

Latest Market Development:-

All India average rice price in the month of March is hover at Rs.3180/quintal which is 16% up from last month of Rs. 2731/hundred kg and up by 29% from same period last year of INR 2458/hundred kg. Major uptrend is mainly reported in the states of Andhra Pradesh, Maharashtra and Karnataka. The uptrend is mainly due to untimely rain occurred in rabi rice growing states which may hump the production of rabi rice in 2013-14. We expect market will move in the range bound in positive territory in next month.

Rice stock with central pool kitty as on 16 March 2014 is around 31.17 million tons which is down by -1.09% from last month's stock of 31.52 million tons and down by around 12% from same period last year due to sluggish procurement by government agencies this year.

After witnessing a downtrend last couple of weeks, prices of Pusa-1121 and Sharbati varieties improved slightly, while all the other aromatic and non-basmati rice varieties ruled flat on lukewarm trading. Fresh

trade enquiries mainly pushed Pusa-1121 and Sharbati varieties marginally up. Market has been ruling in a tight range since the beginning of March and prices may continue to rule around current levels with marginal fluctuation even in the next few days.

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.

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)

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.

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	31.26									

*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 down to 31.26 million tons as of March- 1, 2014.

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

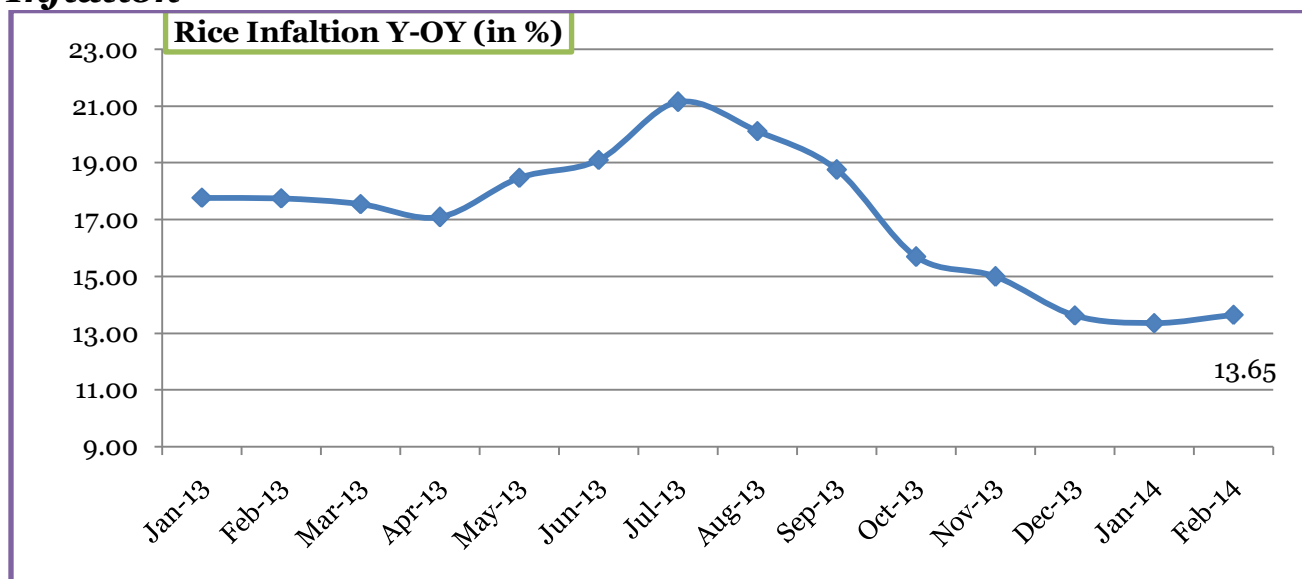
State	24-31 Mar 2014	16-23 Mar 2014	09-15 Mar 2014	24-31 Mar 2013	% Change(Over Previous Week)	% Change(Over Previous Year)
AP	3643.79	3494.12	3626.08	3193.75	4.28	14.09
Assam	3019.22	3147.53	3194.01	2480.01	-4.08	21.74
Gujarat	2687.75	2664.76	2760.84	2542.5	0.86	5.71
Jharkhand	2694.65	2635.6	2591.39	2454.01	2.24	9.81
Karnataka	3023.87	3036.55	3009.75	3166.52	-0.42	-4.5
Kerala	3849.64	3880.49	3895.31	3395.33	-0.8	13.38
Maharashtra	4014.99	3907.25	10934.53	5255.33	2.76	-23.6
Manipur	2768.9	2700	2683.79	2100	2.55	31.85
Meghalaya	3315.79	3250	3395.65	2964.52	2.02	11.85
Delhi	2000	2000		1700	0	17.65
Orissa	2374.42	2282.53	2395.26	1937.53	4.03	22.55
Tripura	2629.13	2656.65	2673.38		-1.04	—
UP	2002.4	1983.33	1987.38	1664.93	0.96	20.27
Uttrakhand	1808.77	1735.81	1867.25	1885.3	4.2	-4.06
WB	2577.12	2544.15	2504.76	2310.07	1.3	11.56
Average	2827.36	2794.58	3394.24	2546.65		

Average Price in fourth week of March is up about 1% from third week of March, we expect market will move steady in week ahead.

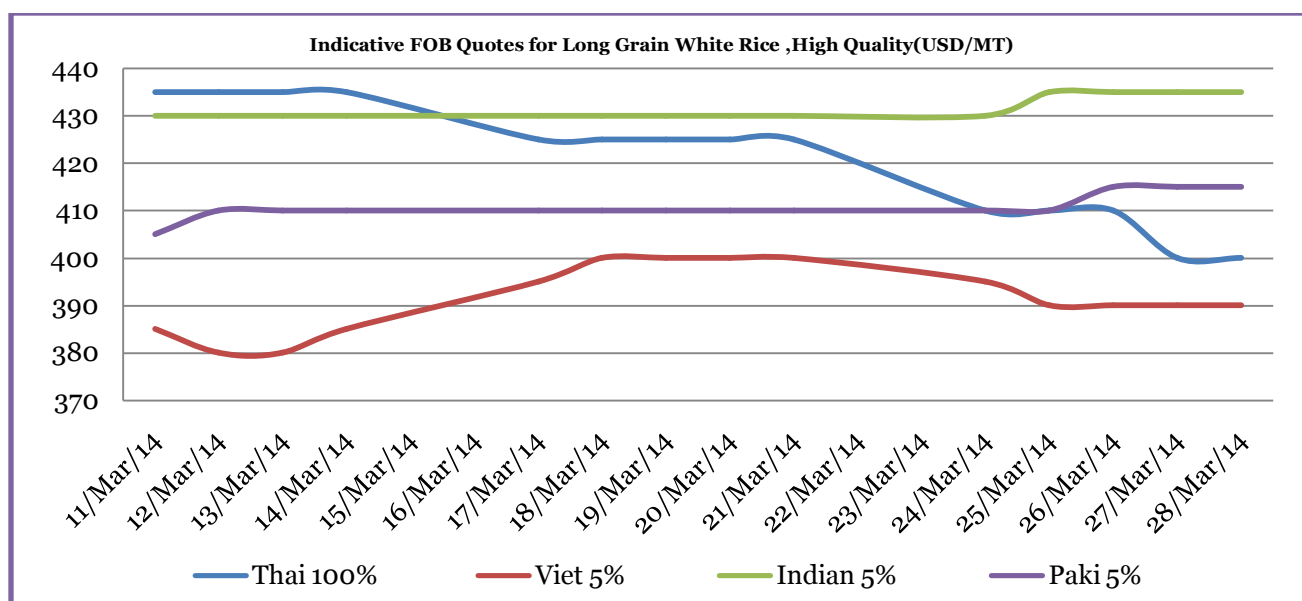
Price Projection for April 1st Week in Domestic Market:

Duration	Trend	Average Price Range
1 st Week of Apr, 2014	Steady	Rs.2750-2900/Q

Inflation



FOB Quotes for Long Grain White Rice, High Quality



World Market Recap:

Pakistan rice export from June-2013 to February 2014 is about 2.08 million tons which is down by 3% from same period last year. 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.

Iraq's state grains buyer has purchased a total 90,000 tonnes of rice to be sourced from Argentina and Uruguay in an international tender. The purchase comprised two consignments of 30,000 tonnes from Argentina and one 30,000 tonne consignment from Uruguay, all priced at \$717 a tonne c&f free out (ciffo).

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.

Japan announced a tender for March 20 to buy 32,753 tons of non-glutinous milled long grain rice, including: 6,000 tons of Thailand origin 26,753 tons of global origin. The rice must be shipped in July-August.

Vietnam's Ministry of Industry and Trade (MOIT) is targeting rice exports to reach around 4.27 million tons by May 2014, and says that lower export prices will help boost rice exports in the next few months, according to local sources. The MOIT says that the government has signed contracts to export about one million tons of rice until May 2014. It is also keen to increase exports to China this year and is planning to export rice to China via land borders to curb the illegal exports through the borders. Illegal rice exports through borders in the first two months of this year are three times the legal exports to China, according to the MOIT.

Pakistan rice exporters have lost millions of rupees in the last few weeks due to the sharp appreciation of the rupee against the US dollar since February 28, 2014, according to the Express Tribune. The Pakistan rupee has appreciated by about 6% from around Rs.104.3 per dollar to around Rs.97.96 between March 1 and March 17, 2014. The State Bank of Pakistan says the appreciation is due to an inflow of around \$523 million into the country in the form of Foreign Direct Investment (FDI) during the first seven months of this fiscal year 2013-14 (July - June). Selling pressure on dollar is adding to its depreciation against the Pakistani rupee.

Vietnam exported about 787,786 tons of rice during January 1 - March 13, 2014, down about 46% from about 1.45 million tons of rice exported during the first three months of 2013, according to the Vietnam Food Association (VFA). Average export price during January 1 - March 13, 2014 stands at about \$430 per ton (FOB), down about 3% from about \$442 per ton recorded during January 1 - March 31, 2013.

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 15.40 to USD 15.70/ hundredweight in coming sessions.

Price Projection (International-CBOT):-

Duration	Trend	Price Range
1 st Week of April, 2014	Steady to slightly firm	15.40-15.65

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