

## ***Latest Market Development:-***

**India's basmati rice exports to Iran have increased by 77%** on a year-on-year basis between April and September 2013. India exported 851,859 tons of basmati rice to Iran during the first five months of the FY 2013-14 (April – March) compared to 481,328 tons during the same period in the FY 2012-13.

**According to the Ministry of Agriculture, Rice planting area** under India's winter (rabi) crop has reached around 725,000 hectares as of January 10, 2014, which is up about 30% from about 557,000 hectares planted with rabi rice during same time last year.

**India's basmati rice exports are forecast to reach around 4 million tons** in FY 2013-14 (April – March), the highest annual basmati rice exports on record and up about 12.5% from around 3.5 million tons in FY 2012-13.

**Total Rice export volume from India is up by around 25%** in the month of December 2013 against last month, however it is about 19% down from same period last year. On the other hand basmati export in the month of December is also up by around 59% from last month and 37% from last year same period. The major reason behind higher basmati export from last year is due to introduction of new variety of basmati 1509 this year.

**According to IBIS (provisional data), export of rice in the month** of December was 8.39 Lakh tones which is 19% less than last year at the same month. Basmati was exported 3.93 lakh tonnes and Non-Basmati was exported 4.46 lakh tonnes in the month of December 2013.

**Government's rice procurement is lagging behind by 8 per cent** over last year at 16.36 million tonne so far in the 2013-14 marketing year due to lower production estimate and relatively strong open market prices.

**According to official sources, India has exported rice worth around \$3.89 billion** in the first six months of the fiscal year 2013-14 (April – March), which is about 63% of total rice exports worth \$6.21 billion in the full FY 2012-13

**Rice stock in central pool was 286.96 lakh tonnes as on 16<sup>th</sup> December 2013** as compared to 286.25 lakh tonnes on 1<sup>st</sup> December 2013. Punjab has the highest rice stock in central pool at 55.72 lakh tonnes followed by Andhra Pradesh at 14.95 lakh tonnes.

**The Indian government may increase buffer norms for rice** in the central pool to ensure availability of food grains in the country for the implementation of the Food Security Act.

**According to Planning Commission of India**, India may have to import about 4 – 12 million tons of rice by 2016-17 if the nation's rice production target of an additional 10 million tons by 2016-17 is not met.

### ***Rice Monthly Export:***

All fig. in Lakh tonnes	Non Basmati	Basmati	Total Export 2011-12		Non Basmati	Basmati	Total Export 2012-13
12-Oct	6.65	1.95	8.6	13-Oct*	6.98	2.14	9.12
12-Nov	6.49	2.08	8.57	13-Nov*	4.21	2.47	6.68
12-Dec	7.5	2.85	10.35	13-Dec*	4.46	3.93	8.39
13-Jan	5.65	3.18	8.83				
13-Feb	4.9	3.34	8.24				
13-Mar	5.7	3.87	9.57				
13-Apr	3.93	3.93	7.86				
13-May	4.67	3.45	8.12				
13-Jun	5.56	3.78	9.34				
13-Jul	6.51	3.34	9.85				
13-Aug*	6.57	2.68	9.25				
13-Sept*	6.81	3.61	10.42				
<b>Total</b>	<b>70.94</b>	<b>38.06</b>	<b>109</b>	<b>Total</b>	<b>15.65</b>	<b>8.54</b>	<b>24.19</b>

Source: DGCIS and \* IBIS (Revised export Figure)

Total rice exported by India in the previous Marketing Year (MY) October 2012 to September 2013, was 109 Lakh tonnes. This was supported by strong demand from West Asia, Africa and South-East Asian countries and weak Indian rupee.

In marketing year 2013-14 we expect total rice export around 100 Lakh tonnes owing to good global production, reduction in rice pledging scheme prices by Thailand and firming Indian rupee. So far 24.19 Lakh tones has been exported as compare to 27.52 lakh tones for the same period last year.

### ***Rice Balance Sheet:-***

Rice production in India has been on the rise from 2010-2011 to 2012-13 on the back of favorable monsoon, higher area coverage backed up by higher MSP and good export demand.

However, production is likely to dip slightly in 2013-14 to 101/102 million T due to recent loss caused by two consecutive cyclones, followed by heavy rainfall at maturity and harvesting stage. However, it is unlikely to interrupt supply in the domestic market as carryout stock is ample to take care of domestic and export market.

**India Rice Balance Sheet:-**

Figure in MMT	2010-11	2011-12	2012-13	2013-14* E
<b>Carry in</b>	<b>18.44</b>	<b>20.86</b>	<b>23.38</b>	<b>24.38</b>
Production	95.98	104.32	104	102
Imports	0	0	0	0
Total Availability	114.42	125.18	127.38	126.38
Consumption	90.78	91.6	92.5	94
Exports	2.78	10.2	10.5	10
Total Usage	93.56	101.8	103	104
<b>Carry out</b>	<b>20.86</b>	<b>23.38</b>	<b>24.38</b>	<b>22.38</b>
Av Monthly Consumption	7.57	7.63	7.71	7.83
Stock to Month Use	2.76	3.06	3.16	2.86
Stock to Consumption Ratio	0.23	0.26	0.26	0.24

(Source: Agriwatch Research, USDA)

**Progressive Procurement of Rice**

(Fig. in Lakh tonnes)

States	Total procurement in marketing season 2011-12 (Oct. – Sept.)	As on 24.05.2013	
		In Marketing season 2012-13	In Marketing season 2011-12
Andhra Pradesh	75.40	59.05	65.83
Chhattisgarh	41.15	48.50	41.13
Haryana	20.07	26.58	20.07
Kerala	3.72	2.30	3.42
Madhya Pradesh	6.35	9.27	6.35
Maharashtra	1.78	1.78	1.90
Orissa	28.64	29.52	21.36
Punjab	77.31	88.71	77.31
Tamil Nadu	15.96	4.75	15.84
Uttar Pradesh	33.55	32.48	33.01
Uttaranchal	3.78	7.36	3.36
West Bengal	20.41	13.95	21.66
All-India	<b>350.31</b>	<b>338.25</b>	<b>326.26</b>

Source: <http://dacnet.nic.in/>

Rice procurement by Government agencies has now going very slow due to lean season and procurement target of 400 lakh tonnes in this season (September-2013) is unlikely to achieve as stock of rice is not as much available in the markets, however procurement is likely to touch around 350 lakh tonnes same as last year in this season.

### 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
<b>2010</b>	24.35	25.65	26.95	26.71	23.26	25.26	24.26	22.87	20.48	18.44	23.17	24.52
<b>2011</b>	25.58	27.80	28.70	28.82	27.76	27.64	26.86	25.27	22.7	20.5	26.83	27.63
<b>2012</b>	29.71	31.8	33.17	33.35	32.92	32.14	30.70	28.50	25.59	23.4	28.95	30.67
<b>2013</b>	32.22	35.4	35.8	35.46	34.72	33.3	31.50	29.23	26.78	23.13	28.58	28.62

\*Format of stock position has been revised w.e.f. 1.9.2013. In earlier format, rice included unmilled paddy lying with FCI and State Agencies in terms of rice.

Total rice stocks in India's central pool 28.62 million tons as of December 1, 2013.

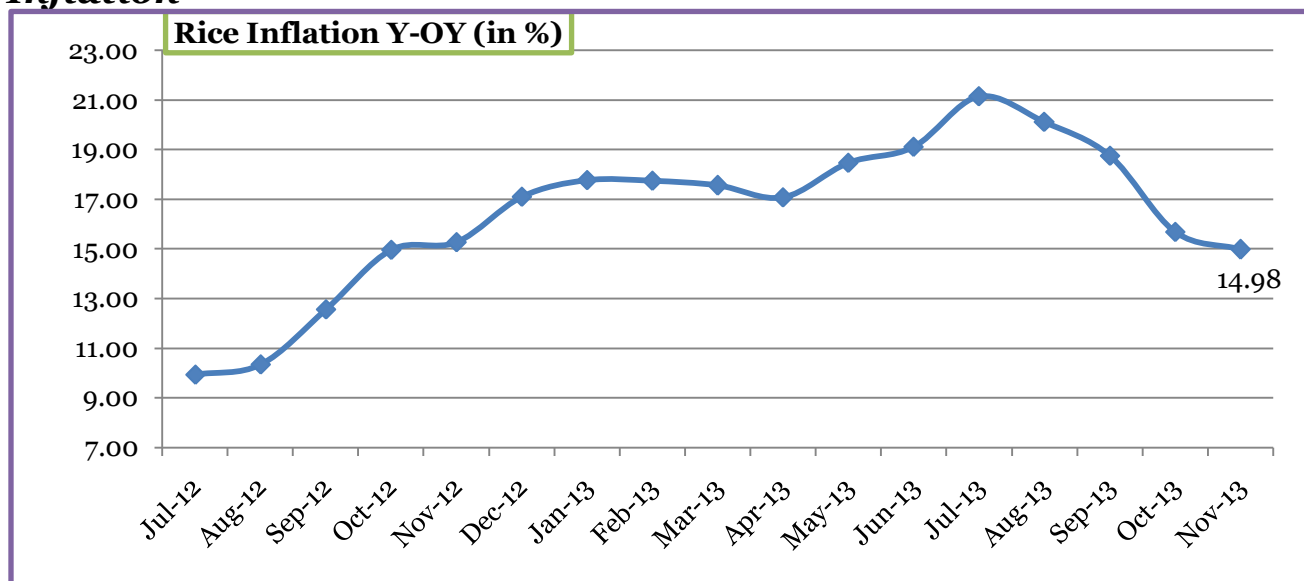
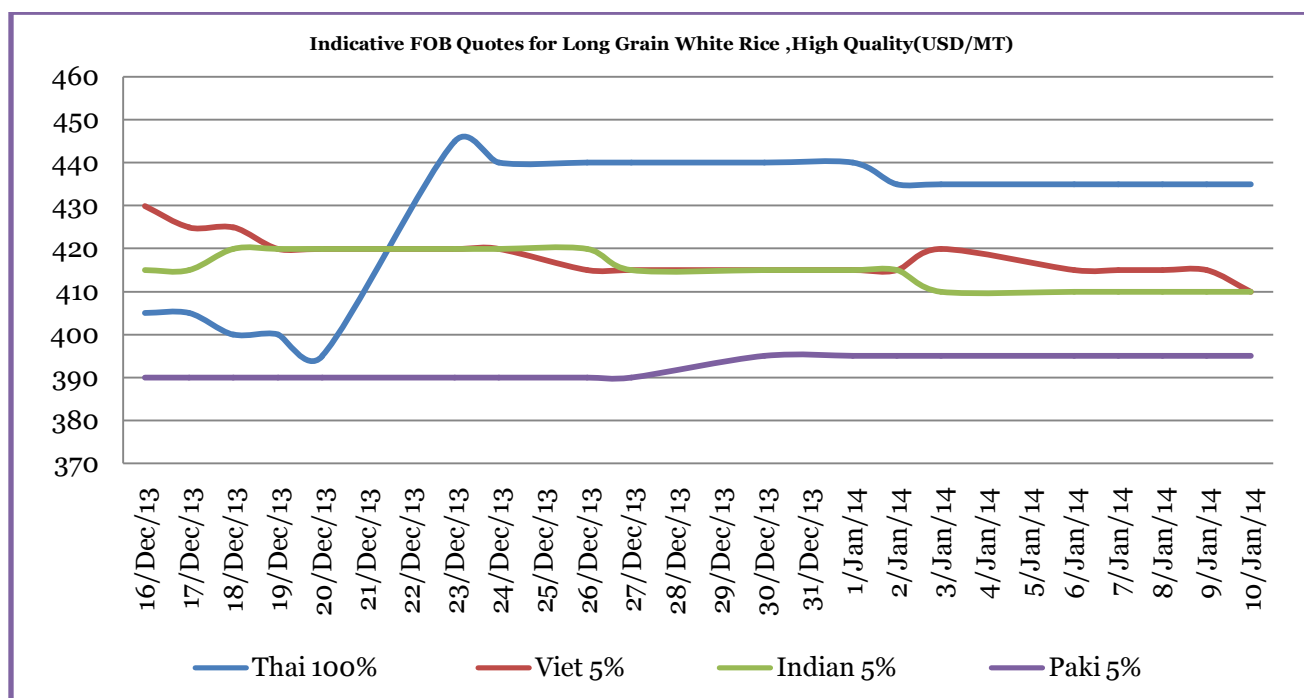
### State wise Wholesale Prices Weekly Analysis for Rice Second Week of January, 2014:

State	09-15 Jan 2014	01-08 Jan 2014	24-31 Dec 2013	09-15 Jan 2013	% Change(Over Previous Week)	% Change(Over Previous Year)
AP	3430.7	2887.5	3860.1	2945.3	18.81	16.48
Assam	2952.3	3118.1	3241.2	2408	-5.32	22.6
Gujarat	2730	2659.5	2725.4	2391.9	2.65	14.14
Jharkhand	2782.7	2752.2	2677	2359.3	1.11	17.95
Karnataka	2981.7	2981.9	2103.7	2726.2	-0.01	9.37
Kerala	3166.5	3283.7	3394.8	3461.5	-3.57	-8.52
Maharashtra	7749.8	4488.7	10433	4966.4	72.65	56.04
Manipur	2409.1	2416.3	2415.3		-0.3	—
Meghalaya	3500	3552.1		3200	-1.47	9.38
Orissa	2376.2	2356.1	2123.8	2162.3	0.85	9.89
Punjab		1977.8			—	—
Tripura	2617.1	2792.2	2774.6		-6.27	—
UP	1929.8	1869.9	1898.6	1645.7	3.2	17.26
Uttrakhand	2207.7	2078.2	1757.2	1747.1	6.23	26.36
WB	2548.7	2485	2433	2170.5	2.56	17.42
Average	3098.7	2780	3218.2	2682		

Prices of rice have showed the upward movement in January 2<sup>nd</sup> week from first week of January and market is expected to trade steady at current level.

**Price Projection for January 3<sup>rd</sup> Week in Domestic Market:**

Duration	Trend	Average Price Range
3rd Week of Jan, 2014	<b>Steady</b>	<b>Rs.2850-3000/Q</b>

**Inflation**

**FOB Quotes for Long Grain White Rice, High Quality**


### ***World Market Recap:***

**According to the Rice Exporters Association on Pakistan,** Pakistan has exported about 564,103 tons of non-basmati rice and about 173,076 tons of basmati rice in the first four months of fiscal year 2013-14 (starting July 2013).

**According to the Office of Agricultural Economics, Thailand's** off-season (January - June) rice production is expected to decline to around 8.47 million tons this year, down about 21% from the previous year, and the lowest in around seven years.

**Vietnam has exported around 6.45 million tonnes** of rice during 2013, up to 26th Dec. It is down by 15 percent from last year's export. Vietnam had exported around 7.59 million tonne in 2012 as per the latest release of Vietnam Food Association. Vietnam has exported 303,206 tonnes of rice in the month of December till 26th. Comparative it is down by 34 percent from the volume exported in December 2012.

**Vietnam Average export price has decreased** by 5 percent to \$432 per T in December in comparison to \$456 per tonne realized in December, 2012. Average export price for the whole year comes to \$457 hardly \$1 lower than the whole year average of 2012. However, it is almost 3 percent up from November average export price.

**According to the Thai Rice Exporters Association, Thailand** has exported around 5.9 million tons of rice in January – November 2013, down about 5.4% compared to the same period in 2012.

**Thailand government blamed high prices for the rice export decline.** Rice exports this year are expected to reach around 6.68 million tons, down over 16% from the target of a minimum of 8 million tons, and down around 4% from last year's rice exports of around 7 million tons.

**According to the USDA, Pakistan's rice production is expected to reach** around 6.4 million tons in MY 2013-14 (November – October), up about 7% from previous estimates of around 6 million tons, and up about 10% from an estimated 5.8 million tons produced in MY 2012-13.

**Despite lower FOB rice price, Vietnam rice exports is likely to fall in 2013** as per by Vietnam Food Association, however Vietnam is targeting the new markets including USA through Trans-Pacific Partnership (TPP) negotiations .

**South Korea has purchased about 33,300 tons non-glutinous brown rice of long-grain variety.** 7300 and 14000 tonnes of brown rice was purchased from Hyorim International at USD 450.81/mt and USD 456.67/mt of Thailand origin. 12000 tonnes of brown rice was purchased from Samsung C&T at USD 459.66/mt of Vietnam origin.

**IGC Balance Sheet:**
**(Fig. In Million Tonnes)**

	2010-11	2011-12	2012-13 est.	Projection for 2013-14	
				31.10.2013	28.11.2013
<b>Production</b>	449	465	469	474	471
<b>Trade</b>	36	39	37	38	38
<b>Consumption</b>	445	458	469	472	471
<b>Carryover stocks</b>	99	107	107	109	108
<b>Y-O-Y change</b>	3	7	1	1	-1
<b>Major Exporters</b>	30	37	40	42	41

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

**IGC Rice Balance sheet Highlights:-**

- The IGC rice sub-Index was broadly steady over the month, as a further easing in Thailand was balanced by higher quotations in Vietnam on prospects for fresh sales to the Philippines.
- The projection for world rice production in 2013/14 is downgraded, mainly owing to reduced expectations for India's main crop, but would still be at a new record.
- Led by increases in Asia, global demand is set to grow by 1% and the 2013/14 world carryover is projected to decline y/y, but supplies are set to remain ample, especially in major exporters.
- Total trade is expected to expand in 2014, with larger deliveries to Far East Asia, including the Philippines.

***Rice Price Trend @ CBOT March- 14, Rough Rice):***  
**(Prices in US\$/hundredweight)**


**Market Analysis:**

The CBOT March rough rice chart indicates range bound movement in previous sessions. We expect market will hover in the range of USD 15.20 to USD 15.70/ hundredweight in coming sessions.

**Price Projection (International-CBOT):-**

Duration	Trend	Price Range
3 <sup>rd</sup> Week of January, 2014	<b>Steady to slightly weak</b>	15.20-15.70

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