AGRIWATCH

Rice Weekly Research Report
22 June-2015

Latest Market Development:

All India Average rice price in the third week of June, moved slightly down by 1.89% from previous week and currently hovers in the range of Rs.2640-2650/quintal. We expect~~s~~ that the market will move in the range bound with some positive tone in coming week.

The Cabinet Committee on Economic Affairs, chaired by the Prime Minister Shri Narendra Modi, has given its approval for the Minimum Support Prices (MSPs) for Kharif Crops of 2015-16 Seasons. The decision is based on recommendations of Commission for Agricultural Costs and Prices (CACP) for the Price Policy for Kharif Crops for the Marketing Season 2015-16.MSP of paddy increases by Rs.50/quintal for both grade and current floor price for common grade is Rs.1410/quintal and grade A price is Rs.1450/quintal.

All-India progressive procurement of Rice as on 05.06.2015 for the marketing season 2014-15 was 284.62 lakh tonnes against the procurement of 282.75 lakh tonnes up to the corresponding period of last year.

India's rice stocks in the central pool as of June 1, 2015 stood at around 22.485 million tons (including a milled equivalent of about 9.234 million tons of paddy), down about 20% from around 28.03 million tons recorded during the same period last year, according to data from the Food Corporation of India (FCI).

Planting for India 2015-16 Kharif (main) rice crop (June - December) which began on May 8, 2015 is picking up fast and stands at about 833,000 hectares as of June 19, 2015; up about 1.6% from about 820,000 hectares planted during the same period last year, according to preliminary data released by the Indian Agriculture Ministry.

In the monsoon season, weekly Rainfall for the country as a whole during the week 04th June to 10th June, 2015 was 5% lower than Long Period Average (LPA). Rainfall (% departure from LPA) in the four broad geographical divisions of the country during the above period was lower by 33% in Central India, 27% in North West India, and 13% in South Peninsula and higher by 22% 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***	4.92	4.04	**8.96**
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**	**53.71**	**28.05**	**81.76**

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 May-15 was 81.76 lakh tonnes which was up by around 22% from same period last year's export of 67.02 lakh tonnes. Non- basmati rice export in the month of May was 4.92 lakh tonnes and basmati exports for MY-2014-15(Oct14-Sep-15) in the month was 4.04 lakh tonnes.

Assuming that Iran starts the basmati import from India after July, total rice export till the end of MY 2014-15 is likely to reach 10-10.5 million tonnes and India maintains the title of top rice exporter in this year.

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 twist 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	22.48						

*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 22.48 million tons as of June- 1, 2015.

State wise Wholesale Prices Weekly for Rice 03rd Week of June-2015:

State	Prices 16-23 Jun 2015	Prices 09-15 Jun 2015	Prices 01-08 Jun 2015	Prices 16-23 Jun 2014	% Change(Over Previous Week)	% Change(Over Previous to Previous Week)	% Change(Over Previous Year)
AP	2253.69	2621.17	2637.47	3731.86	-14.02	-14.55	-39.61
Assam	3057.37	3044.58	3122.07	3216	0.42	-2.07	-4.93
Bihar	2050	2015.91			1.69	__	__
Gujarat	2675.8	2676.73	2680.85	2698.86	-0.03	-0.19	-0.85
Jharkhand	2542.59	2501.13	2546.64	2629.2	1.66	-0.16	-3.29
Karnataka	3317.05	3353.73	2982.24	3706.75	-1.09	11.23	-10.51
Kerala	3111.48	3188.79	3195.71	3325.23	-2.42	-2.64	-6.43
Maharashtra	3088.26	3545.16	3054.69	3865.21	-12.89	1.1	-20.1
Manipur	2865.49	2861.11	2856.53	3200	0.15	0.31	-10.45
Meghalaya	3184.21	2687.84	3465.12	3336.07	18.47	-8.11	-4.55
Orissa	2495.33	2707.67	2429.59	2270.37	-7.84	2.71	9.91
Telangana	3096.51	3150.32	3154.6	3417.48	-1.71	-1.84	-9.39
Tripura	2491.22	2588.14	2529.91	2591.63	-3.74	-1.53	-3.87
Uttar Pradesh	2071.69	2070.64	2047.89	2035.79	0.05	1.16	1.76
Uttrakhand	1944.16	2078.32	1873.92	2136.87	-6.46	3.75	-9.02
West Bengal	2109.69	2080.9	2217.35	2507.15	1.38	-4.86	-15.85
Average	2647.16	2698.26	2719.64	2923.03			
As per the data reported by APMCs							

Price Projection for June 04th Week in Domestic Market:

Duration	Trend	Average Price Range
04th Week of June, 2015	Steady to slightly Firm	Rs.2650-2800/Q

Global Updates:

According to data from Thai Rice Exporters Association (TREA), **Thai rice exports have increased** for the second consecutive month in March 2015 after declining by more than half in January 2015. Thailand has exported about 785,891 tons of rice in March 2015, up about 7% from about 732,151 tons exported in February 2015, and down about 2% from about 799,534 tons exported in March 2014, according to TREA.

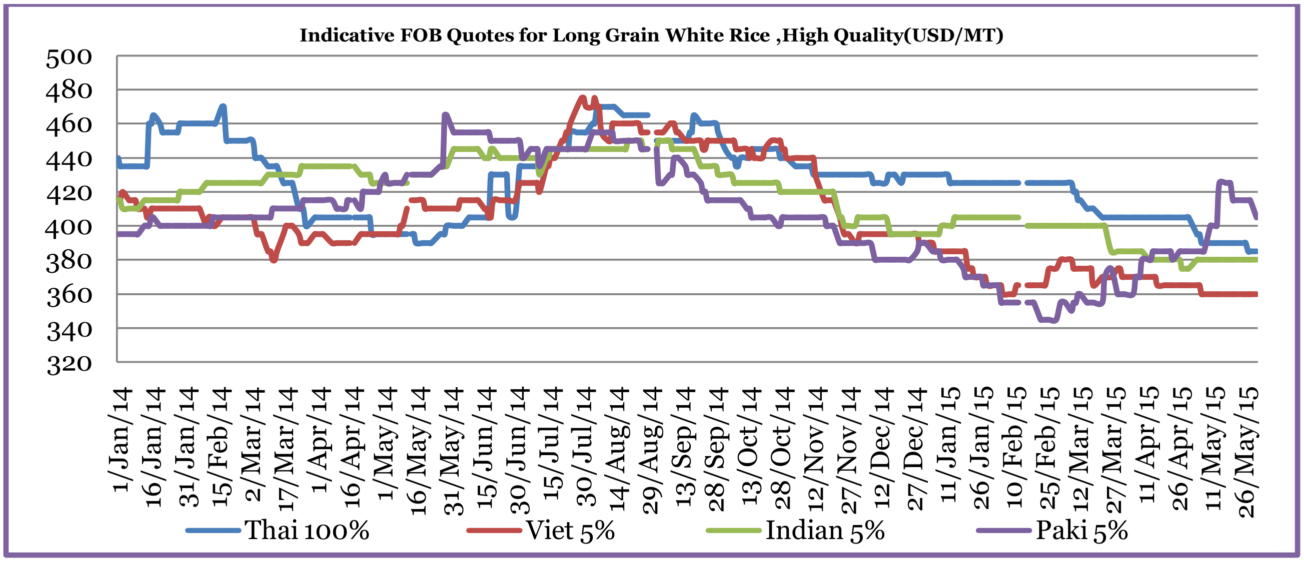
The FAO has forecasted Thailand's 2015 rice exports at a record 11.2 million tons, slightly up from last year due to high levels of public stocks and government's intentions to clear more of the existing rice stockpiles. The agency estimates Thailand's 2015 aggregate paddy rice production at about 35 million tons (about 23.1 million tons, basis milled), slightly above the reduced 2014 harvest of about 34.3 million tons (about 22.64 million tons, basis milled). Meanwhile, the USDA post forecasts that Thailand will export about 11 million tons rice in 2015 and expect that Thailand rice export will accelerate in the second half of the year due to the sales of the government stocks.

Vietnam has increased the floor price (minimum export price, MEP) of its lower quality (25% broken) rice exports by about 3% to about $350 per ton from about $340 per ton. The new MEP has been effective from June 1, 2015. The Philippines National Food Authority (NFA) invited tenders from Vietnam and Thailand to supply 250,000 ton of 25% broken long-grain white rice for delivery between July and August, to replenish stocks during the lean season (July - September) as well as prevent commercial rice price hikes. The tender is scheduled on June 5, 2015. According to the Ministry of Agriculture and Rural Development (MARD), Vietnam's rice exports declined about 11.4% to about 2.4 million tons in the first five months of 2015 from about 2.7 million tons exported during the same period in 2014. Meanwhile, Vietnam rice exporters have signed contracts to export 3.2 million tons of rice so far this year, the MARD said.

The FAO forecasted Cambodia's 2014-15 rice exports to increase about 15% y/y to about 1.15 million tons. The agency estimates Cambodia's total paddy rice production in 2015 at about 9.3 million tons (about 5.76 million tons, basis milled). Planting of the 2015 main (wet) season paddy crop (June - February), which accounts for 80% of Cambodia's total paddy rice production, is expected to start in June and continue till October. The FAO estimates output from the 2015 main season rice crop at about 7.2 million tons, up about 1% from last year. Meanwhile, Cambodia is hoping to increase its 2015-16 (May 2015 - April 2016) rice export quota to China to about 200,000 tons from the current 100,000 tons, according to local sources. Separately, the government of Cambodia is planning to increase checks on 'unethical' rice tampering as part of efforts to ensure Cambodian rice, slated for export, is not mixed with rice from neighboring countries, according to local sources.

Source-oryza

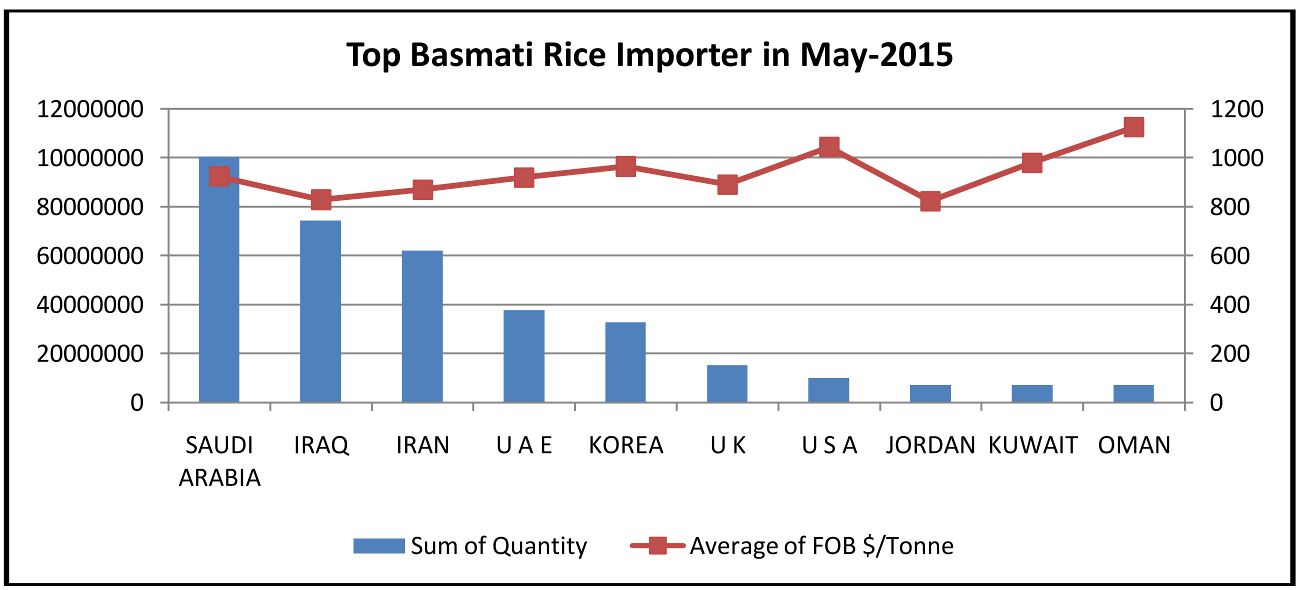
FOB Quotes for Long Grain White Rice, High Quality



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.

Top Basmati Rice Importing Countries in May-2015:



(Source:-IBIS)

Saudi Arabia has continuously emerged as a top importer for Indian aromatic rice in the third consecutive month of May; Iraq took the second position who replaced Iran to third position. Lowest FOB quotes were received by Jordan and UK, whereas higher price was offered by Oman and USA.

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 are likely to stimulate above-average shipments to Africa and Asia.

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

Market Analysis:

The CBOT July month rough chart for rice indicates range bound to weak movement in previous session. We expect market to hover in the range USD 9.56-10.05/ hundredweight in coming sessions.

Price Projection (International-CBOT):

Duration	Trend	Price Range
04th Week of June, 2015	**Steady**	USD/ Hundred Weight 9.56-10.05