Rice Weekly Research Report
13th April-2015

Latest Market Development:

All India Average rice price in the second week of April was moved firm by 10.39% from previous week and currently hover in the range of Rs.2900-2910/quintal. We expect market is likely to move in the range bound to firm in coming weeks.

India retained its position as the top rice exporter in 2014, edging out Thailand which appears to have toppled India based on the early data of the last quarter of 2014. Rice exports by India and Thailand surged in late 2014 and the latest revisions for rice exports indicate that India edged out Thailand to retain the top spot, according to the first rice market report 2015 published by the United Nations Food and Agriculture Organization (FAO). It said India shipped an unprecedented 11.3 million tonnes, slightly ahead of Thailand's 11.0 million tonnes (milled).

Union Minister for Labour and Employment Bandaru Dattatreya met the Union Minister for Food, Consumer Affairs and Public Distribution Ram Vilas Paswan and sought to increase the Maximum Support Price (MSP) for the procurement of paddy from Rs 1,400 to Rs 1,800 per quintal on the grounds of excess moisture content. Dattatreya informed that the farmers were desperate and they were forced to sell their produces at much lower price with no alternative. However, any final decision is yet to be finalized and would likely to concluding before kharif sowing.

As per data released by Ministry of agriculture, Planting for India's 2014-15 rabi (secondary) rice crop (November-May) has reached about 4.05 million hectares as of April-10 a decrease of about 7% from the same period last year.

All-India progressive procurement of Rice as on 27.03.2015 for the marketing season 2014-15 was 240.66 lakh tonnes against the procurement of 243.94 lakh tonnes up to the corresponding period of last year. Punjab, Chhattisgarh and Haryana are major contributor for rice procurement in the season.

China is likely to begin rice import from India in July this year, as domestic consumption is increased in 2014-15 by 1.43% from last year as per by USDA. China previously restricted the import of Indian basmati rice due to Khapra beetle.

Andhra Government agencies had purchased Rs 425 crores worth of paddy from farmers in Krishna district during the kharif season. Opening a paddy procurement centre at Gollapudi village in Krishna district to purchase rabi season paddy from farmers, government agencies purchased 3,31,135 metric tonne of paddy from 15,393 farmers in the district as per by Minister for Water Resources Devineni Umamaheshwara Rao.

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*	6	3.98	**9.98**
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-14	9.64	2.03	**11.67**	September-15			
Total	**69.66**	**34.59**	**104.25**	**Total**	**40.69**	**18.7**	**59.39**

Revised (Source-DGCIS & * = IBIS)

Total Rice export for MY-2014-15 till March-15 was 59.39 lakh tonnes which was up by around 15% from same period last year export of 51.51 lakh tonnes. Non basmati rice export in the month of March was 6.00 lakh tonnes and basmati exports for MY-2014-15(Oct14-Sep-15) in the month was 3.98 lakh tonnes. This month Saudi Arabia was the largest buyer of aromatic rice which contributes around 30% of total export of aromatic rice.

India Rice Balance Sheet:

Figure in MMT	2013-14	2014-15*
Carry in	26.19	22.65
Production	106.54	102.5
Imports	0	0
Total Availability	132.73	125.15
Consumption	99.18	99.35
Exports	10.9	9

Total Usage	110.08	108.35
Carry out	22.65	16.8
Av Monthly Consumption	8.27	8.28
Stock to Month Use	2.74	2.03
Stock to Consumption Ratio	0.23	0.17

(Source: Agriwatch Research, USDA)

Agriwatch has revised its rice production and ending stock estimates in April, 1st week. Rabi sowing is almost over in rabi rice growing states and acreage is 9.5% down from last year so we down the rice production for MY-2014-15 from 103 million tonnes in previous estimates(3rd week Of February) to 102.5 million tonnes.

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 by major competitors like Thailand, Pakistan and Vietnam.

Domestic consumption is likely to up by 1.17% from last year consumption of 99.18 million tonnes to 99.35 million tonnes in 2014-15. 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 27.03.2015 (lakh tonnes):

State	Total procurement in marketing season	Progressive Procurement as on 27.03.2015	
	2013-14 (Oct. - Sept.)	In Marketing season 2014-15	In Marketing season 2013-14
Andhra Pradesh	37.38	17.20	35.13
Telangana	44.00	15.77	0.00
Chhattisgarh	43.0	33.55	42.85
Haryana	24.06	20.01	24.05
Kerala	4.00	2.02	1.88

Punjab	81.06	77.81	81.06
Madhya Pradesh	10.14	8.00	10.40
Maharashtra	2.00	1.32	1.26
Tamil Nadu	7.0	0.06	0.59
Uttaranchal	4.63	4.29	3.71
Uttar Pradesh	11.27	15.32	10.68
West Bengal	13.59	11.98	7.34
Others	36.46	4.02	9.42
All-India	319	240.66	243.94

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	24.05	23.62								

*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 24.05 million tons as of Mar- 1, 2015.

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

State	Prices 09-15 Apr 2015	Prices 01-08 Apr 2015	Prices 24-31 Mar 2015	Prices 09-15 Apr 2014	% Change(Over Previous Week)	% Change(Over Previous to Previous Week)	% Change(Over Previous Year)
AP	3591.88	3713.9	3748.27	3703.4	-3.29	-4.17	-3.01
Assam	3217.76	3170.99	3170.51	3043.42	1.47	1.49	5.73
Gujarat	5226.07	4199.98	4056.77	2764.89	24.43	28.82	89.02
Jharkhand	2505.63	2547.42	2553.4	2662.92	-1.64	-1.87	-5.91

Karnataka	2400	990	1447.06	3005.25	142.42	65.85	-20.14
Kerala	3269.76	3274.97	3159.18	3555.5	-0.16	3.5	-8.04
Maharashtra	3217.55	1906.73	3061.42	4390.07	68.75	5.1	-26.71
Meghalaya	3500	3468.11	3410.65	3274.19	0.92	2.62	6.9
Orissa	2292.3	2157.42	2193.25	2305.12	6.25	4.52	-0.56
Tripura	2538.56	2657.54	2640.35	2649.31	-4.48	-3.86	-4.18
Uttar Pradesh	2029.28	2023.36	2039.47	2004.06	0.29	-0.5	1.26
Uttarakhand	1858.54	1929.74	1877.83	2146.47	-3.69	-1.03	-13.41
West Bengal	2185.6	2230.36	2271.39	2620.36	-2.01	-3.78	-16.59
Average	2910.23	2636.19	2740.73	2932.68			
As per the data reported by APMCs							

Price Projection for April 03rd Week in Domestic Market:

Duration	Trend	Average Price Range
03rd Week of Apr, 2015	**Steady to Firm**	**Rs.2800-2950/Q**

Global Updates:

Colombian rough/paddy rice production is expected to increase 130,000 MT to 1.98 million MT in MY2015/16. In 2014, the area planted fell by about 60,000 hectares (148,000 acres). As a result, rice production declined 132,000 MT. Reduced supplies at the end of CY 2014 put upward pressure on rice prices, increasing 53% since December 2014. This price surge is stimulating expanded planting and Post forecasts that area planted will recover to about 450,000 hectares (1.1 million acres) in MY 2015/2016.

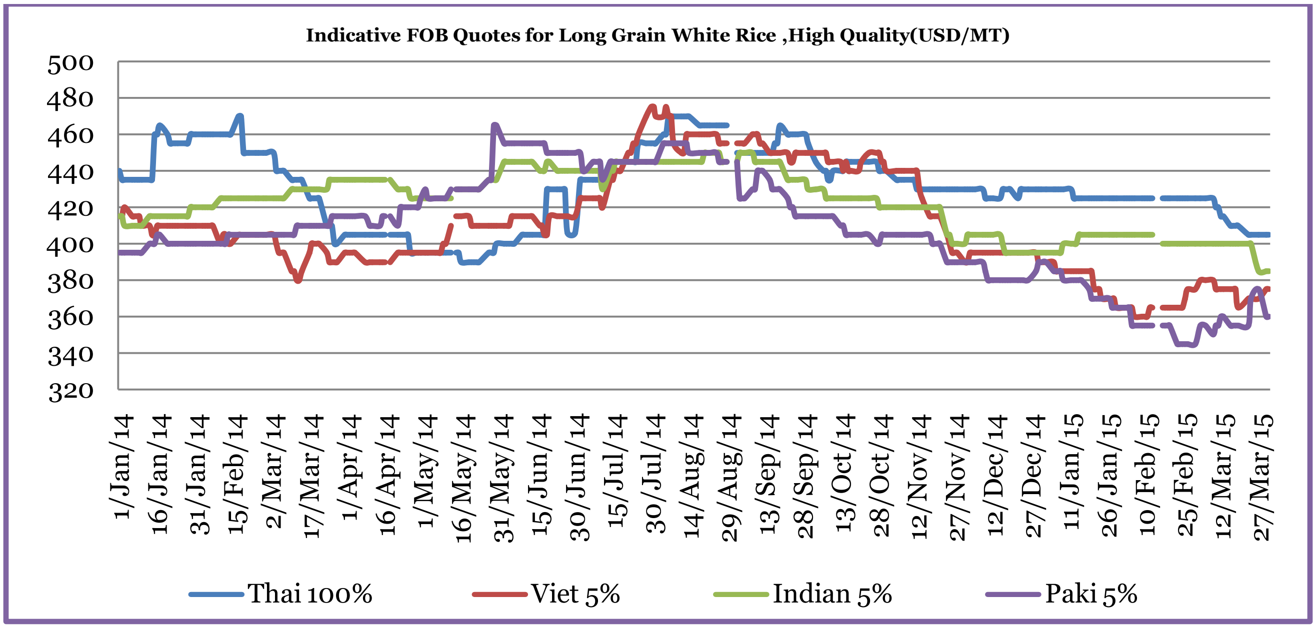
The International Rice Research Institute (IRRI) and its partners have announced that they had released at least 28 new rice varieties to eight countries in Asia and Africa last year.

A delegation of Guangdong Grain Association of China, during a B2B meeting, has sealed an agreement with Rice Exporters Association of Pakistan (REAP) to import 1,500 metric tonnes of rice from Pakistan.

Peru a country in western South America's Rice production in MY 2015/16 is forecast at 2.15 MMT (milled basis), remaining in the same level as current production. Rice production has reached a maximum level and is now limited by water availability and demand. The total rice harvested area for MY 2015/16 is forecast to fall to 400,000 hectares, about the same as the previous year. With good weather conditions and plentiful water, rice production in CY 2014 reached almost 2 MMT. Rice is normally harvested April through May in the country, averaging $317 per MT in CY 2014. This price represents a 3.6 percent increase compared to the previous year.

The International Grains Council estimates 2015 world rice trade will reach about 42 million tons, down about 3% from a record 43 million tons in 2014. The IGC estimates world rice production for 2014-15 will be about 475 million tons, down slightly from 2013-14. World rice consumption in 2014-15 may increase to about 483 million tons, up about 1% from the previous year. World rice ending stocks are expected to decline from the previous year to around 101 million tons in 2014-15.

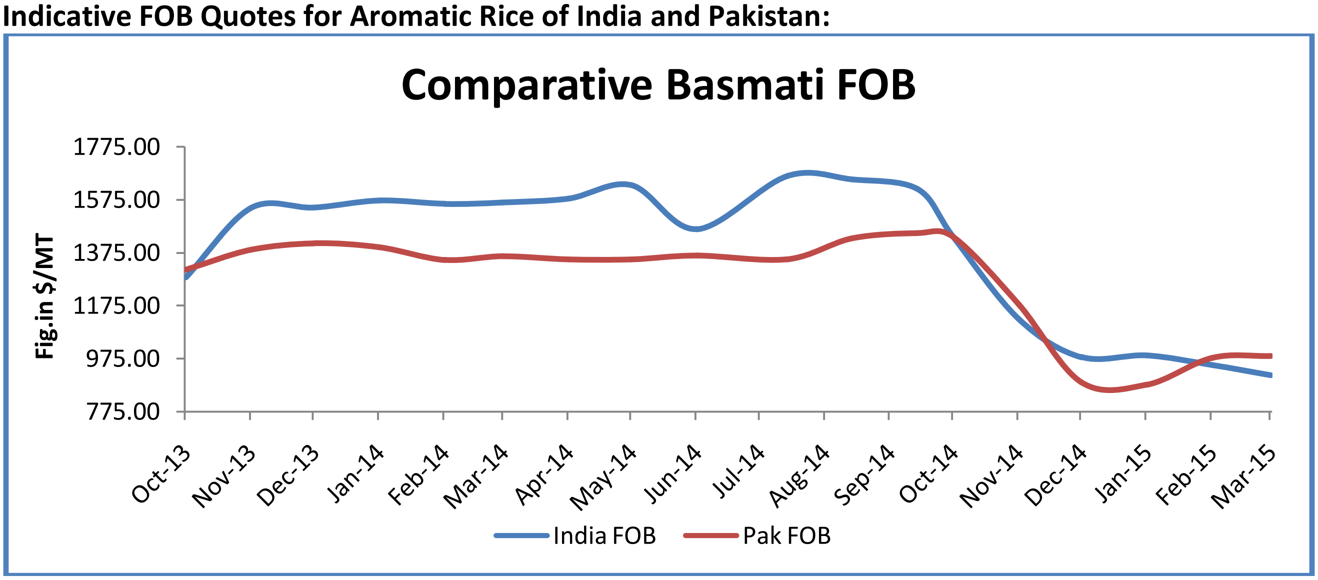
FOB Quotes for Long Grain White Rice, High Quality



Source-Oryza

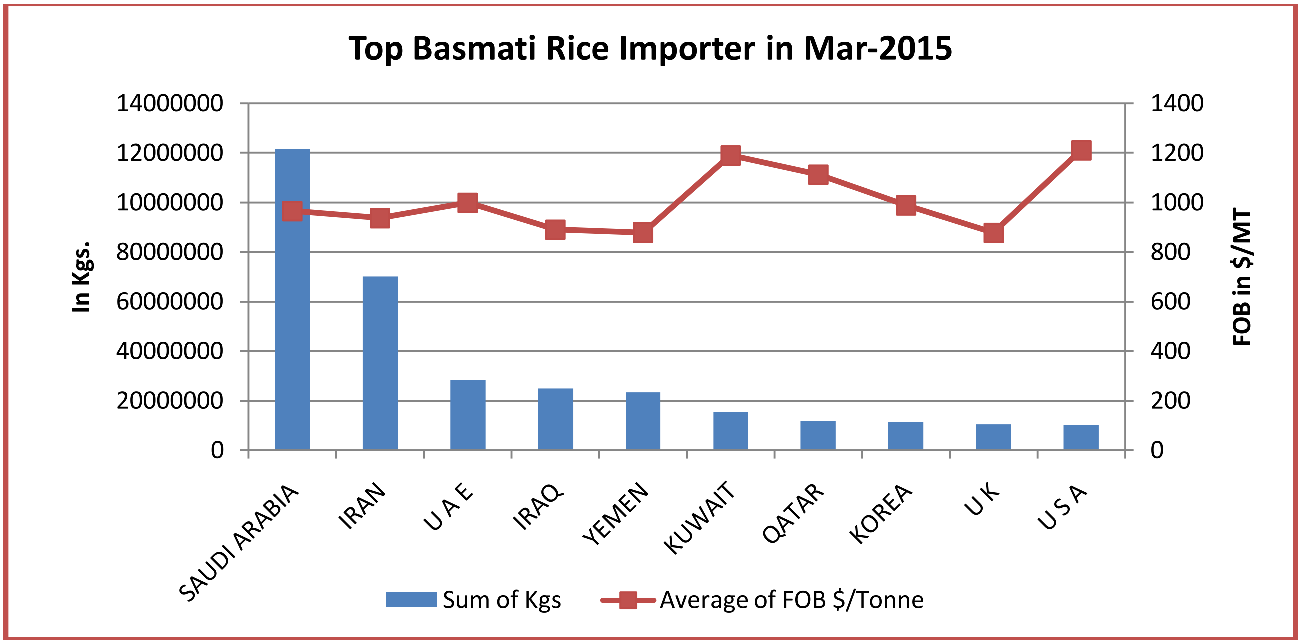
FOB quotes for high quality white rice in the month of March was weak in all major exporters except Pakistan. FOB for Thailand, Vietnam and India were down by -4%, -1.3 and -3.75% respectively in the month of March from last month. On the other hand due to lower production prospects and lower carryover stock in Pakistan, rice international price was moved up in last month by 4.34%.

Indicative FOB Quotes for Aromatic Rice of India and Pakistan:



Pakistan Basmati FOB in the month of March was again surpassed the Indian basmati rice FOB by 7.32%. Currently Indian FOB is hovering in the range of USD 910-912/MT where as Pakistan basmati FOB is USD 985/MT as per latest data given by FAO.

Top Basmati Rice Importing Countries in March-2015:



Again Saudi Arabia emerged as a top importer for Indian aromatic rice in the month of March, replacing Iran to second position. Lowest FOB quotes were received by Yemen and UK, whereas higher price was offered by Kuwait and USA.

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

	2012-13	2013-14 est.	projection 26.02.15	2014-15 Forecast 22.01.15	projection 26.0315 2015-16
Production	467	472	476	474	475
Trade	39	29	43	42	42
Consumption	458	468	479	483	483
Carryover stocks	109	113	110	101	101
Y-O-Y change	8	4	-3		-8
Major Exporters	37	40	38	30	31

Note: Major exporters are India, Pakistan, Thailand, Vietnam, and United States

IGC Rice Balance sheet Highlights:

World rice output in 2014/15 is placed fractionally higher than before, at 475m t, only slightly lower y/y. The increase from February is absorbed through upward adjustments to use and stocks. Nevertheless, world carryovers are still seen at a four-year low of around 101m t, led by a steep contraction in leading exporters. Forecast world trade in 2015 (Jan/Dec) is cut marginally, to some 42m t, only 3% below last year's high. Underpinned by increased food demand in Asia, global rice consumption in 2014/15 is anticipated to rise by 1% y/y, to a fresh peak. And with total use set to exceed world production, end-season carryovers are expected to fall by 8%. Much of the contraction will be due to the major exporters, namely Thailand and India. World trade in 2015 (Jan/Dec) is forecast to fall by 3% from the previous year's record on a contraction in shipments to South Asian markets.

Rice Price Trend @ CBOT May- 15, Rough Rice):
(Prices in US$/hundredweight)

Market Analysis:
The CBOT May month rough rice chart indicates weak movement in previous session. We expect market will hover in the range USD 10.20 to USD 11.00/ hundredweight in coming sessions.

Price Projection (International-CBOT):

Duration	Trend	Price Range
03rd Week of April, 2015	**Steady to Weak**	USD/ Hundred Weight 10.25-11.00

Disclaimer