

Latest Market Development:-

As per data received from IBIS, rice export in the month of March is around 7.31 lakh tons , down by 11% from last month. Export contribution of non basmati is around 4.17 lakh tons and basmati is around 3.14 lakh tons.

All-India progressive procurement of Rice as on 04.04.2014 for the marketing season 2013-14 was 263.47 lakh tons against the procurement of 294.70 lakh tons up to the corresponding period of last year. Higher open market prices than fixed MSP of Rs.1310/quintal is main reason for the slow procurement by government.

Rice stock with central pool kitty as on 01 April 2014 is around 30.55 million tons which is down by -2.32% from last month's stock of 31.26 million tons and down by around 14% from same period last year due to sluggish procurement by government agencies this year.

Lower demand in the month of March is due to higher stockpile in major importing countries like Iran, Saudi Arabia and Kuwait and Yemen. Apart from this, importing countries are engaged in estimating their yearly requirement of basmati rice and as per feedback from traders, fresh deals would start from April onwards.

Currently, buying in the market is subdued with players buying in small quantities for short term requirements. No active position building is being seen. In Delhi market, small local millers and traders are currently active in the market. The larger brands are not actively buying at the moment.

Prices are likely to start increasing from mid to late April on account of exports picking up after resolution of arsenic issue with Iran, stock-building by Middle East buyers like Saudi Arabia from late April to late May ahead of Ramzaan and increased demand in the Indian domestic market due to summer. As per feedback from traders, Indian domestic demand for rice including basmati increases in summer months (May-July) due to preference for rice over wheat in the summer.

About 43.82 lakh hectare areas have been covered according to reported published by Ministry of Agriculture of India dated 28th March 2014. Normal acreage under rabi rice is 44.30 Lakh Hectare and last year final acreage estimate was 38.40 Lakh hectare, thus 5.40 lakh hectare more area has been covered this year.

Top basmati rice importing country from India, Iran modified the accepted level of arsenic content in basmati rice from 150 parts per million (ppm) to 120 ppm. This alteration may affect for short term as basmati rice exporters need time to reduce arsenic level. Iran contribution for basmati importing is about 1 million tons which is 32% of total basmati export of around 3.4 million tons in 2012-13.

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	14-Mar*	4.17	3.14	7.31
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	27.00	18.44	45.44

Source: DGCIS and * IBIS (Revised export Figure)

Rice export in the month of March 2014 is around 7.31 lakh tonnes in which non basmati and basmati rice is reported 4.17 lakh tonnes and 3.14 lakh tonnes respectively as per by IBIS.

India Rice Balance Sheet:-

Figure in MMT	2011-12	2012-13	2013-14* E	
Carry in	23.5	25.43	25.77	
<i>Production</i>	<i>105.3</i>	<i>105.24</i>	<i>105</i>	
Imports	0	0	0	
Total Availability	128.8	130.67	130.77	
Consumption	93	94	96	
Exports	10.37	10.9	10	
Total Usage	103.37	104.9	106	
Carry out	25.43	25.77	24.77	
Av Monthly Consumption	7.75	7.83	7.92	
Stock to Month Use	3.28	3.29	3.18	
Stock to Consumption Ratio	0.27	0.27	0.27	

(Source: Agriwatch Research, USDA)

Rice production in India has been stable from last three years despite variations in coverage area. Area under rabi and kharif crop has been unstable while yield has improved in the eastern states. Kharif remains major rice crop contributing around 89 to 90 million tonne production. If we include rabi production around 14 to 15 million tonne, total production comes to 105 million tonnes.

Export is expected to be around 10 million tons till end of this Marketing year September 2014. Higher prices in domestic market and likely higher supply in the global market due to stock piles in Thailand and emerging scenario of unloading this stock at discounted price might reduce buyer's interest in Indian rice. Vietnam too would remain active seller during the rest months of the year. Carryout is expected to reduce slightly from 25.77 to 24.77 million tonne in 2013-14 due to higher consumptions.

Progressive Procurement of Rice as on 04/04/2014:

Progressive procurement of Rice as on 04.04.2014 (lakh tonnes)			
State	Total procurement in marketing season	Progressive Procurement as on 28.03.2014	
	2012-13 (Oct. - Sept.)	In Marketing season 2013-14	In Marketing season 2012-13
Andhra Pradesh	64.64	36.17	41.08
Chhattisgarh	48.04	53.37	48.01
Haryana	26.09	23.97	26.03
Kerala	2.40	2.02	2.40
Madhya Pradesh	8.98	10.40	7.66
Maharashtra	1.92	1.28	1.75
Odisha	36.13	18.92	26.85
Punjab	85.58	81.06	85.58
Tamil Nadu	4.81	6.63	4.57
Uttar Pradesh	22.86	10.86	21.79
Uttaranchal	4.97	3.82	4.35

West Bengal	17.66	7.68	11.18
All-India	340.20	263.47	294.70

All-India progressive procurement of Rice as on 04.04.2014 for the marketing season 2013-14 was 263.47 lakh tonnes against the procurement of 294.70 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	30.55								

*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 30.55 million tons as of April- 1, 2014.

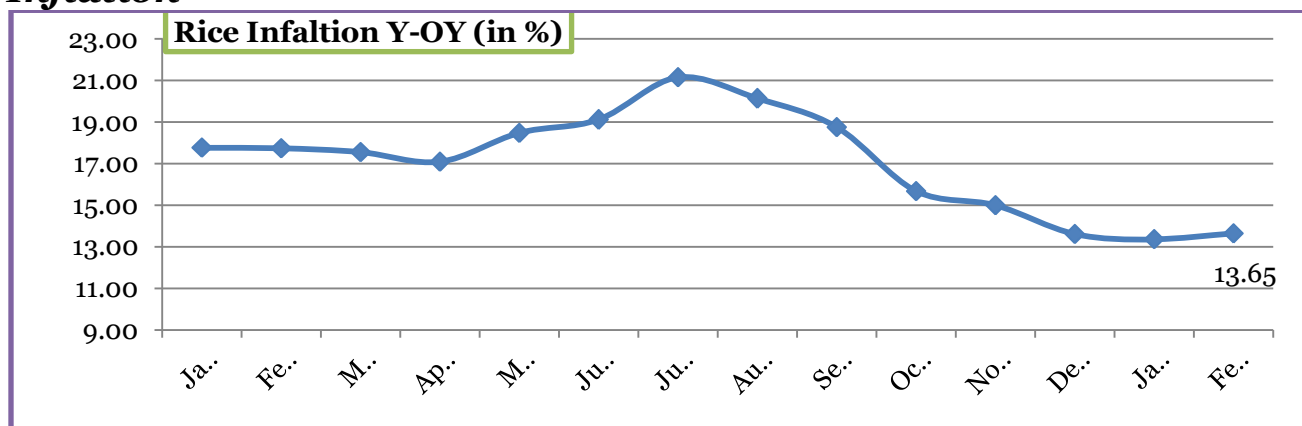
State wise Wholesale Prices Weekly Analysis for Rice First Week of April, 2014:

State	09-15 Apr 2014	01-08 Apr 2014	24-31 Mar 2014	09-15 Apr 2013	% Change(Over Previous Week)	% Change(Over Previous Year)
AP	3879	3539.2	3681.3	2200	9.6	76.32
Assam	3093.3	3121.1	3045.9	2511.8	-0.89	23.15
Gujarat	2776.8	2713.9	2719.7	2615.4	2.32	6.17
Jharkhand	2682.2	2698.3	2692.6	2428.8	-0.6	10.44
Karnataka	3015.2	3058.3	2992.6	2897.9	-1.41	4.05
Kerala	3844.2	3664.1	3815.1	3489	4.92	10.18
Maharashtra	12429	8550.2	3911.1	5273.3	45.36	135.7
Manipur	2900	2760.3	2768.9	2100	5.06	38.1
Meghalaya	3220	3534.3	3347.8	2955.2	-8.89	8.96
Orissa	2130.5	2243.3	2325	2062.4	-5.03	3.3
Tripura	2816.7	2668.9	2652.7	2103.7	5.54	33.89
UP	2004.4	2005.2	1995	1710.3	-0.04	17.19
Uttrakhand	2530.7	1963.5	1798.6	1986.7	28.89	27.38
WB	2724.1	2654.6	2539.7	2327.1	2.62	17.06
Average	3574.7	3226.8	2877.6	2618.7		

Average Price in second week of April is up about 11% from first week of April, we expect market will move steady to slightly firm in week ahead.

Price Projection for April 3rd Week in Domestic Market:

Duration	Trend	Average Price Range
3rd Week of Apr, 2014	Steady to slightly firm	Rs.3550-3700/Q

Inflation


World Market Recap:

Basmati rice exports from Pakistan 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. We expect more decline in basmati export from Pakistan in March as adulteration in Basmati rice continues and buyers are starting to avoid fresh basmati deals from the country. It may reduce Pakistan's volume of export of aromatic rice and lead to demand getting diverted to India.

Average Pakistan basmati rice export prices declined to around \$1,348 per ton in February 2014, down about 2% from around \$1,369 per ton in February 2013, and down about 3% from around \$1,396 per ton in January 2014. The main reason for fall in FOB is increasing adulteration in basmati in recent consignments.

Malaysia is likely to increase domestic rice production sufficiently to help end rice imports by 2020, the Agriculture and Agro-based Industry Minister told local sources. The Minister said that the government plan to increase local production includes improving rice quality, use of hybrid paddy seeds and good agriculture practices by farmers. He added that the government is encouraging farmers to produce rice in large-scale and is trying to provide finances to the farmers. The Minister also said that the government may soon increase paddy purchase price to about RM1,200 (around \$365) per ton which will encourage farmers to grow quality rice.

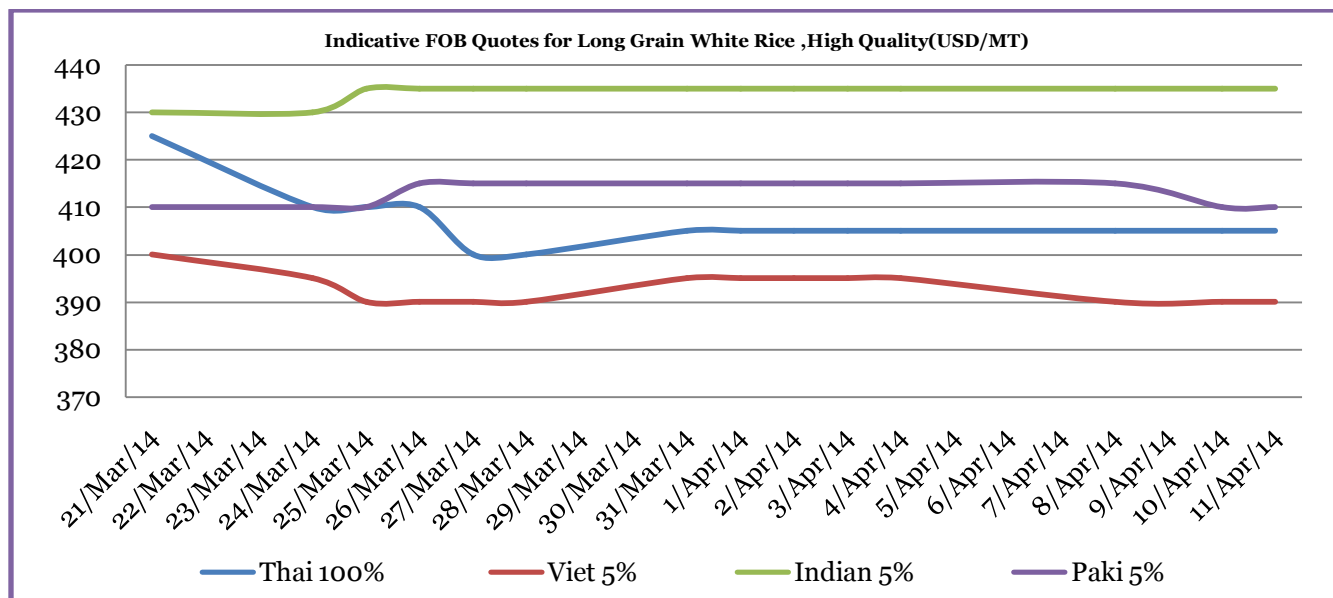
Vietnam has exported about 1.22 million tons of rice in the first quarter of 2014 (January – March), down about 16% from about 1.45 million tons of rice exported in first quarter of 2013, according to data from the Vietnam Food Association (VFA). Vietnam's rice exports are down this year despite low prices. Average rice export price in Q1 2014 stands at about \$435 per ton (FOB), down about 2% from about \$442 per ton recorded in Q1 2013.

The USDA Post says that Bangladesh rice imports are likely to decline sharply to around 100,000 tons in MY 2014-15 (May – April), down about 75% from an estimated 400,000 tons in MY 2013-14 due to higher than expected production. The Post has increased the projections for Bangladesh rice imports in MY2013-14 to 400,000 tons, which is up about 81% from USDA official estimates of 220,000 tons. The Post says that rice imports are expected to increase this year due to a strong Taka (currency) and high internal transportation costs that are causing domestic rice prices to be uncompetitive in districts that border India. Between December and March 2013, Bangladesh imported about 374,000 tons of rice from India, most of it by the private sector, say the Post.

Global rice production (milled basis) is estimated to increase to about 497 million tons in 2013-14, up about 1% from about 491 million tons in 2012-13, according to the UN's Food and Agricultural Organization (FAO). However, FAO's latest projection for 2013-14 rice production is about 1% less than the its first projection of 501 million tons, due to anticipated drought conditions in Australia, Peru, Sri Lanka and Tanzania, and removal of price support in Thailand.

Source:oryza

FOB Quotes for Long Grain White Rice, High Quality



IGC Balance Sheet:

(Fig. In Million Tonnes)

	2010-11	2011-12	2012-13 est.	Projection for 2013-14	
				27.02.2014	27.03.2014
Production	448	465	470	473	474
Trade	36	39	38	39	39
Consumption	445	458	468	474	474
Carryover stocks	99	107	107	109	109
Y-O-Y change	4	8	3	-2	0
Major Exporters	31	37	40	41	41

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

IGC Rice Balance sheet Highlights:-

- The IGC GOI rice sub-Index fell 3% m/m, mostly reflecting a weaker tone in Thailand following the end of paddy intervention buying and ongoing efforts to release state reserves.
- The world crop is forecast to be marginally larger y/y in 2013/14, centred on increases in Asian and South American producers.
- The 2013/14 world carryover is projected to be broadly unchanged from the year before, with ample supplies in the major exporters.
- Larger shipments to markets in Far East Asia, namely Indonesia and the Philippines, are forecast to underpin a of 3% rise in world trade.

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



Market Analysis:

The CBOT May rough rice chart indicates range bound movement in previous sessions. We expect market will hover in the range of USD 15.40 to USD 15.90/ hundredweight in coming sessions.

Price Projection (International-CBOT):-

Duration	Trend	Price Range
3 rd Week of April, 2014	Steady to slightly firm	15.40-15.90

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