

Latest Market Development:

All India Average rice price in the fourth week of June, moved up by 1.47% from previous week and currently hovers in the range of Rs.2715-2720/quintal. We expect that the market will move in the range bound with some positive tone in coming week due to lower area coverage compared to last year. Basmati Rice price firmed by Rs 200-300 per quintal (major varieties) at the wholesale grains market from last week due to limited supply from producing belts.

Agriwatch first preliminary production estimates that this year KMS (2015-16) rice production is expected to be around 104 million tonnes under current rainfall condition. However if paddy growing states receives lower rain fall between -5 to -10%, production may decrease by 1.5% to 103.23 million tonnes.

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.

As per India Meteorological Department (IMD) the northern states will receive heavier monsoon rains this week but current weather patterns still point to total rains of just 88 percent of the long-term average, as predicted in early June, due to an El Nino weather pattern. India received a similar level of rains last year but the government did not declare a drought as the monsoon picked up in the latter part of the season, underscoring its highly unpredictable nature, which keeps farmers on edge. Skymet, India's only private weather forecaster has rejected the IMD's prediction for 2015 and has forecast bountiful rains.

For the country as a whole, cumulative rainfall during this year's monsoon is so far upto 24 June been 24% above the Long Period Average (LPA). Rainfall activity was excess over central India and south Peninsula.

Forecast for rain: Considerable decrease in rainfall activity over northwest, central and parts of Peninsular India during next 15 days. However, Rainfall activity will increase and would be above normal over— Odisha, Jharkhand, Gangetic West Bengal, Chhattisgarh, north Andhra Pradesh till 30 June. Near normal rainfall is likely over parts of east and northeast India during first ten days of July.

Rice Monthly Export:

MY-2013-14	Non Basmati	Basmati	Total Export 2013-14	MY-2014-15	Non Basmati	Basmati	Total Export 2014-15
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 last year's export of 67.02 lakh tonnes for the same period. 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 favorable 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

Source-agricoop

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						

Source-FCI

*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 04th Week of June-2015:

State	Prices 24-30 Jun 2015	Prices 16-23 Jun 2015	Prices 09-15 Jun 2015	Prices 24-30 Jun 2014	% Change(Over Previous Week)	% Change (Over Previous s to Previous Week)	% Change(O ver Previous Year)
AP	2594.9	2368.58	2623.44	3742.68	9.56	-1.09	-30.67
Assam	3153.09	3130.2	3044.58	3230.97	0.73	3.56	-2.41
Bihar	3000	2049.76	2015.91		46.36	48.82	—
Gujarat	2671.19	2676.27	2676.73	2634.75	-0.19	-0.21	1.38
Jharkhand	2496.43	2531.93	2505.88	2618.35	-1.4	-0.38	-4.66
Karnataka	3362.55	3312.65	3353.73	3665.25	1.51	0.26	-8.26
Kerala	3150.72	3115.09	3188.79	3874.96	1.14	-1.19	-18.69
Maharashtra	2831.84	3127.59	3544.08	3852.11	-9.46	-20.1	-26.49
Manipur		2869.35	2861.11	3200	—	—	—
Meghalaya	3132.43	3468.21	2687.84	3256.1	-9.68	16.54	-3.8
Orissa	2288.02	2490.82	2707.67	2416.61	-8.14	-15.5	-5.32
Telangana	3098.95	3088.67	3150.32	3385.11	0.33	-1.63	-8.45
Tripura	2673.86	2523.51	2588.14	2514.6	5.96	3.31	6.33
Uttar Pradesh	2071.34	2077.01	2070.64	2038.25	-0.27	0.03	1.62
Uttarakhand	2038.21	1929.12	2078.32	2198.14	5.65	-1.93	-7.28
West Bengal	2208.84	2099.12	2080.9	2673.01	5.23	6.15	-17.37
Average	2718.16	2678.7	2698.63	3020.05			

Source agmarknet

Price Projection for July 01st Week in Domestic Market:

Duration	Trend	Average Price Range
01 st Week of July, 2015	Steady to slightly Firm	Rs.2700-2850/Q

Global Updates:

The Thailand Commerce Ministry plans to auction another 1.4 million tonnes of rice on July 7, the Foreign Trade Department under fourth auction program. As per Director-general Duangporn Rodphaya, the fourth auction this year will offer 1.395 million tonnes of both fragrant and white rice in different grades. In the 3rd auction The Ministry of Commerce reported that 840,000 tons of rice out of the 1.06 million tons worth 7.8 billion baht in the government stockpile was sold.

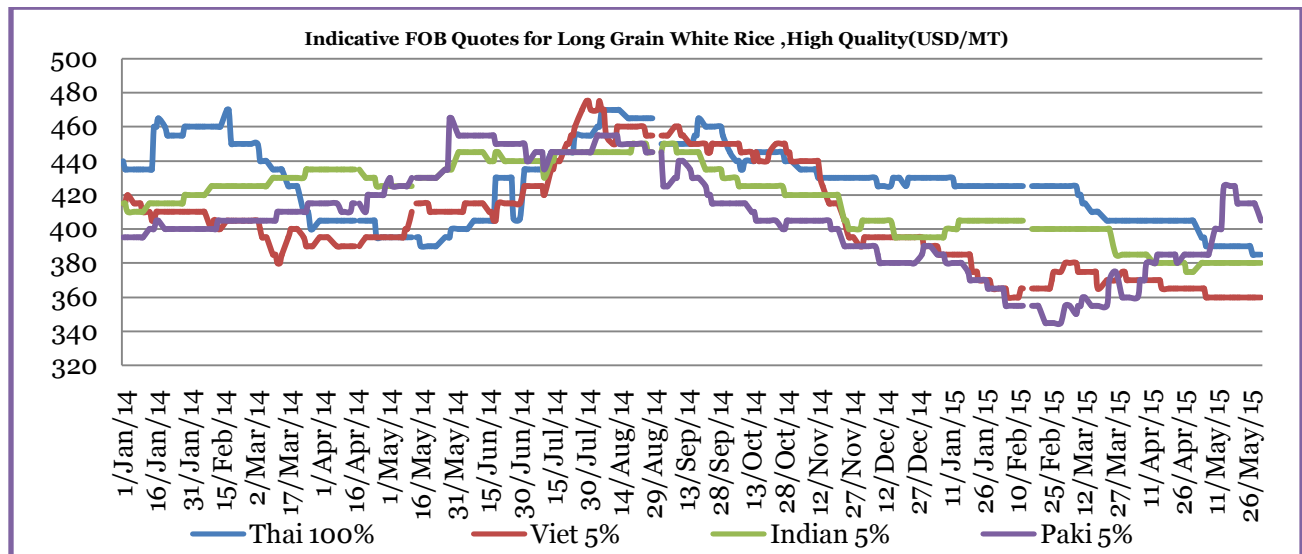
Unofficial preliminary Thailand rice exports (excluding premium white and fragrant rice) for May 25-31, 2015 totaled 42,489 metric tons, down 46,286 metric tons from the previous week and down 21,673 metric tons from the four-week moving average of 64,162 metric tons. Rice exports (excluding premium white and fragrant rice) from January 1 – May 31, 2015, totaled 1,515,086 metric tons, down 12 percent from the same period last year. Total rice exports from January to April 2015 totaled 2,826,561 million metric tons, down 4 percent from the same period last year.

A severe drought may reduce North Korea's rice harvest by 12 percent this year from a year earlier, a report by the Food and Agriculture Organization of the U.N. The recent FAO report put North Korea's rice production at an estimated 2.3 million tons for this year, compared with the country's rice harvest of 2.6 million tons a year earlier. The estimated production may be less than the average amount of rice produced annually over the past five years, it added.

In the period January 1-June 11, Vietnam exported about 2.123 million tons of rice, down about 29.6% from the first half of 2014. Average rice export price so far this year stands at around \$421 per ton (FOB), down about 2.3% per ton from the same time last year.

Pakistan has exported around 3.71 million tons of rice (around 458,995 tons of basmati and around 3.25 million tons of non-basmati) in the first eleven months of FY 2014-15 (July 2014 - June 2015), up about 6% from around 3.49 million tons (around 613,655 tons of basmati and around 2.88 million tons of non-basmati) exported during the same period in FY 2013-14.

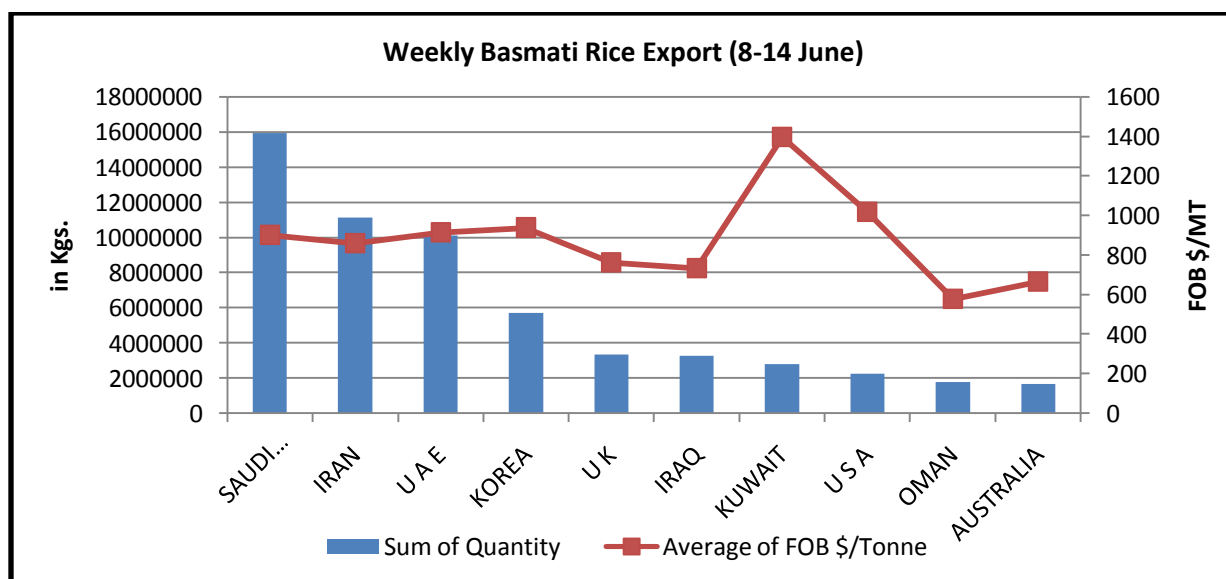
FOB Quotes for Long Grain White Rice, High Quality



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 5 Importers of Basmati Rice in 3rd Week of May (18-24 May-2015):



(Source:-IBIS)

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.

**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 9.60-10.20/ hundredweight in coming sessions.

Price Projection (International-CBOT):

Duration	Trend	Price Range
01 st Week of July, 2015	Steady to Firm	USD/ Hundred Weight 9.60-10.20

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