

Latest Market Development:

All India Average rice price in the fourth week of May was moved down by 6.5% from previous week and currently hover in the range of Rs.2490-2500/quintal, however all mandis was not covered in this period.

In the third week of May, aromatic rice prices traded weak by 2-5% from last week due to sluggish buying interest from bulk buyers. Despite sellers interest to sale at prevailing prices buyers remain unmoved as they are well aware of weak sentiments.

As per recent updates from PIB, kharif rice sowing for MY-2015-16 commenced in major growing states and 1.80 lakh hectares has been covered till 20th May 2015 which is up by 0.30 lakh hectare from same period last year.

In the third week of May-2015, total rice export from India was registered at 2.63 lakh tonnes in which non-basmati export registered at approx 1.64 lakh tonnes whereas basmati rice contribution was only 98 thousand T, as per data received from IBIS.

The value of Saudi rice imports to the country from India grew by 58 percent, reaching \$1.19 billion (SR4.46 billion) by the end of 2014, compared to \$752.67 million (SR2.82 billion) in 2013, according to Indian Consul General Bawa Syed Mubarak.

On the contrary, India's export growth shrank 14 per cent in April to \$22.05 billion. Exports growth had slid to 21 per cent in March, the biggest fall in the last six years. The main reason is attributed to softening of crude, metal and commodity prices. Decline in exports of rice, marine products, meat, dairy and poultry products, leather and leather products are of equal consequences as these sectors have shown great promise in the past.

Advance of southwest monsoon over the Andaman Sea normally takes place around 20th May with a standard deviation of about one week. During the last few days, enhanced convection and increased rainfall activity has been observed over the Bay of Bengal and the Andaman Sea. The cross equatorial flow is likely to strengthen and deepen over the area. As such, conditions are becoming favorable for advance of southwest monsoon over the Andaman Sea and adjoining sea areas during the next 3- 4 days. The southwest monsoon is likely to set over Kerala on 30th May with a model error of ± 4 days.

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	4.17	3.44	7.61
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	48.79	24.01	72.8

Revised (Source-DGCIS & * = IBIS)

Agriwatch revised the rice export in the second week of May after updating of rice export by APEDA. Total Rice export for MY-2014-15 till April-15 was 72.8 lakh tonnes which was up by around 24% from same period last year export of 58.97 lakh tonnes. Non basmati rice export in the month of April was 4.17 lakh tonnes and basmati exports for MY-2014-15(Oct14-Sep-15) in the month was 3.44 lakh tonnes.

Market sources report strong exports to the traditional Middle East and African markets and neighbouring Bangladesh and Sri Lanka. However, export prospects in the second half of the marketing year are likely to be affected by expected firm domestic prices and concerns on the MY 2015/16 rice planting and production. Assuming lower pace of exports in the second half of the marketing season, MY 2014/15 exports are expected to reach 9-10 MMT.

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 15.05.2015 (lakh tonnes):

State	Total procurement in marketing season	Progressive Procurement as on 15.05.2015	
	2013-14 (Oct. - Sept.)	In Marketing season 2014-15	In Marketing season 2013-14
Andhra Pradesh	37.38	29.09	50.05
Telangana	44.00	23.01	0.00
Chhattisgarh	43.0	33.55	42.85
Haryana	24.06	20.09	24.05
Kerala	4.00	3.59	3.31
Punjab	81.06	77.82	81.06
Madhya Pradesh	10.14	8.07	10.40
Maharashtra	2.00	1.38	1.34
Tamil Nadu	7.0	0.06	0.59
Uttaranchal	4.63	4.61	3.96
Uttar Pradesh	11.27	16.42	11.16
West Bengal	13.59	14.15	8.69
Others	36.46	4.02	9.42
All-India	319	271.95	267.54

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	22.23							

*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 22.23 million tons as of May- 1, 2015.

State wise Wholesale Prices Weekly for Rice 04th Week of May-2015:

State	Prices 24-31 May 2015	Prices 16-23 May 2015	Prices 09-15 May 2015	Prices 24-31 May 2014	% Change(Over Previous Week)	% Change(Over Previous to Previous Week)	% Change(Over Previous Year)
AP	3650	2397.93	2703.19	3703	52.21	35.03	-1.43
Assam	2450	3026.9	3076.47	3418.01	-19.06	-20.36	-28.32
Gujarat	—	2775.23	3881.89	2704.96	—	—	—
Karnataka	1350	3363.12	3289.95	2955.8	-59.86	-58.97	-54.33
Manipur	—	3169.97	2833.33	3127.27	—	—	—
Meghalaya	—	3474.64	3223.08	3551.55	—	—	—
Delhi	—	2000	1900	2000	—	—	—
Orissa	2546.05	2528.31	2395.82	2395.53	0.7	6.27	6.28
Tripura	2630.43	2706.94	2595.74	2557.63	-2.83	1.34	2.85
Uttar Pradesh	2170.22	2041.65	2050.2	2028.63	6.3	5.85	6.98
Uttarakhand	—	1903.29	2024.39	2443.89	—	—	—
West Bengal	2674.06	2652.78	2648.68	2564.03	0.8	0.96	4.29
Average	2495.82	2670	2718.56	2787.52			

As per the data reported by APMCs

Price Projection for June 01st Week in Domestic Market:

Duration	Trend	Average Price Range
01 st Week of June, 2015	Steady to Firm	Rs.2600-2800/Q

Global Updates:

In MY 2013/14, Saudi Arabia imported about 1.4 million MT of rice. India remained the dominant rice supplier to the Saudi market, with its exports rising by about 9.5 percent last year, to 972,701 MT and controlling 69.3 percent market share. In MY2013, Basmati rice varieties accounted for about 85 percent of Indian's total rice exports to the Saudi market and the remaining were non-Basmati varieties, mainly Parmal rice variety

Chinese scientists have discovered a new "dwarf" gene in rice, which could increase the yield of the most productive hybrid rice in China by a further 20 per cent. By reducing the rice plant's height, the gene reduced the incidence of stem collapse prior to harvest and increased the number of tillers per plant, enabling a significant increase in grain yield.

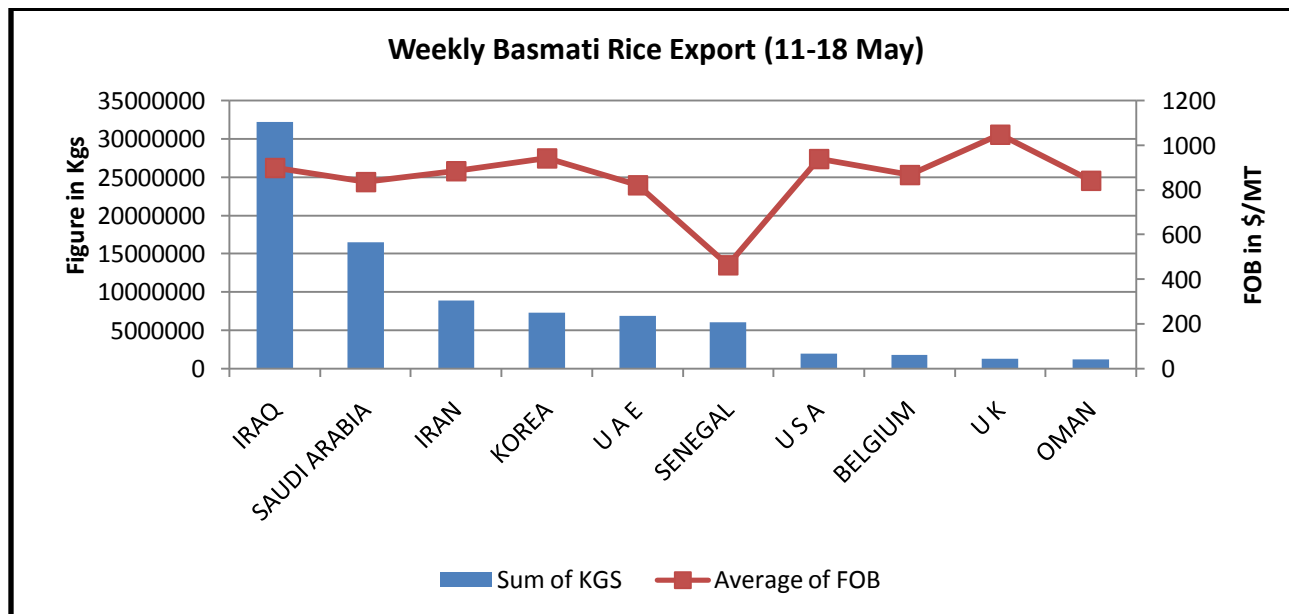
The government of Thailand has decided to sell 2 million tons of rice from government stockpiles over the next two months. The Thai Commerce Ministry claims that nearly 11 million tons of the 16 million tons of stockpiled rice are substandard.

During the period January 1 to May 14, Vietnam exported about 1.686 million tons of rice. Average rice export price so far this year stands at around \$419 per ton (FOB), down about 3% per ton from the same period last year.

The Philippines President has reportedly approved the National Food Authority (NFA) to import 250,000 tons of rice to boost buffer stocks during the lean season (July - September) amid fears of an impending El Nino weather pattern. The FAO forecasts the Philippines 2015 rice imports to remain at last year's level of around 1.8 million tons reflecting the government's efforts to stabilize domestic rice prices and restore public stocks.

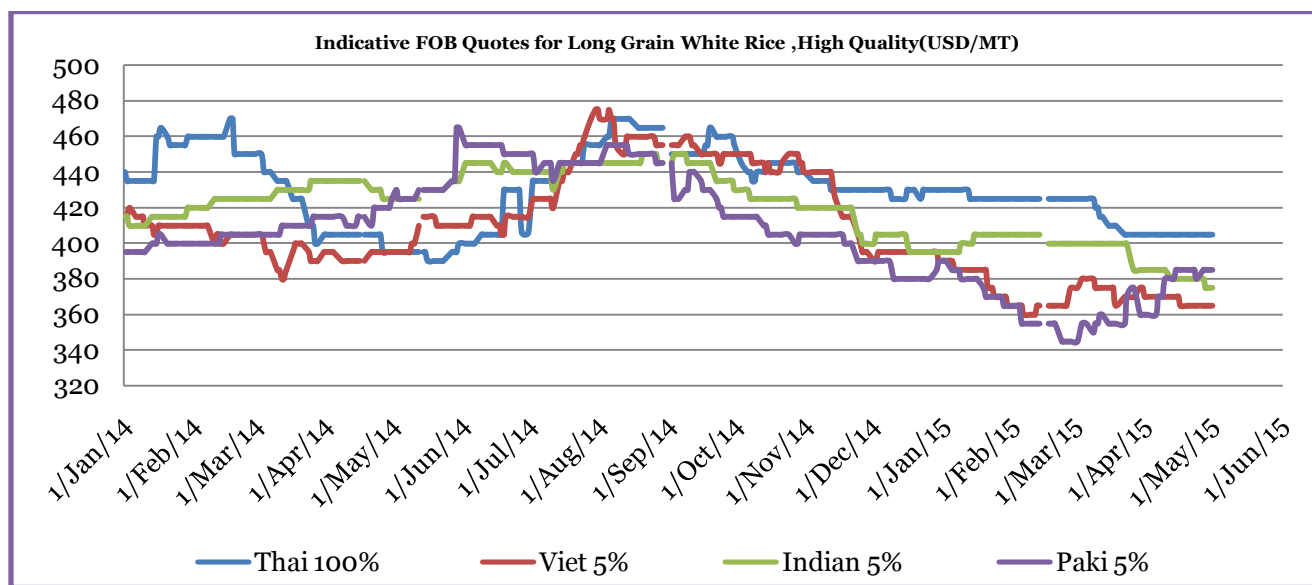
The Punjab region of Pakistan Province has fixed a target of bringing 4.44 million acres of land under paddy cultivation for the forthcoming season with a production target of 3.5 million tonnes. A Punjab Agriculture Department recently urged farmers to only sow approved varieties for achieving maximum per acre yield of paddy and said approved varieties with higher production capabilities were super basmati, basmati-370, basmati-385, basmati Pak (Kernal basmati), basmati-2000, basmati-515, PS-2, PK-386 and Basmati 198 (for Sahiwal, Okara and adjoining areas).

Top 5 Importers of Basmati Rice in First Week of May (11th May - 18th May-2015):



Source: IBIS

FOB Quotes for Long Grain White Rice, High Quality



Source-Oryza

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 July- 15, Rough Rice): (Prices in US\$/hundredweight)



Market Analysis:

The CBOT July month rough rice chart indicates range bound with weak movement in previous session. We expect market will hover in the range USD 9.35-9.72/ hundredweight in coming sessions.

Price Projection (International-CBOT):

Duration	Trend	Price Range
01 st Week of June, 2015	Steady	USD/ Hundred Weight 9.35-9.72

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