

Latest Market Development:-

Arrival of paddy coming in major growing states and harvesting is on its peak thus average price of rice in first week of November is down by 8.77% from last week and currently moving in the range of Rs.2550-2570/quintal. We expect market would likely to move downward in coming week.

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 38.18 million hectares of rice area as of October-24, 2014, down about 0.4% from 38.36 million hectares planted during the same time last.

Total Weekly arrival of 1509 paddy in Ludhiana mandi was 29000 bags (1 bag=35kgs) at Rs.2000-2550/quintal.

All-India progressive procurement of Rice as on 24.10.2014 for the marketing season 2014-15 was 318.59 lakh tonnes against the procurement of 339.06 lakh tonnes upto the corresponding period of last year.

Among the food grains, inflation of Rice has increased to 6.87% from the previous month's level of 5.44%. The inflation for Pulses has decreased to 6.69% from the previous month's level of 7.81%, Cereals to 3.45% from the previous month's level of 3.70% and Wheat to -1.50% from the previous month's level of 0.67%.

As per data received from DGCIS & IBIS, basmati rice export in this MY-2013-14(Oct-13 to Sep-14) was 35.06 lakh tons which is lower by 4.15% MY 2012-13 basmati export of 36.58 lakh tons. While Basmati rice export in Sept-14 was 2.26 lakh tons which is up by 5% from last month.

Rice exports from the Kakinada port have suffered a setback due to the outbreak of the Ebola virus in West Africa, Almost 98 per cent of rice exports from the Kakinada port are bound for African countries. However, most European vessels are not showing any interest in going to the African countries because of the virus threat. In the past three months, only four vessels have left for the African destinations. The number should ideally have been nine.

Nepal Rice imports from India rose 127.5 percent to Rs 2.66 billion in the first two months of the fiscal year 2014-15. Despite a rise in paddy production in the country, rice imports from the southern neighbour have not come down. In 2013-14, the country imported rice worth Rs 12.37 billion, a rise of 46.4 percent year-on-year, according to the Nepal Rastra Bank. Paddy production in the country rose 12 percent last fiscal year, while maize production increased 10 percent.

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 24/10/2014:

State	Total procurement in marketing season	Progressive Procurement as on 24.10.2014	
	2012-13 (Oct. - Sept.)	In Marketing season 2013-14	In Marketing season 2012-13
Andhra Pradesh	64.71	80.85	64.64
Bihar	13.03	9.42	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	28.20	36.13
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	13.59	17.66
All-India	340.28	318.59	339.06

All-India progressive procurement of Rice as on 24.10.2014 for the marketing season 2013-14 was 318.59 lakh tonnes against the procurement of 339.06 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
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	18.62		

*Format of stock position has been revised w.e.f. 1.9.2013. In earlier format, rice included un milled paddy lying with FCI and State Agencies in terms of rice.

Total rice stocks in India's central pool have down to 18.62 million tons as of Oct- 1, 2014.

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

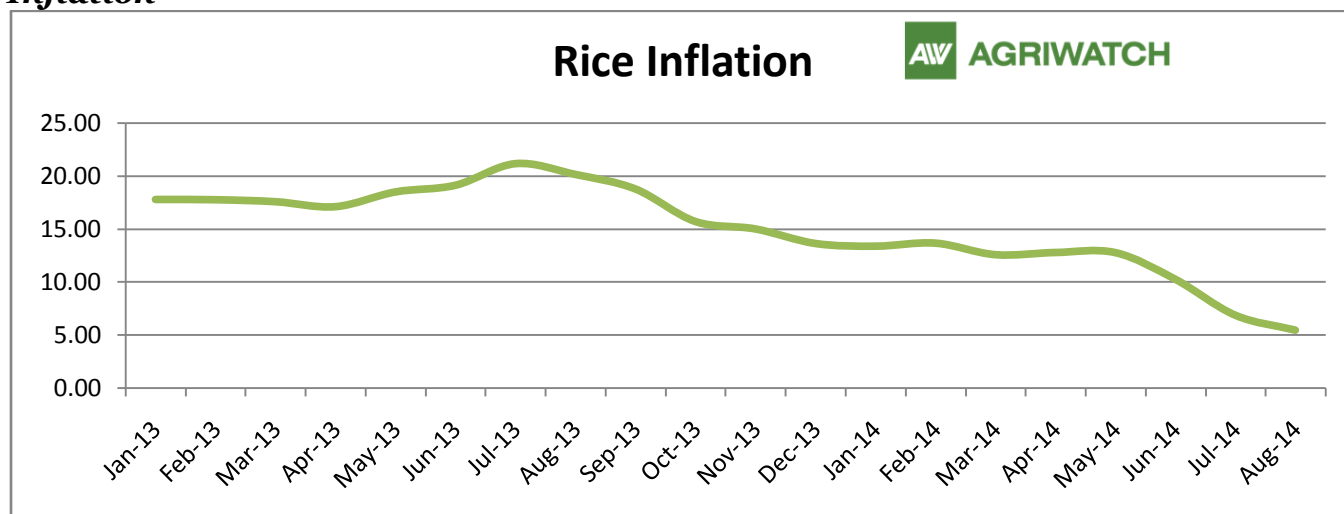
State	Prices 01-08 Nov 2014	Prices 24-31 Oct 2014	Prices 16-23 Oct 2014	Prices 01-08 Nov 2013	% Change(Over Previous Week)	% Change(Over Previous Week)	% Change(Over Previous Year)
AP	1939.55	2349.96	2820.95	2874.17	-17.46	-31.24	-32.52
Assam	2686.87	3009.09	2957.7	2924.12	-10.71	-9.16	-8.11
Gujarat	2455	2727.8	2581.91	2673.63	-10	-4.92	-8.18
Jharkhand	2831.25	2531.34	2683.85	2639.09	11.85	5.49	7.28
Karnataka		3457.6	3478.6	1882.97	—	—	—
Kerala	3321.82	3363.74	3414.51	3537.35	-1.25	-2.71	-6.09
Maharashtra	2538.32	4148.16	4198.95	4554.36	-38.81	-39.55	-44.27
Orissa	2267.36	2170.66	2269.02	2207.17	4.45	-0.07	2.73
Punjab	2599.63	2764.2	2569.42	3811.78	-5.95	1.18	-31.8
Telangana		3500	3525.57	3854.62	—	—	—
Tripura	2777.78	2728.12	2742.42	2743.92	1.82	1.29	1.23
Uttar Pradesh	2123.43	2117.93	2087.58	1885.33	0.26	1.72	12.63
Uttarakhand		1987.9	1990.97	1881.24	—	—	—
West Bengal	2734.26	2593.11	2649.66	2640.21	5.44	3.19	3.56
Average	2570.48	2817.82	2855.07	2866.99			
As per the data reported by APMCs							

As arrival of paddy is coming in major states, the average rice price in first week of November was down by 8.77% from last week.

Price Projection for Nov 02nd Week in Domestic Market:

Duration	Trend	Average Price Range
02 nd Week of Nov, 2014	Steady Weak	Rs.2550-2650/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:

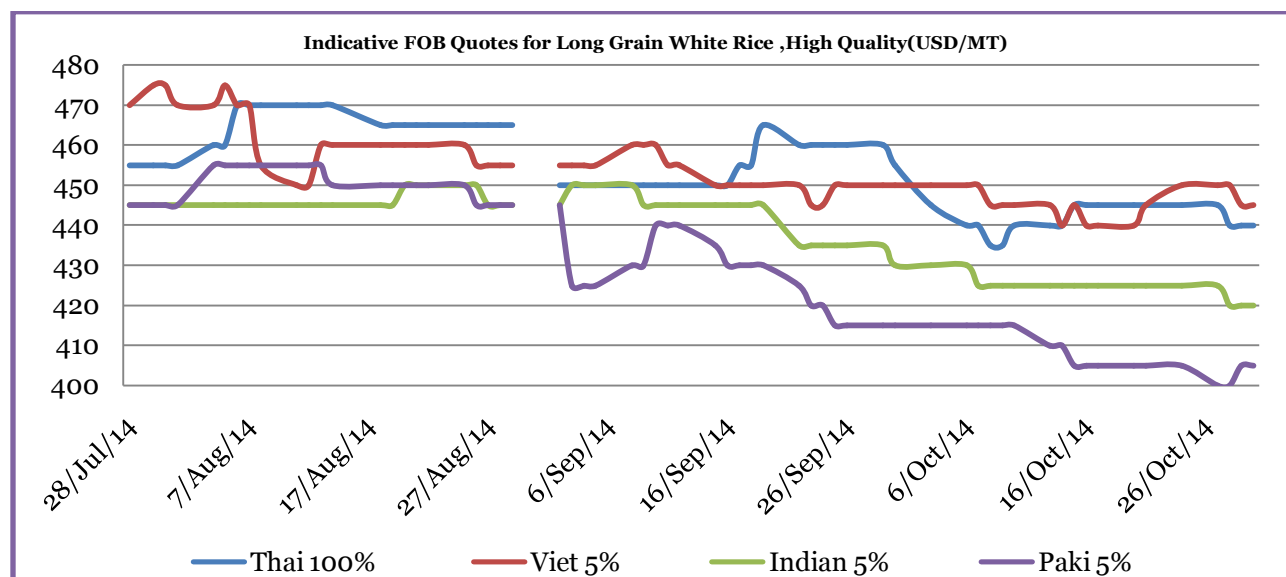
In 2014-15, Australian rice production is expected to increase by 7 per cent to 890,000 tons, provided that irrigation water is available. Milled production in 2014-15 is projected to increase by 7.5 per cent to 644,000 tons due to higher acreage planted and expected favorable returns to growers. In 2014-15, yields are forecast to fall to 9.5 tons per hectare. The industry averages a yield of 9.7 tons per hectare. The 2013-14 crop averaging 11 tons per hectare, the highest in the world. Eighty five per cent of rice is exported and the rest is consumed domestically.

Prolonged rains over the past week in the Cuu Long (Mekong) Delta have severely affected the harvest and quality of the summer-autumn rice crop. The delta is entering peak harvest time for the crop, but harvesting has been slow, as ripe rice plants have been toppled by heavy rains and wind. Pham Thi Ngot, who cultivates 0.6ha rice in Tam Binh District in Vinh Long Province, said more than 70 per cent of her plants had collapsed and must be harvested by hand. Ngot said she was also short of workers as demand for farm help was high this season. Heavy winds and rain have toppled about half of 27,000ha of ripe rice in Vinh Long Province, according to the province's Department of Agriculture and Rural Development.

Bangladesh will export 50,000 tonnes of rice to Sri Lanka for the first time under a government-to-government deal at \$450 a tonne, including cost, freight and insurance, Food Minister Mohammad Karmul Islam said on Monday. (Reporting by Ruma Paul; Editing by Sunil Nair)

California rough rice stocks in all positions on October 1, 2014 totaled 7.54 million hundredweight (cwt), up 158 percent from the total on October 1, 2013 of 2.93 million cwt. California rough rice stocks were down 31 percent from the August 1, 2014 level. Medium grain varieties accounted for 89 percent of the total rough rice, while long and short varieties combined account for 11 percent of the total rough rice stocks. California milled rice stocks in all positions totaled 1.11 million cwt, down 22 percent from the August 1, 2014 level and 8 percent below a year ago.

FOB Quotes for Long Grain White Rice, High Quality



IGC Balance Sheet:

(Fig. In Million Tonnes)

	2011-12	2012-13	2013-14 est.	2014-15 projection 25.09.14	projection 30.10.14
Production	476	472	476	476	476
Trade	39	38	40	41	41
Consumption	459	469	477	481	481
Carryover stocks	107	110	109	104	103
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 in 2014/15 is forecast to show little change y/y. Demand is seen at a new record peak, but growth in Asia may be slower than in earlier years. Closing stocks are placed at a four-year low, but still in line with average.
- Following the disbanding of Thailand's paddy mortgage scheme earlier this year, efforts to boost exports have been successful, and the country will likely be the world's top exporter in 2015.
- In contrast to strength in other markets, rice values dropped to a five-month low on generally sluggish global demand.

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



Market Analysis:

The CBOT Nov rough rice chart indicates steady to downtrend movement in previous sessions. We expect market will hover in the range USD 11.90 to USD 12.10/ hundredweight in coming sessions.

Price Projection (International-CBOT):-

Duration	Trend	Price Range
02nd Week of Nov, 2014	Steady to Weak	11.90-12.10

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