

Latest Market Development:-

Average non basmati rice price in second week of March-2014 is in the range of Rs.2600-2650/qtl down about 15% from last week, Average price of PR variety is all ready ruling much higher from January-2014 and we expect market will move in the range bound to slightly firm from current level.

Rice stock in central pool was 315.28 lakh tonnes as on 1st February 2014 as compared to 286.96 lakh tonnes on 1st January 2014. Punjab has the highest rice stock in central pool at 71.96 lakh tonnes followed by Andhra Pradesh at 26.95 lakh tonnes.

The Indian government has procured around 24.66 million tons of rice as of March 3, 2014 in the ongoing 2013-14 Kharif Marketing Season (October - September), which is down about 10% from around 27.3 million tons procured during the same time last year, according to data from the Ministry of Consumer Affairs, Food and Distribution.

Area under India's Rabi (winter) rice crop planting stands at about 4.14 million hectares as of March,07, 2014, which is up about 12% from about 3.72 million hectares recorded during the same time last year, according to the Ministry of Agriculture.

The Inflation of rice has decreased to 13.36% in the month of January as compare to 13.62% in the month of December. WPI has decreased to 229.9 in January as compare to 230.3 in the month of December.

Rice export in the month of February 2014 is around 8.28 lakh tonnes in which non basmati and basmati rice is reported 4.71 lakh tonnes and 3.57lakh tonnes respectively as per by IBIS. As per by IBIS, Export of Basmati rice in February is highest in Saudi Arabia followed by Iran.

After Bihar, Maharashtra cabinet also approved a proposal to provide bonus of Rs 200 per quintal over and above the minimum support price (MSP) fixed by the Centre for paddy during the kharif season 2013-14. The MSP for paddy procured in 2013-14 season is Rs 1,310 and for 'A' grade paddy, the MSP is Rs 1,345. The state government will give additional INR 200 per quintal.

The Indian government says in its second advance estimates that rice production in 2013-14 (October - September) is likely to reach a record 106.19 million tons, the highest ever on record and up about 1% from an estimated 105.24 million tons produced in the previous year. Higher production is mainly due to current rain fall in major growing states. However Agriwatch estimates is 3.81% down from government estimates and predicts the production of around 103 million tons in 2013-14 seasons, due to cyclones damage in major kharif rice producing states.

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	14-Jan*	4.91	3.33	8.24
13-Feb	4.9	3.34	8.24	14-Feb*	4.71	3.57	8.28
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				
Total	70.94	38.06	109	Total	22.83	15.3	38.13

Source: DGCIS and * IBIS (Revised export Figure)

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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
Carry in	18.44	20.86	23.38	24.38
<i>Production</i>	<i>95.98</i>	<i>104.32</i>	<i>104</i>	<i>102</i>

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
Carry out	20.86	23.38	24.38	22.38
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 as on 28/02/2014:

Progressive procurement of Rice as on 28.02.2014 (lakh tonnes)			
State	Total procurement in marketing season	Progressive Procurement as on 28.02.2014	
	2012-13 (Oct. - Sept.)	In Marketing season 2013-14	In Marketing season 2012-13
Andhra Pradesh	64.64	30.47	35.04
Chhattisgarh	48.04	53.37	47.89
Haryana	26.09	23.96	25.97
Kerala	2.40	-	-
Madhya Pradesh	8.98	10.40	7.66
Maharashtra	1.92	1.14	1.66
Odisha	36.13	17.52	23.70
Punjab	85.58	81.06	85.58
Tamil Nadu	4.81	5.87	2.50
Uttar Pradesh	22.86	9.34	18.90

Uttaranchal	4.97	3.05	3.37
West Bengal	17.66	5.88	9.18
All-India	340.20	245.81	268.04

All-India progressive procurement of Rice as on 28.02.2014 for the marketing season 2013-14 was 245.81 lakh tonnes against the procurement of 268.04 lakh tonnes up to the corresponding period of last year.

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

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										

*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 have risen to 31.52 million tons as of February- 1, 2014.

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

State	Prices 09-15 Mar 2014	Prices 01-08 Mar 2014	Prices 24-28 Feb 2014	Prices 09-15 Mar 2013	% Change(Over Previous Week)	% Change(Over Previous to Previous Week)	% Change(Over Previous Year)
Andhra Pradesh	3216.67	3802.57	2877.56	3035.53	-15.41	11.78	5.97
Assam	2300	3220.62	3142.54	2429.94	-28.59	-26.81	-5.35
Gujarat	2450	2630.42	2609.14	2537.44	-6.86	-6.1	-3.45

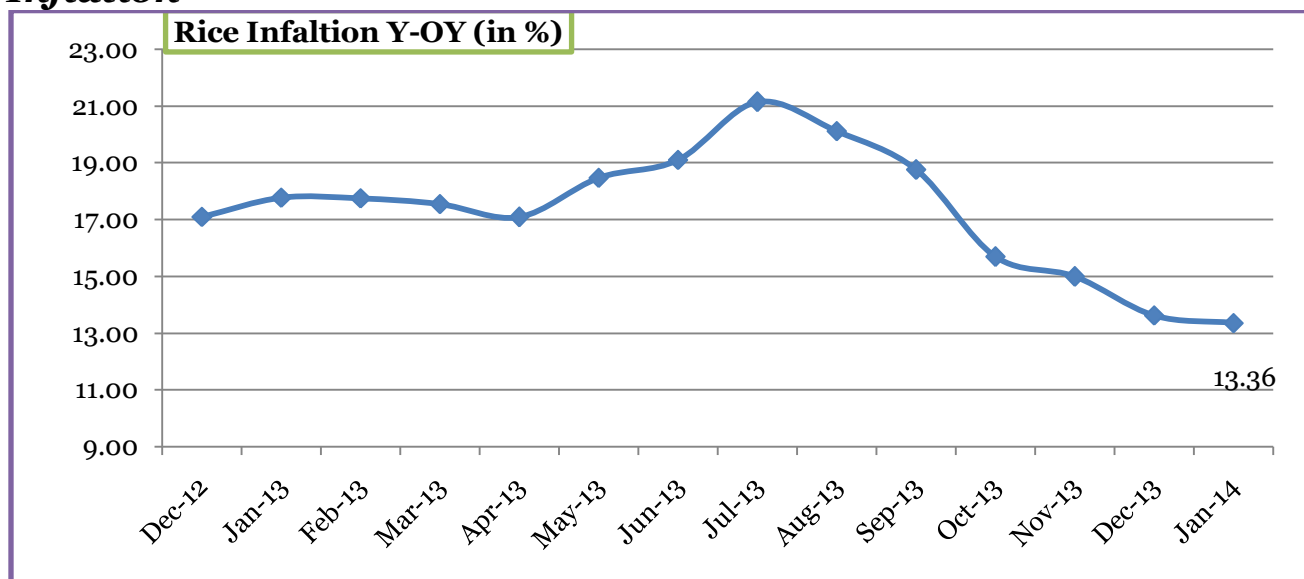
Jharkhand		2577.7	2534.53	2368.9	—	—	—
Karnataka		2973.77	2967.95	3217.26	—	—	—
Kerala	4470.31	4105.73	4270.14	3606.8	8.88	4.69	23.94
Madhya Pradesh				1361	—	—	—
Maharashtra		7414.89	3766.22	5201.73	—	—	—
Manipur		2603.68	2600	2043.75	—	—	—
Meghalaya		2744.93	3500	2938.46	—	—	—
NCT of Delhi			2000		—	—	—
Orissa	2179.61	2382.18	2470.56	2006.7	-8.5	-11.78	8.62
Tripura		2618.28	2679.54		—	—	—
Uttar Pradesh	1921.83	1985.16	1981.18	1746.02	-3.19	-3	10.07
Uttarakhand	2037.94	2067.33	1827.79	1945.32	-1.42	11.5	4.76
West Bengal	2500	2526.52	2482.6	2275.18	-1.05	0.7	9.88
Average	2634.54	3118.13	2780.65	2622.43			

Average Price in second week of March is down about 15% from First week of March, we expect market will move steady to slightly firm in week ahead.

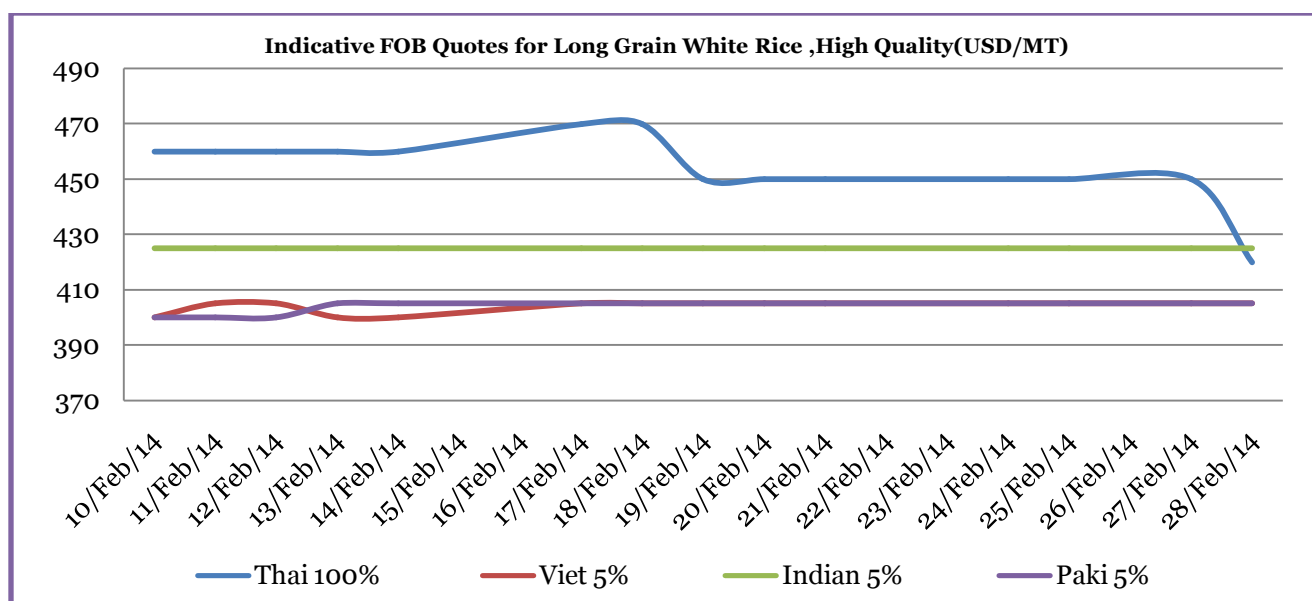
Price Projection for March 1st Week in Domestic Market:

Duration	Trend	Average Price Range
2 nd Week of Mar, 2014	Steady to Slightly firm	Rs.2650-2750/Q

Inflation



FOB Quotes for Long Grain White Rice, High Quality



World Market Recap:

A new report released by the International Grains Council (IGC) predicts that global rice production will reach an all-time high in 2013-14, reaching as much as 473 million tons, basis milled. Last year's production was about 470 million tons, and this 1% increase is mostly due to increased output in Asia. Correspondingly, global rice use is also set to increase about 1% from last year.

Vietnam's rice exports have declined sharply to around 331,480 tons in January 2014, down about 37% from around 526,995 tons of rice exported in December 2013, according to the USDA. Vietnam's rice exports to Asia stood at 286,135 tons (around 86% of the total exports) in January 2014, down about 27.5% from 394,699 tons in December 2013. Rice exports to Africa accounted for 16,022 tons (around 5% of total exports) in January 2014, down about 72% from 58,127 tons in December 2013.

China imported about 2.2 million tons of rice in calendar year 2013, down about 6% from about 2.35 million tons rice imported in calendar year 2012, according to data from the General Administration of Customs of China. In December 2013, China imported about 210,590 tons of rice, down about 4% from about 218,495 tons rice imported during same time in last year, according to the data.

Thailand's controversial rice pledging scheme ended on February 28, 2014, and cannot be extended until at least a new government is formed in the country, according to the Caretaker Commerce Minister. According to unofficial reports from the Internal Trade Department, more than 11 million tons of paddy rice was pledged under government's pledging program during October 1, 2013 to February 26, 2014. However, farmers are still waiting for payments.

South Korea is likely to end its 20-year long rice import quota and liberalize rice imports in 2014, according to the country's Agriculture Minister. Currently, South Korea can import rice equivalent to 7.96% of country's total rice consumption. The World Trade organization (WTO) agreement on current import quotas is scheduled to end this year and the South Korean government has to specify to the WTO whether it will open the rice market to foreign rice by September 2014.

Iraq is seeking to purchase at least 30,000 tons of long-grain rice from the U.S., Uruguay, Argentina, or Brazil. The last date for submission of applications is March 16, 2014 and offers must remain valid until March 20, 2014, according to trade sources.

Indonesia's paddy rice production increased to 71.29 million tons in 2013, up around 3% from around 69.05 million tons in 2012, mainly due to higher rice acreage and yields, according to the statistics office in Jakarta.

Source:oryza

IGC Balance Sheet:
(Fig. In Million Tonnes)

	2010-11	2011-12	2012-13 est.	Projection for 2013-14	
				30.01.2014	27.02.2014
Production	449	465	469	470	473
Trade	36	39	37	39	39
Consumption	445	458	469	471	474
Carryover stocks	99	107	107	108	109
Y-O-Y change	3	7	1	-2	-1
Major Exporters	30	37	40	39	41

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

IGC Rice Balance sheet Highlights:-

- The IGC GOI rice sub-Index fell by around 1% m/m, pressured by limited buying interest and prospects for plentiful export availability.
- World rice production is forecast to rise slightly in 2013/14 to an all-time high, boosted by increased output in Far East Asia.
- The 2013/14 world carryover is placed marginally higher than last month at 109m t, but is still projected to fall, albeit marginally, for the first time in nine years.
- Larger shipments to markets in Far East Asia are expected to support a 3% rebound in world trade in 2014.

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


Market Analysis:

The CBOT March rough rice chart indicates downward movement in previous sessions. We expect market will hover in the range of USD 15.00 to USD 15.60/ hundredweight in coming sessions.

Price Projection (International-CBOT):-

Duration	Trend	Price Range
2 nd Week of March, 2014	Steady	15.00-15.60

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