

Latest Market Development:

All India Average rice price in the fourth week of February was moved with range bound to slightly firm by around 0.06% which is negligible from previous week and currently hover in the range of Rs.2625-2630/quintal. We expect market is likely to move in the range bound to slightly firm in coming weeks.

All-India progressive procurement of Rice as on 20.02.2015 for the marketing season 2014-15 was 209.12 lakh tonnes against the procurement of 228.74 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.

As per Rabi Crops data released by Directorate of Economics and Statistics, Ministry of Agriculture, total area coverage as on today under Rabi crops moves to 617.97 lakh hectares while last year's sowing area was at 659.31 lakh hectare. The area under sowing of Rice is at 27.04 lakh hectares this year which covered 57% of total rabi coverage under rice while the last year's figure was 31.51 lakh hectares. Andhra Pradesh and West Bengal are reported highest area under rabi paddy with contribution of 16.41% and 14.04% respectively.

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%.

Basmati rice prices continue to reel under pressure due nearly a million tonnes of additional rice production this year and plentiful stocks. There are virtually no buyers in the market for bulk quantity and stockists/millers are unable to hold stock and want to get rid of stock as there is a limit of their holding capacity.

In the winter season, cumulative Rainfall for the country as a whole during the period 1st January to 18th February, 2015 is -21% lower than LPA. Rainfall (% departure from LPA) in the four broad geographical divisions of the country during the above period was lower by -27% in North West India, -56% in East & North East India, -40% in South Peninsula and higher by 63% 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	23.41
Production	106.54	103
Imports	0	0
Total Availability	132.73	126.41
Consumption	99.18	99.15
Exports	10.14	9
Total Usage	109.32	108.15
Carry out	23.41	18.26
Av Monthly Consumption	8.27	8.26
Stock to Month Use	2.83	2.21
Stock to Consumption Ratio	0.24	0.18

(Source: Agriwatch Research, USDA)

Agriwatch has revised its rice production and ending stock estimates in February, 3rd week. Kharif harvesting is 100%over in all over India. After second advance estimates released by Government of India, Agriwatch revised the rice production from 100 million tonnes to 103 million tonnes which is down by around 3% from last year milled rice production, this may be due to late arrival of monsoon and cumulative rainfall during this year's monsoon till 30th September -2014 was approx 12% below the Long Period Average (LPA) for the country as a whole.

At Export front, it is same from Agriwatch's last estimates, however we expect that export of rice (including basmati and non basmati rice) could vary from 8.5 million tonnes to 9.5 million tonnes depends upon global demand for Indian rice and competitive price offer from major competitors like Thailand, Pakistan and Vietnam.

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 (April-August).

Progressive Procurement of Rice as on 20.02.2015 (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	12.48	28.64
Telangana	44.00	15.18	0.00
Chhattisgarh	43.0	33.54	53.35
Haryana	24.06	19.96	24.03
Kerala	4.00	1.17	1.14
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	2.83
Uttar Pradesh	11.27	13.92	8.27
West Bengal	13.59	8.80	5.42
Others	36.46	4.02	9.42
All-India	319	209.12	228.74

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 04th Week of Feb-2015:

State	Prices 24-28 Feb 2015	Prices 16-23 Feb 2015	Prices 09-15 Feb 2015	Prices 24-28 Feb 2014	% Change(Over Previous Week)	% Change(Over Previous to Previous Week)	% Change(Over Previous Year)
AP	3683.85	3707.03	3735.61	2736.41	-0.63	-1.39	34.62
Assam	3193.22	2961.75	3035.75	3142.54	7.82	5.19	1.61
Gujarat	3958.23	2791.43	2822.78	2609.14	41.8	40.22	51.71
Jharkhand	2551.92	2570.41	2535.02	2572.51	-0.72	0.67	-0.8
Karnataka	1733.33	1587.69	2214.98	2967.95	9.17	-21.75	-41.6
Kerala	2926.01	3120.55	3113.8	4270.14	-6.23	-6.03	-31.48
Maharashtra	2750.94	3538.2	3385.32	3766.22	-22.25	-18.74	-26.96
Manipur		2848.48	2708.57	2600	—	—	—
Meghalaya	2908.7	3259.62	3097.18	3500	-10.77	-6.09	-16.89
Delhi	2000	2100		2000	-4.76	—	0
Orissa	2152.15	2107.33	2145.43	2466.06	2.13	0.31	-12.73
Tripura	2609.84	2559.29	2549.39	2679.54	1.98	2.37	-2.6
Uttar Pradesh	2025.17	2044.71	2041.5	1961.8	-0.96	-0.8	3.23
Uttarakhand	2109.16	1957.76	1915.91	1827.79	7.73	10.09	15.39
West Bengal	2182.01	2233.37	2334.94	2482.34	-2.3	-6.55	-12.1
Average	2627.47	2625.84	2688.29	2772.16			
As per the data reported by APMCs							

Price Projection for March 01st Week in Domestic Market:

Duration	Trend	Average Price Range
01 st Week of Mar, 2015	Steady	Rs.2730-2770/Q

Global Updates:

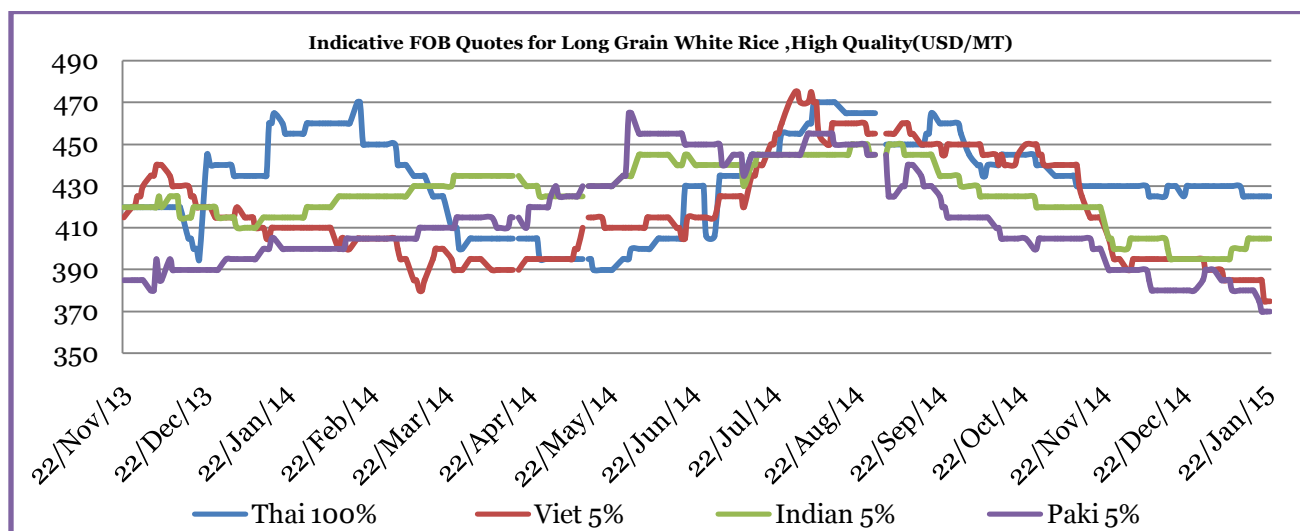
As per by USDA latest report, Nigeria's rice import for MY-2014-15 is expected to up about 17% from last year's total rice import of 3,000 MT. Nigeria is the major non basmati rice importing country from India. Nigeria's rice production for 2014-15 is about 2,550 MT which is down by 8% from last year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

In its February Rice Outlook report, USDA has forecasted 2015 global rice trade at a near-record 42.2 million tons, down about 1.6% from last year's 42.9 million tons, and slightly up from the previous month's forecast of around 41.9 million tons. The slight decline in global trade in 2015 is mainly due to smaller exportable supplies in Thailand, says USDA. On the exports side, USDA lowered estimates for Thailand's 2015 exports to around 11 million tons from its last month's forecasts of around 11.3 million tons due to expected lower exportable supplies.

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 some changes made to the bidding rules. The government fixed floor prices before auction.

As per IGC latest report, Global rice production in 2014/15 is forecast to decline marginally from the previous year's record, to 474m t. With consumption revised higher, world end-season inventories are cut to a five-year low of 101m t, the y/y contraction of about 8% reflecting heavy falls in the major exporters, namely Thailand and India. The projection of trade in 2015 is raised fractionally, but is still anticipated to be down by 2% from last year's record on smaller deliveries to Asia.

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 22.01.15	projection 26.02.15
Production	476	472	476	474	474
Trade	39	38	40	42	42
Consumption	459	469	477	482	483
Carryover stocks	107	110	109	102	101
Y-O-Y change	7	3	-0		-9
Major Exporters	37	40	39	32	30

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 lower, with lesser supply by India. 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 10.30 to USD 10.50/ hundredweight in coming sessions.

Price Projection (International-CBOT):

Duration	Trend	Price Range
01 st Week of March, 2015	Steady to Weak	10.30-10.50

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