

Latest Market Development:-

Average rice price in the third week of November was up by 2.31% from last week and currently hover in the range of Rs.2850-2892/quintal, we expect rice price will likely to move in the range bound in coming week.

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 aromatic paddy in Nilokheri mandi in Haryana is up by 31% from last year and total progressive paddy (aromatic) is around 68038 quintal till 21/11/2014. Price of 1121 is hover in the range of Rs.2550-2950/quintal, 1509 is move in the range of Rs. 2500-2800/quintal where as basmati prices is around Rs.2800-3450/quintal in Haryana Mandi.

Progressive arrival of DB paddy in Karnal mandi is around 104110 quintal which is up by around 63% from last year and parmal paddy is up by 8% from last year and reached to 2516504 quintal till date.

All-India progressive procurement of Rice as on 14.11.2014 for the marketing season 2013-14 was 318.45 lakh tonnes against the procurement of 339.43 lakh tonnes up to the corresponding period of last year.

All-India progressive procurement of Rice as on 14.11.2014 for the marketing season 2014-15 was 96.94 lakh tonnes against the procurement of 102.85 lakh tonnes upto the corresponding period of last year.

Among the food grains, Inflation of Rice has decreased to 6.47% from the previous month's level of 6.87%, Pulses to 4.02% from the previous month's level of 6.69%, Cereals to 3.29% from the previous month's level of 3.45% and Wheat to -1.92% from the previous month's level of -1.50%.

In the post-monsoon season, cumulative Rainfall for the country as a whole during the period 1st October to 12th November, 2014 is (-) 32% 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, (-) 32% in Central India, (-) 68% in East & North East India and (-) 15% in South Peninsula.

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 14.11.2014 (lakh tonnes):

State	Total procurement in marketing season	Progressive Procurement as on 14.11.2014	
	2013-14 (Oct. - Sept.)	In Marketing season 2014-15	In Marketing season 2013-14
Telangana	43.53	1	0
Haryana	24.06	19.39	23.67
Kerala	3.59	0.66	0
Punjab	81.06	75.24	78.24
Madhya Pradesh	10.14	0.03	0
Tamil Nadu	6.84	0.03	0.49
Uttaranchal	4.63	0.11	0.04
Uttar Pradesh	11.27	0.37	0.29
All-India	318.64	96.94	102.85

All-India progressive procurement of Rice as on 14.11.2014 for the marketing season 2014-15 was 96.94 lakh tonnes against the procurement of 102.85 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	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 Third Week of Nov-2014:

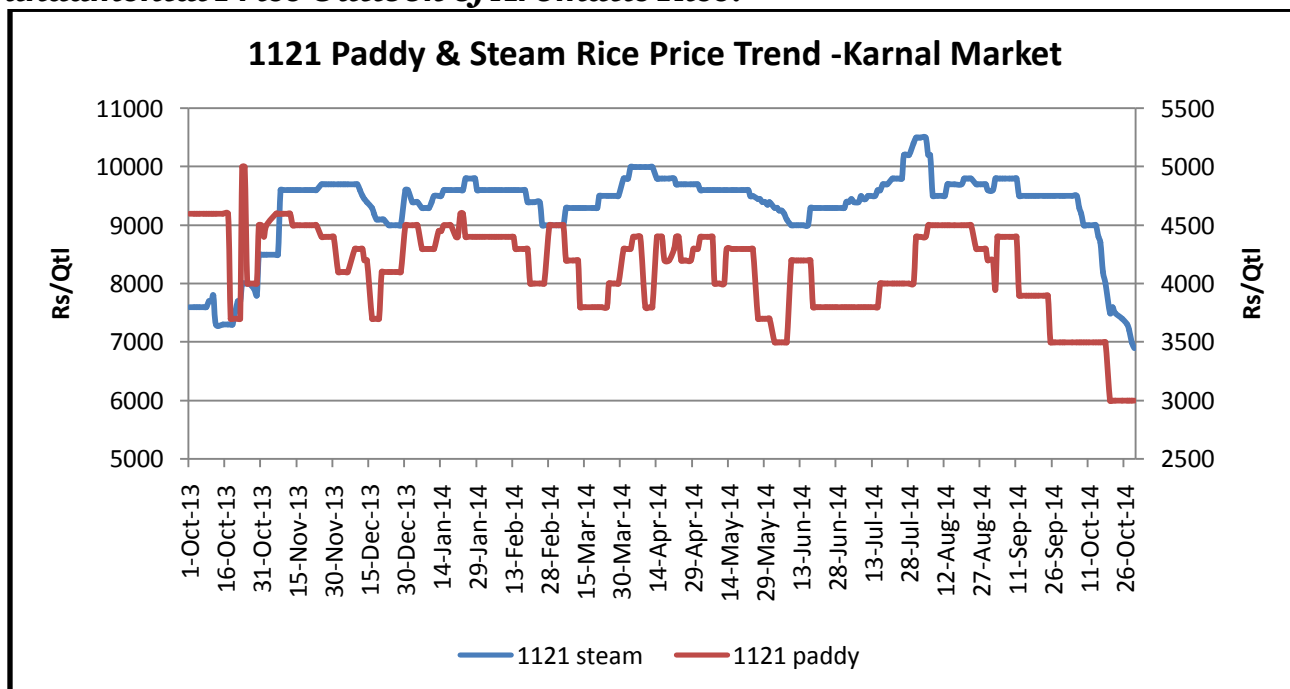
State	Prices 16-23 Nov 2014	Prices 09-15 Nov 2014	Prices 01-08 Nov 2014	Prices 16-23 Nov 2013	% Change(Over Previous Week)	% Change(Over Previous to Previous Week)	% Change(Over Previous Year)
AP	3663.29	2963.47	2629.48	2828.12	23.61	39.32	29.53

Assam	3299.41	3227.25	3450.18	2818.66	2.24	-4.37	17.06
Gujarat	2574.94	2661.77	2636.44	2558.94	-3.26	-2.33	0.63
Jharkhand	2709.05	2693.19	2748.19	2645.93	0.59	-1.42	2.39
Karnataka	3428.44	3311.63	3201.07	1947.79	3.53	7.1	76.02
Kerala	3413.13	3373.89	3361.22	3580.03	1.16	1.54	-4.66
Maharashtra	3705.39	3636.8	4164.83	6375.38	1.89	-11.03	-41.88
Meghalaya	3467.75	3450.88	3105.97	3420.29	0.49	11.65	1.39
Orissa	2156.43	2166.14	2149.55	2181.47	-0.45	0.32	-1.15
Punjab	2779.45	2733.32	2717.99	4055.91	1.69	2.26	-31.47
Tripura	2683.71	2747.26	2734.61	2812.7	-2.31	-1.86	-4.59
Uttar Pradesh	2097.13	2124.43	2108.44	1636.54	-1.29	-0.54	28.14
Uttarakhand	1965.67	1977.02	1947.2	1916.85	-0.57	0.95	2.55
West Bengal	2554.39	2585.99	2628.32	2584.22	-1.22	-2.81	-1.15
Average	2892.72	2832.36	2827.39	2959.84			

Price Projection for Nov 04th Week in Domestic Market:

Duration	Trend	Average Price Range
4 th Week of Nov, 2014	Steady	Rs.2800-2900/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.

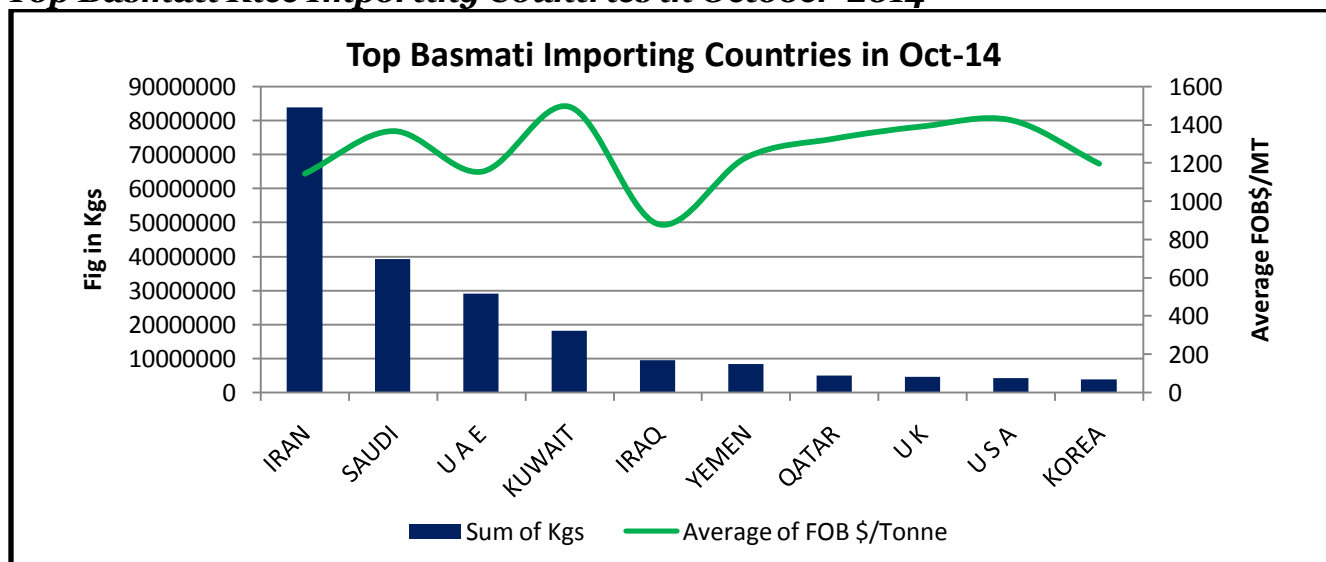
Global Updates:

FAO has estimated that Mozambique's paddy production 2014 is about 343,000 tonnes which is down by 2% from last year due to lower rainfall in major growing province of the country.

Thailand will sign a government-to-government (G-to-G) deal with China on the selling of two million tons of rice and 200,000 tons of rubber.Minister of Commerce Gen. Chatchai Sarikallaya has expressed his hope that the two countries will be able to sign the deal on December. He said China, during the meeting between leaders of Thailand and China in APEC meeting in Beijing which was concluded several day ago, expressed interest in buying rice and rubber from Thailand when asked by the Thai leader. The purchased rice and rubber would be delivered between 2015 and 2016, said Gen. Chatchai, adding that China's COSCO Holdings would handle shipping procedures to guarantee the transparency of the project.Moreover, , representatives from China's state enterprises will visit Thailand on November 19 to discuss investment in the Thai rubber industry, which is part of the master plan to help shore up sagging rubber prices in the long run.

Total rice output in Mekong Delta is estimated to reach 25.5 million tonnes this year, a rise of 500,000 tonnes from last year. The Southwest Region Steering Committee said the figure accounts for 56 per cent of the country's total rice production in 2014, Vietnam News Agency (VNA) reported.The increase in this year's output is due to farmers' use of high-quality, high-yield varieties that are disease-resistant and able to mature within 85 to 95 days.In the Mekong Delta, more than 470,000 out of 732,000 hectares of the autumn-winter rice crop have been harvested. The harvested area has had an average yield of five tonnes per hectare, up from 100kg compared to the previous harvesting season.Total output for autumn-winter crop is expected to be 3.7 million tonnes.

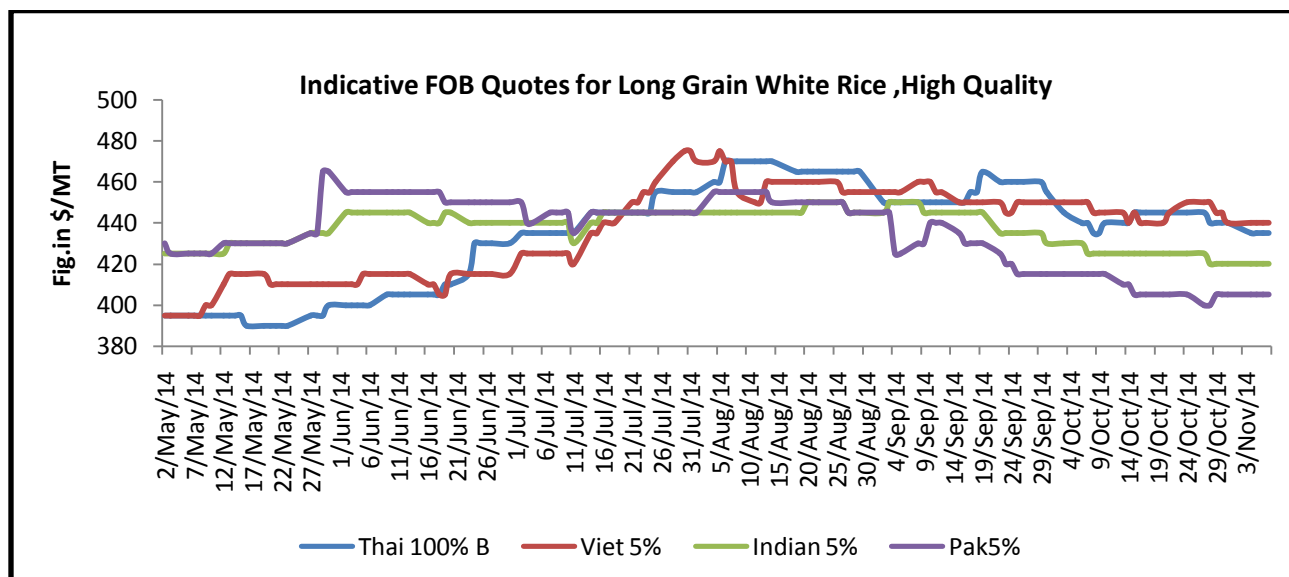
Top Basmati Rice Importing Countries in October-2014

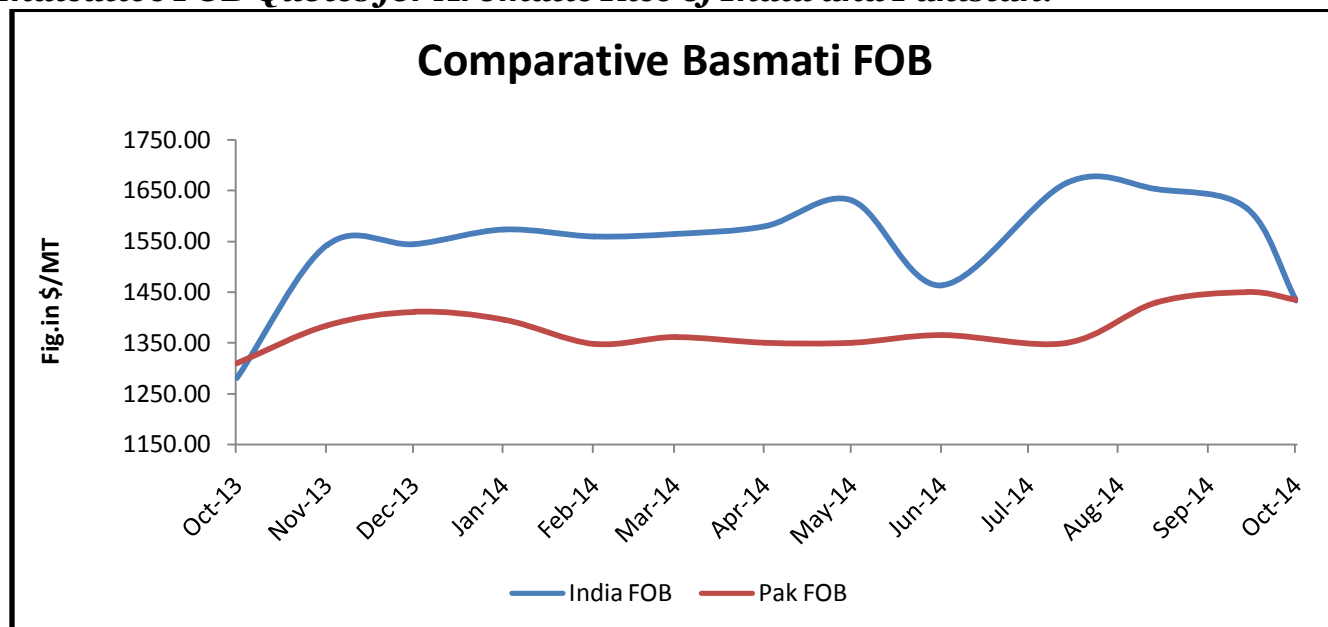


(Source:-IBIS)

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 Jan- 15, Rough Rice):
(Prices in US\$/hundredweight)



Market Analysis:

The CBOT Jan rough rice chart indicates steady to upward movement in previous sessions. We expect market will hover in the range USD 12.50 to USD 12.75/ hundredweight in coming sessions.

Price Projection (International-CBOT):-

Duration	Trend	Price Range
04 th Week of Nov, 2014	Steady to firm	12.50-12.75

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