

Latest Market Development:

All India Average rice price in the beginning of New Year was move in the range bound as arrival of Kharif crop from northern states has winding down and likely to be over by end of the month. Currently non basmati rice market is moving in the range of Rs.2750-2770/quintal which is almost steady from last week price but we expect price will move slightly up from current level in coming weeks.

Basmati average prices in December fell sharply by 10-25% across varieties in major markets like Karnal, Amritsar and Delhi slackened demand against adequate supplies from producing belts. Progressive arrival of aromatic paddy varieties in Karnal mandi in Haryana was 249720 Quintal which is 35% higher than last year's arrival of 185572 Quintal, illustrating the significantly higher arrivals. The kharif (fall harvested) rice harvest is almost over, excepting for some late-sown rice in the eastern and southern states. Easing demand amidst adequate stocks position mainly led to the decline in rice basmati prices.

Procurement in the northern states of Punjab and Haryana has tapered off, although procurement in other states will accelerate in December and January. Overall rice procurement in MY 2014/15 is likely to be lower than last year, given the forecast lower harvest. Market sources expect overall rice procurement to be around 28-30 MMT, compared to 31.9 MMT in MY 2013/14.

Among the food grains, Inflation of Rice has decreased to 5.55% from the previous month's level of 6.47%, Cereals has to 2.09% from the previous month's level of 3.29%, Wheat to -2.31% from the previous month's level of -1.92%. The inflation for Pulses has increased to 4.43% from the previous month's level of 4.02%.

All-India progressive procurement of Rice as on 26.12.2014 for the marketing season 2014-15 was 133.40 lakh tonnes against the procurement of 139.43 lakh tonnes upto the corresponding period of last year.

In the post-monsoon season, cumulative Rainfall for the country as a whole during the period 1st October to 24th December, 2014 is (-) 31% lower than LPA. Rainfall (% departure from LPA) in the four broad geographical divisions of the country during the above period was lower by (-) 30% in North West India, (-) 28% in Central India, (-) 68% in East & North East India and (-) 15% in South Peninsula.

As per data received by IBIS, rice export for MY-2014-15(Oct14-Sep-15) in the month of December was 9.32 lakh tonnes which is lower by 3.14% from last month export of 9.65 lakh tonnes.

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	5.37	3.95	9.32
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	14.13	9.32	23.45

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 23.45 lakh tonnes which was down by 3.01% from same period last year export of 24.18 lakh tonnes. Non basmati rice export in the month of December was 5.37 lakh tonnes and basmati exports for MY-2014-15(Oct14-Sep-15) in December was 3.95 lakh tonnes which is higher by around 30% from last month. Iran was the largest buyer in the month and import approx 89 thousand MT followed by Saudi Arabia which import around 86 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	26.19	23.59
Production	106.54	100
Imports	0	0
Total Availability	132.73	123.59
Consumption	99	99
Exports	10.14	9
Total Usage	109.14	108
Carry out	23.59	15.59
Av Monthly Consumption	8.25	8.25
Stock to Month Use	2.86	1.89
Stock to Consumption Ratio	0.24	0.16

(Source: Agriwatch Research, USDA)

Agriwatch has revised its rice production and export estimates in December. Kharif harvesting is almost over in all India excepting for some late-sown rice in the eastern and southern states. As early market arrival trends, and good weather condition for rabi paddy, We increase about 1% of production from 99 million tonnes to 100 million tonnes in MY- 2014-15. Although rice marketing in the northern states is winding down, it will be in full-swing in the eastern and southern states throughout December. Rabi (winter planted) rice planting is still largely confined to the eastern and southern states, but will continue in other regions throughout December.

At Export front, Agriwatch expect export volume to decrease about 11% from last year and expected to export around 9 million tonnes in 2014-15 due to import ban of aromatic rice by Iran which is the largest importer of Indian Basmati.

Domestic consumption is likely to steady in 2014-15, but fall in production, fall in total availability and around 9 million tonnes of export could be the main reason for lower carry stock in MY 2014-15. This may push the rice price in upward direction in medium to long term.

Progressive Procurement of Rice as on 26.12.2014 (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	2.46	11.39
Telangana	44.00	10.96	0.00
Chhattisgarh	43.0	10.00	13.13
Haryana	24.06	19.95	23.96
Kerala	4.00	0.95	0.83
Punjab	81.06	77.81	81.05
Madhya Pradesh	10.14	3.71	4.69
Maharashtra	2.00	0.50	0.41
Tamil Nadu	7.0	0.03	0.53
Uttaranchal	4.63	1.33	0.95
Uttar Pradesh	11.27	4.00	2.38
West Bengal	14.00	0.0	0.00
Others	36.46	1.35	0.12
All-India	319	133.4	139.43

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
2015												

*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 01st Week of Dec-2015:

State	Prices 01-08 Jan 2015	Prices 24-31 Dec 2014	Prices 16-23 Dec 2014	Prices 01-08 Jan 2014	% Change(Over Previous Week)	% Change(Over Previous Week)	% Change(Over Previous Year)
AP	3767.29	3734.26	3753.87	2514	0.88	0.36	49.85
Assam	2967.24	2996.24	2936.67	3118.09	-0.97	1.04	-4.84
Gujarat	2702.15	2667.36	2593.69	2675.66	1.3	4.18	0.99
Jharkhand	2545.46	2602.14	2595.02	2692.79	-2.18	-1.91	-5.47
Karnataka	3347.41	3232.32	3292.69	2973.68	3.56	1.66	12.57
Kerala	3273.02	3329.38	3397.63	3379.11	-1.69	-3.67	-3.14
Maharashtra	3411.16	3501.27	3148.46	4488.71	-2.57	8.34	-24.01
Orissa	2305.96	2285.23	2165.57	2104.5	0.91	6.48	9.57
Tripura	2593.54	2598.16	2652	2792.19	-0.18	-2.2	-7.11
Uttar Pradesh	2028.43	2012.92	2039.39	1864.48	0.77	-0.54	8.79
Uttarakhand	1894.57	1820.52	1971.09	1978.38	4.07	-3.88	-4.24
West Bengal	2432.31	2355.65	2350.32	2468.99	3.25	3.49	-1.49
Average	2772.3783	2761.28	2741.36	2754.21			
	3	8	7	5			

As per the data reported by APMCs

Price Projection for Jan 02nd Week in Domestic Market:

Duration	Trend	Average Price Range
2 nd Week of Jan, 2015	Steady to Firm	Rs.2750-2840/Q

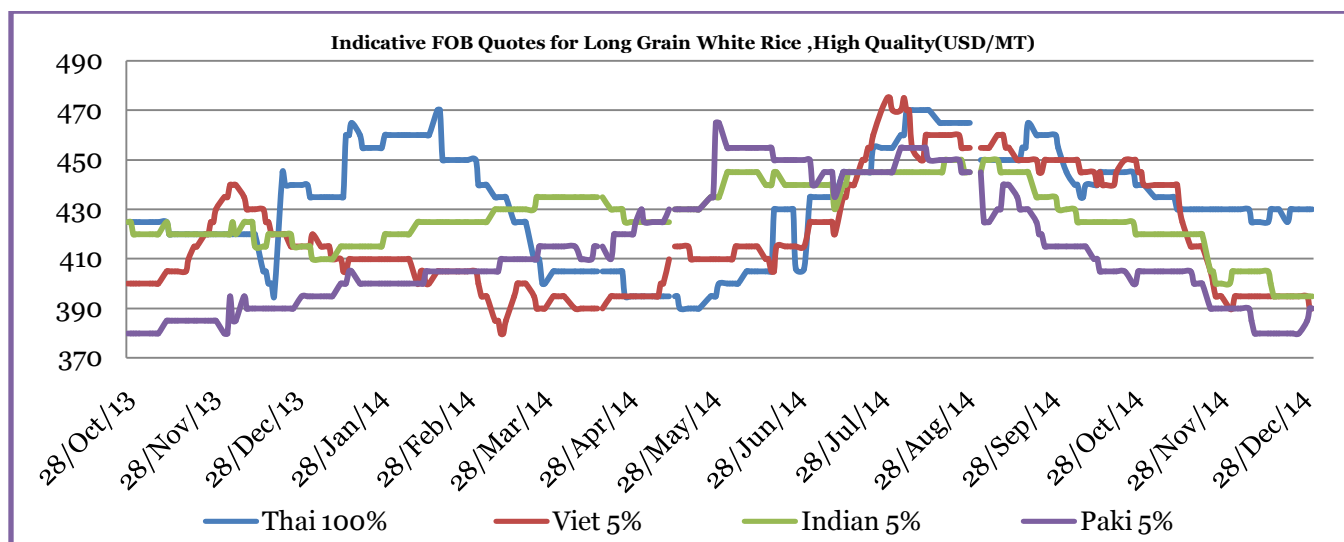
Global Updates:

Mekong Delta In Vietnam has been the major rice exporting and trading hub of the country and export contribution has been formidable from this region in the past years. Provinces located in the region has exported 1.8 lakh tonne so far and and more volume (around 2.5 lakh tonne) is expected to be offloaded in the international market in the remaining days of the year. If it materialises total export volume from the state may touch 5.85 million tonne from Jan to Dec-2014, almost same quantity that was exported last year. Vietnam has exported 5.6 million tonne rice so far. Major rice buyers from these region are Asian and African countries. They buy around 83 percent of total volume. As rice price in other exporting countries are very competitive increasing export volume is very difficult. However, vietnami rice exporters with the help of govt. are trying to attract buyers in China, Singapore, Hongkong, Philippine, Malaysia and Indonesia through running promotional activities.

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.

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 Agriculture Department said it expects rice production to grow 6 percent in 2015 to 20.08 million metric tons of palay (unmilled rice) next year from this year's estimate of 18.8 million MT. "We are hoping that we will be able to produce that volume next year. In order to attain that goal, there should be expansion of harvest areas and output per hectare," Agriculture Secretary Proceso Alcala said. "We want to increase the output to 2.09 metric tons per hectare from the current 3.89 metric tons per hectare," he said. The department earlier said the government might not reach this year's production target of 19.07 million MT due to the series of typhoons that hit the country, but would still surpass last year's record.

FOB Quotes for Long Grain White Rice, High Quality


Source-Oryza

FOB quotes for high quality white rice in the month of December was Steady in all major exporters even with the 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 425-430/MT, however Pakistan, Vietnam and Indian FOB are almost ruling in same trend. Currently India has parity advantage of White rice among all exporting countries.

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 range bound movement in previous sessions. We expect market will hover in the range USD 11.30 to USD 11.45/ hundredweight in coming sessions.

Price Projection (International-CBOT):

Duration	Trend	Price Range
02 nd Week of Jan, 2015	Steady to Weak	11.25-11.45

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