

Latest Market Development:

All India Average rice price in the second week of January was moved steady to slightly weak and down by 0.96% from last week price of Rs. 2822.16/quintal. Currently all India non basmati rice price is moving in the range of Rs.2790-2800/quintal. We expect price will move in the range bound in coming week.

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.

India government has decided to revise the buffer norms for food grains, including rice, in the Central Pool, according to a press release by the Ministry of Consumer Affairs, Food & Public Distribution.

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%.

Researchers at the Central Rice Research Institute of India have developed four new drought resistant paddy varieties that can sustain decreased water conditions. The name of the varieties are Ankit, Sachala, Gopinath, Maudamani - and another variety - Chakaakhi - that can sustain in less water conditions suitable to grow in India's Eastern state Odisha, according to Oryza.

All-India progressive procurement of Rice as on 09.01.2015 for the marketing season 2014-15 was 162.43 lakh tonnes against the procurement of 176.36 lakh tonnes upto the corresponding period of last year.

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 09.01.2015 (lakh tonnes):

State	Total procurement in marketing season	Progressive Procurement as on 09.01.2015	
	2013-14 (Oct. - Sept.)	In Marketing season 2014-15	In Marketing season 2013-14
Andhra Pradesh	37.38	6.37	16.96
Telangana	44.00	13.26	0.00
Chhattisgarh	43.0	18.66	30.46
Haryana	24.06	19.96	23.96
Kerala	4.00	0.96	0.89
Punjab	81.06	77.81	81.06
Madhya Pradesh	10.14	5.55	7.53
Maharashtra	2.00	0.70	0.61
Tamil Nadu	7.0	0.04	0.55
Uttaranchal	4.63	2.14	1.38
Uttar Pradesh	11.27	6.47	4.05
West Bengal	13.59	4.20	1.80
Others	36.46	4.96	0.12
All-India	319	162.43	176.36

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	23.13											

*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 23.13 million tons as of Jan- 1, 2015.

State wise Wholesale Prices Weekly for Rice 01st Week of Dec-2015:

State	Prices 09-15 Jan 2015	Prices 01-08 Jan 2015	Prices 24-31 Dec 2014	Prices 09-15 Jan 2014	% Change(Over Previous Week)	% Change(Over Previous to Previous Week)	% Change(Over Previous Year)
AP	3767.76	3767.29	3734.26	3553.29	0.01	0.9	6.04
Assam	2877.82	2964.32	2996.24	2965.47	-2.92	-3.95	-2.96
Gujarat	2663.82	2702.15	2667.36	2646.03	-1.42	-0.13	0.67
Jharkhand	2561.93	2525.44	2602.14	2570.93	1.44	-1.55	-0.35
Karnataka	3104.09	3347.37	3232.32	2917.67	-7.27	-3.97	6.39
Kerala	3122.07	3284.06	3329.38	3215.19	-4.93	-6.23	-2.9
Maharashtra	3388.44	3377.71	3501.27	4054.74	0.32	-3.22	-16.43
Meghalaya	3468.32	3464.41		3649.43	0.11	—	-4.96
Orissa	2363.34	2305.96	2285.23	2325.68	2.49	3.42	1.62
Tripura	2579.27	2593.54	2598.16	2714.53	-0.55	-0.73	-4.98
Uttar Pradesh	2080.79	2029.12	2012.92	1898.78	2.55	3.37	9.59
Uttarakhand	1927.32	1894.57	1820.52	1886.88	1.73	5.87	2.14
West Bengal	2429.79	2432.21	2355.65	2469.49	-0.1	3.15	-1.61
Average	2794.98	2822.16	2761.28	2836.00			
As per the data reported by APMCs							

Price Projection for Jan 03rd Week in Domestic Market:

Duration	Trend	Average Price Range
03 rd Week of Jan, 2015	Steady	Rs.2780-2840/Q

Global Updates:

The Thai Rice Exporters Association (TREA) President said that Thailand's rice exports would reach about 10.2-10.5 million tons in 2014 and expressed confidence that the Southeast Asian nation would reclaim the world's top rice exporter this year. Thailand exported about 10.07 million tons of rice between January 1 - December 2, 2014, up about 67% over 6 million tons exported last year, according to TREA.

FAO has forecast Thailand will reclaim the world's top rice exporter status in 2014. According to the agency, Thai rice exports to West and Southern African countries and Far Eastern nations have increased significantly. FAO is estimating Thailand's rice exports will increase about 53% y/y to about 10.2 million tons in 2014. The agency noted that Thai exports will further increase to 11 million tons in 2015 despite a likely dent in local production due to water shortages.

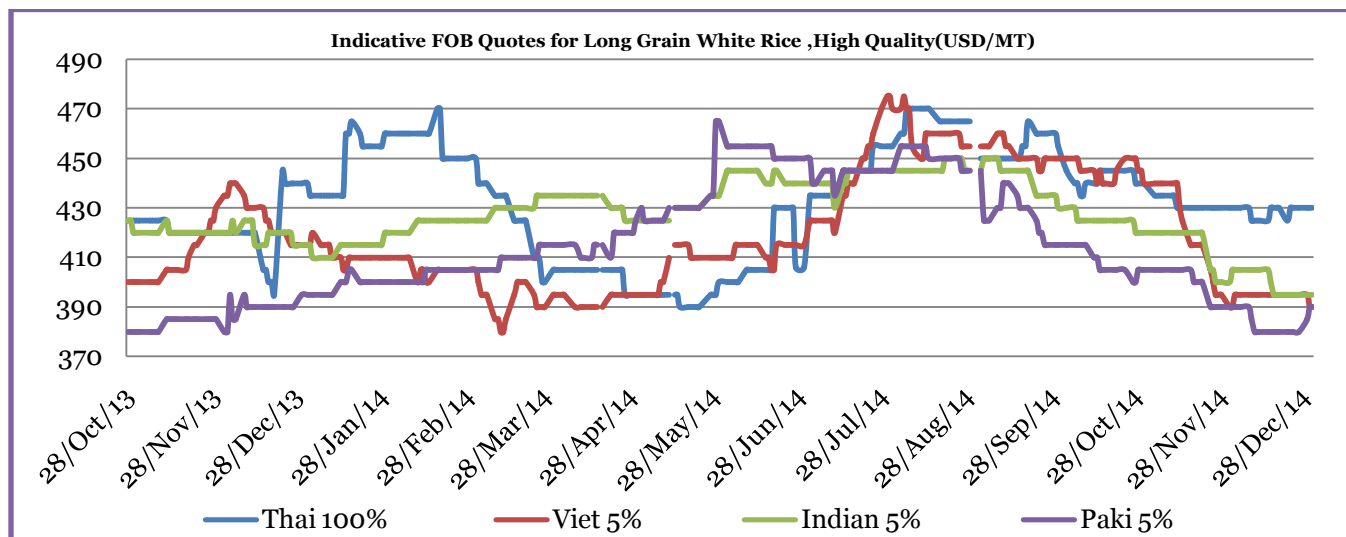
Total rice output in Mekong Delta is estimated to reach 25.5 million tonnes this year, a rise of 500,000 tonnes from last year. The Southwest Region Steering Committee said the figure accounts for 56 per cent of the country's total rice production in 2014, Vietnam News Agency (VNA) reported. The increase 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.

The Australian government is working closely with research scientists from Australia, Bangladesh, India, and Nepal to improve rice productivity and profitability of small scale farmers in the Eastern Gangetic plains of Nepal, Bangladesh, and India.

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.

Source Oryza

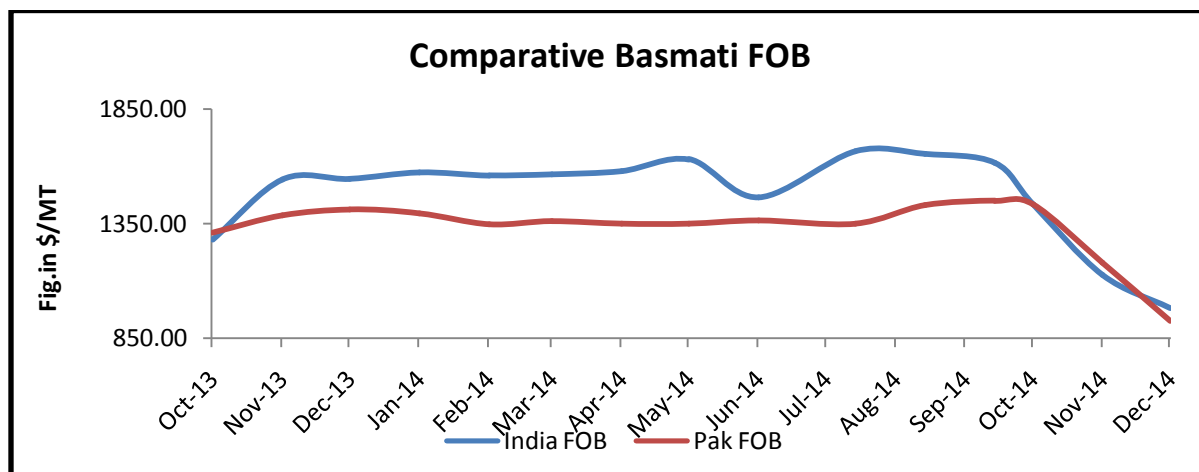
FOB Quotes for Long Grain White Rice, High Quality



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.

1121 Steam Basmati and Pakistan Basmati FOB:



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
03 rd Week of Jan, 2015	Steady to Weak	10.50-11.50

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