

Latest Market Development:-

The rice market witnessed a steady trend with prices of aromatic and non-basmati rice ruling flat previous week. With not much buying taking place in the market, rice prices were unchanged. Following steady domestic demand and ample stocks, retail and bulk buyers are placing orders based on their need. According to the trade experts, the market may see only hand-to-mouth buying and prices may rule with marginal fluctuation for the next few days.

India's rice stocks in the central pool have declined to around 31.26 million tons (including a milled equivalent of around 19.04 million tons of paddy) as of March 1, 2014, down about 13% from about 35.77 million tons recorded during the same time last year, according to data from the Food Corporation of India (FCI).

The Indian government has procured around 25.04 million tons of rice as of March 7, 2014 in the ongoing 2013-14 Kharif Marketing Season (October - September), which is down about 9% from around 27.48 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 Japan Meteorological Agency (JMA) says that the chances of the occurrence of the El Niño weather pattern this year is likely to be higher than earlier predictions, according to Reuters. El Niño is a weather pattern caused by an increase in sea-surface temperatures and can trigger droughts in Southeast Asia and Australia, and floods in South America. The occurrence of El Niño could significantly affect global rice production. In 2009, the El Niño resulted in India receiving around 20% deficient rainfall, which led to a decline in rice production by around 10 million tons or about 10% of total rice production in India.

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 3.57 lakh tonnes respectively as per by IBIS. As per by IBIS, Export of Basmati rice in February is highest in Saudi Arabia followed by Iran.

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>	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
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 Third Week of March, 2014:

State	Prices 16-23 Mar 2014	Prices 09-15 Mar 2014	Prices 01-08 Mar 2014	Prices 16-23 Mar 2013	% Change(Over Previous Week)	% Change(Over Previous to Previous Week)	% Change(Over Previous Year)
Andhra Pradesh	3472.12	3626.08	3802.85	3083.28	-4.25	-8.7	12.61
Assam	3111.74	3194.01	3223.32	2479.21	-2.58	-3.46	25.51
Gujarat	2755.46	2713.25	2625.6	2618.46	1.56	4.95	5.23
Jharkhand	2649.55	2591.39	2544.98	2350.93	2.24	4.11	12.7
Karnataka	3040.33	3009.75	2983.74	3188.39	1.02	1.9	-4.64
Kerala	3958.15	3895.31	3966.58	3293.38	1.61	-0.21	20.19
Maharashtra	3890.73	10934.53	9381.39	5214.12	-64.42	-58.53	-25.38
Manipur	2700	2683.79	2603.68	2080.9	0.6	3.7	29.75
Meghalaya	3583.33	3395.65	2744.93	2994.12	5.53	30.54	19.68
Delhi	2000		2100		—	-4.76	—
Orissa	2413.9	2395.46	2336.94	2101.42	0.77	3.29	14.87
Tripura	2657.94	2673.38	2652.56		-0.58	0.2	—
Uttar Pradesh	1993.62	1987.87	1973.44	1701.46	0.29	1.02	17.17
Uttarakhand	1714.14	1856.95	2039.28	2032.6	-7.69	-15.94	-15.67
West Bengal	2549.51	2503.73	2510.12	2279.66	1.83	1.57	11.84
Average	2832.7	3390.08	3165.96	2669.14			

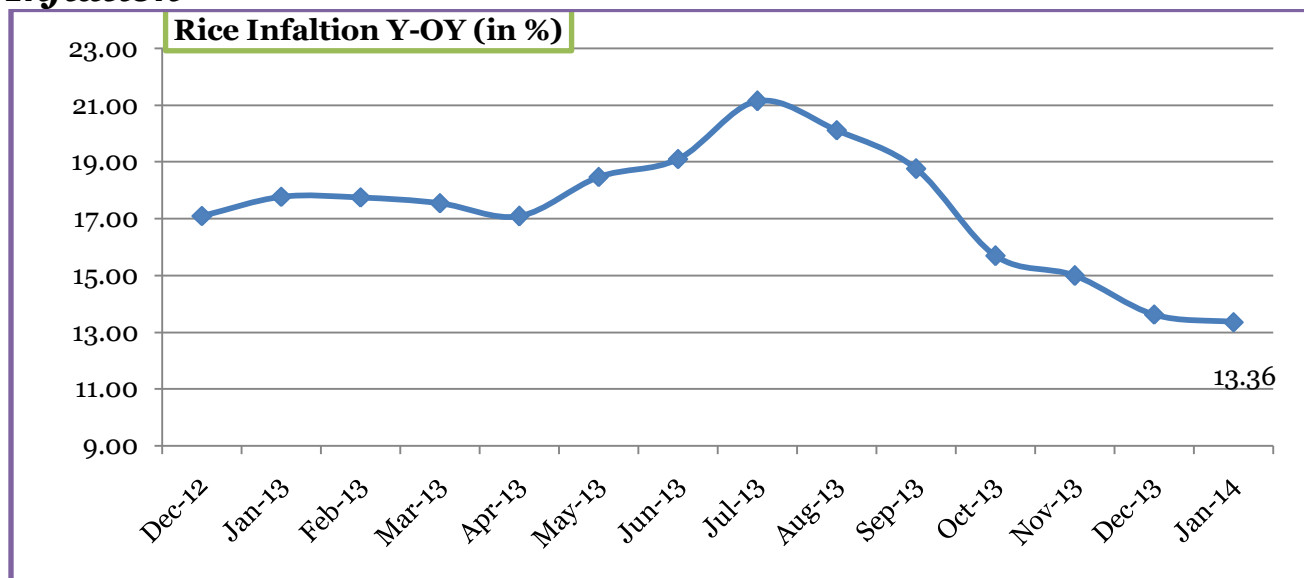
As per the data reported by APMCs

Average Price in third week of March is down about 16% from second week of March, we expect market will move steady in week ahead.

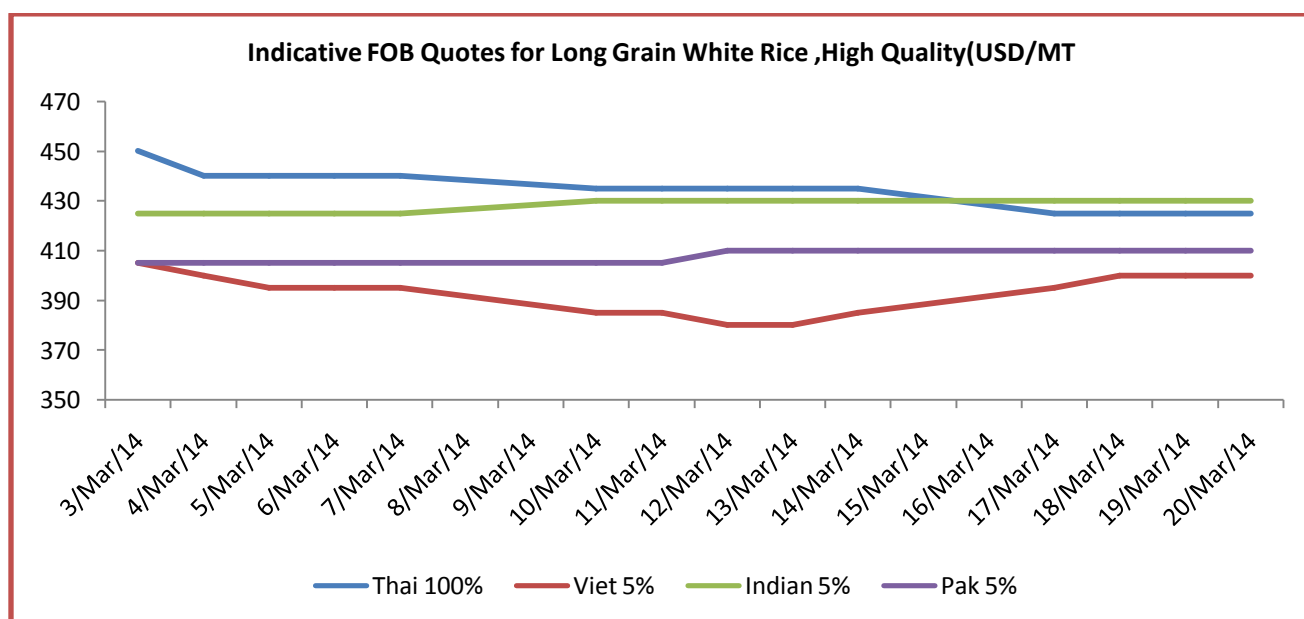
Price Projection for March 4th Week in Domestic Market:

Duration	Trend	Average Price Range
4 th Week of Mar, 2014	Steady	Rs.2800-3200/Q

Inflation



FOB Quotes for Long Grain White Rice, High Quality



World Market Recap:

The Thailand caretaker government has approved payments to rice farmers from the 20 billion baht (around \$621 million) borrowings from the Central Budget, according to the local sources. The caretaker government has transferred the money to the Bank of Agriculture and Agricultural Cooperatives (BAAC), and payments to farmers under the rice mortgage program are likely to begin today. The government says that the money would be paid to around 150,000 to 200,000 rice farmers, who received their warehouse receipts before December 9, 2013 for pledged rice from the 2013-14 main harvest season (October 1, 2013 - February 28, 2014).

Unseasonal rains and hailstorms in recent weeks have led to heavy losses of crops, including winter rice (November – March), in the Indian state of Maharashtra and some other states. Most of the damage was seen in horticulture crops.

According to local sources, about 290,000 hectares of standing crop in Maharashtra alone is affected, and about 33 debt-ridden farmers have committed suicides since February 24, 2014 unable to cope with huge losses. The state government in Maharashtra has asked the central government to provide 50 billion rupees (about \$820 million) in relief and has requested farmers to wait for relief measures.

Pakistan has exported around 2.08 million tons of rice in the first eight months of the current fiscal year 2013-14 (July - June), down about 3% from around 2.14 million tons of rice exported during the same period in FY 2012-13, according to provisional data from the Pakistan Bureau of Statistics (PBS). Pakistan's non-basmati rice exports in July 2013 – February 2014 declined to around 1.70 million tons, down about 3% from around 1.74 million tons exported during the same period in the previous year. Basmati rice exports of around 378,396 tons in July 2013 – February 2014 are down about 6% from around 402,612 tons exported in the same period in FY2012-13.

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 May rough rice chart indicates Upward 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
4 th Week of March, 2014	Steady	15.00-15.60

Disclaimer

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