

Latest Market Development:

All India Average rice price in the second week of December was move in the range bound and currently hover in the range of Rs.2800-2820/quintal. We expect price will move in steady to firm bias in coming week.

Currently 1121 Steam price hover in the range of Rs.6000-6300/quintal and sella (1121) is around Rs.4900-5000/ quintal, where as basmati raw wand rice price hover in the range of Rs. 6700-6800/quintal in Karnal market. We expect price will move in the range bound in coming week.

Bihar Agriculture University has developed a new drought-resistant rice variety known as “Sabour Ardhjal.” This variety will require 50% less irrigation compare to other traditional paddy varieties.

Rice stocks in the central pool are 21.57 million tons as of December 1, down about 23% from last year.

As per data received by IBIS, rice export for MY-2014-15(Oct-14-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 31.10.2014 for the marketing season 2013-14 was 318.64 lakh tonnes against the procurement of 339.06 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 29th October, 2014 is (-) 24% lower than LPA. Rainfall (% departure from LPA) in the four broad geographical divisions of the country during the above period was lower by (-) 21% in North West India, (-) 24% in Central India, (-) 64% in East & North East India and higher by 04% 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			
Total	66.43	35.06	101.49	Total	8.76	5.37	14.13

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	21.57

*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 21.57 million tons as of Dec- 1, 2014.

State wise Wholesale Prices Weekly for Rice 2nd Week of Dec-2014:

State	Prices 09-15 Dec 2014	Prices 01-08 Dec 2014	Prices 24-30 Nov 2014	Prices 09-15 Dec 2013	% Change(Over Previous Week)	% Change(Over Previous to Previous Week)	% Change(Over Previous Year)
AP	3778.82	3587.89	3723.13	3626.53	5.32	1.5	4.2
Assam	3158.83	3095.84	3052.04	3155.99	2.03	3.5	0.09
Gujarat	2394.57	2606.77	2626.4	2624.71	-8.14	-8.83	-8.77
Jharkhand	2595.41	2605.79	2592.97	2692.22	-0.4	0.09	-3.6
Karnataka	3539.2	3464.64	3336.93	2034.27	2.15	6.06	73.98
Kerala	3067.83	3360.86	3411.98	3538.4	-8.72	-10.09	-13.3
Meghalaya	3500	3452.05	3447.22	3305.48	1.39	1.53	5.88
Orissa	2253.55	2198.7	2148.31	1940.9	2.49	4.9	16.11
Punjab	2488.98	2390.02	2629.35	4232.09	4.14	-5.34	-41.19
Telangana	3500	3533.37	3535.68	3876.18	-0.94	-1.01	-9.7
Tripura	2672.1	2648.69	2669.31	2873.83	0.88	0.1	-7.02
Uttar Pradesh	2086.97	2092.5	2075.03	1850.81	-0.26	0.58	12.76
Uttarakhand	1712.88	1894.58	1924	2051.91	-9.59	-10.97	-16.52
West Bengal	2481.89	2458.4	2528.12	2466.55	0.96	-1.83	0.62
Average	2802.21	2813.57	2835.74	2876.41			

As per the data reported by APMCs

Price Projection for Dec 03rd Week in Domestic Market:

Duration	Trend	Average Price Range
03 rd Week of Dec, 2014	Steady to firm	Rs.2800-2870/Q

Global Updates:

As per Bloomberg report, the government of Thailand plans to auction 400,000 tons of stockpiled rice on December 22-2014.

The Rice Policy and Management Committee, headed by the Thai Prime Minister, has approved the onfarm pledging program for 2014-15 paddy main-crop fragrant and glutinous rice, to limit downward pressure on prices during harvest.

Iran will recommence rice imports in February 2015, according to global business consultant Mustapha Pakzad.

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

Thai rice price continued to extend its loss in the month of November and pressure is likely to continue in the month of December too. Rice policy and management committee may implement a new on-farm pledging program for 2014-15 paddy main crops fragrant and glutinous rice. It may restrict downward pressure in the months ahead. Govt. may procure around 2 million tonne rice paddy under this programme on attractive price. Besides, commerce ministry plan to export about 2 million tonne rice next year may be supportive for rice market fundamentals. Domestic demand is almost stable and Agriwatch expects more dip(1 to 2 percent) this month(December).

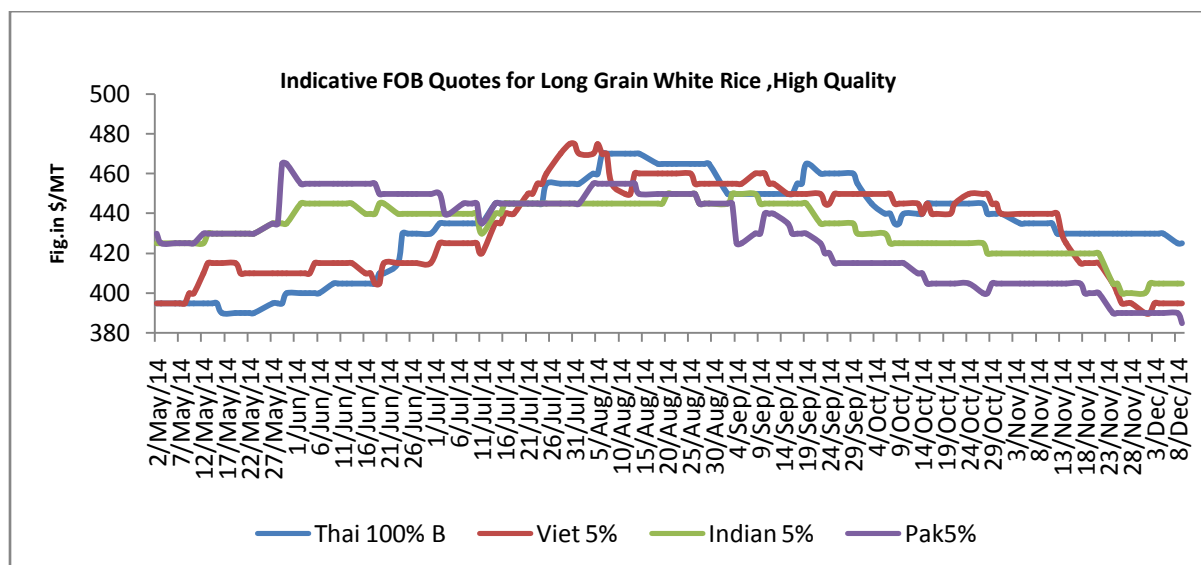
The USDA Post estimates that Indonesia will import 1.225 million tons of rice in MY 2013-14, an increase of about 88% from MY 2012-13.

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.

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

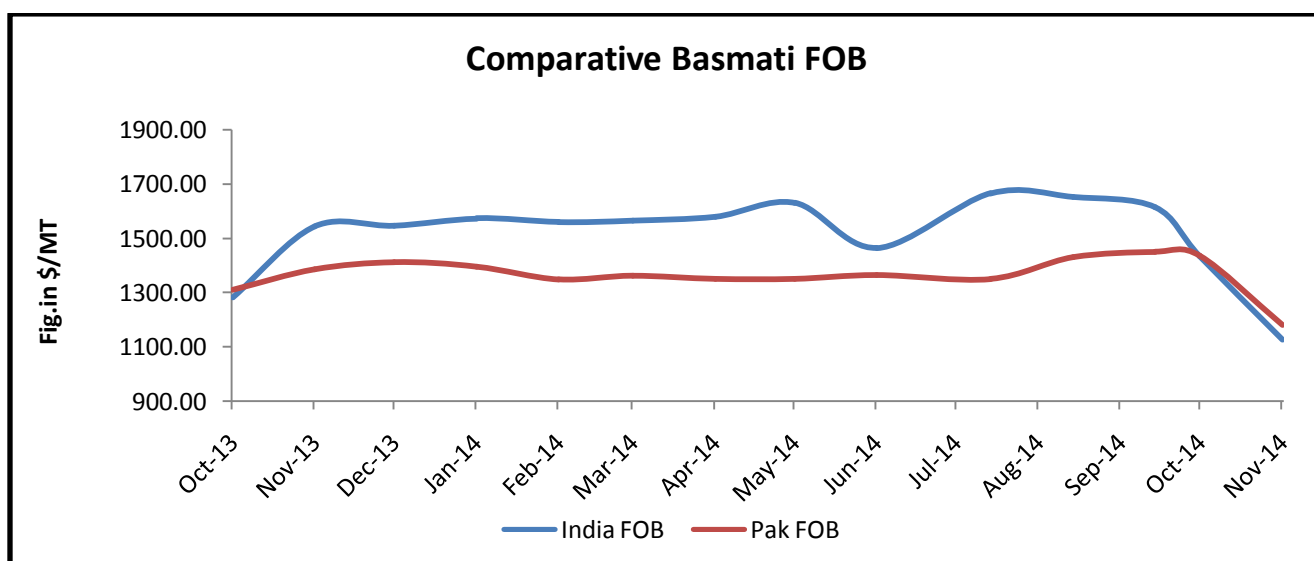
FOB Quotes for Long Grain White Rice, High Quality



Source-Oryza

FOB quotes for high quality white rice in the second week of December was moved in south direction for all major exporters. Thailand FOB is highest among all where as other exporters are move in competitive range.

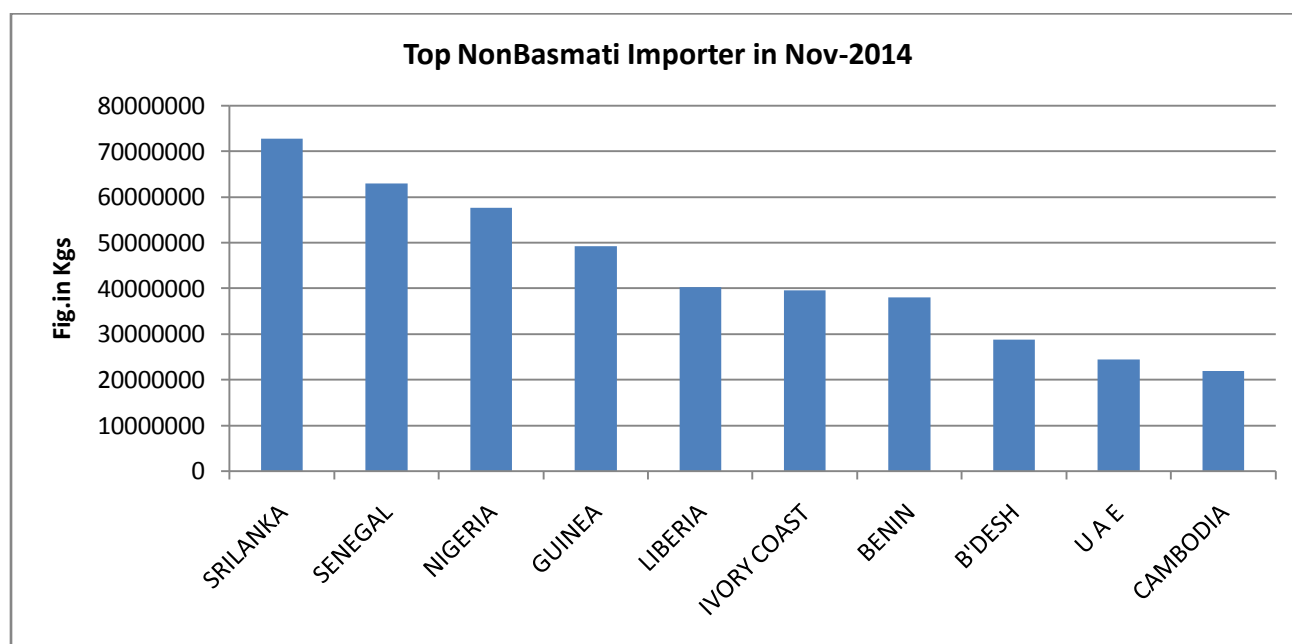
Indicative FOB Quotes for Aromatic Rice Ind Vs Pak:



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
Production	476	472	476	476	475
Trade	39	38	40	41	41
Consumption	459	469	477	481	482
Carryover stocks	107	110	109	103	102
Y-O-Y change	7	3	-0		-6
Major Exporters	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 firm movement in previous sessions. We expect market will hover in the range USD 12.00 to USD 12.50/ hundredweight in coming sessions.

Price Projection (International-CBOT):

Duration	Trend	Price Range
03 rd Week of Dec, 2014	Steady to Firm	12.00-12.50

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