Latest Market Development:

All India Average rice price in the second week of March was moved slightly weak by 0.33% from previous week and currently hover in the range of Rs.2790-2800/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 decision of allowing FCI to vacate excess rice stock from 1st April, 2015 through e-auction may cap possibility of firmness in non-basmati rice market. As on first March, 2015 India's rice stock stood at 246 lakh tonne, while under buffer norm India needs around 135 lakh tonne rice as buffer norm and as strategic norm.FCI would start e-auction for rice from 1st April, 2015 and through this process almost 2 million tonne rice has to be auction. The bench mark price for the rice has been fixed at Rs 2300 per qtl.

For the first time, the country's buffalo meat exports in the first three quarters of the current fiscal have surpassed that of Basmati rice. The shipment of Basmati rice in the same period fell marginally to Rs 20,471 crores mainly due to import curbs by Iran, the largest export destination for Basmati rice. In 2013 -14, the country exported Basmati worth of Rs 29,291 crores while buffalo meat shipment was at Rs 26,457 crores.

After several rounds of discussions, Iran is likely to start issuing permits to Indian exporters, paving the way for basmati exports. As per Ajay Sahai, Director General of the Federation of Indian Exports Organization (FIEO), India may resume exports of basmati rice exports to Iran ,most probably in the coming financial year. Basmati rice exports from India in 2013-14 are likely to decline 10% due to Iran's temporary halt of fresh order issuances. The country has not issued any fresh import permits after October 2014. However, execution of existing and past orders continued.

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.

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	9.06	2.52	**11.58**
November-13	4.29	2.49	**6.78**	November-14	6.75	2.98	**9.73**
December-13	5.11	3.79	**8.9**	December-14	6.39	3.79	**10.18**
January-14	6.85	3.44	**10.29**	January-15*	6.75	3.6	**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	3.95	2.85	**6.8**	April-15			
May-14	4.26	3.37	**7.63**	May-15			
June-14	5.02	3.64	**8.66**	June-15			
July-14	6.5	2.33	**8.83**	July-15			
August-14	6.99	2.16	**9.15**	August-15			
September-15	9.64	2.03	**11.67**	September-15			
Total	**69.66**	**34.59**	**104.25**	**Total**	**34.69**	**14.72**	**49.41**

Revised (Source-DGCIS & * = IBIS)

Total Rice export for MY-2014-15 till February-15 was 41.37 lakh tonnes which was up by around 12% 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 27.02.2015	
	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 02nd Week of March-2015:

State	Prices 09-15 Mar 2015	Prices 01-08 Mar 2015	Prices 24-28 Feb 2015	Prices 09-15 Mar 2014	% Change(Over Previous Week)	% Change(Over Previous to Previous Week)	% Change(Over Previous Year)
AP	3501.9	3698.47	3771.3	3626.08	-5.31	-7.14	-3.42
Assam	2996.7	3047.52	3180.3	3194.01	-1.67	-5.77	-6.18
Gujarat	4228.59	4182.98	4094.53	2760.84	1.09	3.27	53.16
Jharkhand	2551.77	2594.74	2563.41	2619.57	-1.66	-0.45	-2.59
Karnataka	2193.79	1926.67	2027.67	3009.75	13.86	8.19	-27.11
Kerala	3294.78	3207.13	3078.89	3895.31	2.73	7.01	-15.42
Maharashtra	3415.72	3424.65	3257.35	3612.24	-0.26	4.86	-5.44
Meghalaya	3438.94	3438.04	2895.92	3395.65	0.03	18.75	1.27
Orissa	2129.33	2224.64	2173.97	2395.26	-4.28	-2.05	-11.1
Tripura	2498.72	2523.82	2548.99	2673.38	-0.99	-1.97	-6.53
Uttar Pradesh	2027.58	2060.43	2050.19	1986.68	-1.59	-1.1	2.06
Uttrakhand	1879.01	1921.39	2082.45	1867.25	-2.21	-9.77	0.63
West Bengal	2210.42	2237.44	2214.21	2517.16	-1.21	-0.17	-12.19
Average	2797.48077	2806.763	2764.552	2888.706			
As per the data reported by APMCs							

Price Projection for March 03rd Week in Domestic Market:

Duration	Trend	Average Price Range
03rd Week of Mar, 2015	Steady	Rs.2750-2850/Q

Global Updates:

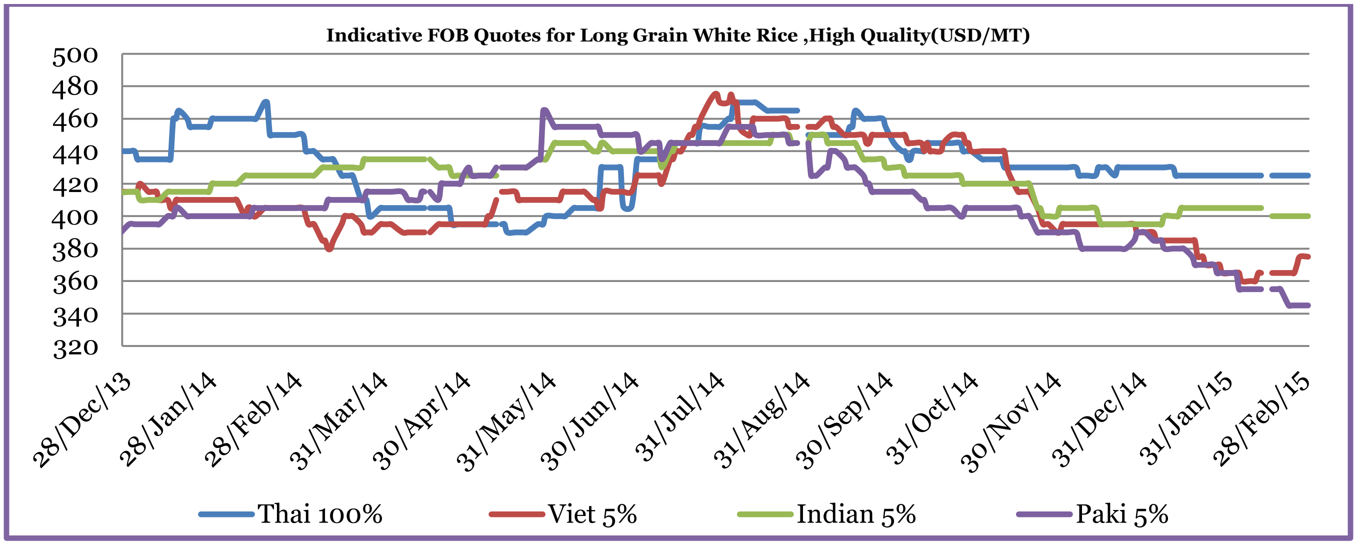
As per by USDA latest report, Nigeria's rice import for MY-2014-15 is expected to up about 17% from last year's total rice import of 3,000 MT. Nigeria is the major non basmati rice importing country from India. Nigeria's rice production for 2014-15 is about 2,550 MT which is down by 8% from last year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

At price front Vietnam remains the cheapest supply source with an offer at $365-$375 per tonne for 5% white broken rice. India offers the same variety at $400-405 per tonne. Thai white rice is a little bit costly at $420-425 per tonne for 100 % white rice. We see here the difference between offering price is almost $25-35/tonne. However, variation is due to quality to some extent. This shows that all suppliers are intending to offload as much quantity as they can under tough marketing condition. Slight recovery is expected from current level as rice market is almost hovering at its bottom level. Major suppliers cannot offer rice at high price as they know that other suppliers are ready to attract them immediately.

Ample marketable surlus available in the rice global market would not allow market to go for any bull runs in the near to medium term.IGC has revised down production estimate from476 to 474 million tonne,lower by 2 million tonne from the last year.In global rice market context it is not considered as a major reduction at the price impacting front.USDA too has revised down rice production estimate from 476.96 to 474.6 million tonne for 2015.As consumption is not growing fast,it will limit the prospect of any emerging spike given the normal weather condition throghout the world.

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
03rd Week of March, 2015	**Steady**	USD/ Hundred Weight 10.38-10.55