

Latest Market Development:

All India Average rice price in the third week of February was moved with range bound to slightly weak by around -0.87% from previous week and currently hover in the range of Rs.2725-2730/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 13.02.2015 for the marketing season 2014-15 was 206.39 lakh tonnes against the procurement of 223.01 lakh tonnes upto the corresponding period of last year.

In second Advance Estimate released by Government of India, rice production for MY-2014-15 at around 103 million tonnes which is down by 3% from last year production of 106.65 million tonnes. Lower production estimate is due to lower and late rainfall in all major growing states. On the other hand USDA expects that Indian rice production is approx 102 million tonnes in MY-2014-15 which is down by 4% from last year rice production.

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.

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.

In the winter season, cumulative Rainfall for the country as a whole during the period 1st January to 11th February, 2015 is -13% lower than LPA. Rainfall (% departure from LPA) in the four broad geographical divisions of the country during the above period was lower by -20% in North West India, -54% in East & North East India, -31% in South Peninsula and higher by 82% in Central India.

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.

Note: balance sheet will update in next weekly report.

Progressive Procurement of Rice as on 13.02.2015 (lakh tonnes):

State	Total procurement in marketing season	Progressive Procurement as on 13.02.2015	
	2013-14 (Oct. - Sept.)	In Marketing season 2014-15	In Marketing season 2013-14
Andhra Pradesh	37.38	12.18	27.62
Telangana	44.00	15.13	0.00
Chhattisgarh	43.0	33.54	51.19
Haryana	24.06	19.96	24.03
Kerala	4.00	1.09	1.06
Punjab	81.06	77.81	81.06
Madhya Pradesh	10.14	8.00	10.40
Maharashtra	2.00	1.12	1.05
Tamil Nadu	7.0	0.04	0.55
Uttaranchal	4.63	4.29	2.61
Uttar Pradesh	11.27	11.36	8.08
West Bengal	13.59	8.15	4.92
Others	36.46	4.02	9.42
All-India	319	206.39	223.01

Rice Stock in Central Pool Kitty from 2011-2015:

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 03rd Week of Feb-2015:

State	Prices 16-23 Feb 2015	Prices 09-15 Feb 2015	Prices 01-08 Feb 2015	Prices 16-23 Feb 2014	% Change(Over Previous Week)	% Change(Over Previous to Previous Week)	% Change(Over Previous Year)
AP	3636.25	3710.68	3728.11	3600.67	-2.01	-2.46	0.99
Assam	2756.68	3035.75	3300.46	3141.65	-9.19	-16.48	-12.25
Gujarat	2775.34	2822.78	2648.5	2652.06	-1.68	4.79	4.65
Jharkhand	2562.6	2535.02	2525.69	2545.97	1.09	1.46	0.65
Karnataka	2347.5	2214.98	1786.49	2941.42	5.98	31.4	-20.19
Kerala	3087.73	3113.8	3156.32	3869.52	-0.84	-2.17	-20.2
Maharashtra	3561.71	3385.32	3361.95	3856.37	5.21	5.94	-7.64
Manipur	2846.88	2708.57	2800	2600	5.11	1.67	9.5
Meghalaya	3500	3097.18	3473.32	3329.27	13.01	0.77	5.13
Orissa	2158.26	2142.39	2251.35	2352.98	0.74	-4.13	-8.28
Telangana		3700	3678.35	3064.26	—	—	—
Tripura	2589.37	2549.39	2561.94	2711.52	1.57	1.07	-4.5
Uttar Pradesh	2045.64	2041.5	2047.66	1942.5	0.2	-0.1	5.31
Uttarakhand	2069.07	1889.98	1865.19	1807.86	9.48	10.93	14.45
West Bengal	2260	2334.94	2345.15	2513.25	-3.21	-3.63	-10.08
Average	2728.36	2752.15	2733.16	2828.1			
As per the data reported by APMCs							

Price Projection for Feb 04th Week in Domestic Market:

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

Global Updates:

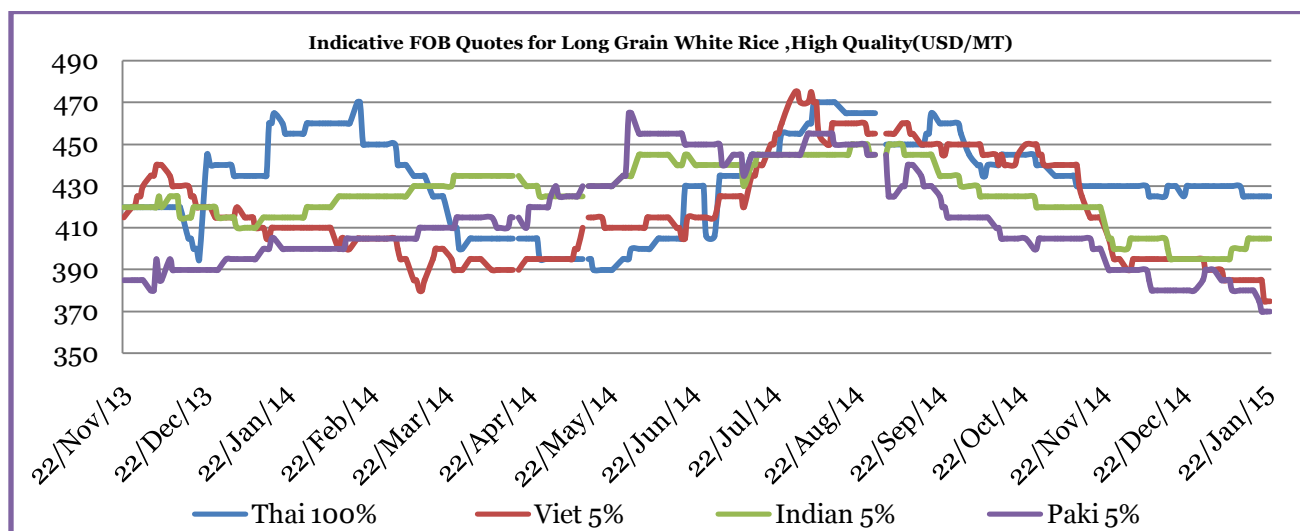
As per by USDA latest report, Nigeria's rice import for MY-2014-15 is expected to up about 17% from last year's total rice import of 3,000 MT. Nigeria is the major non basmati rice importing country from India. Nigeria's rice production for 2014-15 is about 2,550 MT which is down by 8% from last year rice production of 2,772 MT; this could be one reason besides many political issues for increasing the rice import in the same year.

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.

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.

Paddy nursery field is preparing by farmer in Chiang Mai region of Thailand. This is the sowing time for second crop after harvesting of main crop. It is reported that 64,991 hectare area was planted under paddy till January 26th 2015. On the other hand area under paddy (Second Crop) for whole country was approx 8,633,151 Hectare till date.

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 March rough rice chart indicates range bound to slightly firm movement in previous sessions. We expect market will hover in the range USD 10.60 to USD 11.20/ hundredweight in coming sessions.

Price Projection (International-CBOT):

Duration	Trend	Price Range
04 th Week of Feb, 2015	Steady to Firm	10.60-11.20

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