

Latest Market Development:-

Average rice price in the second week of November was down by 4% from last week and currently hover in the range of Rs.2680-2690/quintal, we expect rice price will likely to move slightly up once the moisture content in paddy loss in coming days due to opening of weather.

As per data received by IBIS, basmati export for MY-2014-15(Oct14-Sep-15) in the month of October was 2.34 lakh tonnes which is higher by 30% from same period last year export of 1.8 lakh tonnes.

Arrival of traditional basmati has been started in major madis of Haryana, U.P and Punjab and price of basmati was opened at Rs.3000-3400/quintal in Haryana Mandi while 1121 price is hover in the range of Rs. 2500-3000/quintal.

The Food Corporation of India (FCI), the nodal agency for food grain procurement and distribution has procured around 9.2 million tons of rice as of November 10, 2014 in KMS 2014-15 (October 2014 - September 2015), according to data by the Ministry of Consumer Affairs, Food & Public Distribution. The Indian government is targeting to procure 30.05 million tons of rice during the KMS 2014-15. Last year, the Indian government procured 31.86 million tons of rice against the targeted 34.29 million tons due to sluggish arrivals from Andhra Pradesh and Odisha, where paddy production was badly affected by cyclones and excess rainfall.

Basmati average prices in the month of October were dropped by 5-15% in major markets like Karnal, Amritsar and Delhi due to increasing arrival of aromatic paddy. Average wholesale price of 1121 steam decreased from Rs.9600 to Rs.8500/quintal and paddy price of 1121 also fall by around 19% from last month and currently hover in the range of Rs.2900-3200/quintal.

The harvesting of 1509 is almost over now in the main growing states; however well to do farmers are holding back 15-20% stocks this year in expectation of higher price in next year despite bumper production. As per by Agriwatch preliminary estimates based on farmers feedback, aromatic paddy production is likely to up by 20-25% from last year and overall availability in domestic markets from Punjab, Haryana, U.P, U.K and M.P would increase considerably.

Among the food grains, Rice Inflation 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%.

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 up to the corresponding period of last year.

Rice Monthly Export:

MY-2013-14	Non Basmati	Basmati	Total Export 2013-14	MY-2014-15	Non Basmati	Basmati	Total Export 2014-15
October-13	6.7	1.8	8.5	October-14*	2.14	2.34	4.48
November-13	4.29	2.49	6.78	November-14			
December-13	5.11	3.79	8.9	December-14			
January-14	6.85	3.44	10.29	January-15			
February-14	6.18	3.5	9.68	February-15			
March-14	4.17	3.19	7.36	March-15			
April-14	4.2	2.85	7.05	April-15			
May-14	3.76	3.37	7.13	May-15			
June-14	4.32	3.65	7.97	June-15			
Jul-14*	4.81	2.3	7.11	July-15			
Aug-14*	6.07	2.15	8.22	August-15			
Sep-14*	8.96	2.26	11.22	September-15			
Total	66.43	35.06	101.49	Total	2.14	2.34	4.48

Revised (Source-DGCIS & * = IBIS)

Total rice export in MY-2013-14 till the end of season was around 10.14 million tonnes in which non basmati and basmati rice contribution were approx 6 million tonnes and 3.5 million tonnes respectively as per data received from DGCIS and IBIS.

Rice export in the starting of MY 2014-15 (Starting from oct-2014) is 4.48 lakh tonnes which is down by around 47% from same period last year. 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. On the other hand basmati exports for MY-2014-15(Oct14-Sep-15) in October was 2.34 lakh tonnes which is higher by 30% from same period last year when export stood at 1.8 lakh tonnes due to better parity for Indian basmati at this time.

India Rice Balance Sheet:-

Figure in MMT	2013-14	2014-15*
Carry in	25.77	25.92
Production	106.29	99

Imports	0	0
Total Availability	132.06	124.92
Consumption	96	97.4
Exports	10.14	10.5
Total Usage	106.14	107.9
Carry out	25.92	17.02
Av Monthly Consumption	8.00	8.12
Stock to Month Use	3.24	2.10
Stock to Consumption Ratio	0.27	0.17

(Source: Agriwatch Research, USDA)

Agriwatch has revised its rice production estimates in November and based on area survey, feedback received from farmers and prevailing weather condition throughout the growing regions, rice production in India would increase by one million ton by Agriwatch previous preliminary estimates from 98 million to 99 million tonnes for 2014-15. The main reason for lower production in this year is mainly attributed to damage done by HudHud in coastal states. Despite 1% higher area coverage than last year, final size of the crop would likely to fall by 6% due to lower yield expectation in Uttar Pradesh and West Bengal.

At Export front, Agriwatch expect export volume to increase due to higher export volume of aromatic rice. Notably, this year aromatic rice production is likely to up by 20% from last year. Currently India is exporting non basmati rice at USD 415-420/MT (basis FOB South Indian Port), and aromatic rice at USD 1600-1620/MT. with commencement of harvesting, supply in the domestic market could increase and pressurize prevailing market price in the weeks to come.

Higher export volume of rice this year is the main reason for lower carryout stock in MY 2014-15. Carryout stock is likely to decrease considerably this year from 25.92 million tonnes to 17.02 million tonnes.

Progressive Procurement of Rice as on 07/11/2014:

State	Total procurement in marketing season	Progressive Procurement as on 07.11.2014	
	2012-13 (Oct. - Sept.)	In Marketing season 2013-14	In Marketing season 2012-13
Andhra Pradesh	64.71	37.38(Telangana-43.53)	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	318.64	339.07

All-India progressive procurement of Rice as on 07.11.2014 for the marketing season 2013-14 was 318.64 lakh tonnes against the procurement of 339.07 lakh tonnes upto 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	23.21	

*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 up to 23.21 million tons as of Nov- 1, 2014.

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

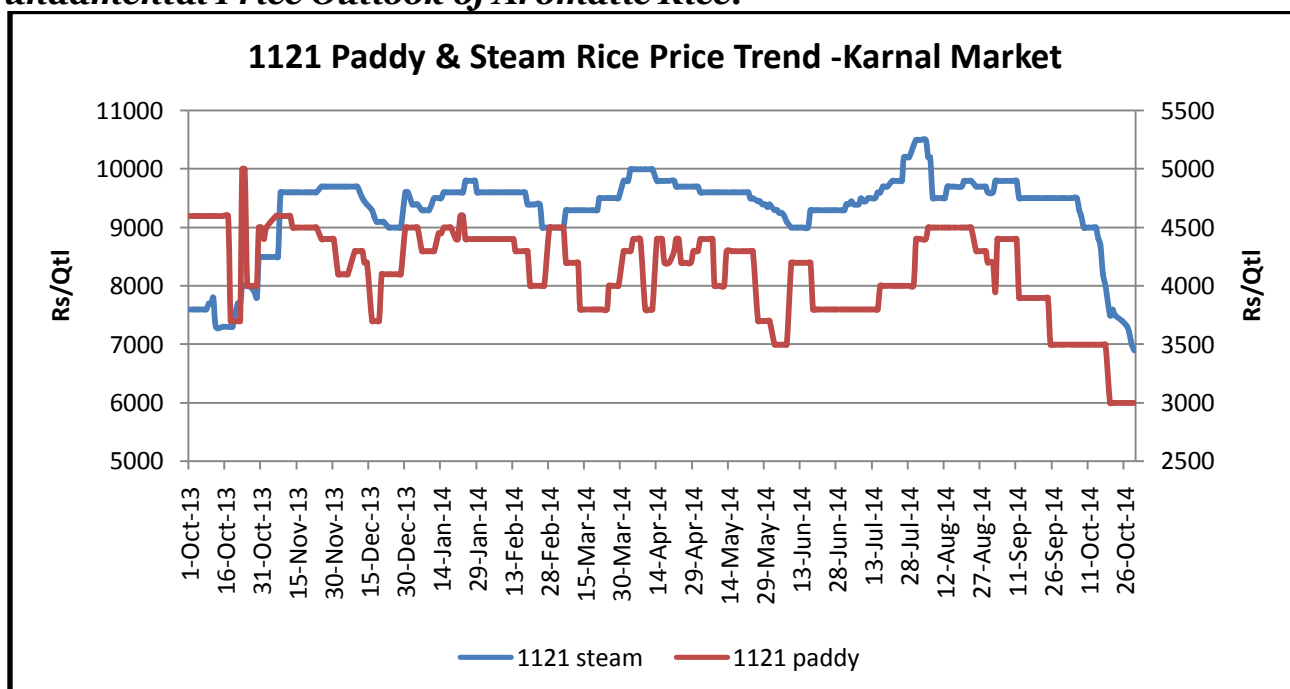
State	Prices 09-15 Nov 2014	Prices 01-08 Nov 2014	Prices 24-31 Oct 2014	Prices 09-15 Nov 2013	% Change(Over Previous Week)	% Change(Over Previous to Previous Week)	% Change(Over Previous Year)
AP	3668.33	2621.31	2355	2847.25	39.94	55.77	28.84
Assam	3398.22	3463.03	3047.47	2838.98	-1.87	11.51	19.7
Gujarat	2850	2663.36	2660.53	2407.1	50.19	50.35	66.18
Jharkhand	2730.52	2751.61	2508.44	2618.48	-0.77	8.85	4.28
Karnataka	1905.26	3205.05	3456.25	1859.29	-40.55	-44.87	2.47
Kerala	3560	3361.22	3364.54	3608.2	24.24	24.11	15.73
Maharashtra	1715.49	4180.28	4148.16	5266.38	-58.96	-58.64	-67.43
Meghalaya	3500	3105.97	3893.06	3247.42	12.69	-10.1	7.78
Orissa	2042.5	2074.24	2179.18	2165.5	-1.53	-6.27	-5.68

Punjab	2750	2717.99	2764.2	4237.55	1.18	-0.51	-35.1
Tripura	2706.14	2758.62	2727.05	2721.45	-1.9	-0.77	-0.56
UP	2144.52	2126.39	2115.19	1739.87	0.85	1.39	23.26
Uttrakhand	2065	1942.76	1987.9	2029.11	6.29	3.88	1.77
West Bengal	2649.8	2661.35	2594.33	2585.26	-0.43	2.14	2.5
Average	2691	2830.94	2842.9	2869.41			
As per the data reported by APMCs							

Price Projection for Nov 03rd Week in Domestic Market:

Duration	Trend	Average Price Range
03rd Week of Nov, 2014	Steady to firm	Rs.2600-2750/Q

Fundamental Price Outlook of Aromatic Rice:



As expected earlier 1121 paddy price and steam rice price continued to dip in tandem with pick up in arrivals .More dip from current level is unlikely as market has touched its bottom and active buying is expected to support market at current level. Prices of 1121 paddy and 1121 steam rice have dipped below Oct., 2013 level on supply pressure and good crop.

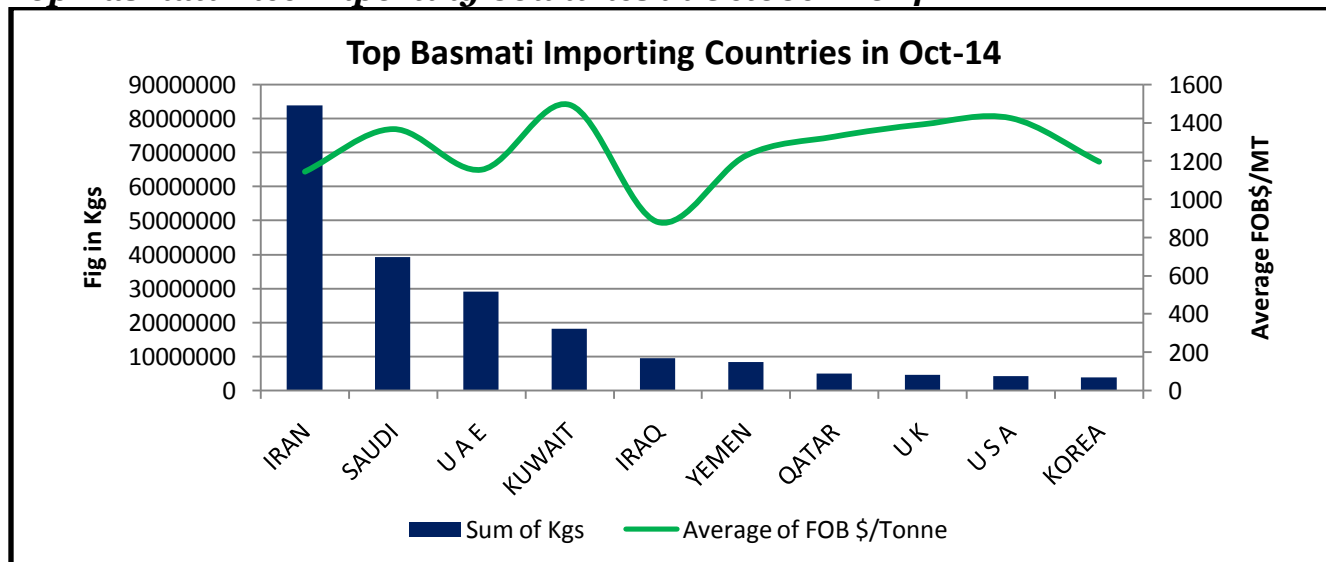
Global Updates:

Thailand plans to sell a further 2 million tonnes of rice to China under a government-to-government contract after the delivery of an existing order for 1 million tonnes to that country is completed next year. Commerce Minister General Chatchai Sarikulya said his ministry would discuss the new G2G rice contract with the China National Cereals, Oils and Foodstuffs Corporation (COFCO), a state agency for oil, rice and foodstuff imports, with a view to further sales. "The country will accelerate shipments of the existing order for 1 million tonnes. We will sell another 2 million tonnes to China after completion of the 1-million-tonne shipment," he said. Thailand so far has shipped 300,000 of the 1 million tonnes under the existing contract, and is scheduled to ship the rest by next July. Chatchai said that for the remaining 700,000 tonnes, the government would encourage China to import jasmine rice, as it has more added value.

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. Le Quang Thao, deputy chairman of the Xuan Hiep Commune People's Committee in Vinh Long's Tra On District, said: "The quality of harvested rice has declined, as many of the seeds have germinated." Delta farmers have also had trouble sundrying their rice because of the rainy weather. In addition, there are not enough dryers on hand. In Can Tho City, although farmers have harvested more than half of the city's 40,000ha of rice, few traders have bought the grain, citing low quality.

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.

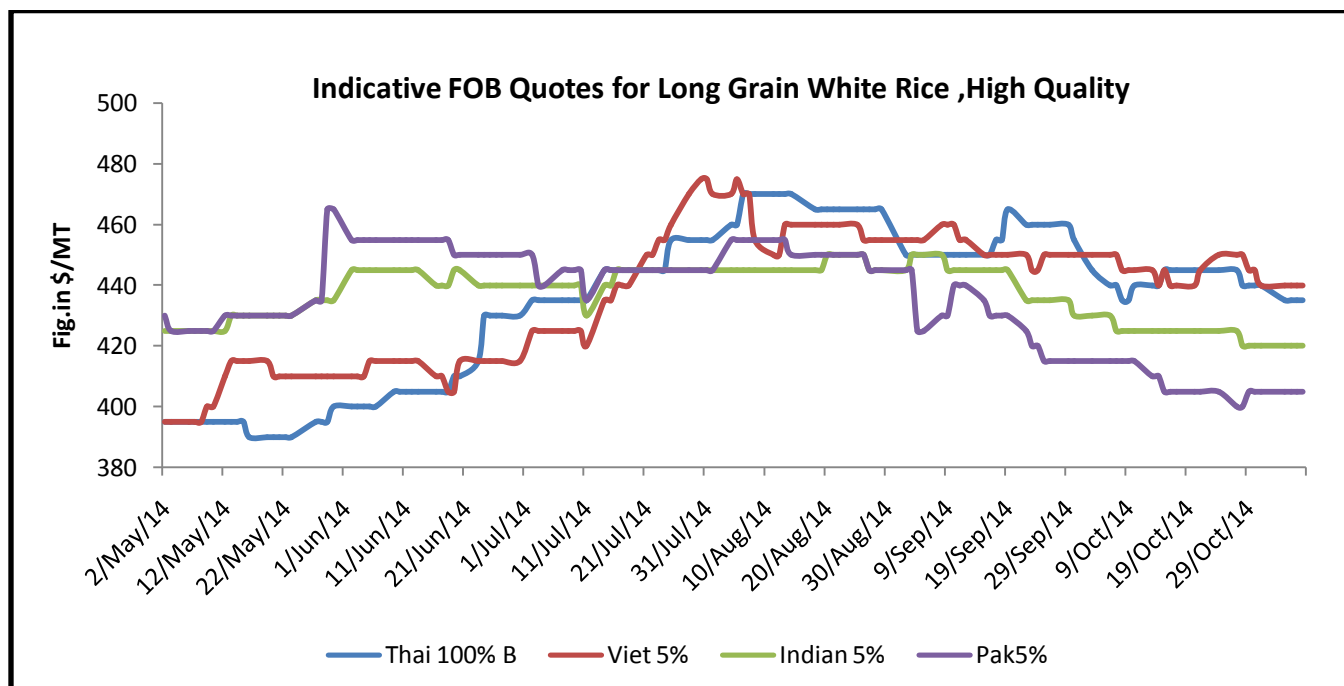
Top Basmati Rice Importing Countries in October-2014



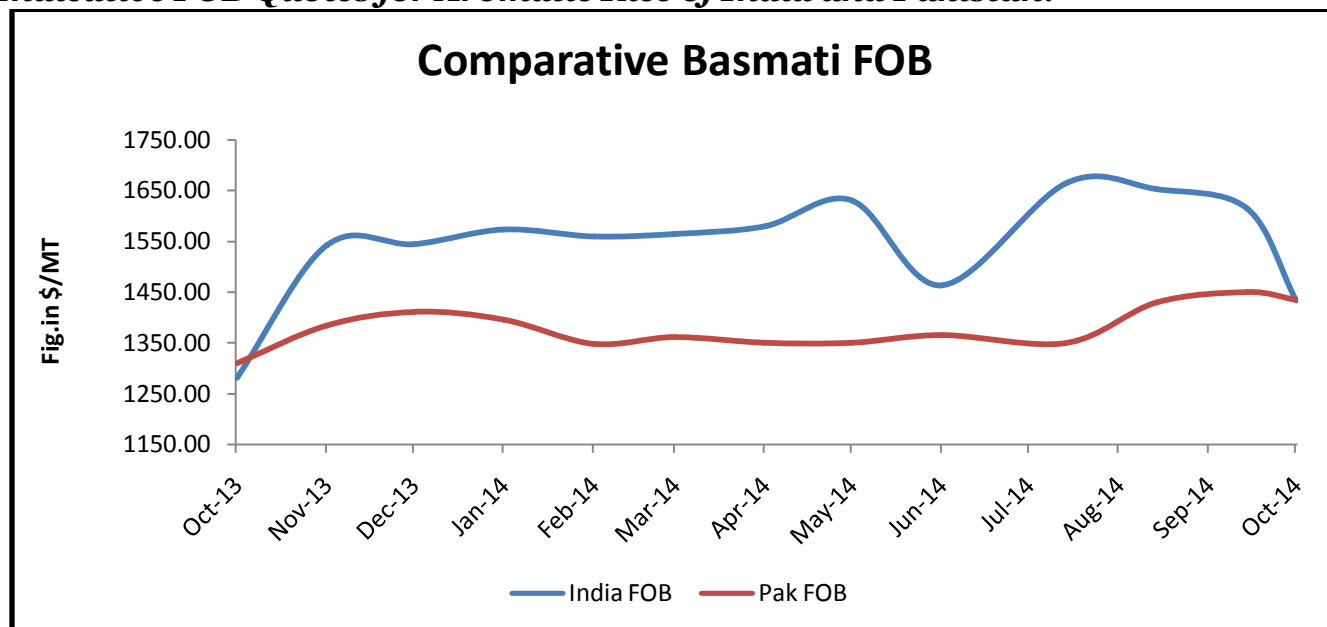
(Source:-IBIS)

Iran was again top importer for Indian aromatic rice in the month of October followed by Saudi and UAE, however highest price were received from Kuwait, USA and Yemen lower price quoted by Iraq.

FOB Quotes for Long Grain White Rice, High Quality



Indicative FOB Quotes for Aromatic Rice of India and Pakistan:



Source: -FAO & Agriwatch

Indian basmati rice continued to dip in the month of October on new arrival pressure and bumper production this year. The gap between Indian and Pakistani basmati rice price has come to a similar level as was predicted by Agriwatch last month. However, more dip from current level is unlikely as buyers in domestic market are active at current level. Besides, farmer's holding this year is comparatively higher as they expect better price in the New Year. As availability would be higher this year, gap between rice price in Pakistan and India would not be as high as seen last year. Overall, market is expected to trade almost flat at current level. Fresh buying for export is expected from November end. Millers have already started buying in various growing regions.

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 11.85 to USD 12.00/ hundredweight in coming sessions.

Price Projection (International-CBOT):-

Duration	Trend	Price Range
03rd Week of Nov, 2014	Steady	11.85-12.00

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