

Latest Market Development:-

Average rice price in the second week of October was up by 2.79 % from last week and it is up by 3.24% from same period last year and currently hovers in the range of Rs.2900-2920/quintal. **Recently Hudhud, the cyclonic storm** destroyed the paddy field in major rice grown area like, A.P, Odisha, West Bengal and Chhattisgarh. We expect price will move in the range bound with firm bias in coming week due to major crop loss in many rice growing states.

In the end of Marketing Year 2013-14, total rice export was around 10.14 million tons which is lower by 6.87% from MY-2012-13, but still India maintain its top position in global market. Export of basmati as well non basmati rice was down from last year. We expect that India will likely to export around 10.5-11 million tons of rice in 2014-15 in which basmati contribution is expected to contribute around 4-4.5 million tons.

With the emerging scenario of Surplus rice stockpiles in the country and improved methods of production supported by higher demand anticipated from African and Middle East countries and competitive prices, India may become the largest exporter of rice next year. India is likely to export 10-11 million tons of rice and maintain its status as a top rice exporter in global market in 2014-15, in overall export volume basmati rice export contribution will continue to grow by 5-6% in 2014-15. As per market experts view and Agriwatch latest analysis hints that total basmati rice export in coming MY-2014-15 is likely to touch 4-4.5 million tons.

As per by Ministry of agriculture, Planting of kharif rice crop, or main rice crop (June – December; harvesting begins in October) in India has reached 38 million hectares of rice area as of October-10, 2014, up about 1% from 37.64 million hectares planted during the same time last.

The harvesting of 1509 basmati paddy is picking up in Punjab and Haryana and arrival of around 11000 bag per day reported in Punjab (Amritsar) mandi which is quoted Rs.2200-2500/quintal.

All-India progressive procurement of Rice as on 26.09.2014 for the marketing season 2013-14 was 316.31 lakh tonnes against the procurement of 338.73 lakh tonnes upto the corresponding period of last year.

Among the food grains, inflation for Pulses has increased to 7.81% from the previous month's level of 3.31%. Inflation for Rice has decreased to 5.44% from the previous month's level of 6.85%, Cereals to 3.70% from the previous month's level of 4.46% and Wheat to 0.67% from the previous month's level of 1.02%.

In the monsoon season, cumulative Rainfall for the country as a whole during the period 1st June to 24th September, 2014 is (-) 11% lower than LPA. Rainfall (% departure from LPA) in the four broad geographical divisions of the country during the above period was lower by (-) 20% in North West India, (-) 08% in Central India, (-) 06% in South Peninsula and (-) 11% in East & North East India.

Rice Monthly Export:

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	Jul-14*	4.81	2.30	7.11
Aug-13	7.11	2.75	9.86	Aug-14*	6.07	2.15	8.22
Sep-13	7.72	2.06	9.78	Sep-14*	8.96	2.26	11.22
Total	72.4	36.58	109	Total	66.43	35.06	101.49

Revised (Source-DGCIS & * = IBIS)

In the end of Marketing Year 2013-14, total rice export was around 10.14 million tons which is lower by 6.87% from MY-2012-13, but still India maintain its top position in global market. Export of basmati as well non basmati rice was down from last year. We expect that India will likely to export around 10.5-11 million tons of rice in 2014-15 in which basmati contribution is expected to contribute around 4-4.5 million tons.

India Rice Balance Sheet:-

Figure in MMT	2012-13	2013-14	2014-15*
Carry in	25.43	25.77	25.92
Production	105.24	106.29	98
Imports	0	0	0
Total Availability	130.67	132.06	123.92
Consumption	94	96	97.4
Exports	10.9	10.14	10.5
Total Usage	104.9	106.14	107.9
Carry out	25.77	25.92	16.02
Av Monthly Consumption	7.83	8.00	8.12
Stock to Month Use	3.29	3.24	1.97
Stock to Consumption Ratio	0.27	0.27	0.16

(Source: Agriwatch Research, USDA)

Almost 8 million tons lower production would reduce total rice availability from 132.06 million tonnes to 123.92 million tonnes in 2014-15. The season started with 25.92 million tonnes rice including private stock around 2.5 million tonnes. Consumption would increase with normal pace and may touch around 97 million tonnes this year. Export would increase from 10-10.5 million tonnes due to parity of Indian rice and licensing of M.P Basmati rice in global market. Total usage with export may touch 107.9 million tonnes. As crop size is lower, carryout for next year would decrease drastically from 26 to 16 million tonnes in 2014-15.

Progressive Procurement of Rice as on 26/09/2014:

State	Total procurement in marketing season	Progressive Procurement as on 26.09.2014	
	2012-13 (Oct. - Sept.)	In Marketing season 2013-14	In Marketing season 2012-13
Andhra Pradesh	64.71	80.52	64.53
Bihar	13.03	8.28	12.49
Chhattisgarh	48.04	42.90	48.04
Haryana	26.09	24.06	26.09
Kerala	2.40	3.59	2.40
Madhya Pradesh	8.98	10.45	8.98
Maharashtra	1.92	1.61	1.92
Odisha	36.13	28.19	36.02
Punjab	85.58	81.06	85.58
Tamil Nadu	4.81	6.84	4.81
Uttar Pradesh	22.86	11.27	22.86
Uttaranchal	4.97	4.63	4.97
West Bengal	17.66	12.80	17.55
All-India	340.28	316.31	338.73

All-India progressive procurement of Rice as on 26.09.2014 for the marketing season 2013-14 was 316.31 lakh tonnes against the procurement of 338.73 lakh tonnes up to the corresponding period of last year.

Rice Stock in Central Pool Kitty from 2011-2014:

Year	Jan	Feb	Mar	Apr	May	June	July	Aug	Sept	Oct	Nov	Dec
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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	28.65	32.00	27.66	24.56	21.65			

*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 21.65 million tons as of Sept- 1, 2014.

State wise Wholesale Prices Weekly for Rice First Week of Oct-2014:

State	Prices 09-15 Oct 2014	Prices 01-08 Oct 2014	Prices 24-30 Sep 2014	Prices 09-15 Oct 2013	% Change(Over Previous Week)	% Change(Over Previous to Previous Week)	% Change(Over Previous Year)
A.P	3515	2529.48	3132.18	3842.13	38.96	12.22	-8.51
Assam	3109.76	2736.34	2876.92	2897.83	13.65	8.09	7.31
Gujarat	2860.62	2694.76	2600.91	2406.14	6.15	9.99	18.89
Jharkhand	2671.28	2635.37	2712.67	2560.09	1.36	-1.53	4.34
Karnataka	3398.49	3345.69	3424.46	2002.61	1.58	-0.76	69.7
Kerala	3371.72	3392.37	3417.05	3501	-0.61	-1.33	-3.69
Maharashtra	3777.57	4042.54	3475.85	4002.45	-6.55	8.68	-5.62
Manipur	3181.42	3181.55		2621.17	0	—	21.37
Meghalaya	3946	3970.14	3319.64	3500	-0.61	18.87	12.74
Orissa	2448.32	2334.67	2232.28	2614.9	4.87	9.68	-6.37
Punjab	2430	2408.15	2333.75	2800	0.91	4.12	-13.21
Tripura	2623.85	2690.99	2672.21	3048.89	-2.49	-1.81	-13.94
U.P	2131.56	2091.24	2104.07	1875.64	1.93	1.31	13.64
Uttarakhand	1683.58	1940.8	2030.07	2222.1	-13.25	-17.07	-24.23
West Bengal	2660.2	2623.41	2608.9	2535.72	1.4	1.97	4.91
Average	2920.62	2841.16	2781.43	2828.71			
As per the data reported by APMCs							

Average rice price in Second week of October was up by 2.79% from last week due to lower demand of fresh arrival in which high moisture content is available and buyers are waiting for dry paddy which would likely be starts from mid to late of October due to delay sowing in southern parts of India.

Price Projection for Oct 03rd Week in Domestic Market:

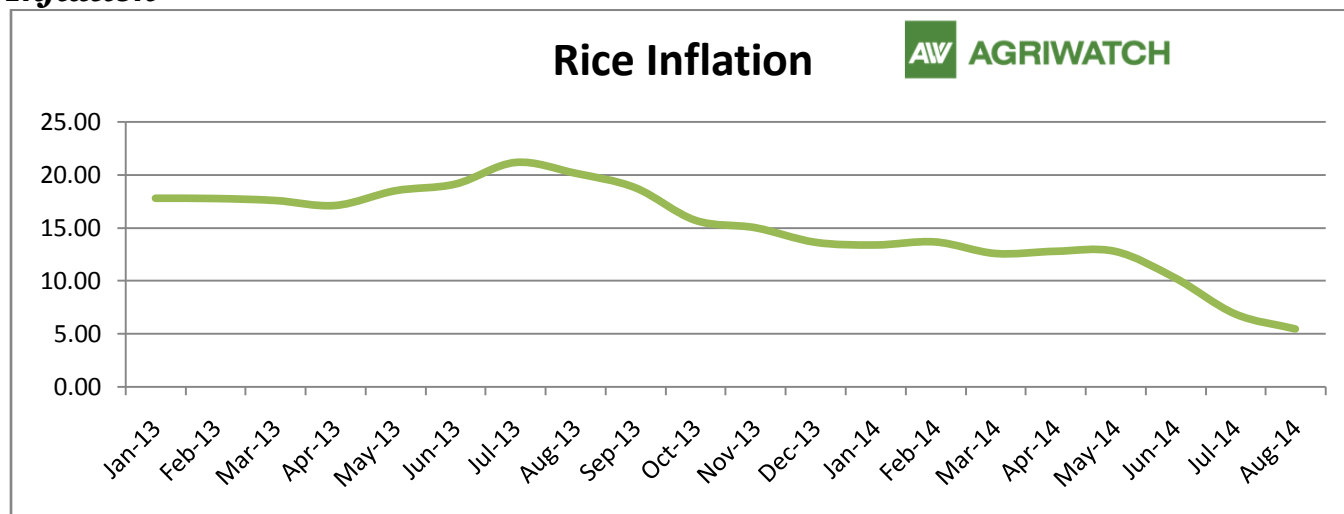
Duration	Trend	Average Price Range
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03rd Week of Oct, 2014

Steady to firm

Rs.2850-2950/Q

Inflation



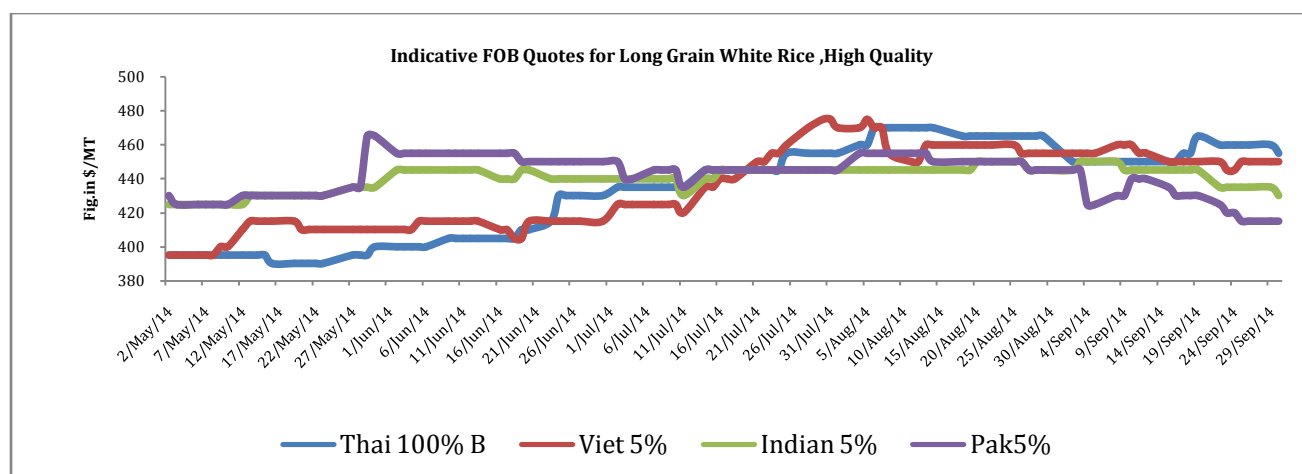
Rice inflation in the month of August has decreased to 5.44% from the previous month's level of 6.85%, Cereals to 3.70% from the previous month's level of 4.46% and Wheat too has decreased to 0.67% from the previous month's level of 1.02%.

Global Updates:

Recent basmati crop loss in Pakistan, seems an ill omen for Pakistan's basmati rice exporter this year and rising of basmati prices in local market, export of basmati rice in Pakistan become unviable at this point of time and basmati rice export association has started demanding exemption from all applicable local taxes on basmati export so that export would be continue.

Current higher prices of basmati rice in Pakistan and government indecision to exempt from local taxes might be an opportunity for Indian to enter Pakistan's traditional basmati rice global

FOB Quotes for Long Grain White Rice, High Quality



FOB quotes for the month of September have been on fall in all major exporting countries except Thailand. Export prices increased approximately 1 to 2 percent from the previous week due to tighter domestic supplies during the end of the 2013/14 marketing season and limited sales of the government stocks. Exporters are actively executing the shipments of new-crop white rice to China and Indonesia under the government-to-government contracts.

IGC Balance Sheet:

(Fig. In Million Tonnes)

	2011-12	2012-13	2013-14 est.	2014-15 projection 29.08.14	projection 25.09.14
Production	476	472	476	478	476
Trade	39	38	40	40	41
Consumption	459	469	477	482	481
Carryover stocks	107	110	109	105	104
Y-O-Y change	7	3	-0		-5
Major Exporters	37	40	39	34	34

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

IGC Rice Balance sheet Highlights:

- ➔ World production, consumption and trade are forecast to reach new highs in 2013/14. While end-season stocks may decline slightly, supplies will remain comfortable.
- ➔ For 2014/15, a smaller crop in India is projected to offset rises elsewhere, with global output seen unchanged from last year.
- ➔ Reflecting continued demand growth in parts of South Asia and sub-Saharan Africa, world inventories will likely be drawn down for a second year in a row.

- ➔ Pressured by good availabilities, global prices dropped to two month lows in September. Weaker prices attracted some additional demand in the second half of the month.

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



Market Analysis:

The CBOT Nov rough rice chart indicates steady movement in previous sessions. We expect market will hover in the range USD 12.60 to USD 12.90 / hundredweight in coming sessions.

Price Projection (International-CBOT):-

Duration	Trend	Price Range
03rd Week of Oct, 2014	Steady	12.80-12.90

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