Rice Weekly Research Report
11th May-2015

Latest Market Development:

All India Average rice price in the second week of May was moved down by 1% from previous week and currently hover in the range of Rs.2670-2680/quintal. We expect market is likely to move in the range bound to firm in coming weeks due to lower rabi rice coverage and supported by lean season.

As Agriwatch had predicted to firmness in basmati rice market to move up from last month report, market behave exactly in same manner and again we expect market will trade firm in coming month from current level. Aromatic average rice price in different Mandis of Punjab and Haryana were up by 1-8% from last month average price.

The area under rabi/summer rice as on May 1st 2015 stands at 40.66 as compared to 44.88 lakh hectare in previous year .Total area under rabi rice and summer crops stands at 64.20 lakh hectare as compared to 66.23 lakh hectare in previous year.

India's basmati rice exports have increased slightly around 3.78 million tons in FY 2014-15 from around 3.76 million tons exported during the same period in FY 2013-14. India's basmati rice exports were primarily impacted due to Iran's ban on rice imports since November 2014. India exported around 900,000 tons of rice to Iran in FY 2014-15, down about 36% from around 1.4 million tons exported last year. Saudi Arabia, UAE, Iraq, Kuwait remained the other top importers of Indian basmati rice.

On April 22, 2015, Indian Metrological Department (IMD) released its first long-range forecast for the 2015 southwest monsoon season (June-September), predicting a below normal monsoon for the second consecutive year. The 2015 monsoon rainfall is likely to be about 93 percent of the long period average (LPA) with a margin of error of five percent. Besides IMD lower rainfall forecast, El-Niño pattern is developing once again and thus basmati farmers have no option to grow other varieties despite lower price realization. In adverse condition basmati growers may opt to grow 1509 despite of 1121.

India rice export touched 10.81 million tonne in first 11 months of the FY 2014-15. It is 8.5 percent higher from the same period last year (9.96 million tonne. However, basmati rice export has declined by 4 percent to around 3.3 million tonne during April-2014 to Feb 2015.Basmati export during same period last year was recorded at 3.44 million tonne.The reason behind lower basmati export is mainly attributed to lower demand /ban from Iran.

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**	8.22	2.95	**11.17**
November-13	4.29	2.49	**6.78**	**November-14**	8.1	2.56	**10.66**
December-13	5.11	3.79	**8.9**	**December-14**	5.38	3.82	**9.2**
January-14	6.85	3.44	**10.29**	**January-15**	8.3	3.47	**11.77**
February-14	6.18	3.5	**9.68**	**February-15**	8.62	3.79	**12.41**
March-14	4.17	3.19	**7.36**	**March-15***	6	3.98	**9.98**
April-14	4.61	2.85	**7.46**	**April-15**			
May-14	4.68	3.37	**8.05**	**May-15**			
June-14	5.05	3.64	**8.69**	**June-15**			
July-14	5.76	2.33	**8.09**	**July-15**			
August-14	7.45	2.16	**9.61**	**August-15**			
September-14	8.86	2.03	**10.89**	**September-15**			
Total	**69.71**	**34.59**	**104.3**	**Total**	**44.62**	**20.57**	**65.19**

Revised (Source-DGCIS & * = IBIS)

Total Rice export for MY-2014-15 till March-15 was 65.19 lakh tonnes which was up by around 26% from same period last year export of 51.55 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 9 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 10.04.2015 (lakh tonnes):

State	Total procurement in marketing season	Progressive Procurement as on 10.04.2015	
	2013-14 (Oct. - Sept.)	In Marketing season 2014-15	In Marketing season 2013-14
Andhra Pradesh	37.38	17.90	36.64
Telangana	44.00	16.08	0.00
Chhattisgarh	43.0	33.55	42.85
Haryana	24.06	20.01	24.05
Kerala	4.00	2.46	2.47
Punjab	81.06	77.81	81.06
Madhya Pradesh	10.14	8.07	10.40
Maharashtra	2.00	1.36	1.29
Tamil Nadu	7.0	0.06	0.59
Uttaranchal	4.63	4.29	3.82

Uttar Pradesh	11.27	15.42	10.75
West Bengal	13.59	12.58	7.82
Others	36.46	4.02	9.42
All-India	319	249.31	247.83

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	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 May-2015:

State	Prices 09-15 May 2015	Prices 01-08 May 2015	Prices 24-30 Apr 2015	Prices 09-15 May 2014	% Change(Over Previous Week)	% Change(Over Previous to Previous Week)	% Change(Over Previous Year)
Andhra Pradesh	3266.67	3616.04	3616.55	3644.66	-9.66	-9.67	-10.37
Gujarat	4000	4018.39	3994.02	2710.72	-0.46	0.15	47.56
Jharkhand	2479.01	2501.39	2504.1	2696.89	-0.89	-1	-8.08
Karnataka	2044.82	1723.38	1834.44	3032.07	18.65	11.47	-32.56
Kerala	2900	3109.22	3203.36	3543.57	-6.73	-9.47	-18.16
Orissa	2450.53	2379.88	2295.64	2350.78	2.97	6.75	4.24
Tripura	2687.31	2639.73	2672.82	2628.54	1.8	0.54	2.24
Uttar Pradesh	2029.81	2046.08	2031.71	2021.34	-0.8	-0.09	0.42
West	2189.01	2254.88	2199.37	2630.45	-2.92	-0.47	-16.78

Bengal							
Average	2671.91	2699	2706	2806.55			
As per the data reported by APMCs							

Price Projection for May 02nd Week in Domestic Market:

Duration	Trend	Average Price Range
03rd Week of May, 2015	**Steady to Firm**	**Rs.2730-2800/Q**

Global Updates:

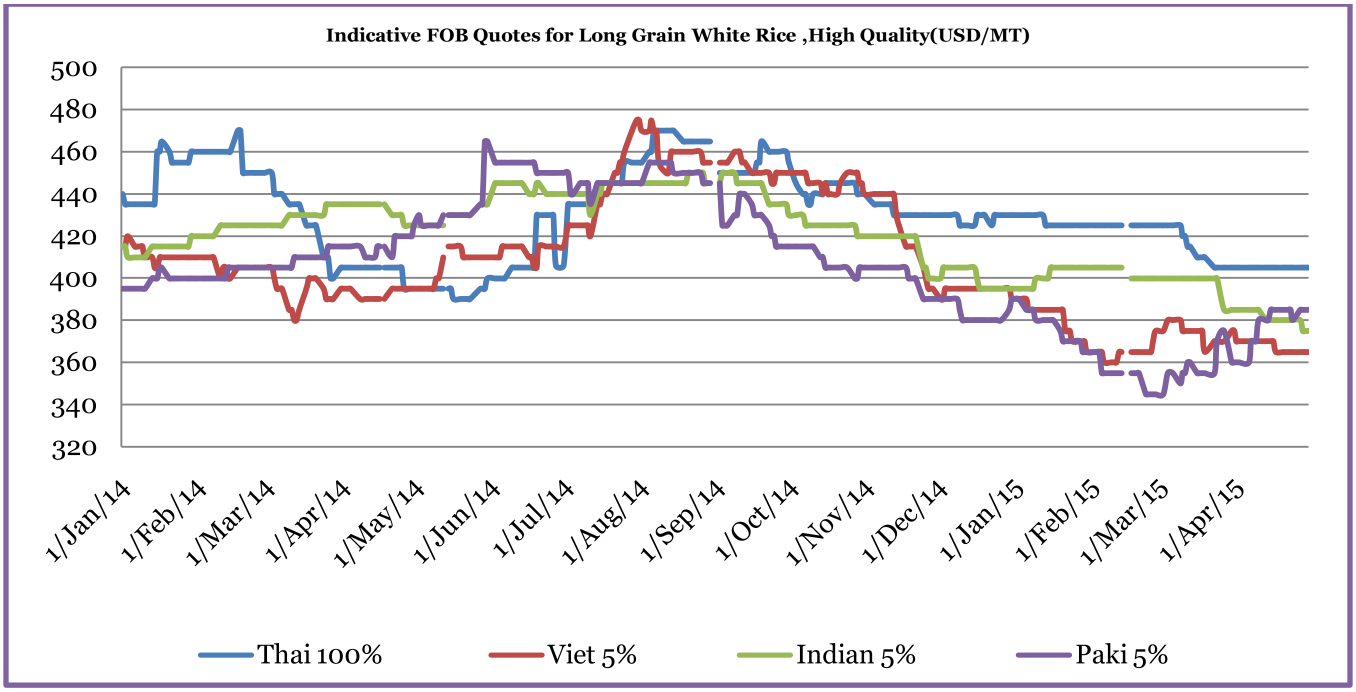
Due to recent 7.8 Mw earthquake in Nepal, not only affected the economic condition of the country but also agriculture growth of the country. Market participant fear that rice area in the country may be much lower than expectation in the country in the coming kharif season, it will direct affect the total availability in the local rice market and Nepal could be dependent for rice on neighboring country. As per USDA Nepal produce around 3 million tonnes rice a year and import around 350,000 tonnes for total consumption. We expect that in coming season the import of agricultural produce including rice could increase from the country.

Lower demand for Vietnam's rice in the global market has compelled Vietnam Food Association to slash down MEP for 25 % broken rice from$350 to $340 per tonne.New floor price (MEP) will be effective from 30th April, 2015. Earlier in the month of March, VFA had reduced the MEP from USD 360-350/MT. Vietnam exported about 1.144 million tons of rice in January 1 - April 13, 2015, down about 35% from about 1.76 million tons of rice exported in first four months of 2014 which also indicates that the demand of the Vietnam rice is lower than last year.

As per the unofficial data, the preliminary rice exports (excluding premium white and fragrant rice) for April 13-19, 2015 totaled 13,968 metric tons, down 44,319 metric tons from the previous week and down 56,008 metric tons from the four-week moving average of 69,976 metric tons . Rice exports from January 1 - April 19, 2015, totaled 1,077,490 metric tons, down 2 percent from the same period last year.

Export prices declined slightly from the previous week as supplies of off-season rice continue coming into the market. This week, farm level prices of 5% grade white rice paddy fell to around 7,720 baht per metric ton ($239/MT), down 0.5 percent from the previous week. Meanwhile, inquiries from traders are reportedly quiet as they are sourcing relatively cheaper rice from Vietnam. Vietnamese rice is approximately 10 percent lower than Thai rice (new-crop 5% grade white rice) and around 5 percent lower than old-crop white rice from the government stocks.

FOB Quotes for Long Grain White Rice, High Quality



Source-Oryza

FOB quotes for high quality white rice in the month of April was moving downward in all major exporters expect Pakistan. Thailand white rice 100% high quality FOB price was moved down by 2.17% from last month price of USD 414/MT, India and Vietnam rice 5% broken high quality was move down by 4.2% and 1.86% from last month price of USD 397/MT and USD 375/MT respectively.

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

	2012-13	2013-14 est.	projection 26.02.15	2014-15 Forecast 22.01.15	projection 23.04.15 2015-16
Production	467	472	476	475	474
Trade	39	39	43	42	41
Consumption	458	469	479	483	483
Carryover stocks	109	112	109	101	100
Y-O-Y change	8	3	-3	-	-9
Major Exporters	37	40	37	31	30

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

IGC Rice Balance sheet Highlights:

The 2014/15 global rice outturn is seen fractionally lower m/m, at 474m t, a negligible fall from the previous year's record. With a reduced figure for carry-ins leading to tighter supplies, global end-season stocks are cut slightly, to 100m t, the y/y drop of 8% mostly in the major exporters. Forecast trade in 2015 is down marginally m/m, to 41m t, a decline of 4% from the 2014 peak owing to reduced demand from Asian buyers.

At 474m t, world rice output in 2014/15 is anticipated to be marginally below the previous year's record. As increased uptake, mainly in Asia, boosts consumption to a new peak of 483m t, world end-season inventories are forecast to contract by 8% y/y, to a five-year low. Within the total, major exporters' stocks are seen dropping by one-fifth, to 30m t, on heavy falls in Thailand and India. Global trade in 2015 is expected to recede by about 4%, mainly on reduced buying interest from Asian importers.

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

Market Analysis:

The CBOT May month rough rice chart indicates range bound movement in previous session. We expect market will hover in the range USD 9.85 to USD 10.20/ hundredweight in coming sessions.

Price Projection (International-CBOT):

Duration	Trend	Price Range
03rd Week of May, 2015	**Steady**	USD/ Hundred Weight 9.85-10.20