

Latest Market Development:

All India Average rice price in the first week of March was moved slightly firm by 2.86% from previous week and currently hover in the range of Rs.2860-2870/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 27.02.2015 for the marketing season 2014-15 was 215.73 lakh tonnes against the procurement of 232.83 lakh tonnes upto the corresponding period of last year.

The latest move by AP state Govt. to increase the quota of rice from 4 kg to 5 kg per person for BPL family may have direct bearings on rice demand in the state. Demand from these consumers would decrease as they will get additional 4 to 5 kg rice per family. It would help market to trade range bound at current level.

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.

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 stockiest/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 25th 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 -4% in North West India, -56% in East & North East India, -50% in South Peninsula and higher by 44% in Central India.

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	6.75	3.60	10.35
February-14	6.18	3.5	9.68	February-15	5.74	1.83	7.57
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	26.62	14.75	41.37

Revised (Source-DGCIS & * = IBIS)

Total Rice export for MY-2014-15 till February-15 was 41.37 lakh tonnes which was down by around 6% from same period last year export of 44.15 lakh tonnes. Non basmati rice export in the month of February was 5.74 lakh tonnes and basmati exports for MY-2014-15(Oct14-Sep-15) in the month was 1.83lakh tonnes which is lower by around 15% and 49% respectively from last month.

The fall of basmati rice export was mainly due to import ban by Iran who is a major basmati rice importer from Iran. This year Agriwatch expects that total rice export may fall from 10.14 million tonnes to 9 million tonnes due to lower production prospects as well tough competition from Thailand, which is planning to sell rice from their stockpiles at cheaper rate in global market.

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 27.02.2015 (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	15.01	30.27
Telangana	44.00	15.38	0.00
Chhattisgarh	43.0	33.54	53.37
Haryana	24.06	19.96	24.03
Kerala	4.00	1.22	1.18
Punjab	81.06	77.81	81.06
Madhya Pradesh	10.14	8.00	10.40
Maharashtra	2.00	1.20	1.12
Tamil Nadu	7.0	0.04	0.55
Uttaranchal	4.63	4.29	3.05
Uttar Pradesh	11.27	14.18	9.34
West Bengal	13.59	9.70	5.88
Others	36.46	4.02	9.42
All-India	319	215.73	232.83

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 1st Week of March-2015:

State	Prices 01-08 Mar 2015	Prices 24-28 Feb 2015	Prices 16-23 Feb 2015	Prices 01-08 Mar 2014	% Change(Over Previous Week)	% Change(Over Previous to Previous Week)	% Change(Over Previous Year)
AP	3640.8	3771.3	3712.27	3802.85	-3.46	-1.93	-4.26
Assam	2997.41	3180.3	2961.75	3223.32	-5.75	1.2	-7.01
Gujarat	4208.9	4094.53	2791.43	2670.44	2.79	50.78	57.61
Jharkhand	2592.94	2563.41	2570.23	2570.44	1.15	0.88	0.88
Karnataka	2600	2120.4	1617.14	2983.74	22.62	60.78	-12.86
Kerala	3191.59	3078.89	3177.53	3966.58	3.66	0.44	-19.54
Maharashtra	3607.23	3446.78	3539.27	5679.53	4.66	1.92	-36.49
Meghalaya	3471.22	2895.92	3259.62	2744.93	19.87	6.49	26.46
Orissa	2230.73	2173.97	2107.33	2337.34	2.61	5.86	-4.56
Tripura	2525.45	2548.99	2561.18	2652.56	-0.92	-1.4	-4.79
UP	2063.47	2050.19	2044.47	1976.44	0.65	0.93	4.4
Uttarakhand	1840.27	2082.45	1957.76	2053.54	-11.63	-6	-10.39
West Bengal	2289.16	2214.21	2235.3	2520.27	3.38	2.41	-9.17
Average	2866.09	2786.25	2656.56	3013.99			
As per the data reported by APMCs							

Price Projection for March 02nd Week in Domestic Market:

Duration	Trend	Average Price Range
02 nd Week of Mar, 2015	Steady to Firm	Rs.2750-2850/Q

Global Updates:

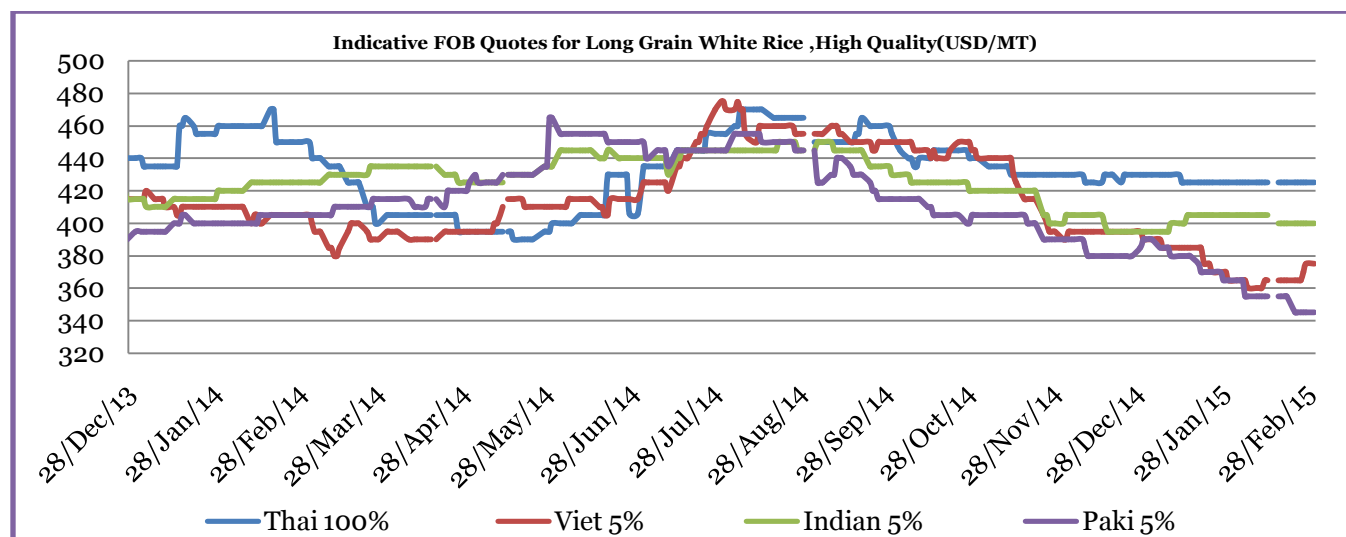
As per by USDA latest report, Nigeria's rice import for MY-2014-15 is expected to up about 17% from last year's total rice import of 3,000 MT. Nigeria is the major non basmati rice importing country from India. Nigeria's rice production for 2014-15 is about 2,550 MT which is down by 8% from last year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

Prolonged rains over the past week in the Cuu Long (Mekong) Delta have severely affected the harvest and quality of the summer-autumn rice crop. The delta is entering peak harvest time for the crop, but harvesting has been slow, as ripe rice plants have been toppled by heavy rains and wind. Pham Thi Ngot, who cultivates 0.6ha rice in Tam Binh District in Vinh Long Province, said more than 70 per cent of her plants had collapsed and must be harvested by hand. Ngot said she was also short of workers as demand for farm help was high this season. Heavy winds and rain have toppled about half of 27,000ha of ripe rice in Vinh Long Province, according to the province's Department of Agriculture and Rural Development.

Top exporter Thailand received bids for around 780,000 tonnes of rice out of the 1 million tonnes offered in its latest tender, the Commerce Ministry said on Friday, as the government continues to sell grain to reduce its bulging stockpiles. Thailand built up more than 17 million tonnes of the grain under a subsidy scheme run by the government of ousted Prime Minister Yingluck Shinawatra until early 2014, which paid farmers well above market rates for their crops.

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 month of February was steady for Indian and Thailand white rice 5% and 100% respectively, while Pakistan FOB quotes for white rice high quality was moved slightly down from last month and Vietnam FOB for same was slightly up from last month.

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 10.38 to USD 10.55/ hundredweight in coming sessions.

Price Projection (International-CBOT):

Duration	Trend	Price Range
02 nd Week of March, 2015	Steady	USD/ Hundred Weight 10.38-10.55

Disclaimer

The information and opinions contained in the document have been compiled from sources believed to be reliable. The company does not warrant its accuracy, completeness and correctness. Use of data and information contained in this report is at your own risk. This document is not, and should not be construed as, an offer to sell or solicitation to buy any commodities. This document may not be reproduced, distributed or published, in whole or in part, by any recipient hereof for any purpose without prior permission from the Company. IASL and its affiliates and/or their officers, directors and employees may have positions in any commodities mentioned in this document (or in any related investment) and may from time to time add to or dispose of any such commodities (or investment). Please see the detailed disclaimer at <http://www.agriwatch.com/Disclaimer.asp> © 2015 Indian Agribusiness Systems Pvt Ltd