Latest Market Development:

All-India progressive procurement of Rice as on 23.01.2015 for the marketing season 2014-15 was 180.67 lakh tonnes against the procurement of 198.83 lakh tonnes upto the corresponding period of last year.

All India Average rice price in the fourth week of January was moved steady to slightly weak and down by around 2% from last week price of Rs. 2734.9/quintal. Currently all India non basmati rice price is moving in the range of Rs.2600-2700/quintal. We expect price will move in the range bound in coming week.

Among the food grains, Inflation of Rice has decreased to 4.43% from the previous month's level of 5.55%, Cereals has to 1.26% from the previous month's level of 2.09%, Wheat to -2.46% from the previous month's level of -2.31%. The inflation for Pulses has increased to 5.88% from the previous month's level of 4.43%.

Madhya Pradesh cabinet on 20.01.2015 approved the decision of increasing tax liability limit on purchase of Basmati paddy from Rs 10 crore to Rs 50 crore. This will encourage farmers to grow Basmati while traders would find it attractive to purchase and market the same with an increased tax liability limit.

With latest decision taken by Mizoram government to hike PDS rice price by 58 % starts protest in the state. This week Mizoram Government has increased the price of rice sold of APL through public distribution system (PDS) from Rs 9.50/kilo to Rs 15/Kilo.

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.

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.

Rice Monthly Export:

MY-2013-14	Non Basmati	Basmati	Total Export 2013-14	MY-2014-15	Non Basmati	Basmati	Total Export2014-15
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 23.01.2015 (lakh tonnes):

State	Total procurement in marketing season	Progressive Procurement as on 23.01.2015	
	2013-14 (Oct. - Sept.)	In Marketing season 2014-15	In Marketing season 2013-14
Andhra Pradesh	37.38	8.59	20.86
Telangana	44.00	14.55	0.00
Chhattisgarh	43.0	27.87	40.76
Haryana	24.06	19.96	24.03
Kerala	4.00	0.97	0.94
Punjab	81.06	77.81	81.06
Madhya Pradesh	10.14	7.27	9.25
Maharashtra	2.00	0.90	0.83
Tamil Nadu	7.0	0.04	0.55
Uttaranchal	4.63	3.22	1.98
Uttar Pradesh	11.27	9.44	5.70
West Bengal	13.59	6.03	3.45
Others	36.46	4.02	9.42
All-India	**319**	**180.67**	**198.83**

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 04th Week of Jan-2015:

State	Prices 24-31 Jan 2015	Prices 16-23 Jan 2015	Prices 24-31 Jan 2014	% Change(Over Previous Week)	% Change(Over Previous Year)
AP	3682.4	3644.5	3111	1.04	3.28
Assam	3128.5	3077.8	3034.5	1.65	3.1
Gujarat	2624.5	2681	2637.1	-2.11	-0.48
Jharkhand	2533.9	2515.2	2550.6	0.74	-0.66
Karnataka	3283.3	3217.3	2929.9	2.05	12.06
Kerala	3058.1	3149	3363.4	-2.89	-9.08
Meghalaya	3500	3470	3447.4	0.86	1.53
Delhi	1900	2000	1912.5	-5	-0.65
Orissa	2181	2818	2407.8	-22.6	-9.42
Tripura	2673.7	2590.9	2742.1	3.19	-2.49
UP	2081.4	2025.9	1931.3	2.74	7.77
Uttrakhand	1846.4	1950.6	2206.5	-5.34	-16.32
WB	2394.1	2413.9	2483.6	-0.82	-3.6
Average	2683.6	2734.9	2673.7		
As per the data reported by APMCs					

Price Projection for Feb 01st Week in Domestic Market:

Duration	Trend	Average Price Range
01st Week of Feb, 2015	**Steady to slightly weak**	**Rs.2600-2700/Q**

Global Updates:

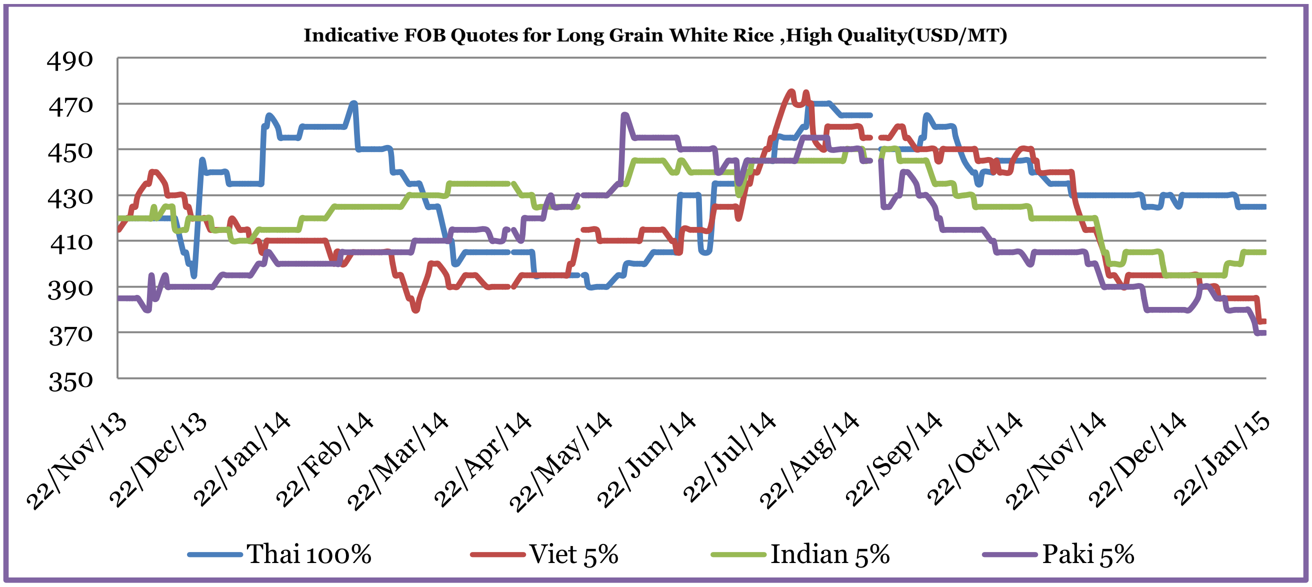
Vietnam is projected to export 900,000 tonnes of rice in the first quarter of 2015, of which 500,000 tonnes have already been contracted, according to the Vietnam Food Association. Vietnam exported around 800,000 tons and 1.45 million tons of rice during 2014 and 2013 respectively; the main reason for decrease in export is lower demand from African countries and increasing supplies from Thailand and India.

Thailand is expected to increase its rice export volume from 10.8 million tonne last year to 11 million tonne in 2015.Most of the sales are expected through process. Thai commerce ministry is working in tandem with private exporters to clinch maximum market share it has lost in the past years. Thai govt has eyed its major customers like China, Nigeria, Iran and Philippines at this point of time.

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.Privinces 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 touch5.85 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.

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).

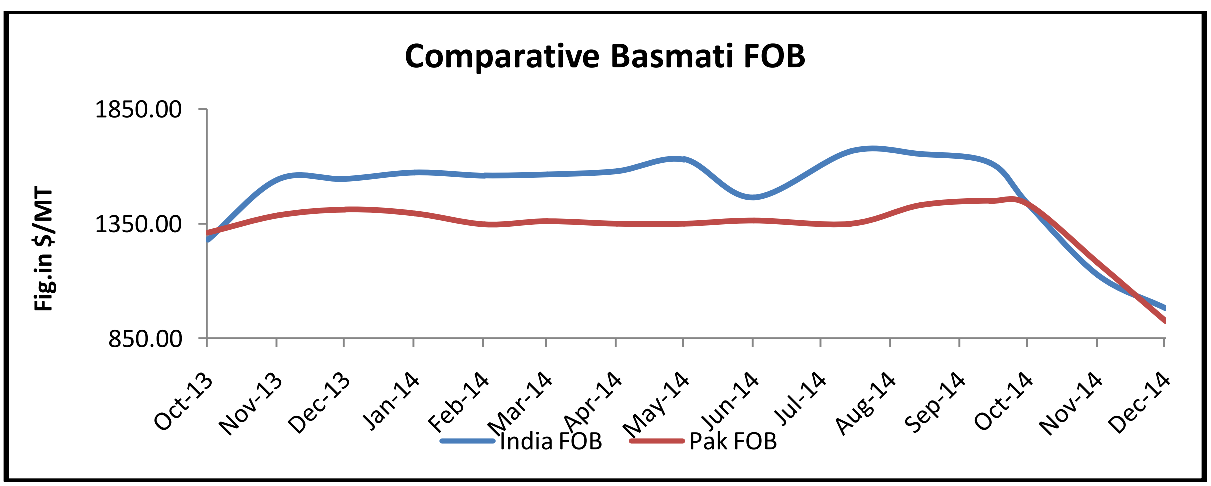
FOB Quotes for Long Grain White Rice, High Quality



Source-Oryza

FOB quotes for high quality white rice in the previous week was steady to weak in all major exporters due to arrival of new crop. FOB quotes for Thailand white rice high quality ruling highest among all country in the range of USD 425-430/MT, however Pakistan and Vietnam FOB are moving in downward direction. Currently India has parity advantage of White rice from Thailand.

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

Market Analysis:

The CBOT Jan rough rice chart indicates downward movement in previous sessions. We expect market will hover in the range USD 10.00 to USD 11.00/ hundredweight in coming sessions.

Price Projection (International-CBOT):

Duration	Trend	Price Range
01st Week of Feb, 2015	**Steady to Weak**	10.00-11.00