

Contents

Rice Market Highlights.....	2
Rice Supply & Demand.....	2
Agriwatch Rice Production Estimate.....	2
State wise Wholesale Price Monthly Analysis	2
Indian Average Rice Price Trend- August.....	2
Monthly Average Rice Price Trend	2
Month-wise Rice Stock in Central Pool	2
Rice Export Statistics	2
Major Importers of Basmati & Non basmati Rice in September.....	2
Rice Market Outlook.....	2
Global Market Scenario	2
IGC Balance Sheet:	2
FOB Quotes for Long Grain White Rice, High Quality	2
Rice Price Trend - CBOT.....	2

Rice Market Highlights

- Wholesale rice Prices for India as an average was weak by 4.35% from last month and are currently hovering at Rs.2580-2590/quintal.
- Indian rice production (including rabi) is expected to drop by 4-5% from last year production of 104.5 million tonnes to 99-100 million tonnes in KMS 2015-16 due to lower area and lower rainfall in major growing states.
- El Nino has had little effect on India's rice acreage. Total rice planted area stood at around 37.824 million hectares as of October 16, 2015, down from around 37.967 million hectares planted during the corresponding time last year.
- Despite an extensive decline in rice procurement in Punjab and Haryana, the government agencies have purchased 32.16 million tonne (mt) of the rice from the farmers in the marketing year (2014-15), compared to 32.0 mt in the previous year.
- During the current kharif season, more than 36.50 lakh tonnes of paddy has already arrived in the mandis of Haryana till October last week. During the corresponding period last year, 22.98 lakh tonnes of paddy had come to markets in the state which is around 59% higher at this time.
- Despite poor monsoons this year, Punjab has procured more than half of the targeted paddy crop till 28th October. Procurement target for 2015-16 is 13.7 million tonnes as against 11.8 million tonnes procured last year (2014-15). Till date, Punjab has procured around 74 lakh tonnes of paddy, with government agencies procuring around 69 lakh tonnes and the remaining by private players. The procurement began on October 1.
- The cumulative rainfall in the country during the post monsoon season i.e. 01st October to 21st October, 2015 was 51% 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 61% in East & North East India, 56% in North West India, 73% in Central India and 25% in South Peninsula.
- Average rice price is likely to trade steady even with the start of harvesting season, due to lower production estimates and due to higher quotes offered by Thailand and Vietnam, Indian Prices is likely to stay steady in the coming weeks.

Price Projection for Next Month (December) in Domestic Market:

Duration	Trend	Average Price Range	Reason
December- 2015	Steady to Weak	Rs.2580-2750/Q	Average Rice price in all India is likely to trade under pressure with beginning of new arrival.

Rice Supply & Demand

Figure in MMT	2013-14	2014-15	2015-16*
Carry in	26.19	22.65	17.50
Production	106.54	104	100.00
Imports	0	0	0.00
Total Availability	132.73	126.65	117.50
Consumption	99.18	99.35	99.50
Exports	10.9	9.8	9.50
Total Usage	110.08	109.15	109.00
Carry out	22.65	17.5	8.50
Av Monthly Consumption	8.27	8.28	8.29
Stock to Month Use	2.74	2.11	0.79
Stock to Consumption Ratio	0.23	0.18	9.08

Agriwatch has updated the rice exports in the third week of October based on data released by APEDA & IBIS. Total rice exports for MY-2014-15 till September-15 was 118 Lakh tonnes which was up by around 14% from last year's export of 104.3 lakh tonnes for the same period. Non- basmati rice exports in the month of September was 5.0 lakh tonnes and basmati exports in the month was 3.83 lakh tonnes.

Rice production in MY 2015-16 is likely to be down from 104 million tonnes in 2014-15 to 99-100 million tonnes due to lower rainfall and lower area coverage in kharif. On the Exports front, we expect that in MY 2015-16, rice exports will be fall by around 13% from 2014-15 and will reach 9.5-10 million tonnes due to the lower carry over stock. However, the exports could improve should Indian rice continues 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

State	(Kg/Hect)	In 000 Ha.	As on 1 Oct-2015	Production in lakh T	
	Normal Yield	Normal Area	Rainfall Status	5 Year Average Production	2015-16(Normal Expected Production)
Andhra Pradesh	3020.6	3234	4%	9606.716	11664.80
Assam	1958	2150	5%	3811.254	4830.87

Bihar	1811.2	3040.2	-28%	5103.844	5497.68
Chhattisgarh	1661.4	3741.6	-12%	5049.618	5747.43
Gujarat	2070	689	-14%	1336.994	1464.00
Haryana	3106.6	1062	-38%	826.398	1199.73
Himachal Pradesh	1638.8	72.5	-23%	1845.320	1825.47
Jharkhand	2009	1388.2	-14%	2405.460	2665.68
Karnataka	2743.4	1290	-20%	2889.296	3134.88
Kerala	2497.25	234.8	-26%	423.886	463.56
Madhya Pradesh	1381.2	1590.2	-12%	2219.124	2655.18
Maharashtra	1881.6	1545	-27%	2359.872	2679.42
Odisha	1567	4117	-10%	5592.036	6625.47
Punjab	3870.4	2810	-32%	8863.074	10099.50
Rajasthan	47.2	152.8	10.00%	221.352	283.57
Tamil Nadu	3183.6	1868.4	-10%	4489.364	4479.06
Telangana	--	--	-20%	--	--
Uttar Pradesh	2347.2	5829	-46%	11396.784	12852.60
Uttarakhand	2165.2	290	-28%	472.580	529.02
West Bengal	2736.4	5125	1%	12096.572	15248.87
Others	2411	2720.2	-	3126.276	3979.47
India	2367.2	42949.9	-17%	84135.820	99565.80

Agriwatch estimates this year KMS (2015-16), rice production to be between 99-101 million tonnes given the current rainfall scenario. Monsoon season is over and Kharif sowing has ended with lower paddy acreage figure. As per Agriwatch second preliminary estimates after final Kharif sowing, Indian rice production (including rabi) is expected to fall by 4-5% from last year production of 104.5 million tonnes to 99-100 million tonnes in KMS 2015-16 due to lower area and lower rainfall in major growing states as shown in above table.

State wise Wholesale Price Monthly Analysis

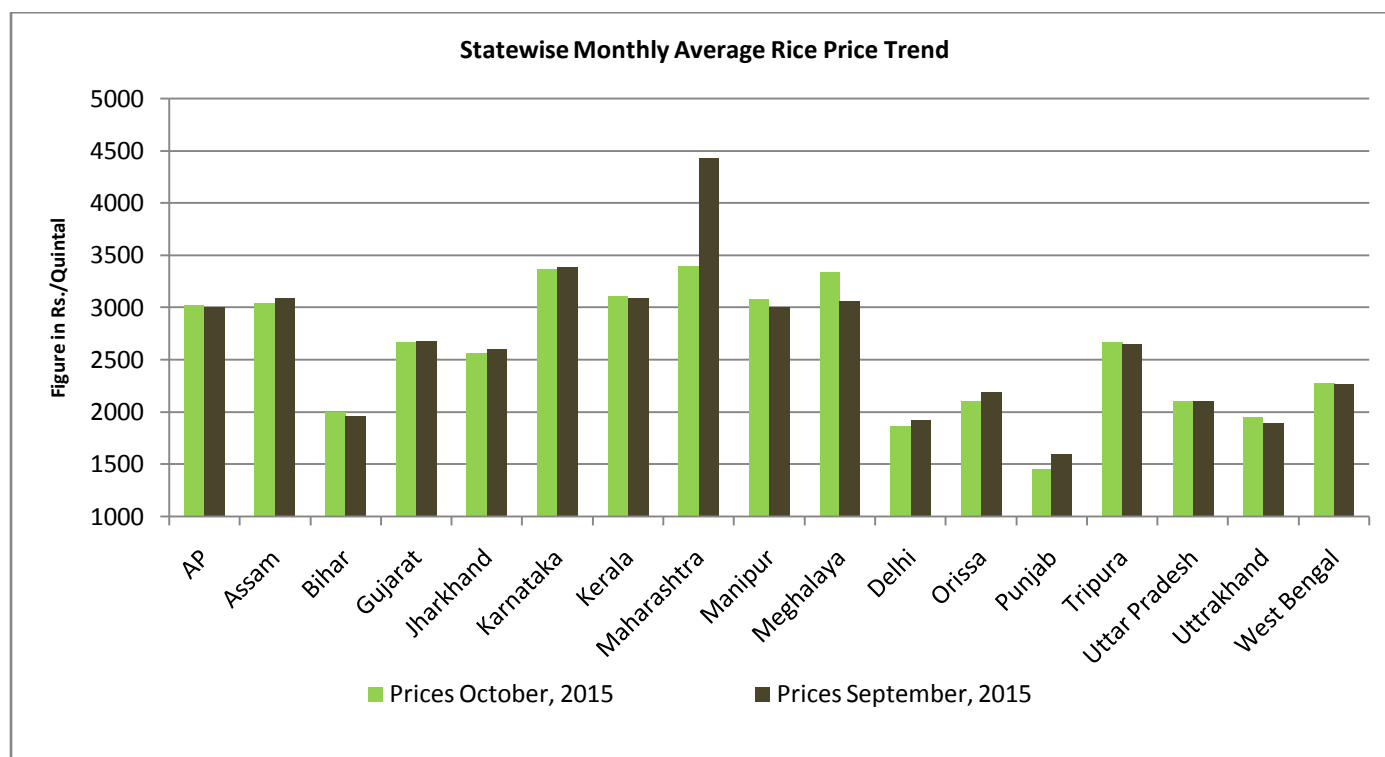
State	Prices October, 2015	Prices September, 2015	Prices October, 2014	% Change(Over Previous Month)	% Change(Over Previous Year)
AP	3027.02	3000.06	2653.11	0.9	14.09
Assam	3043.22	3092.05	2941.38	-1.58	3.46
Bihar	1997.41	1958.18		2	—
Gujarat	2670.02	2679.49	2599.36	-0.35	2.72
Jharkhand	2561.91	2595.41	2661.84	-1.29	-3.75
Karnataka	3359.7	3389.15	3478.63	-0.87	-3.42
Kerala	3111.61	3085.74	3376.68	0.84	-7.85
Maharashtra	3393.57	4427.31	4093.41	-23.35	-17.1
Manipur	3081.95	3000	3181.34	2.73	-3.12

Meghalaya	3340.69	3058.12	3913.25	9.24	-14.63
Delhi	1862.15	1920.83	2015.38	-3.05	-7.6
Orissa	2107.33	2189.73	2207.88	-3.76	-4.55
Punjab	1450		2541.15	—	-42.94
Tripura	2668.92	2643.09	2719.21	0.98	-1.85
Uttar Pradesh	2098.18	2101.31	2094.12	-0.15	0.19
Uttarakhand	1952.66	1890.38	1953.52	3.29	-0.04
West Bengal	2271.92	2266.7	2613.89	0.23	-13.08
Average	2588.13	2706.1	2801.38		

. Source-Agmark

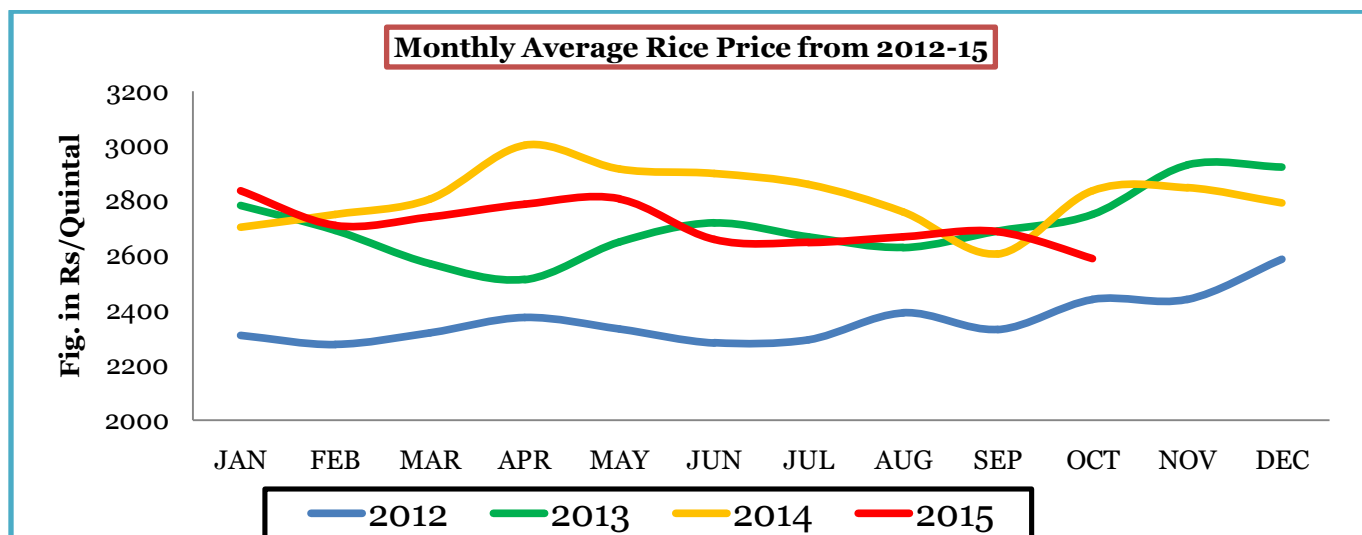
All India average wholesale rice prices were weak in October 2015 by 4.35%. Fresh arrivals from new crop push the market down in coming days.

Indian Average Rice Price Trend- August



All India rice average prices were down in the month of October with start of new crop season. In the above given chart, almost all states show the down trend in rice price due to arrival of new kharif crop in mandis.

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	16.31			

Source-FCI

India's rice stocks in the central pool as of September 1, 2015 stood at about 16.31 million tons (including a milled equivalent rice of about 24.21 million tons of paddy), down about 23% from about 24.56 million tons recorded during the corresponding period last year, according to data from the Food Corporation of India (FCI).

Rice Export Statistics

MY-2013-14	Non Basmati	Basmati	Total Export 2013-14	MY-2014-15	Non Basmati	Basmati	Total Export 2014-15
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	5.00	3.83	8.83
Total	69.71	34.59	104.3	Total	77.82	41	118.82

Source-DGCIS and * IBIS

Agriwatch has updated the rice exports in the first week of October based on data released by APEDA & IBIS. Total rice exports for MY-2014-15 till September-15 was 118Lakh tonnes which was up by around 14% from last year's export of 104.3 lakh tonnes for the same period. Non- basmati rice exports in the month of September was 5.0 lakh tonnes and basmati exports in the month was 3.83 lakh tonnes.

The total rice export has touched 118 lakh tonnes for MY- 2014-15, which is up by 13% from MY 2013-14 export of 104 lakh tonnes. Basmati exports in the end of marketing year were 41 lakh tonnes which is 18% up from last year exports of 34.59 lakh tonnes. Even after ban from Iran which is one of the largest buyers of Indian Basmati rice. In MY 2014-15, Saudi Arabia, Iraq, Kuwait, USA were the main buyers.

Major Importers of Basmati & Non basmati Rice in September

Major Importers Of Non Basmati rice			Major Importers Of Basmati rice		
Country	Quantity in Tonnes	Average of FOB \$/Tonne	Country	Quantity in Tonnes	Average of FOB \$/Tonne
BENIN	94507.66	353.67	IRAQ	91887.99	797.36
SENEGAL	57820.00	301.54	U A E	74062.83	832.15
LIBERIA	44999.96	353.40	SAUDI	50177.32	924.77
IVORY COAST	25740.45	348.34	IRAN	33768.24	844.30
S.AFRICA	19895.98	390.07	S.ARABIA	16757.96	901.40
TURKEY	19192.55	347.88	KUWAIT	15643.43	957.95
B'DESH	18180.31	378.90	U K	15530.73	962.72
NIGERIA	18025.15	153.62	YEMEN	12664.27	794.67
U A E	16978.85	530.37	U S A	11181.28	844.03
GUINEA	13048.83	365.75	KOREA	6955.80	924.92
others	172074.29	550.32	Others	55288.24	919.01
Grand Total	500464.03	454.28	Grand Total	383918.07	901.77

Rice Market Outlook

Rice cash market is likely to trade steady to slightly weak due to pressure from new crop and normal demand in domestic market. Arrival pressure is expected to increase and it will continue till the end of this month. As prices in domestic cash market are hovering at bottom level, any major dip from current level is unlikely. Trade circle expects demand to improve as prices are much lower in major exporters like Vietnam and Thailand. Buyers from global market are expected to switch from Thailand, Vietnam to India in the medium term that may support cash rice market fundamentals.

In aromatic rice segment, prices are likely to rule at current level as basmati rice price is ruling at five years low. Owing to the prices decrease from current level, farmers would not be able to get the basic production cost of basmati rice. We expect prices to recover in the medium term as major buyers like Kuwait, Iraq, Saudi Arabia etc are expected to be active in the first quarter of new year. Entry of Iran enters in Indian aromatic rice markets during coming months may boost rice price earlier than normal expectations. Advisable for buyers is to start buying at current price as per their immediate requirements or stock purpose. Any major dip from this bottom level is unlikely.

Global Market Scenario

Iran – the biggest buyer of Indian basmati – is expected to resume imports of the aromatic rice after February-March as estimated by Agriwatch. Iran had banned rice imports mid-November last year to protect the interests of local growers on higher domestic output and stocks. On the other hand rice production of the country is likely to raise by around 2% from last year production of 1.71 million tonnes to 1.74 million tonnes. Even with the slight hike in rice production, rice imports in MY 2015-16 is up by 7% supported by lower carryover stock to push the country for resuming the import. However even after ban of basmati from the country, Indian basmati rice export is up by 18% in MY 2014-15 due to higher demand from other Middle East Countries like Saudi Arabia, Iraq, and Kuwait.

According to data from the Vietnam Food Association (VFA), Vietnam exported about 4.48 million tons of rice in January 1 - October 20, 2015, down about 17% from about 5.37 million tons of rice exported in first ten months of 2014. Global rice prices especially of Vietnam are continuing to increase amid fears of lower supplies and increased demand from Indonesia and the Philippines. This could be opportunity for Indian rice export as international rice price is ruling lower than all major suppliers and Indian rice export could increase in MY 2015-16.

The Thailand government has approved the sale of 2 million tons of rotten rice from stockpiles to industries starting in November, according to the Commerce Ministry Permanent Secretary. The government plans to encourage farmers to store rice during the harvest period in order to protect rice prices from falling. The government has allocated about 40 billion baht (about \$1.13 billion) to provide support measures to rice farmers affected by drought. The Thai Rice Exporters Association (TREA) has agreed to finance the storage costs of around 100,000 tons of fragrant rice from the new crop as part of measures to protect prices during the harvest time.

Pakistan 5% broken rice is hovering at about \$360 per ton, unchanged from a week ago, up about \$05 per ton from a month ago and down about \$55 per ton from a year ago. Production is same as last year with 6.9 million tonnes. Pakistan's MY 2014-15 (November-October) rice exports will remain unchanged from last year's level of around 4 million tons.

The current El Nino weather pattern is strengthening and it is considered as one of the strongest patterns since 1950. It is likely to extend to early next year. While countries in Asia, South American and Australia will experience drought conditions, countries in North America will get heavy rains. Production is likely to decline in India, Indonesia, Thailand and the Philippines. Global rice prices are continuing to increase amid fears of lower supplies and increased demand from Indonesia and the Philippines.

Source-Oryza

IGC Balance Sheet:

	2012-13	2013-14	2014-15 Estimate 22.01.15	Forecast 24.09.15 2015-16	Forecast 29.10.15 2015-16
Production	473	478	479	477	474
Trade	38	43	43	42	42
Consumption	469	480	484	488	487
Carryover stocks	113	11	106	95	94
Y-O-Y change	4	-2	-5		-13
Major Exporters	40	38	31	22	21

Fig in Million Tonnes

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

IGC Rice Balance sheet Highlights:

IGC forecast world rice production is forecast to decline by 1% in 2015/16. Coupled with smaller opening stocks, supplies are projected to tighten and, given a further rise in total uptake, a fall in inventories of nearly 13m t is anticipated, including more than 10m in the five majors. Trade is expected to remain historically high, especially on big deliveries to Asian markets. Thailand is projected to be the world's leading exporter in 2016.

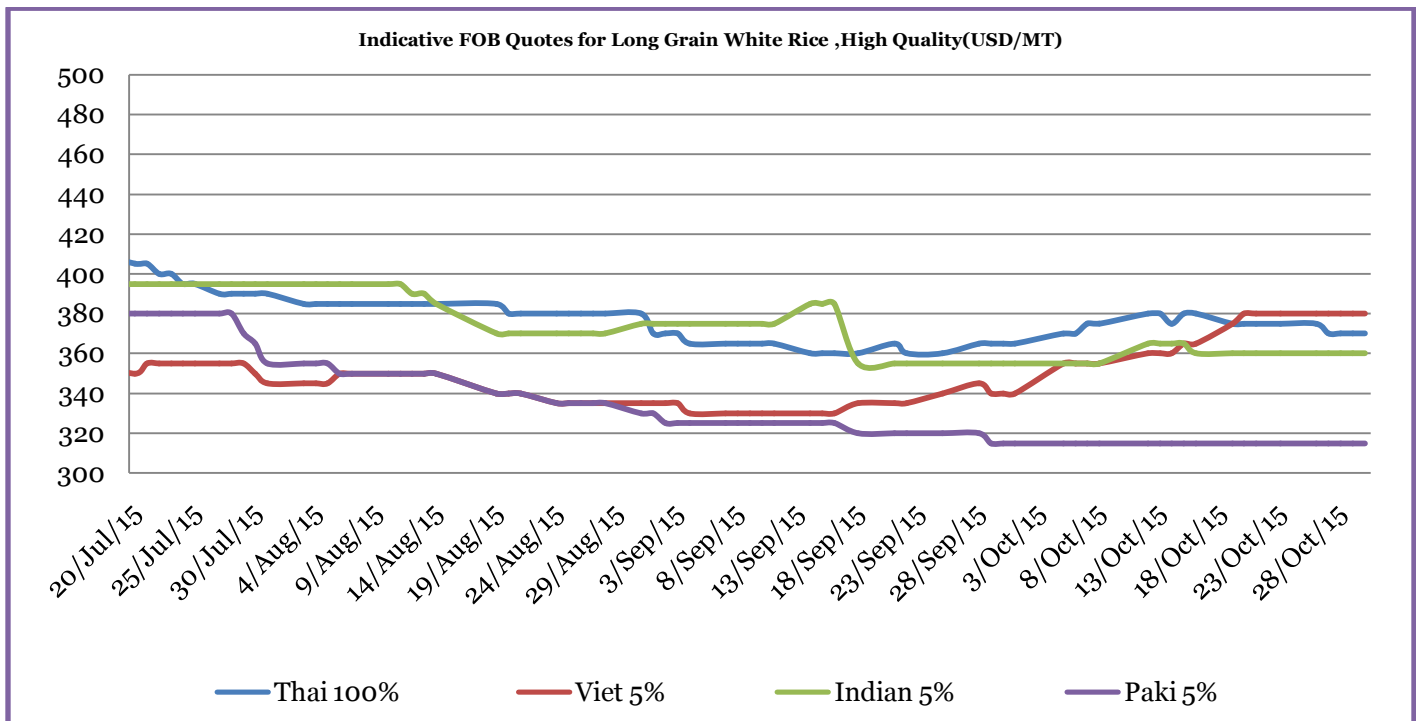
USDA & IGC Forecast the Same World Rice Production:

In its October 2015 Rice Outlook report, USDA also forecasted 2015-16 global rice production (milled basis) at around 474 million tons, down about 1% from last year due to an expected decline in acreage as well as decline in average yields, which are likely to be affected by adverse weather conditions. It forecasted 2015 global rice trade at around 42.4 million tons, down 2% from an estimated 43.2 million tons in 2014

Global Trade of Rice Unchanged from Last Month

The IGC forecasts 2015-16 global rice trade at around 42 million tons, unchanged from the previous year's 42 million tons as well as its previous estimate of around 42 million tons.

FOB Quotes for Long Grain White Rice, High Quality



Source-Oryza

FOB quotes for high quality white rice in the month of October was moving with firm tone for the major exporters expect Pakistan. Thai white rice long grain high quality is moving in the range of USD 375-380/T which is up by USD 15/MT and down by USD 85/MT from last month and last year respectively. Vietnam white rice long grain high quality is moving in the range of USD 375-380/T which is up by USD40/MT last month and down by USD 70/MT from last year. Vietnam Rice prices are continuing to increase amid fears of lower supplies and increased demand from Indonesia and the Philippines. Pakistan 5% broken rice is hovering at about \$360 per ton, unchanged from a week ago, up about \$05 per ton from a month ago and down about \$55 per ton from a year ago.

Rice Price Trend - CBOT


Duration	Trend	Support	Resistance
October-2015	Firm	S1-11.60 S2-11.40	R1-13.80 R2-14.00

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