Pradesh	2085.97	2066.7	2052.08	0.93	1.65
Uttrakhand	1907.15	1992.1	1932.56	-4.26	-1.31
West Bengal	2236.87	2155.82	2671.41	3.76	-16.27
Average	2648.38	2658.34	3216.53		

*Report Generation: As per the data reported by APMCs

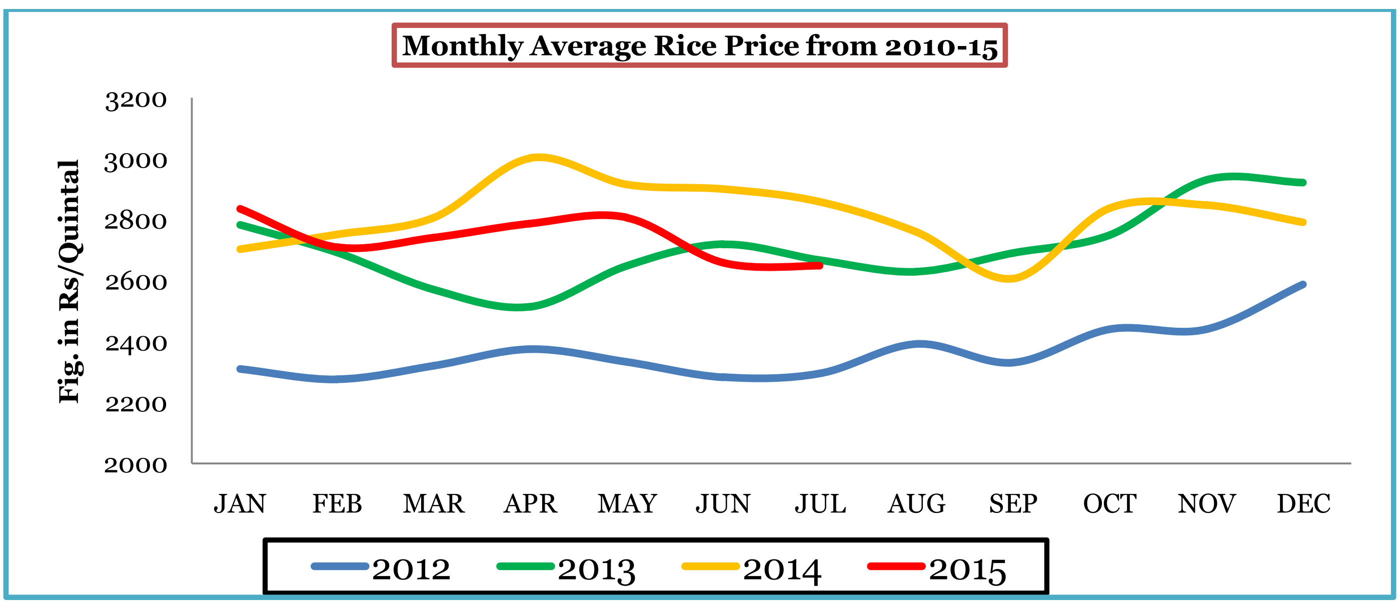
Source-Agmark

All India average wholesale rice prices declined slightly in July 2015 by 0.37% 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 sluggish buying from international markets.

Indian Average Rice Price Trend- July:



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	21.67					

Source-FCI

Total rice stocks in India's central pool have moved down to 21.67 million tons as of July- 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

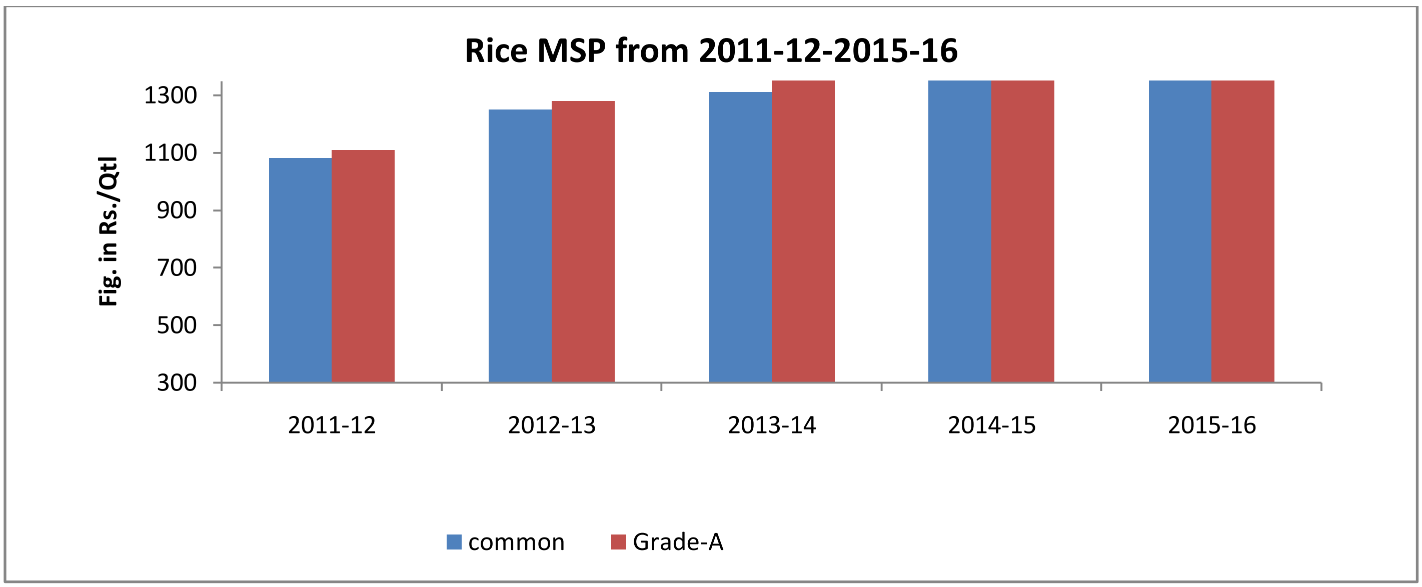
West Bengal	13.59	14.21	8.83
Others	36.46	4.02	9.42
All-India	**319**	**281.19**	**277.79**

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 as 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***	5.98	3.43	**9.41**
July-14	5.76	2.33	**8.09**	**July-15***	6.14	2.7	**8.84**
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**	**65.83**	**34.18**	**100.01**

Source-DGCIS and * IBIS

Agriwatch revised the rice export in the first week of August after updating of rice export by APEDA. Total Rice export for MY-2014-15 till July-15 was 100 Lakh tonnes which was up by around 19% from last year's export of 88.3 lakh tonnes for the same period. Non- basmati rice export in the month of July was 6.14 lakh tonnes and basmati exports for MY-2014-15(Oct14-Sep-15) in the month was 2.7 lakh tonnes.

For the remaining three months (Aug-Sept-2015) we expect around 12-15 lakh tonnes of rice to be exported from India. The total rice export expectation is approx 11-11.5 million tonnes for MY- 2014-15 which will up by 10% from MY 2013-14 export of 10.4 million tonnes.

Major Non basmati & Basmati Rice Importer in July:

Major Non Basmati Importer from India-July

Country	Quantity(Tonnes)	Average of FOB $/Tonne
SENEGAL	104062.225	301.7323077
BENIN	84513.129	353.7216989
IVORY COAST	68815	343.1211111
GUINEA	58976.75	353.3657143
SOMALIA	24122.187	338.8709259
DJIBOUTI	23185.175	347.8564151
CAMEROON	20753	345.3833333
SINGAPORE	18663.818	295.1284
U A E	18116.568	516.9729301
YEMEN	15284.312	509.6527907
Others	178404.7056	370.58
Grand Total	**614896.8696**	**449.2467496**

Major Basmati Importer from India-July

Country	Quantity (Tonnes)	Average of FOB $/Tonne
SAUDI ARABIA	552212.65	949.38
U A E	443258.55	885.57
IRAN	433470.2	857.75
U K	150655.84	857.65
IRAQ	140563.7	796.55
KUWAIT	125580.88	1149.13
U S A	102577.72	847.34
KOREA	82820	930.58
NETHERLANDS	68591.3	831.69
others	605341.3324	901.01
Grand Total	**2705072.172**	**905.35**

Rice Market Outlook:

India’s average non-basmati rice prices are likely to trade steady to slightly firm in the coming month as stock is thinning this time due to lean season, but higher production estimates for MY 2015-16 and lower domestic as well foreign demand would not allow pushing market very much. Rainfall at this time is very good and suitable for standing crop. We expect non-basmati rice price move in the range of Rs.2600-2750/quintal in coming month.

USDA and Agriwatch estimates India's 2015-16 (October - September) production at around 104 - 105million tons, up about 1.5% from an estimated 102.5 million tons in 2014-15.

Aromatic rice prices are likely to move up continuously with expectation of lower area coverage and also supported by overseas demand.

Global Updates:

The Thailand Ministry of Commerce expressed confidence that Thai rice will meet its annual export target, despite the ongoing drought crisis. The ministry forecast that the price of Thai rice in the second half of the year is expected to rise, due to low supplies stifled by the dry season. The drought has hit many rice producers in the region, and a number of countries began to import rice for fear of further drought. Despite high overseas demand, the ministry has insisted that the government needs to take a conservative approach and maintain reserves of at least five million tons to ensure food security.

According to the Department of Agricultural Extension or DAE, **heavy rains and cyclone Komen have affected crops on 1.17 lakh hectares of land in Bangladesh** raising risks of losses to farmers. In the southern coastal districts that recorded more rains, standing Aus rice, seedbeds of Aman rice and vegetables were partially damaged as per by DAE Director General Md Hamidur Rahman. The DAE estimates that 36 percent of 1.19 lakh hectares of Aman seedbeds in 30 districts in the southeast and southwest regions have been submerged by rainwater and flash floods.

The Myanmar Rice Federation has agreed with traders to suspend rice exports until September as more than 500,000 acres of paddy fields are flooded nationwide, leading to a sharp rise in prices over the past few days. To help contain the problem, rice exports will be suspended until September 15. Owing to wide-spread floods throughout the country, around 100,000 acres of paddy have been destroyed and over 500,000 acres of rice fields are underwater, according to August 2 statistics from the MRF.

IGC Balance Sheet: (Fig in Million T)

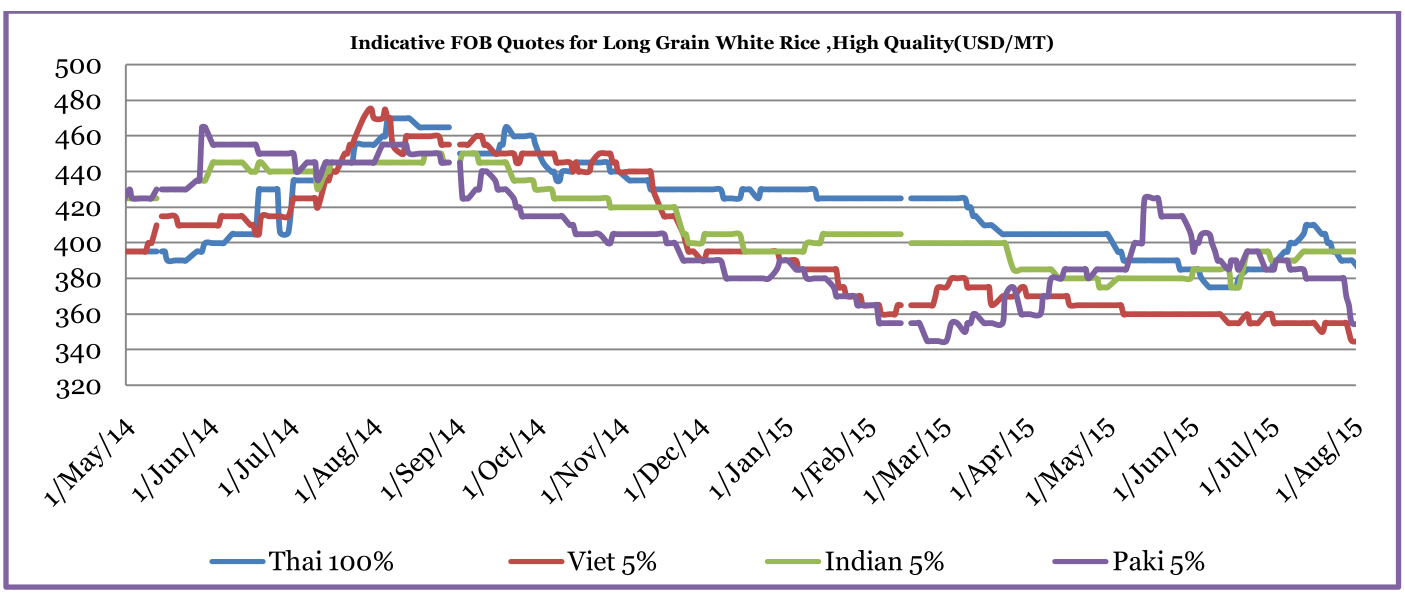
	2012-13	2013-14 est.	2014-15 Forecast 22.01.15	projection 25.06.15 2015-16	projection 30.7.15 2015-16
Production	473	478	476	481	480
Trade	38	43	42	42	42
Consumption	469	479	484	489	489
Carryover stocks	113	112	103	96	96
Y-O-Y change	4	-2	-8	-7	-9
Major Exporters	40	37	28	21	20

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

IGC Rice Balance sheet Highlights:

The projection of world rice production is lowered from June but, with a higher figure for carry-ins, end-season stocks are slightly changed m/m, at 96m t, a drop of 8% y/y. Most of the fall is due to a 30% contraction in major exporters' inventories, almost entirely in India and Thailand. Trade in 2016 is expected to stay high, at close to 42m t, on sustained demand from Africa and Asia due to attractive prices, with China likely to remain the biggest importer.

FOB Quotes for Long Grain White Rice, High Quality:



Source-Oryza

FOB quotes for high quality white rice in the month of July was moving in the range bound to weak in major exporters expect India. Thailand white rice 100% high quality FOB average price moved range bound from last month price of USD 385/MT, Vietnam rice 5% broken high quality moved down by 10 USD/MT from last month price of USD 355/MT. Pakistan FOB moved drastically down by last month FOB of USD 395/MT to 345/MT(now).

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

Duration	Trend	Support	Resistance
August-2015	Firm	S1-10.60 S2-10.40	R1-12.20 R2-12.45

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