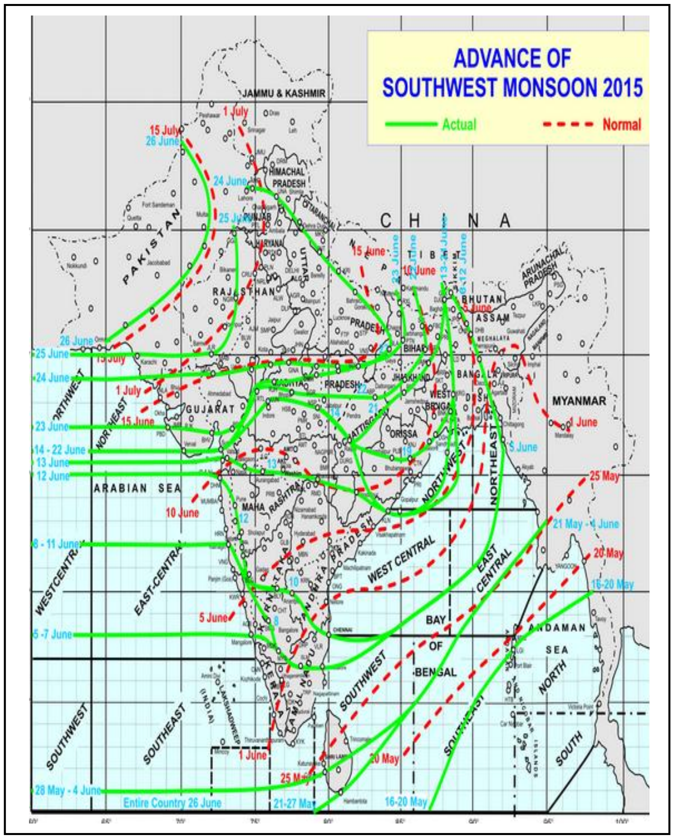
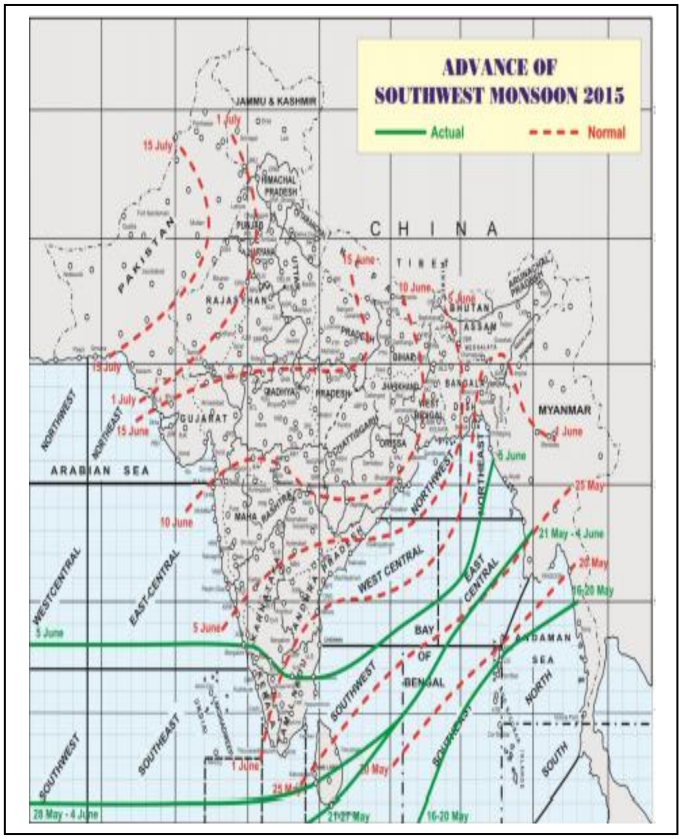
Contents

Rice Market Highlights

- **Wholesale Prices for India as an average firmed by 0.67% from last month and are currently hovering at Rs.2660-2670/quintal.**
- **Aromatic rice monthly average prices in the month of August were weak by 3-13% in all major markets of Amritsar, Karnal and Delhi, due to frail demand from bulk buyers.**
- **India's rice stocks in the central pool as of August 1, 2015 stood at about 18.6 million tons.**
- **Total rice planting to India's main crop (June-December) stood at 34.58 million hectare as of Aug 28, 2015 which is up by 0.41 lakh Ha during corresponding period last year.**
- **As per data released by Agriculture Ministry, as on August 28, the net area under paddy cultivation in M.P has gone down from 21.19 lakh hectares in the 2014 kharif season to 19.22 lakh hectares in 2015, translating to nearly 11% less paddy sowing area. The crash in Basmati paddy prices from nearly Rs.4, 000 per quintal in 2013 to Rs.1, 800 in 2014 and the lack of rains in eastern MP has contributed to the decline in paddy sowing, with farmers replacing it with other crops.**
- **The government of India, in its fourth advance estimates for major crops, has estimated India's rice production, milled basis, for 2014-15 crop year (July 2014 - June 2015) at about 104.8 million tons, up about 2.26 million tons or about 2.2% from its earlier estimates of about 102.54 million tons, However, the production is estimated to be down about 2% from about 106.65 million tons in 2013-14.**

Monsoon Watch





Source-IMD

In the monsoon season, cumulative Rainfall for the country as a whole during the period 1st June to 26th August, 2015 was 12% lower 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 20% in South Peninsula, 15% in Central India and 6% each in East & North East India and North West India respectively. Delayed planting and unevenly distributed rains across the country are unlikely to hamper the 2015-16 rice production also the on-going kharif rice acreage is ahead of last year as on August 28, 2015.

Rice Supply & Demand

Figure in MMT	2013-14	2014-15	2015-16*
Carry in	26.19	22.65	17.5
Production	106.54	104	104
Imports	0	0	0
Total Availability	132.73	126.65	121.5
Consumption	99.18	99.35	99.5
Exports	10.9	9.8	9
Total Usage	110.08	109.15	108.5
Carry out	22.65	17.5	13
Av Monthly Consumption	8.27	8.28	8.29
Stock to Month Use	2.74	2.11	1.57
Stock to Consumption Ratio	0.23	0.18	0.13

Rice production in MY 2015-16 is likely to be up from 104 million tonnes in 2014-15 to 104.5-105 million tonnes due to better rainfall and expectation of higher yield. On the Exports front, we expect that in MY 2015-16, rice exports will be down by around 13% from 2014-15 and will reach 9.8-10 million tonnes due to the lower carry over stock. However, the exports could improve should Indian rice continue to be competitive.

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

Agriwatch Rice Production Estimate

Agriwatch estimates that this year KMS (2015-16), rice production will be between 104 and 105 million tonnes given the current rainfall scenario.

However if paddy growing states receive rain fall between -5 to -10% of LPA, production may decrease by 1.5-2% to 103million tonnes; and if the rainfall is lower than 10% of LPA leading to serious deficit conditions, rice production is expected to reach about 102.03 million tonnes.

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 ExpectedProduction)	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 Pradesh	1381.2	1590.2	**38%**	2219.124	2950.20	2905.95	2891.20
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 could signal a bumper non-basmati rice crop 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 the favorable situation continues till the growth stage, rice production is likely to go up to 105 million tonnes.

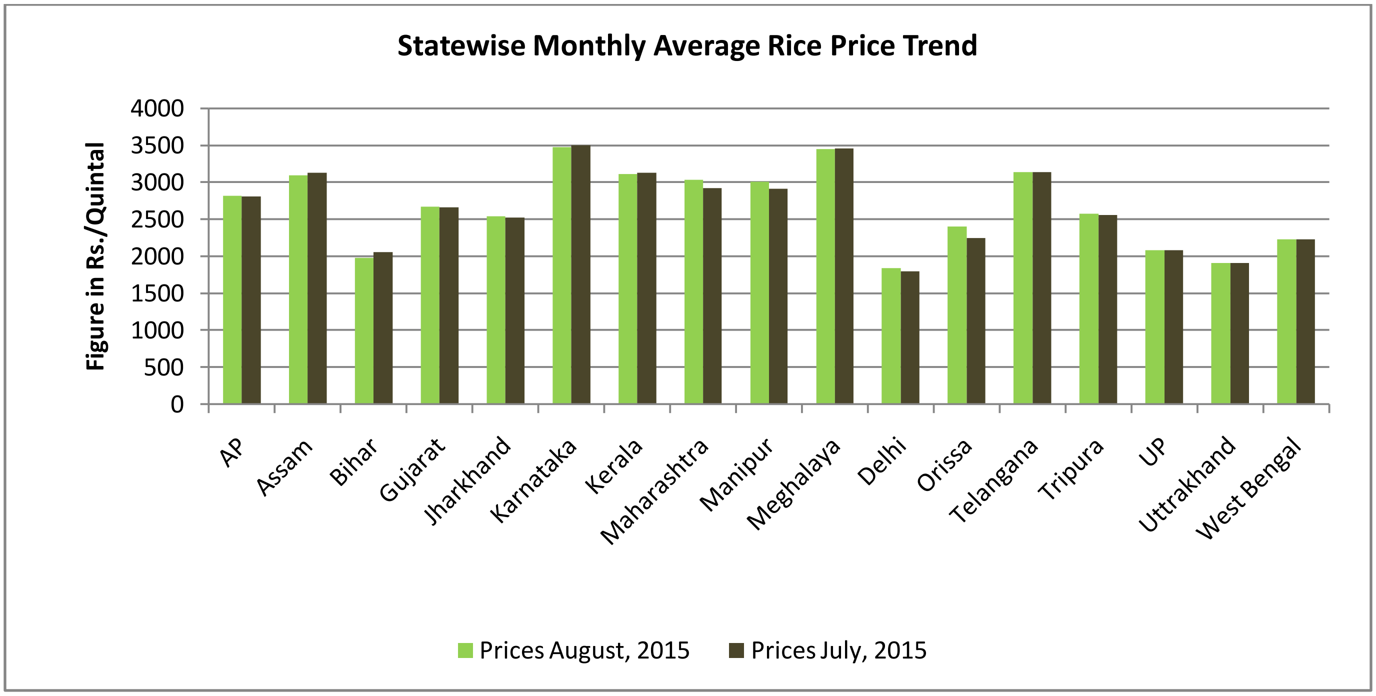
State wise Wholesale Price Monthly Analysis

State	Prices August, 2015	Prices July, 2015	Prices August, 2014	% Change(Over Previous Month)	% Change(Over Previous Year)
AP	2814.1	2804.77	2818.94	0.33	-0.17
Assam	3094.25	3128.76	3187.99	-1.1	-2.94
Bihar	1980.28	2054.79		-3.63	__
Gujarat	2667.77	2663.69	2611.08	0.15	2.17
Jharkhand	2542.98	2520.82	2645.05	0.88	-3.86
Karnataka	3474.61	3501.67	3412.77	-0.77	1.81
Kerala	3109.18	3126.16	3421.86	-0.54	-9.14
Maharashtra	3033.79	2917.86	10035.1	3.97	-69.77
Manipur	3002.67	2909.92	3374.57	3.19	-11.02
Meghalaya	3448.32	3459.41	3175.74	-0.32	8.58
Delhi	1841.79	1800		2.32	__
Orissa	2405.68	2245.37	2411.39	7.14	-0.24
Telangana	3139.04	3134.05	3468.75	0.16	-9.51
Tripura	2571.3	2553.23	2594.5	0.71	-0.89
UP	2083.37	2085.97	2067.97	-0.12	0.74
Uttrakhand	1906.18	1907.15	2029.69	-0.05	-6.09
West Bengal	2233.12	2228.62	2731.16	0.2	-18.24
Average	2667.55	2649.54	3253.85		
***Report Generation: As per the data reported by APMCs**					

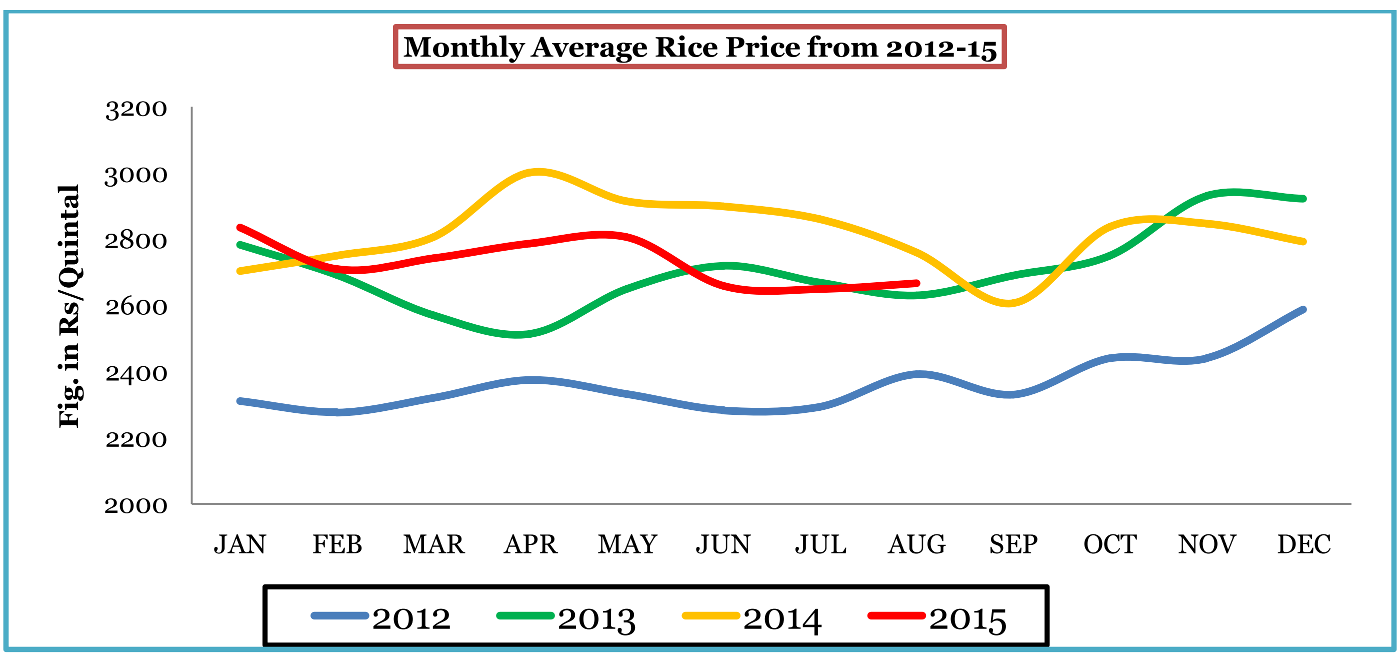
Source-Agmark

All India average wholesale rice prices firmed slightly in August 2015 by 0.67%. Demand from local and foreign buyers were the main reason for firmness in the period.

Indian Average Rice Price Trend- August



Monthly Average Rice Price Trend



Month-wise Rice Stock in Central Pool

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	18.66				

Source-FCI

India's rice stocks in the central pool as of August 1, 2015 stood at about 18.6 million tons (including a milled equivalent of about 5.021 million tons of paddy), down about 24% from about 24.56 million tons recorded during the same period last year, according to data from the Food Corporation of India (FCI).

State wise Progressive Procurement

State/UTs	KMS 2014-15*
AP	35.55
Telangana	35.04
Assam	0.15
Bihar	16.19
Chandigarh	0.1
Chhattisgarh	33.55
Delhi	0
Gujarat	0
Haryana	20.15
H.P	0
Jharkhand	0.02
J&K	0
Karnataka	0.88
Kerala	3.74
M.P	8.07
Maharashtra	1.99
Nagaland	0
Odisha	34.87

Pondicherry	0
Punjab	77.86
Rajasthan	0
Tamil Nadu	9.51
U.P	16.98
Uttarakhand	4.65
West Bengal	19.93
Total	319.23

Source-FCI

*KMS 2014-15 is under progress. Figures reported as on 01.09.2015

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**	4.67	3.48	**8.15**
May-14	4.68	3.37	**8.05**	**May-15**	5.81	4.31	**10.12**
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***	5.6	2.68	**8.28**
September-14	8.86	2.03	**10.89**	**September-15**			
Total	**69.71**	**34.59**	**104.3**	**Total**	**72.82**	**37.17**	**109.99**

Source-DGCIS and * IBIS

Agriwatch has updated the rice exports in the first week of September based on data released by APEDA & IBIS. Total rice exports for MY-2014-15 till August-15 was 109 Lakh tonnes which was up by around 18% from last year's export of 93.41 lakh tonnes for the same period. Non- basmati rice exports in the month of August was 5.6 lakh tonnes and basmati exports in the month was 2.68 lakh tonnes.

For the remaining month (Sept-2015) we expect around 8-9 lakh tonnes of rice to be exported from India. The total rice export expectation is approx 11.5-11.8 million tonnes for MY- 2014-15, which will up by 10% from MY 2013-14 export of 104 lakh tonnes.

Major Importers of Basmati & Non basmati Rice in August

Country	Quantity in Tonnes	Average of FOB $/Tonne	Country	Quantity in Tonnes	Average of FOB $/Tonne
BENIN	99659.17	357.98	U A E	67048.966	808.08
SENEGAL	62398	299.33	S.ARABIA	53162.02	891.76
GUINEA	52629.3	363.15	IRAN	27867.144	878.05
S. AFRICA	47782.472	368.54	U K	13932.207	915.10
LIBERIA	44642.71	352.09	IRAQ	13021.248	786.09
IVORY COAST	34041.5	346.68	KUWAIT	13010.837	941.50
TURKEY	22204.374	366.02	U S A	7829.69143	838.44
SINGAPORE	20289.213	440.36	OMAN	6283.098	983.84
SOMALIA	18855.6	378.56	YEMEN	5502.978	831.44
Others	158183.7737	375.5	Others	60589.918	924.5
Grand Total	**560686.1127**	**469.93**	**Grand Total**	268248.1074	**852.77**

Rice Market Outlook

Non-basmati rice is likely to trade steady to firm in the remaining months of MY 2014-15 as stocks are thinning this lean season.

Higher production in MY 2015-16 and lower domestic as well foreign demand may hold the prices. Rainfall at this time is very good and favorable for the standing crop. We expect non-basmati rice prices to move in the range of Rs.2650-2800/quintal in the coming month.

Aromatic rice monthly average prices in the month of August were weak by 3-13% in all major markets of Amritsar, Karnal and Delhi, due to frail demand from bulk buyers. Lower than expected demand for aromatic rice to continue to weigh on the market fundamental as usual. Overall sentiments seems steady to slightly week. Domestic demand too remains weak. Stakeholders are advised to cover their immediate needs only right now. Need based buying seems more practical in current emerging market scenario.

Global Updates

The Thai military government has sold about 426,977 tons of stockpiled rice to 47 local traders in an open tender raising about 6.3 billion baht (about $178 million) in the most recent auction. There have been five auctions this year and nine auctions total since the military government took over in May 2014. The government sold about 4.4 million of rice raising about 48.6 billion baht (about $1.38 billion) from the nine auctions. The government of Thailand is also planning to auction about 732,806 tons of stockpiled rice on September 8th 2015. China reportedly agreed to buy about one million tons of rice in a government-to-government (G2G) deal from Thailand. The sale is part of a December 2014 memorandum of understanding (MoU) (that China signed with Thailand in December 2014) to buy 2 million tons of rice this year.

Vietnam exported about 3.492 million tons of rice in January 1 - August 20, 2015, down about 18% from about 4.26 million tons of rice exported in first eight months of 2014, according to data from the Vietnam Food Association (VFA). The average rice export price so far in this year stands at about $414 per ton (FOB), down about 4% per ton from about $431 per ton recorded during same last year. Separately, Vietnam rice exports to Africa increased about 52% to about 525,896 tons in the first seven months of 2015 from about 345,984 tons exported during the same time last year. China, one of the major destinations for Vietnamese rice for the last few years, has reduced rice imports from Vietnam since the beginning of this year. China normally imports higher volume when prices are low, but this year low prices have failed to attract demand. Vietnam has lowered the minimum export price (MEP) of its lower quality (25% broken) rice exports by about 3% to about $340 per ton from about $350 per ton in order to boost exports. The MEP was effective from August 13, 2015.

The National Food Authority of Philippines (NFA) has already imported 750,000 tons of rice (200,000 tons from Thailand and 550,000 tons from Vietnam) under government-to-government deals to ensure adequate stocks in the lean season (June – September). It has also allowed the private traders to import 805,200 tons of rice under the WTO minimum access volume (MAV) rule. The NFA is still authorized to import another 250,000 tons in case of adverse weather conditions. Total rice stocks in the Philippines as of July 1, 2015 stood at about 2.57 million tons, down about 15% from about 3.02 million tons recorded in June 2015, and up about 27% from about 2.03 million tons recorded during the same period last year

Source-Oryza

IGC Balance Sheet:

	2012-13	2013-14	2014-15 Estimate	Forecast 30.7.15	Forecast 27.08.15
			22.01.15	2015-16	2015-16
Production	473	478	476	480	479
Trade	38	43	42	42	42
Consumption	469	479	484	489	488
Carryover stocks	113	112	103	96	97
Y-O-Y change	4	-2	-8		-9
Major Exporters	40	37	28	20	22

Fig in Million Tonnes

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

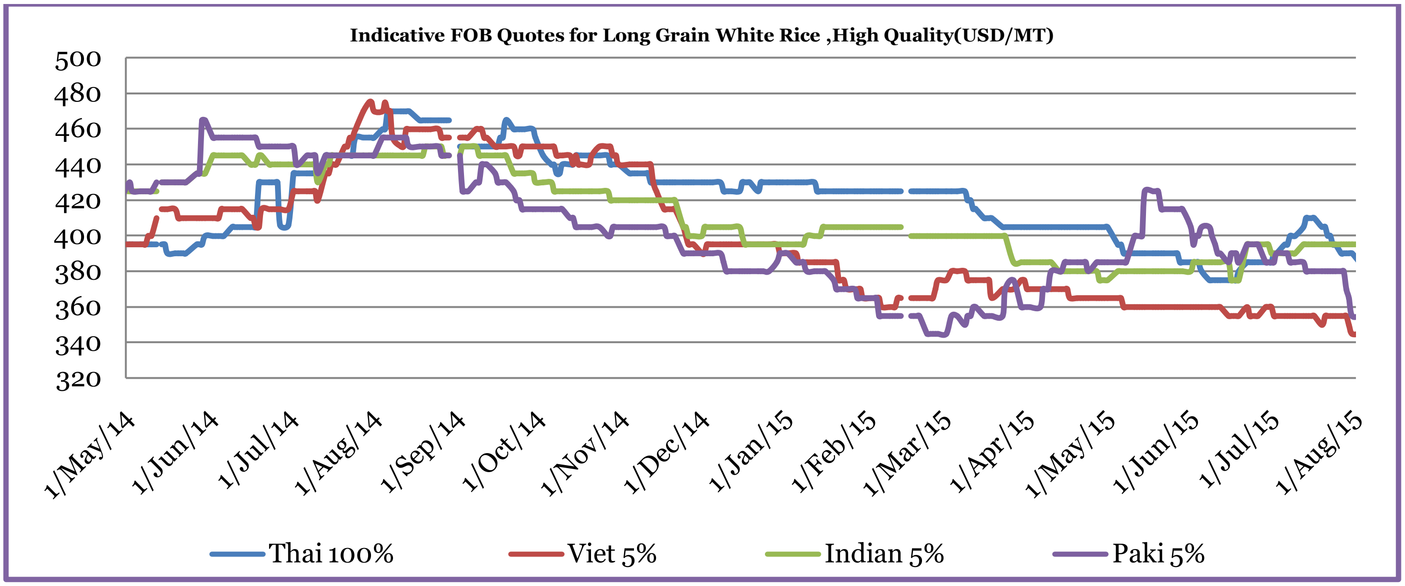
IGC Rice Balance sheet Highlights:

The projection of global rice output in 2015/16 is trimmed but, at 479m t, would broadly match the previous year's record. Carry-in stocks are placed higher than in July and, with total use little changed, aggregate carryovers are lifted by 0.9m t, to 96.9m. Nevertheless, this would still equate to a y/y decline of 9% and be the smallest in six seasons, mainly on a drop in leading exporters. At 42m t, world trade is anticipated to remain high in 2016 on demand from buyers in Africa and Asia

World rice trade is projected to stay historically high in 2016, with China again the biggest buyer owing to large domestic-export price premiums.

The 2015/16 world rice outturn is seen broadly matching the previous year's record, although prospects remain tentative, especially due to ongoing weather worries. With population growth set to support a further expansion of uptake, global end-season inventories are projected to fall by 9%, to 96.9m t – the smallest in six years and almost entirely due to a contraction in key exporters. Trade is expected to remain high in 2016 on demand from buyers in Africa and Asia. Thailand's volumes are seen surpassing those of India as it reclaims its status as the world's biggest exporter.

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 for the major exporters except 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

Duration	Trend	Support	Resistance
September-2015	Firm	S1-10.60 S2-10.40	R1-12.40 R2-12.50