

**Latest Market Development:**

**Average rice price in the first week of December** was slightly down by around 1% from last week, and currently hover in the range of Rs. 2700-2750/quintal. We expect price will move in the range bound in coming week.

**Basmati average prices in the month of November** were drastically dropped by 6-25% in major markets like Karnal, Amritsar and Delhi due to much higher arrival than last year. Arrival is at its peak at major mandis of Haryana, Punjab and U.P and consequently, prices are continuously moving downward on monthly comparison. Thus buyers should keep buying in installments at regular intervals to meet their procurement needs. With domestic demand also subdued, prices may continue to fall gradually.

**As per data received by IBIS, rice export for MY-2014-15**(Oct14-Sep-15) in the month of November was 9.65 lakh tonnes which is higher by 5.17 lakh tonnes from last month export of 4.48 lakh tonnes.

**All-India progressive procurement of Rice** as on 28.11.2014 for the marketing season 2014-15 was 105.92 lakh tonnes against the procurement of 110.29 lakh tonnes up to the corresponding period of last year.

**All-India progressive procurement of Rice** as on 28.11.2014 for the marketing season 2013-14 was 318.40 lakh tonnes against the procurement of 339.43 lakh tonnes up to 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 26th 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 (-) 31% in North West India, (-) 31% in Central India, (-) 69% in East & North East India and (-) 14% 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	6.62	3.03	9.65
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			
<b>Total</b>	<b>66.43</b>	<b>35.06</b>	<b>101.49</b>	<b>Total</b>	<b>8.76</b>	<b>5.37</b>	<b>14.13</b>

**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.

Total Rice export for MY-2014-15 was 14.13 lakh tonnes which was down by 7.52% from same period last year export of 15.28 lakh tonnes. Non basmati rice export in the month of November was 6.62 lakh tonnes and basmati exports for MY-2014-15 (Oct14-Sep-15) in November was 3.03 lakh tonnes which is higher by around 30% from last month. Iran was the largest buyer in the month and import approx 75 thousand MT followed by Saudi Arabia which import around 45 thousand MT, as per data received from IBIS a customs data provider.

### 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 21.11.2014 (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
Andhra Pradesh	37.38	0.00	1.56
Telangana	44.00	3.10	0.00
Chhattisgarh	43.0	0.00	0.00
Haryana	24.06	19.77	23.90
Kerala	4.00	0.77	0
Punjab	81.06	76.84	80.26
Madhya Pradesh	10.14	0.29	0.30
Tamil Nadu	7.0	0.03	0.49
Uttaranchal	4.63	0.28	0.12
Uttar Pradesh	11.27	0.74	0.54
West Bengal	14.00	0.0	0.00
All-India	319	101.95	107.31

**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 un-milled 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 First Week of Dec-2014:**

State	Prices 01-08 Dec 2014	Prices 24-30 Nov 2014	Prices 16-23 Nov 2014	Prices 01-08 Dec 2013	% Change(Over Previous Week)	% Change(Over Previous to Previous Week)	% Change(Over Previous Year)
AP	3457.97	3723.13	3703.25	2877.6	-7.12	-6.62	20.17
Assam	2895.39	3052.04	3222.92	3168.75	-5.13	-10.16	-8.63
Gujarat	2604.96	2626.4	2646.05	2621.94	-0.82	-1.55	-0.65
Jharkhand	2667.02	2592.97	2670.65	2665.6	2.86	-0.14	0.05
Karnataka	3468.75	3336.93	3428.39	1808.87	3.95	1.18	91.76
Kerala	3322.16	3411.98	3408.36	3505.22	-2.63	-2.53	-5.22
Meghalaya	3500	3447.22	3448.11	3352.11	1.53	1.5	4.41
Orissa	2152.65	2148.31	2158.21	1972.28	0.2	-0.26	9.15
Punjab	2400	2629.35	2731.65	3997.08	-8.72	-12.14	-39.96
Tripura	2734	2669.31	2686.71	2600	2.42	1.76	5.15
UP	2100.67	2075.03	2099.91	1804.56	1.24	0.04	16.41
Uttarakhand	1903.64	1924	1957.26	2028.28	-1.06	-2.74	-6.15
WB	2478.13	2528.12	2547.83	2462.15	-1.98	-2.74	0.65
Average	2745	2781.9	2823.79	2681.88			

**Price Projection for Dec 02<sup>nd</sup> Week in Domestic Market:**

Duration	Trend	Average Price Range
02 <sup>nd</sup> Week of Dec, 2014	Steady to Weak	Rs.2700-2800/Q

**Global Updates:**

**The FAO has forecasted Haiti's 2014-15** (July-June) rice imports to increase by about 8%, due to an expected decline in production.

**The USDA Post estimates that Indonesia** will import 1.225 million tons of rice in MY 2013-14, an increase of about 88% from MY 2012-13.

**Taiwan has finally lifted** the eight-year ban on U.S. long grain rice imports and has scheduled a tender for importing about 3,000 tons of U.S. long grain brown rice for December 10, according to the USDA Post.

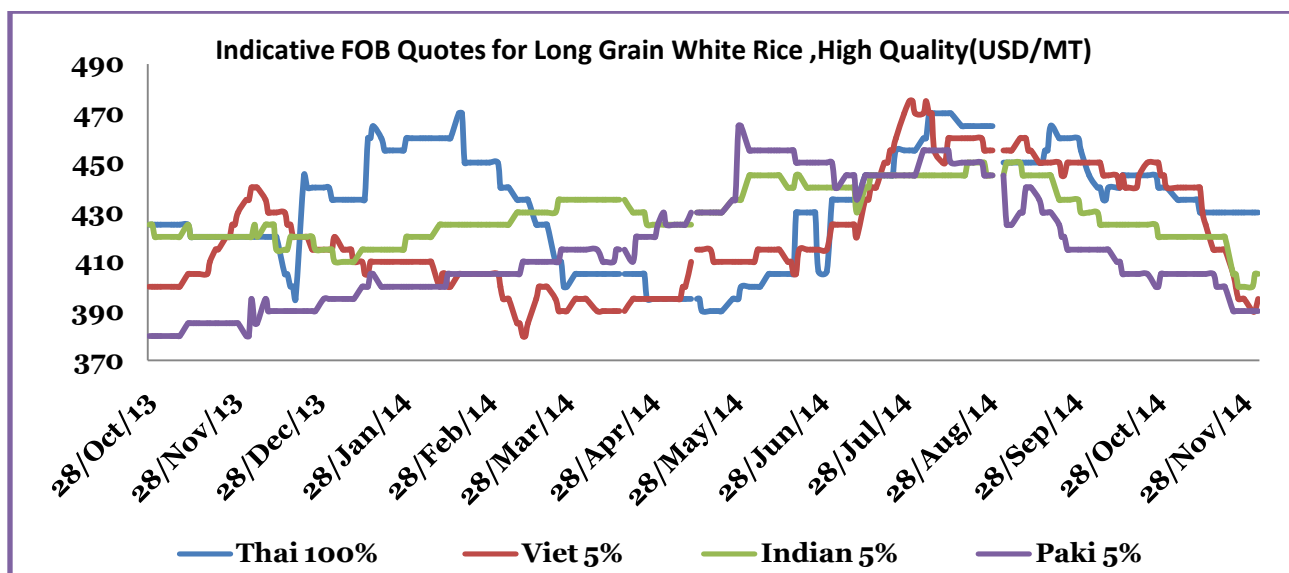
**The National Food Authority in the Philippines** plans to import 600,000 tons of rice in efforts to replenish 2015 stocks, according to local media.

**The UN's Food and Agricultural Organization (FAO)** has forecasted Laos 2014 paddy rice production to decline about 3% to around 3.3 million tons (around 2 million tons, basis milled) from around 3.415 million tons (around 2.15 million tons, basis milled) last year. The decline is attributed to heavy rains in early August that led to localized flooding and consequent crop losses across northern and central parts of the country. Relatively low prices during the sowing time also discouraged farmers from planting for the wet season rice crop (May - December) thus leading to a slight contraction in planting area. According to USDA, usually Laos imports around 10,000 tons of rice to meet the local annual consumption demand of around 1.58 million tons. However, this year, FAO forecasts Laos to be self sufficiency in rice production without the need to import rice.

**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.

**Source Oryza**

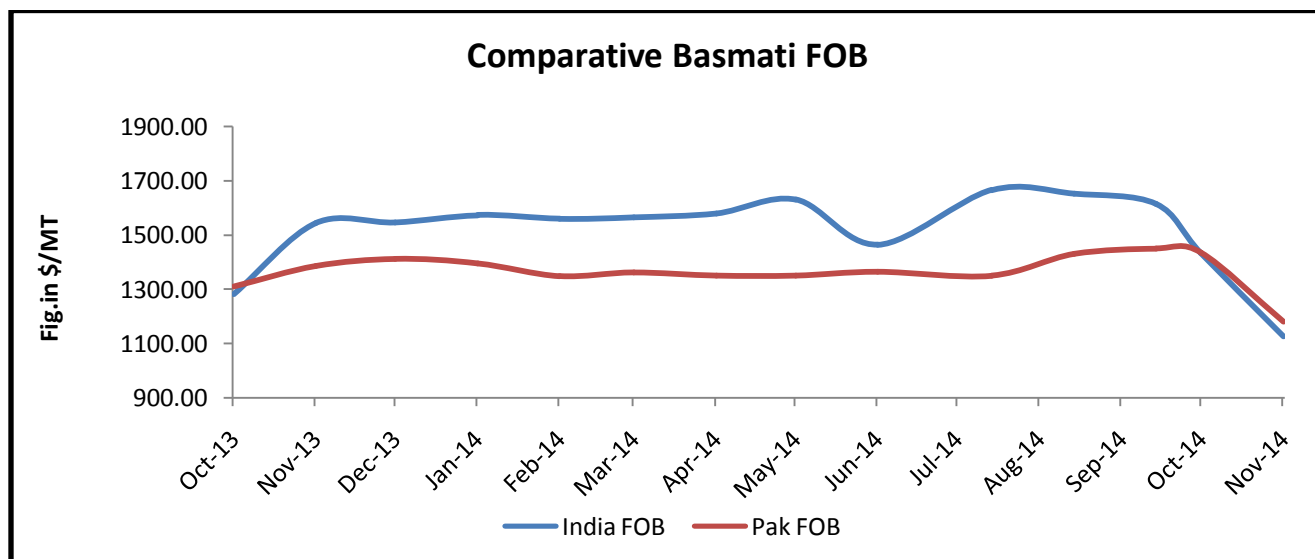
### FOB Quotes for Long Grain White Rice, High Quality



Source-Oryza

FOB quotes for high quality white rice in the month of November was down in all major exporters due to onset of new arrival of main crop. FOB quotes for Thailand white rice high quality ruling highest among all country in the range of USD 425-435/MT, however Pakistan, Vietnam and Indian FOB are almost ruling in same trend.

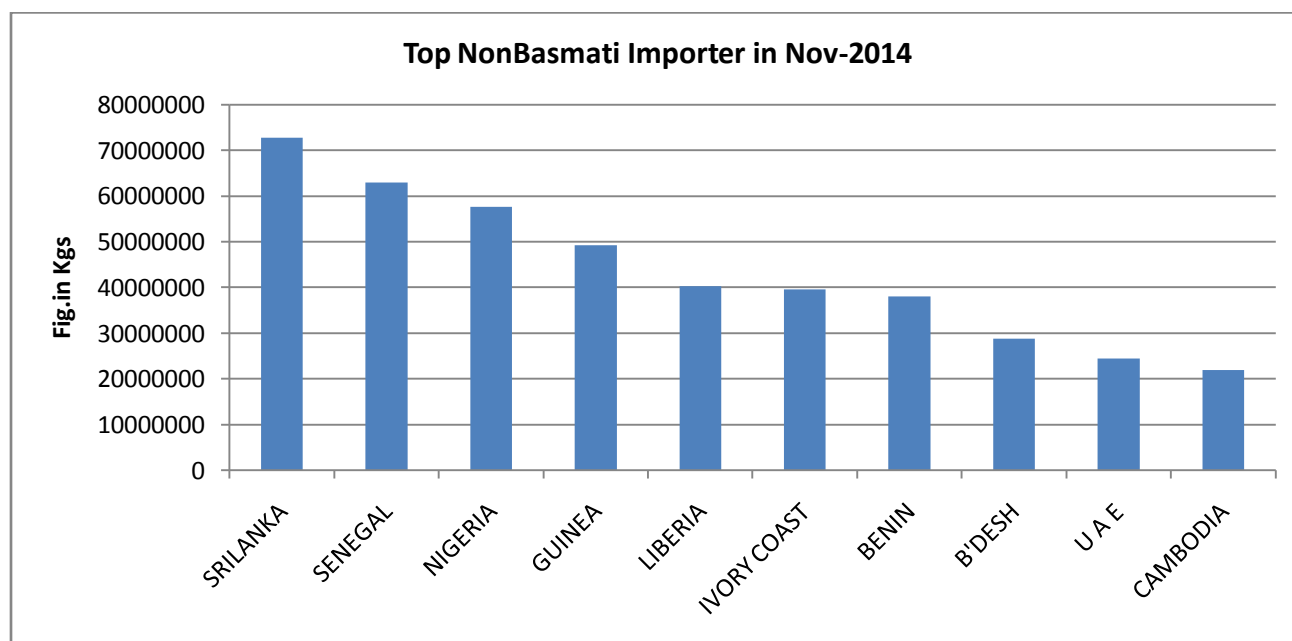
### Indicative FOB Quotes for Aromatic Rice Ind Vs Pak:



Source-FAO & Agriwatch

The National Space Agency of Pakistan estimated the country's rice production for 2014-15 to decline about 19% from last year to about 5.65 million tonnes. However, USDA forecast that Pakistan rice production would be lower by 3% from last year. FOB quotes in November for Indian basmati were ranged between USD 1100-1125/MT, much lower than Pakistan's FOB of USD 1300-1350/MT.

### Top 10 Countries of Non Basmati Rice Export in November-2014:



Source-IBIS

### IGC Balance Sheet:

(Fig. In Million Tonnes)

	2011-12	2012-13	2013-14 est.	2014-15 projection 30.10.14	projection 27.11.14
<b>Production</b>	476	472	476	476	475
<b>Trade</b>	39	38	40	41	41
<b>Consumption</b>	459	469	477	481	482
<b>Carryover stocks</b>	107	110	109	103	102
<b>Y-O-Y change</b>	7	3	-0		-6
<b>Major Exporters</b>	37	40	39	34	33



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

### IGC Rice Balance sheet Highlights:

- ➔ Mostly due to a smaller main crop in India, world 2014/15 production is forecast to fall fractionally y/y. With demand expected to increase to new highs, end-season stocks are placed at their lowest in four years.
- ➔ Global trade in 2015 is forecast to edge higher, with larger purchases by China and sub-Saharan Africa. Forecast exports by Thailand are increased for both 2014 and 2015.
- ➔ Rice prices fell comparatively steeply, the IGC GOI sub-Index down by 3% m/m, on ample supplies and sluggish demand

### Rice Price Trend @ CBOT Jan- 15, Rough Rice): (Prices in US\$/hundredweight)



### Market Analysis:

The CBOT Jan rough rice chart indicates steady movement in previous sessions. We expect market will hover in the range USD 11.80 to USD 12.50/ hundredweight in coming sessions.

### Price Projection (International-CBOT):

Duration	Trend	Price Range
02 <sup>nd</sup> Week of Dec, 2014	Steady to Weak	11.80-12.40

#### **Disclaimer**

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