

***Latest Market Development:-***

**Average rice price in the fourth week of July was firm by 7.44 % from last week price of Rs.3260/qtl**, buying interest at this level and lower sown area is main attribute to push the price in northward. We expect price will move steady in coming week as common grade paddy acreage is still behind by approx 22% from last year.

**With improvement in rainfall status in recent weeks and enhanced sowing activities coverage area under rice** has improved considerably. However, it is lagging behind by 22 percent from last year till 18th July. Rice trans-planting till 18th July was registered at 127.36 lakh ha. against 154.85 lakh ha. on corresponding period last year. India Meteorological Department (IMD), rainfall percent departure from Long Period average (LPA) on all India basis is down by 31% from normal rainfall. Total kharif area has crossed 345.6 lakh ha.

**As wide spread rainfall continues in major growing area, deficit percent is likely to decrease further with** span of time. Better rainfall and good pace of sowing activities would minimize the impact of late trans-planting. However, it would delay rabi sowing too. Late trans-planting may delay harvesting of rice by 15 to 20 days this year. Past experience says that when maturity stage enters in winter season, it affects yield. This year total rice area is likely to be in the range of 37.5 to 38.5 million ha. lower area coverage and late trans-planting amid fear of El-Nino impact might reduce crop size from 106 to 98 million tonne. Despite lower production prospects supply side is expected to remain ample as stock in central pool is more than enough to take care of current and emerging demand including export.

**Farmers may opt for other commercial crops like cotton, guar, castor and pulses** that require less water. They are well aware of the fact that India is going to receive lower rainfall this year and they have planned accordingly. Overall area under rice is likely to decrease by 14 to 15 percent to 360-370 lakh ha. this year. Farmers had planted 420 lakh ha. last year.

All-India progressive procurement of Rice as on 18.07.2014 for the marketing season 2013-14 was 310.66 lakh tonnes against the procurement of 335.64 lakh tonnes up to the corresponding period of last year.

**Total rice export till June-2014 is registered** 73.6 million tonnes in which non basmati and basmati rice percentage contribution are approx 62% and 38% respectively. Rice export in the month of June is 7.97 lakh tonnes which is down by around 15% from same period last year. Basmati rice export to Iran has started improving once again and it is expected that India would likely to export around 10 million tons of rice till September-2014.

**In the monsoon season, cumulative Rainfall for the country** as a whole during the period 1st June to 09th July, 2014 is (-) 43% lower than LPA. Rainfall (% departure from LPA) in the four broad geographical divisions of the country during the above period was lower by (-) 48% in North West India, (-) 63% in Central India, (-) 38% in South Peninsula and (-) 20% in East & North East India.

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

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

MY-2012-13	Non Basmati	Basmati	Total Export 2012-13	MY-2013-14	Non Basmati	Basmati	Total Export 2013-14
Oct-12	6.65	1.95	8.6	Oct-13	6.7	1.8	8.5
Nov-12	6.49	2.08	8.57	Nov-13	4.29	2.49	6.78
Dec-12	7.5	2.85	10.35	Dec-13	5.11	3.79	8.9
Jan-13	5.65	3.18	8.83	Jan-14	6.85	3.44	10.29
Feb-13	4.9	3.34	8.24	Feb-14	6.18	3.5	9.68
Mar-13	5.7	3.87	9.57	Mar-14	4.17	3.19	7.36
Apr-13	3.93	3.93	7.86	Apr-14*	4.2	2.8	7
May-13	4.67	3.45	8.12	May-14*	3.76	3.36	7.12
Jun-13	5.57	3.78	9.35	Jun-14*	4.32	3.65	7.97
Jul-13	6.51	3.34	9.85				
Aug-13	7.11	2.75	9.86				
Sep-13	7.72	2.06	9.78				
Total	72.4	36.58	109	Total	45.58	28.02	73.6

Revised (Source-DGCIS & \* = IBIS)

Total rice export till June-2014 is registered 73.6 million tonnes in which non basmati and basmati rice percentage contribution are approx 62% and 38% respectively. Rice export in the month of June is 7.97 lakh tonnes which is down by around 15% from same period last year. Basmati rice export to Iran has started improving once again and it is expected that India would likely to export around 10 million tons of rice till September-2014 out of which it is expected that 3.6-3.8 million tonnes contribution is from basmati rice.

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

Figure in MMT	2012-13	2013-14	2014-15*
Carry in	25.43	25.77	26.06
Production	105.24	106.29	97
Imports	0	0	0
Total Availability	130.67	132.06	123.06
Consumption	94	96	98
Exports	10.9	10	9.5
Total Usage	104.9	106	107.5
Carry out	25.77	26.06	15.56
Av Monthly Consumption	7.83	8.00	8.17

Stock to Month Use	3.29	3.26	1.91
Stock to Consumption Ratio	0.27	0.27	0.16

(Source: Agriwatch Research, USDA)

Agriwatch has come out with pre-transplanting preliminary rice estimate for 2014-15. Here we have considered deficit rainfall till June. Lower than normal rainfall under El-Nino impact may reduce rice production from 106.29 million tonnes to 97 million tonnes in 2014-15. Some paddy area in Punjab may move to cotton and green vegetables. Farmers in Haryana and Punjab may opt for new aromatic paddy (1509) as it requires less water and it gets matured early.

Almost 9 million tons lower production would reduce total rice availability from 132.06 million tonnes to 123.06 million tonnes in 2014-15. The season started with 26.06 million tonnes rice including private stock around 2.5 million tonnes. Consumption would increase with normal pace and may touch 98 million tonnes this year. Export would decrease slightly from 10 million tonnes to 9.5 million tonnes due to reduced crop size and higher domestic price in comparison to last year. Total usage with export may touch 107.5 million tonnes. As crop size is lower, carryout for next year would decrease drastically from 26.06 to 15.56 million tonnes in 2014-15.

### ***Progressive Procurement of Rice as on 18/07/2014:***

State	Total procurement in marketing season	Progressive Procurement as on 04.07.2014	
	2012-13 (Oct. - Sept.)	In Marketing season 2013-14	In Marketing season 2012-13
<b>Andhra Pradesh</b>	64.71	77.73	63.62
<b>Bihar</b>	13.03	8.28	12.49
<b>Chhattisgarh</b>	48.04	42.89	48.04
<b>Haryana</b>	26.09	24.06	26.09
<b>Kerala</b>	2.40	3.59	2.40
<b>Madhya Pradesh</b>	8.98	10.45	8.98
<b>Maharashtra</b>	1.92	1.61	1.90
<b>Odisha</b>	36.13	28.19	35.01
<b>Punjab</b>	85.58	81.06	85.58
<b>Tamil Nadu</b>	4.81	6.18	4.79
<b>Uttar Pradesh</b>	22.86	11.27	22.86
<b>Uttaranchal</b>	4.97	4.54	4.97
<b>West Bengal</b>	17.66	10.71	16.42
<b>All-India</b>	340.28	310.66	335.64

All-India progressive procurement of Rice as on 18.07.2014 for the marketing season 2013-14 was 310.66 lakh tonnes against the procurement of 335.64 lakh tonnes up to the corresponding period of last year.

Year	Jan	Feb	Mar	Apr	May	June	July	Aug	Sept	Oct	Nov	Dec
<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
<b>2014</b>	28.69	31.52	31.26	30.55	28.65	32.00	27.66					

\*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 27.66 million tons as of July- 1, 2014.

### State wise Wholesale Prices Weekly for Rice Third Week of July, 2014:

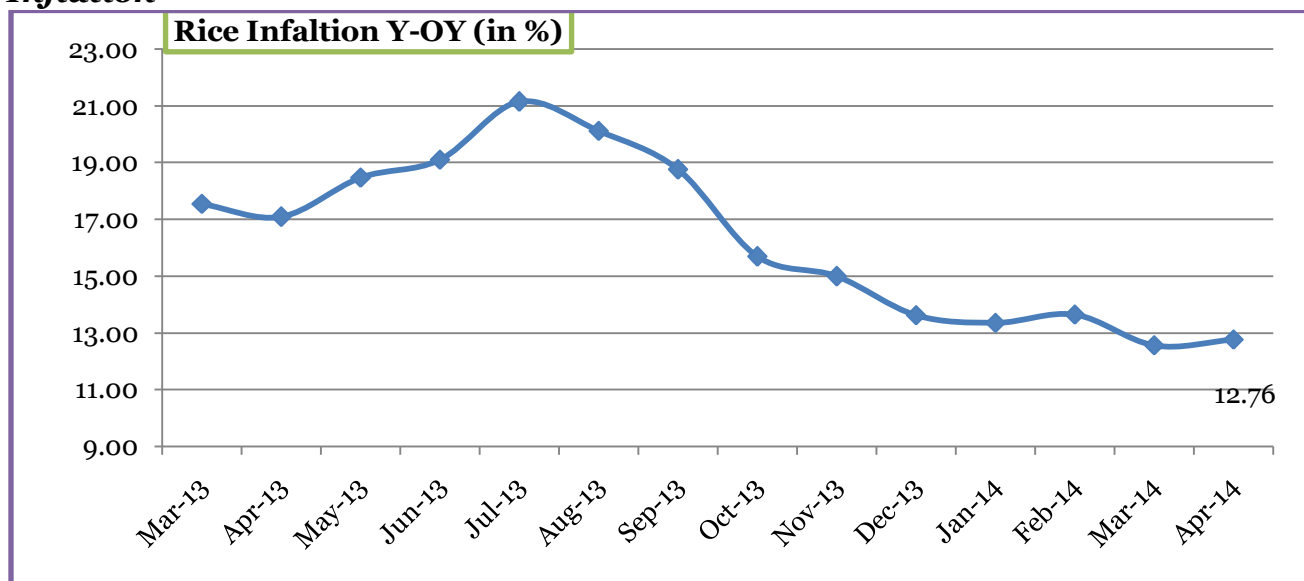
State	Prices 24-31 Jul 2014	Prices 16-23 Jul 2014	Prices 09-15 Jul 2014	Prices 24-31 Jul 2013	% Change(Over Previous Week)	% Change(Over Previous to Previous Week)	% Change(Over Previous Year)
Andhra Pradesh	3872.29	3494.26	3780.4	2405.57	10.82	2.43	60.97
Assam	2857.76	3018.13	3010.26	2587.51	-5.31	-5.07	10.44
Gujarat	2599.61	2599.85	2599.97	2458.24	-0.01	-0.01	5.75
Jharkhand	2676.67	2698.85	2652.11	2581.18	-0.82	0.93	3.7
Karnataka	3555.59	3489.33	3431.99	3038.29	1.9	3.6	17.03
Kerala	3623.59	3445.24	3345.85	4305.53	5.18	8.3	-15.84
Maharashtra	6441.81	8783.84	5617.76	4719.49	-26.66	14.67	36.49
Meghalaya	3204.55	3407.69	3500	3359.46	-5.96	-8.44	-4.61
Orissa	2131.46	2221.35	2421.13	2328.03	-4.05	-11.96	-8.44
Telangana	3000	3379.85	3372.92	3844.46	-11.24	-11.06	-21.97
Tripura	2502.52	2449.26	2421.21	2060.31	2.17	3.36	21.46
Uttar Pradesh	2037.2	2051.53	2053.28	1860.69	-0.7	-0.78	9.49
Uttarakhand	7500	1892.29	1884.35	2006.07	296.35	298.02	273.87
West Bengal	3038.6	2711.86	2664.09	2571.92	12.05	14.06	18.15
<b>Average</b>	<b>3502.97</b>	<b>3260.24</b>	<b>3053.95</b>	<b>2666.55</b>			

As per the data reported by APMCs

Average Price in the fourth week of July is hover in the range of Rs.3400-3500/Qtl which is 7.44 % up from last week; we expect market will move in the range with negative territory in the market.

**Price Projection for July 04<sup>th</sup> Week in Domestic Market:**

Duration	Trend	Average Price Range
1 <sup>st</sup> Week of Aug, 2014	<b>Steady to slightly weak</b>	<b>Rs.3250-3450/Q</b>

**Inflation**


Among the food grains, inflation for Rice has increased to 12.76% from the previous month's level of 12.56%.

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

**USDA has estimated 2015 milled global rice trade at record 41.5 million tons**, up about 1.5% from an estimated 40.7 million tons in 2014, in June Outlook report. There were no monthly revisions this month to the 2015 import or export forecasts over May 2014 forecasts. On the exports side, USDA estimates Thailand to reclaim its top exporter status exporting about 10 million tons of rice in 2015, up about 1% from an estimated 9.9 million tons exported in 2014. It also expects exports of Vietnam, Cambodia, Egypt, Paraguay, Uruguay, Venezuela and the U.S. to increase, while those of Australia, Brazil, India and the European Union to decline.

**USDA has forecasted global milled rice production at record 480.7 million tons in MY 2014-15**, slightly up from an estimated 477.5 million tons in MY 2013-14, according to the June Rice Outlook report. USDA has not made any monthly revisions to the global production estimates in June 2014, from its May 2014 estimates. The increase in production is due to an expected increase in global rice acreage to about 161.6 million hectares in MY 2014-15, up about 800,000 hectares from about 161 million hectares in MY 2013-14. USDA estimates the average global yield at 4.44 tons per hectare (rough-rice basis), slightly up from last year.

**The National Space Agency of Pakistan (SUPARCO) has estimated Pakistan FY 2013-14 (July - June) milled rice production at about 7 million tons** from an estimated area of about 2.879 million hectares and an estimated yield of about 2.5 tons per hectare.

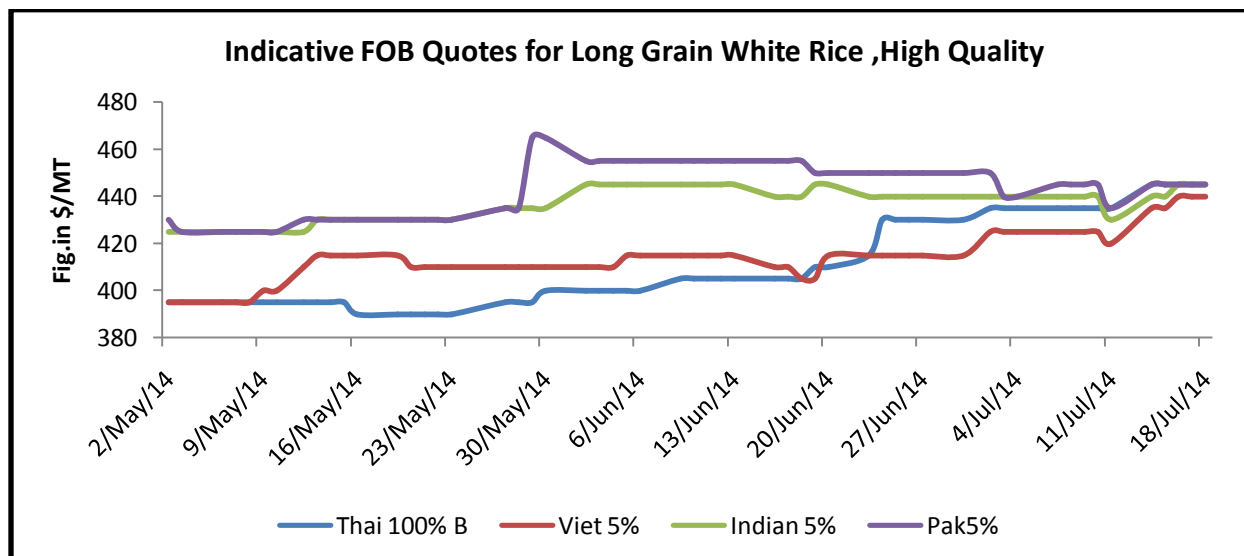
**The UN's Food and Agriculture Organization (FAO) has estimated China's paddy rice production to increase to around 207.440 million tons** (around 145.2 million tons, basis milled) in 2014, up about 2% from around 203.29 million tons (around 142.2 million tons, basis milled) produced in 2013 due to higher planting area, expected favorable weather conditions and continued government support to the rice sector. Planting of the 2014 early double crop (February - July) and early single crop (March - mid-October) is completed and that of the late double crop (May - November) is expected to complete by the end of August. Output of the early single crop constitutes to about 66% of the total China's paddy output and output of early double and late double crops contributes to 17% each. Rainfall has been favorable during March and April, and water levels in reservoirs are also reported at good levels. Therefore, the FAO estimates the impact of the dry spell (due to an imminent El Nino) to be minimal on China's paddy production.

**Paddy output from Vietnam's 2013-14 winter-spring crop (November - May) has reached around 20.83 million tons** (around 13 million tons, basis milled), up about 4% from around 20 million tons (around 12.5 million tons, basis milled) produced last year due to higher yields, according to Reuters.

**Bangladesh has imported around 374,560 tons** of rice in the fiscal year 2013-14 (July 1, 2013 - June 30, 2014), up about 13 times or 1,195% from around 28,930 tons imported in FY 2012-13, according to data released by the Food Ministry. Of the total rice imports during the year, around 371,500 tons are imported by the private sector and 3,060 tons are imported by the government. A Bangladesh Bank official told local media sources in the second week of June that fall in global rice prices, simultaneous surge in domestic rice prices and appreciation of the local currency against the dollar were the key drivers to increase in imports by the private sector.

Source: oryza

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



### IGC Balance Sheet:

(Fig. In Million Tonnes)

	2011-12	2012-13 est.	2013-14 forecast	2014-15 projection 29.05.14	26.06.14
<b>Production</b>	449	467	472	475	476
<b>Trade</b>	36	39	38	39	40
<b>Consumption</b>	445	459	469	475	476
<b>Carryover stocks</b>	100	107	110	110	109
<b>Y-O-Y change</b>	4	7	3	0	-1
<b>Major Exporters</b>	31	37	40	40	39

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

### IGC Rice Balance sheet Highlights:-

- The 2013/14 rice supply and demand outlook is little changed compared to the last report. While availabilities are beginning to tighten ahead of the next harvests, supplies in the top exporting countries remain comfortable.
- The global production estimate is increased slightly, but since the consumption forecast is also lifted, carryover stocks are now likely to decline fractionally compared to the previous season.
- Asian rice markets had a firmer tone, especially in Thailand and Vietnam, where prices were underpinned by solid buying interest. In contrast to other markets, the IGC GOI rice sub index was firmer, posting a net gain of 2% m/m.

- The forecast 4% recovery in world trade in 2014 should be led by firmer import demand from Asian buyers.

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



***Market Analysis:***

The CBOT Sept rough rice chart indicates range bound movement in previous sessions. We expect market will hover in the range USD 12.80 to USD 13.50 / hundredweight in coming sessions.

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

Duration	Trend	Price Range
01 <sup>st</sup> Week of Aug, 2014	<b>Steady to Weak</b>	12.80-13.50

***Disclaimer***

The information and opinions contained in the document have been compiled from sources believed to be reliable. The company does not warrant its accuracy, completeness and correctness. Use of data and information contained in this report is at your own risk. This document is not, and should not be construed as, an offer to sell or solicitation to buy any commodities. This document may not be reproduced, distributed or published, in whole or in part, by any recipient hereof for any purpose without prior permission from the Company. IASL and its affiliates and/or their officers, directors and employees may have positions in any commodities mentioned in this document (or in any related investment) and may from time to time add to or dispose of any such commodities (or investment). Please see the detailed disclaimer at <http://www.agriwatch.com/Disclaimer.asp> © 2014 Indian Agribusiness Systems Pvt Ltd