Latest Market Development:

All India Average rice price in the first week of June, moved down by 5.65% from previous week and currently hovers in the range of Rs.2650-2660/quintal, we expect that the market will move in the northward direction in coming week due to seasonal demand.

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.

Rice millers and traders in Tamil Nadu are thanking the State government for exempting trading in rice and paddy from VAT at an executive meeting last week presided over by the Association's joint secretary N E Krishnan. Additionally, while the Rice and Paddy Merchants' Association welcomed the State government's firm stand to not allow multinational companies in Tamil Nadu, the move by the Central government to introduce the GST Act was worrying the trading community. The Association urged the State government not to allow the implementation of the GST Act in its present form in the State.

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, cumulative Rainfall for the country as a whole during the period 1st March to 27th May, 2015 was 42% 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 100% in Central India, 95% in North West India, and 48% in South Peninsula and lower by 6% in East & North East India.

Among the food grains, Inflation of Rice has decreased to -0.04% from the previous month's level of 0.65%, Cereals 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	2015-16*
Carry in	26.19	22.65	16
Production	106.54	102.5	104
Imports	0	0	0
Total Availability	132.73	125.15	120
Consumption	99.18	99.35	99.5
Exports	10.9	9.8	8.5
Total Usage	110.08	109.15	108
Carry out	22.65	16	12
Av Monthly Consumption	8.27	8.28	8.29
Stock to Month Use	2.74	1.93	1.45
Stock to Consumption Ratio	0.23	0.16	0.12

(Source: Agriwatch Research, USDA)

Agriwatch gives the 1st Supply and demand estimates for MY-2015-16 in the 1st week of June. Rice production for MY 2015-16 is likely to be up from 102.5 million tonnes to 104 million tonnes due to favourable weather at sowing stage in various growing states in north east and southern regions. The reason for increasing production is some area in U.P under sugarcane is expected to shift towards paddy.

At Export front, we expect that in MY 2015-16, rice export is likely to be down by around 13% from last year export of 9.8 million tonnes due to lower carry over stock. However demand of Indian rice in overseas markets and price of competitive nations also screw the export front in coming years.

Domestic consumption is likely to be up by 0.15% from last year's consumption of 99.35 million tonnes to 99.5million tonnes in 2015-16.

Progressive Procurement of Rice as on 29.05.2015 (lakh tonnes):

State	Total procurement in marketing season	Progressive Procurement as on 29.05.2015	
	2013-14 (Oct. - Sept.)	In Marketing season 2014-15	In Marketing season 2013-14

Andhra Pradesh	37.38	32.61	59.39
Telangana	44.00	28.45	0.00
Chhattisgarh	43.0	33.55	42.85
Haryana	24.06	20.09	24.05
Kerala	4.00	3.72	3.48
Punjab	81.06	77.82	81.06
Madhya Pradesh	10.14	8.07	10.40
Maharashtra	2.00	1.45	1.40
Tamil Nadu	7.0	0.06	0.59
Uttaranchal	4.63	4.61	4.13
Uttar Pradesh	11.27	16.46	11.18
West Bengal	13.59	14.21	8.83
Others	36.46	4.02	9.42
All-India	319	281.19	277.79

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 01st Week of June-2015:

State	Prices 01-08 Jun 2015	Prices 24-31 May 2015	Prices 16-23 May 2015	Prices 01-08 Jun 2014	% Change(Over Previous Week)	% Change(Over Previous to Previous Week)	% Change(Over Previous Year)
AP	2452.2	3620.69	2401.97	3752.16	-32.27	2.09	-34.65
Assam	3119.97	3117.41	3048.05	3302.34	0.08	2.36	-5.52
Gujarat	2683.32	2673.32	2731.13	2698.16	0.37	-1.75	-0.55
Jharkhand	2631.27	2570.56	2523.66	2625.49	2.36	4.26	0.22
Karnataka	2375.39	3191.75	3350.91	2930.96	-25.58	-29.11	-18.96
Kerala	3184.69	3206.04	3097.09	3475.13	-0.67	2.83	-8.36
Maharashtra	3201.41	3477.32	3223.08	3831.06	-7.93	-0.67	-16.44
Manipur	2850.24	2866.55	3169.97	3197.28	-0.57	-10.09	-10.85
Meghalaya	3500	3450	3450	3305.56	1.45	1.45	5.88
Orissa	2337.16	2373.69	2622.46	1757.57	-1.54	-10.88	32.98
Tripura	2505.08	2496.18	2733.35	2539.71	0.36	-8.35	-1.36
Uttar Pradesh	2039.37	2051.49	2041.93	2034.71	-0.59	-0.13	0.23
Uttarakhand	1964.26	1777.99	1920.87	2058.67	10.48	2.26	-4.59
West Bengal	2272.28	2468.95	2638.33	2529.57	-7.97	-13.87	-10.17
Average	2651.19	2810.13	2782.34	2859.88			
As per the data reported by APMCs							

Price Projection for June 02nd Week in Domestic Market:

Duration	Trend	Average Price Range
02nd Week of June, 2015	Steady to slightly Firm	Rs.2650-2850/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.

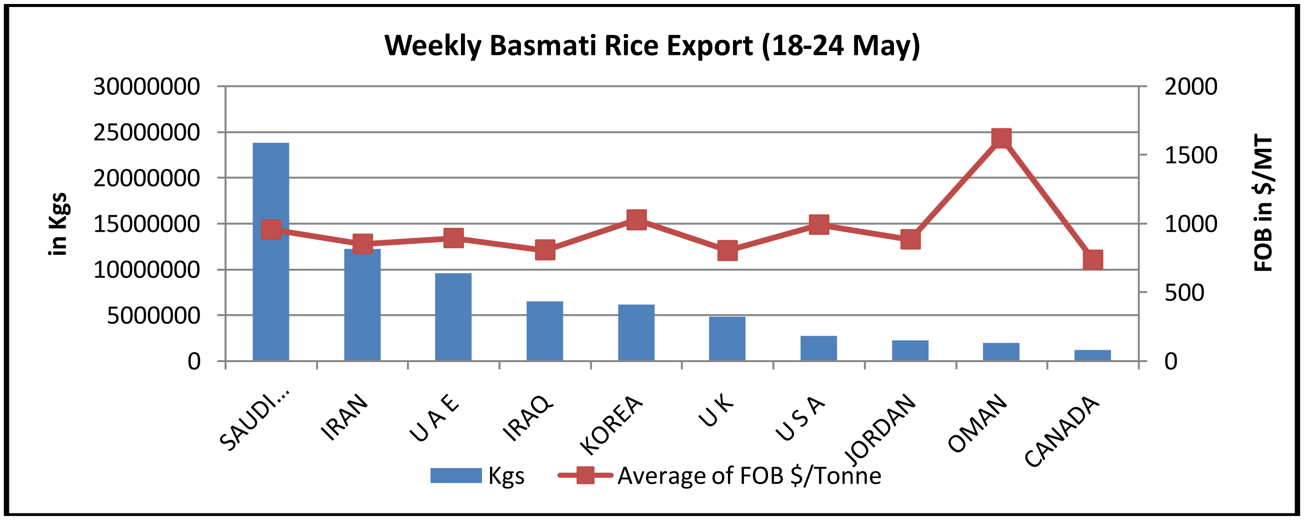
As per Belarus Alesya Obodkova, the deputy director for logistics of the Belcoopsoyuz's Belcoopvneshtorg plans to rise up shipments of rice, fresh and dried fruits, nuts from Pakistan. Rice is a very popular product in Belarus. Belcoopsoyuz's Belcoopvneshtorg imports 300 tons of rice per month. They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

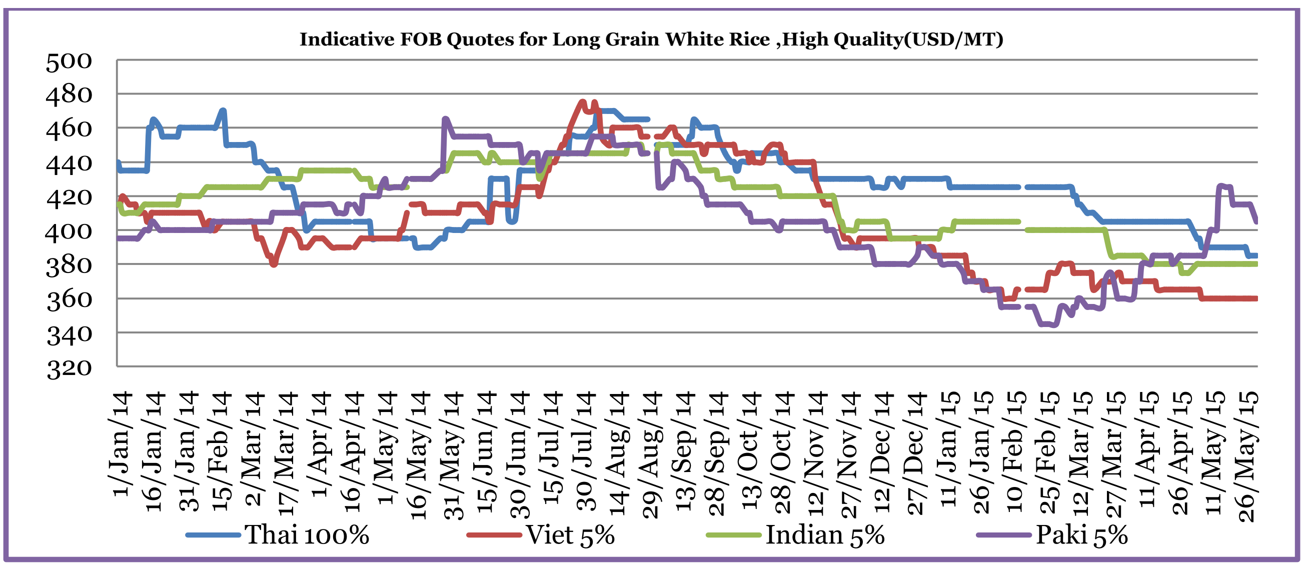
The Philippines President has reportedly approved the National Food Authority (NFA) to import 250,000 tons of rice to boost buffer stocks during the lean season (July - September) amid fears of an impending El Nino weather pattern. The FAO forecasts the Philippines 2015 rice imports to remain at last 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

FOB quotes for high quality white rice in the month of May was moving in the range bound in all major exporters expect Pakistan and Vietnam. Thailand white rice 100% high quality FOB price moved down by 4.93% from last month price of USD 405/MT, Indian rice 5% broken high quality move down by 1.36% from last month price of USD 365/MT.

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 28.05.15 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 to 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 to weak movement in previous session. We expect market to hover in the range USD 9.50-10.05/ hundredweight in coming sessions.

Price Projection (International-CBOT):

Duration	Trend	Price Range
02nd Week of June, 2015	**Steady**	USD/ Hundred Weight 9.50-10.05