Latest Market Development:

All India Average rice price in the second week of February was moved slightly weak by around -0.5% from previous week and currently hover in the range of Rs.2750-2760/quintal. We expect market is likely to move in the range bound in coming weeks.

Iran may lift the ban on rice import in the month of March as said by Indian commerce ministry. Iran imposed ban on rice imports in November-2014.

All-India progressive procurement of Rice as on 30.01.2015 for the marketing season 2014-15 was 194.32 lakh tonnes against the procurement of 209.61 lakh tonnes upto the corresponding period of last year.

India's Union Minister for Food, Consumer Affairs and Public Distribution Ram Vilas Paswan has claimed that rice and sugar earmarked for public distribution in Assam is being 'black marketed' to Bangladesh.

As per data received by IBIS, rice export for MY-2014-15(Oct14-Sep-15) in the month of January was 10.35 lakh tonnes which is higher by around 11% from last month export of 9.32 lakh tonnes.

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%.

This year's Basmati rice exports from India might drop 10 per cent compared to last year, mainly on account of lower exports to Iran. Overall rice exports are set to suffer with Thailand set to become the top rice exporting country in the world, replacing India. The fall has resulted in Basmati losing the top-exporting commodity tag in the agri-basket to buffalo meat. Basmati is now No 2 in the export basket.

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	6.75	3.60	10.35
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	20.88	12.92	33.8

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 33.8 lakh tonnes which was down by around 2% from same period last year export of 34.47 lakh tonnes. Non basmati rice export in the month of January was 6.75 lakh tonnes and basmati exports for MY-2014-15(Oct14-Sep-15) in January was 3.60 lakh tonnes which is lower by around 09% from last month. Saudi Arabia was the largest buyer in the month and import approx 105 thousand MT followed by Iran which import around 73 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 30.01.2015 (lakh tonnes):

State	Total procurement in marketing season	Progressive Procurement as on 30.01.2015	
	2013-14 (Oct. - Sept.)	In Marketing season 2014-15	In Marketing season 2013-14
Andhra Pradesh	37.38	9.86	23.36
Telangana	44.00	14.77	0.00
Chhattisgarh	43.0	31.36	46.07
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	8.00	10.40
Maharashtra	2.00	0.96	0.90
Tamil Nadu	7.0	0.04	0.55
Uttaranchal	4.63	3.38	2.04
Uttar Pradesh	11.27	10.67	6.47
West Bengal	13.59	6.73	3.99
Others	36.46	4.02	9.42
All-India	**319**	**194.32**	**209.61**

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	25.22										

*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 25.22 million tons as of Feb- 1, 2015.

State wise Wholesale Prices Weekly for Rice 02nd Week of Feb-2015:

State	Prices 09-15 Feb 2015	Prices 01-08 Feb 2015	Prices 24-31 Jan 2015	Prices 09-15 Feb 2014	% Change(Over Previous Week)	% Change(Over Previous to Previous Week)	% Change(Over Previous Year)
AP	3705.89	3728.11	3682.95	2683.55	-0.6	0.62	38.1
Assam	3052.39	3314.15	3119.09	3019.3	-7.9	-2.14	1.1
Gujarat	2822.78	2645.92	2624.62	2617.23	6.68	7.55	7.85
Jharkhand	2519.41	2525.69	2526.07	2543.3	-0.25	-0.26	-0.94
Karnataka	2214.98	1786.49	3281.52	2922.47	23.99	-32.5	-24.21
Kerala	3097.69	3156.32	3089.31	4150.7	-1.86	0.27	-25.37
Maharashtra	3446.15	3436.52	4658.41	1985.08	0.28	-26.02	73.6
Meghalaya	3084.13	3473.32	3467.28	3591.03	-11.21	-11.05	-14.12
Orissa	2134.19	2251.35	2206.29	2368.22	-5.2	-3.27	-9.88
Telangana	3700	3678.35	3634.31	3032.18	0.59	1.81	22.02
Tripura	2561.74	2560.21	2676.3	2737.29	0.06	-4.28	-6.41
UP	2036.33	2047.66	2081.45	1948.18	-0.55	-2.17	4.52
Uttarakhand	1908.47	1865.19	1846.35	2071.86	2.32	3.36	-7.89
West Bengal	2324.8	2345.24	2370.07	2498.94	-0.87	-1.91	-6.97
Average	2757.78	2772.47	2947.43	2726.38			
As per the data reported by APMCs							

Price Projection for Feb 03rd Week in Domestic Market:

Duration	Trend	Average Price Range
03rd Week of Feb, 2015	Steady	Rs.2730-2770/Q

Global Updates:

Thailand 5% broken rice ended the month of January at about $405 per ton, down about 1% from a month ago and down about 8% from a year ago.

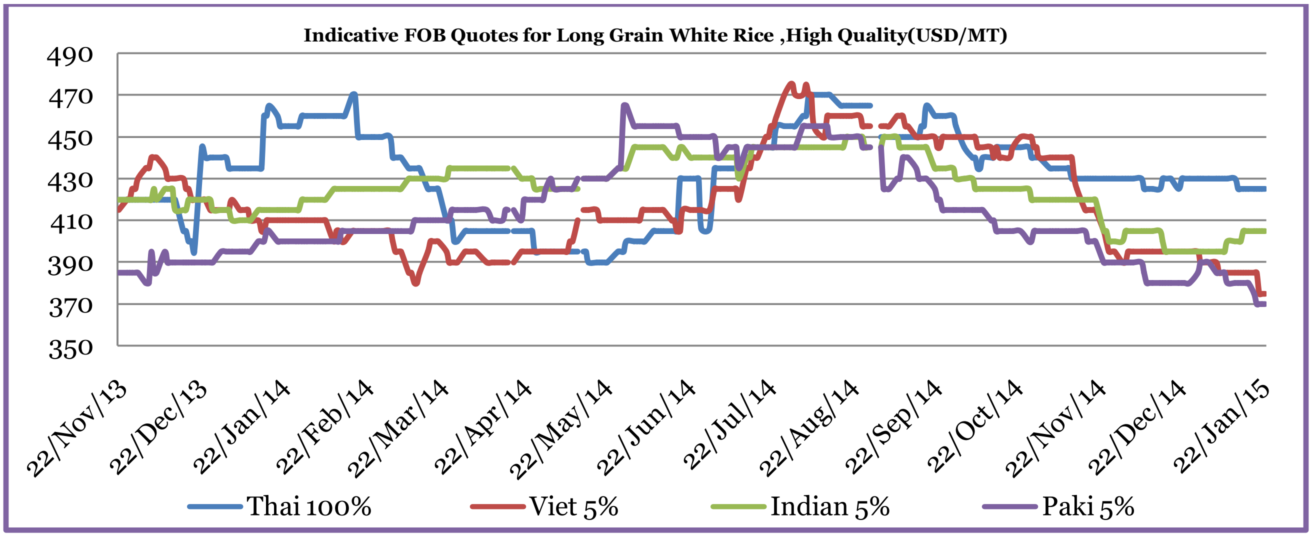
As per by the President of the Thai Rice Exporters Association (TREA), the Thai Rice Exporters Association (TREA) is estimates Thailand's 2015 rice exports will decline to about 10 million tons, down about 9% from about 10.97 million tons exported in 2014 due to strong competition from Vietnam as well as falling oil prices, He noted that most of Thailand's export destinations in Africa depend on oil exports for their income and falling crude oil prices has been putting a toll on the their incomes. In this situation, they are expected to lower rice imports this year. He however, said that Thailand's rice export prices are expected not to decline significantly and to stay close to the current level of about $405 - $410 per ton.

Pressure on Thai rice price is likely stay steady to slightly firm despite lower production and export estimates. Domestic market is already ruling at lower level and more dip from current level is unlikely in the month of February. In comparison to last year Feb price, it is ruling 8 percent lower. Thai rice export may dip from10.97 million tonne to 10 million tonne in 2015.Despite,Vietnam's active export sale and lower demand from African countries Thai rice price may move range bound($405 to $410 per tonne) to slightly firm.

Thai Commerce ministry have planned to sell 10 million tonne rice in 2015 and 7 million tonne in 2016 form accumulated stock. Better response from bidders in auction remains supportive for the domestic rice market. The main reason for better response in auction is mainly attributed to to some changes made to the bidding rules. The government fixed floor prices before auction.

South Korea is looking to remove export restriction on rice due to much higher availability. High price of locally produced rice restrict them to export rice in few markets like China and Japan. However, Japan has very high import tariffs on rice so making them to look for China market. Last year S. Korea rice harvest was 4.24 million tons against annual consumption of about 4 million tons and was able to export 2,000 tons of rice.

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.

IGC Balance Sheet: **(Fig. In Million Tonnes)**

	2011-12	2012-13	2013-14 est.	2014-15 projection 27.11.14	projection 22.01.15
Production	476	472	476	475	474
Trade	39	38	40	41	42
Consumption	459	469	477	482	482
Carryover stocks	107	110	109	102	102
Y-O-Y change	7	3	-0		-8
Major Exporters	37	40	39	33	32

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 Mar rough rice chart indicates range bound movement in previous sessions. We expect market will hover in the range USD 10.25 to USD 11.00/ hundredweight in coming sessions.

Price Projection (International-CBOT):

Duration	Trend	Price Range
03rd Week of Feb, 2015	**Steady**	10.25-11.00