

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.

With weak demand from overseas market for aromatic rice and eased supply side due to stockists's release weighed on cash market fundamental in domestic market. In the third week of May, aromatic rice prices decreased by 5-7% in comparison to second week of May. Pressure on market is likely continued as major buyers are in wait and watch mood under weak inner tone.

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 (18-24 May), total rice export from India was registered at 2.12 lakh tonnes in which non-basmati export registered at approx 1.28 lakh tonnes whereas basmati rice contribution was only 83 thousand T, as per data received from IBIS.

Chennai-based Intellectual Property Appellate Board is slated to hear the claims of all the parties for three consecutive days from July 8 for granting GI certification to Basmati rice. Indian basmati rice is set to get IPR (intellectual property rights) protection within country. Indian exporters support centre's view that M.P can't be deemed part of the Indo-Gangetic plain. With this approach ground has been cleared for basmati entry into GI registry.GI registration/protection may debar India's competitors to use basmati tag in favor of their own.

In the pre-monsoon season, weekly Rainfall for the country as a whole during the week 14th May to 20th May, 2015 was 32% higher than Long Period Average (LPA). Rainfall (% departure from LPA) in the four broad geographical divisions of the country during the above period was higher by 28% in Central India, 15% in North West India, 4% in East and North East India and 89% in South Peninsula.

Among the food grains, Inflation of Rice has decreased to -0.04% from the previous month's level of 0.65%, Cereals has to 0.39% from the previous month's level of -0.09%, Wheat to 1.79% from the previous month's level of -1.19%. The inflation for Pulses has increased to 15.38% from the previous month's level of 13.22%.

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 22.05.2015 (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	31.37	54.37
Telangana	44.00	26.03	0.00
Chhattisgarh	43.0	33.55	42.85
Haryana	24.06	20.09	24.05
Kerala	4.00	3.69	3.42
Punjab	81.06	77.82	81.06
Madhya Pradesh	10.14	8.07	10.40
Maharashtra	2.00	1.40	1.40
Tamil Nadu	7.0	0.06	0.59
Uttaranchal	4.63	4.61	3.96
Uttar Pradesh	11.27	16.44	11.18
West Bengal	13.59	14.21	8.83
Others	36.46	4.02	9.42
All-India	319	277.43	272.55

All-India progressive procurement of Rice as on 22.05.2015 for the marketing season 2014-15 was 277.43 lakh tonnes against the procurement of 272.55 lakh tonnes upto the corresponding period of last year.

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:

The Ministry of Commerce has noted that a decline in the average unit price of non-basmati rice, the appreciation of the Pakistan rupee against the U.S. dollar and the euro, and an increased cost of production and lack of adequate research and development in the country have contributed to a decline in Pakistan's rice exports so far in FY 2014-15 (July-June). Pakistan's total exports, including basmati and non-basmati, declined about 24% m/m in April after increasing in March. In April, Pakistan exported about 360,446 tons of rice.

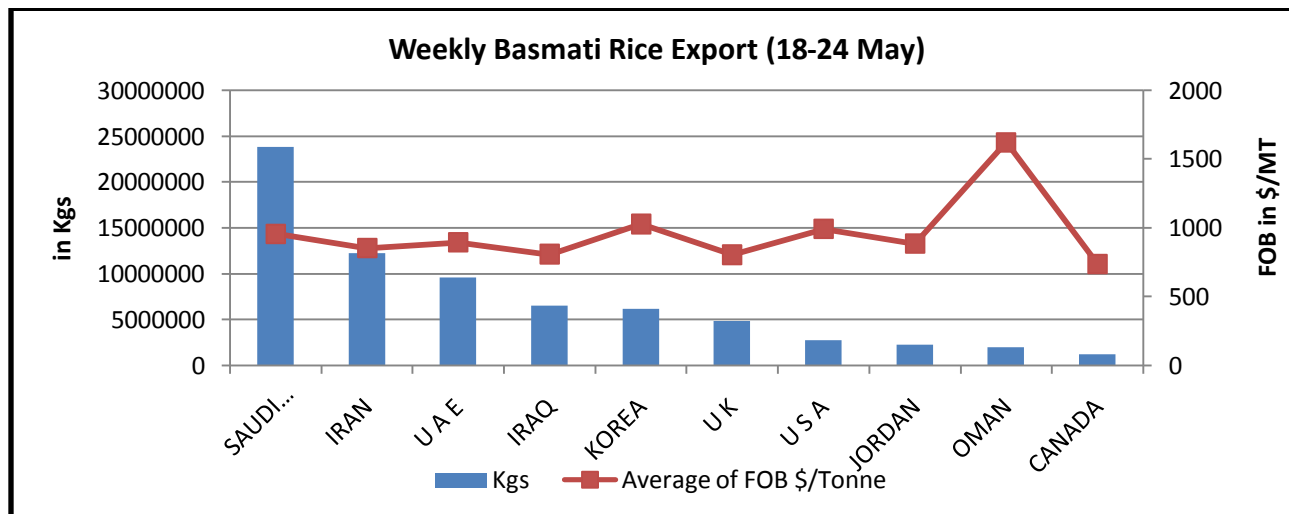
As per Belarus Alesya Obodkova, the deputy director for logistics of the Belcoopsoyuz's Belcoopvneshtorg plans to rise up shipments of rice, fresh and dried fruits, nuts from Pakistan. Rice is a very popular product in Belarus. Belcoopsoyuz's Belcoopvneshtorg imports 300 tonnes of rice per month. They already took samples of rice in Pakistan and will test them for quality. For the time being country will sign an agreement of intent, statement given by Alesya Obodkova.

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.

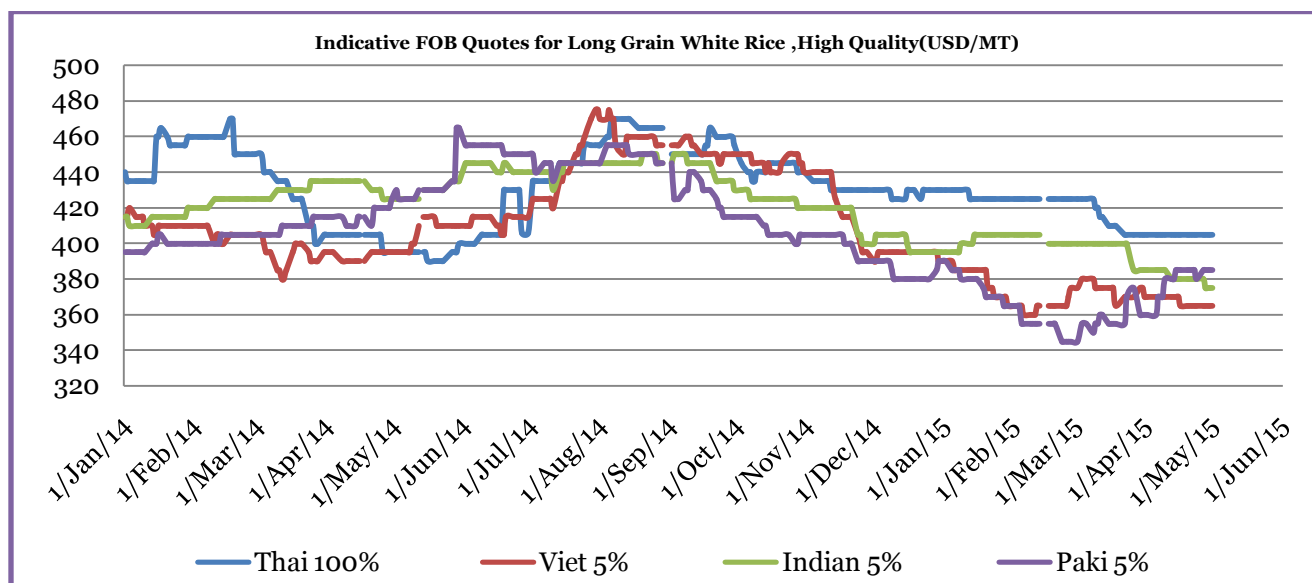
The Philippines President has reportedly approved the National Food Authority (NFA) to import 250,000 tons of rice to boost buffer stocks during the lean season (July - September) amid fears of an impending El Nino weather pattern. The FAO forecasts the Philippines 2015 rice imports to remain at last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

Top 5 Importers of Basmati Rice in 3rd Week of May (18th- 24th 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.	2014-15 Forecast 22.01.15	projection 23.04.15 2015-16	projection 23.04.15 2015-16
Production	473	477	476	--	482
Trade	38	43	42	--	42
Consumption	469	479	484	--	489
Carryover stocks	113	112	103	--	97
Y-O-Y change	4	-2	-8		-7
Major Exporters	40	37	29	--	21

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

IGC Rice Balance sheet Highlights:

In the Council's first projections for 2015/16, world rice output is seen increasing to a record of 482m t on larger outturns in key Asian producers. With food demand expected to boost total consumption to a peak of 489m t, aggregate end-season carryovers are set to contract by 7%, to a six-year low, including another steep drop in major exporters' inventories. Traded volumes in 2016 are anticipated to be only fractionally below the forecast for the current year as competitively priced supplies likely stimulate above-average shipments to Africa and Asia.

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


Market Analysis:

The CBOT July month rough rice chart indicates range bound movement in previous session. We expect market will hover in the range USD 9.40-9.55/ hundredweight in coming sessions.

Price Projection (International-CBOT):

Duration	Trend	Price Range
01 st Week of June, 2015	Steady	USD/ Hundred Weight 9.40-9.55

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