Latest Market Development

All India average price of non basmati rice in the third week of July traded firm by 1% from last week and currently hovers in the range of Rs. 2690-2700/Quintal. We expect price to move firm in coming week due to lower stock and improved local demand.

Total area planting for India's 2015-16 Kharif (main) rice crop (June - December) stood at around 13.211 million hectares as of July 17, 2015, up about 4% from around 12.655 million hectares planted during the same time last year. On the other hand sowing of aromatic rice varieties is down in all major states of Punjab, Haryana and U.P by approx 20-30% as per feedback received from some telephonic survey.

Aromatic rice price in (all varieties) wholesale markets are continuously firming up due to boost in local demand and also lower sowing of basmati varieties reported in this kharif season as per traders and farmers feedback received last week. We expect firmness to continue in coming weeks.

The lifting of sanctions on Iran by the U.S. and the E.U will not affect India's basmati rice exports though exports of other commodities like soy meal, sugar and corn are likely to be affected. A former President of the All India Rice Exporters Association (AIREA) noted that basmati rice exports to Iran may now increase by about 10% as Iranian traders were earlier limiting their purchases and preferred other routes, but now they are free to work directly with Indian exporters. He added that Iran may import around one million tons of Indian basmati rice. India exported around 900,000 tons of basmati rice to Iran in FY 2014-15 (April - March) compared to around 1.44 million tons in FY 2013-14 due to a temporary ban imposed by the Middle East nation citing surplus stocks.

Total rice export (including non basmati) in the 3rd week of July(13th -19th July-2015) is accounted approx 1.81 lakh tonnes in which basmati rice export contribution is around 66,855 tonnes as per data received from IBIS. Mundra, Kandla and Loni ICD were the major port for basmati rice import center during this period.

India received 8% below normal rainfall in the third week of July, according to the Indian Meteorological Department (IMD). Central, south peninsular and north-east regions received 15%, 13% and 4% below average rains during the week. However, the north-west region received 12% above-average rainfall. Agriwatch is concerned that less rainfall in July could severely impact rice yields. If rains do not pick up in the next few days, a substantial decline in acreage and yields is possible. The IMD is predicting rains to improve in the central and southern regions after July 20-25.

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***	5.98	3.43	**9.41**
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**	**59.69**	**31.48**	**91.17**

Revised (Source-DGCIS & * = IBIS)

Total Rice export for MY-2014-15 till June-15 was 91.17 lakh tonnes which was up by around 20% as compared to last year's export of 75.71 lakh tonnes during same period. Non-basmati rice export in the month of June was 5.98 lakh tonnes and basmati exports for MY-2014-15(Oct14-Sep-15) in the month was 3.43 lakh tonnes.

For the remaining three months (July-Sept-2015) we expect around 7-7.5 lakh tonnes of rice to be exported from India. The total rice export expectation comes to approx. 9.5-9.8 lakh tonnes for MY-2014-15.

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)

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.

At Export front, we expect that in MY 2015-16, rice export to be down by around 13% from last year export of 9.5-9.8 million tonnes due to lower carry over stock. Domestic consumption is likely to be up by 0.15% from last year 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 2012-2015:

Year	Jan	Feb	Mar	Apr	May	June	July	Aug	Sept	Oct	Nov	Dec
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	21.67					

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 gone up to 21.67 million tons as of July- 1, 2015.

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

State	Prices 16-23 Jul 2015	Prices 09-15 Jul 2015	Prices 01-08 Jul 2015	Prices 16-23 Jul 2014	% Change(Over Previous Week)	% Change(Over Previous to Previous Week)	% Change(Over Previous Year)
AP	2882.78	2893.44	2710.21	3494.26	-0.37	6.37	-17.5
Assam	3083.25	3157.88	3095.58	3018.13	-2.36	-0.4	2.16
Bihar	2045.46	2000.99	2092.62		2.22	-2.25	__
Gujarat	2670.66	2670.07	2646.89	2604.05	0.02	0.9	2.56
Jharkhand	2543.64	2498.83	2528.77	2671.64	1.79	0.59	-4.79
Karnataka	3255.83	3333.62	3401.66	3489.33	-2.33	-4.29	-6.69
Kerala	3081.38	3129.67	3122.78	3445.24	-1.54	-1.33	-10.56
Maharashtra	2900.02	2936.35	2930.82	8783.66	-1.24	-1.05	-66.98
Manipur	2942.57		2867.84		__	2.61	__
Meghalaya	3495.17	3202	3456.11	3407.69	9.16	1.13	2.57
Orissa	2292.15	2351.34	2256.28	2218.64	-2.52	1.59	3.31
Telangana	3147.37	3142.08	3120.88	3379.85	0.17	0.85	-6.88
Tripura	2575.39	2554.39	2546.92	2509.08	0.82	1.12	2.64
Uttar Pradesh	2085.34	2082.67	2058.75	2054.24	0.13	1.29	1.51
Uttarakhand	1985.79	1941.83	1963.45	2005.74	2.26	1.14	-0.99
West Bengal	2230.42	2226.83	2259.79	2709.33	0.16	-1.3	-17.68
All India Average	2701.08	2674.2	2691.21	3270.78			

Source agmarknet

Price Projection for July 04th Week in Domestic Market:

Duration	Trend	Average Price Range
04th Week of July, 2015	**Steady to Firm**	**Rs.2700-2750/Q**

Weekly Price Change of 1121 Steam, Raw and Sella Rice Price Delhi Market (Figure: in Rs./Quintal)

Variety	Today(7/23/2015)	Week Ago(16 July-15)	Month Ago(23 June-2015)	% ch. From last week	% Change from last Month
1121 Steam	6200	5800	5500	**6.90**	**12.73**
1121 Sella	4700	4500	4200	**4.44**	**11.90**
1121 Raw	5700	5100	5200	**11.76**	**9.62**

Weekly Price Change of (FOB) Indian White Rice 5%, 25% High Quality, Long grain parboiled 5%:(Figure in USD/MT):

Variety	Today(7/23/2015)	Week Ago(16 July-15)	Month Ago(23 June-2015)	% ch. From last week	% Change from last Month
White Rice 5%	395	395	395	**0.00**	**0.00**
White Rice 25%	360	360	350	**0.00**	**2.86**
Parboiled 5%	390	380	375	**2.63**	**4.00**

Global Updates:

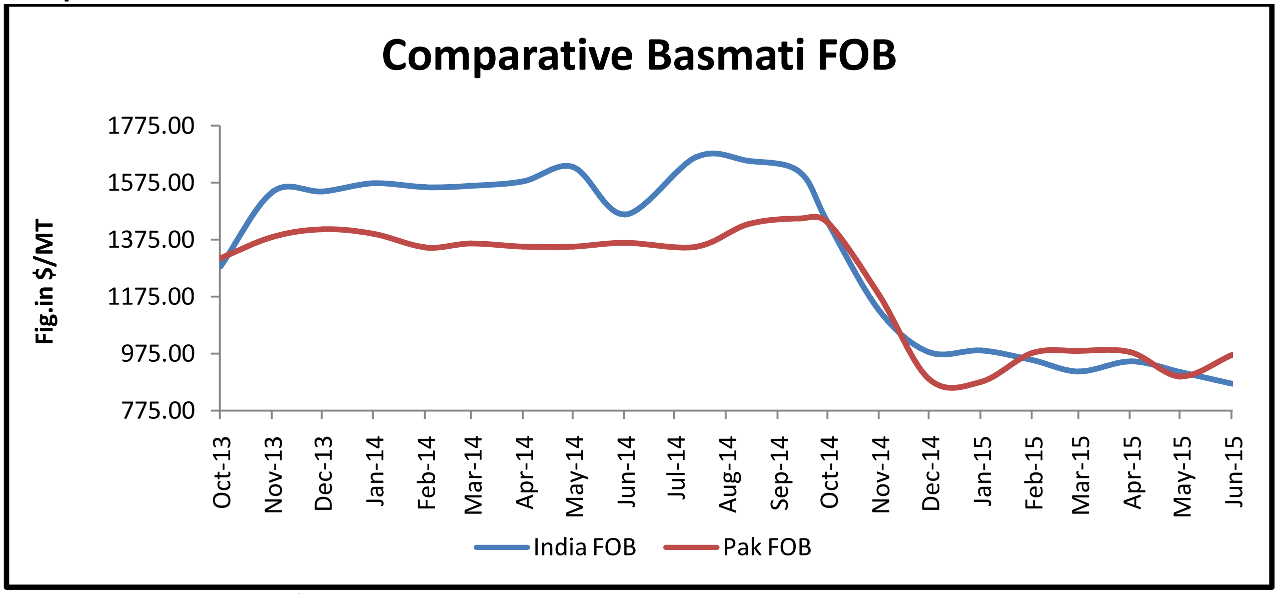
Overall rice exports of Pakistan have declined sharply in July-March 2015 because Pakistani basmati cannot compete with Indian Basmati on marketing grounds. Especially Pakistani basmati export to the UAE has declined 26.4 percent yoy in July-February 2015. Due to a slump in global prices non-basmati rice came down in value terms but not in quantity. However, the report warns Pakistani exporters to remain vigilant as Thailand is gradually firming up its export orders.

Thai rice exports for 2015 are expected to reach 9.5 million tonnes, according to the Thai Rice Exporters Association's estimate. Its previous forecast was 10 million tonnes. In the first half of this year, 4.5 million tonnes of Thai rice have been sold already. Thailand is expected to sell an average of 800,000 tonnes per month as foreign demand remains rapid from Indonesia and the Philippines. According to TREA President Chareon Laothamatas the situation would improve in the second half.

Unofficial preliminary rice exports (excluding premium white and fragrant rice) for July 6-12, 2015 totaled 87,844 metric tons, up 5,521 metric tons from the previous week and up 4,306 metric tons from the four-week moving average of 83,539 metric tons. Rice exports (excluding premium white and fragrant rice) from January 1 – July 12, 2015, totaled 2,056,761 metric tons, down 18 percent from the same period last year. Total rice exports from January to May 2015 totaled 3,772,158 metric tons, down 1.4 percent from the same period last.

The Commerce Ministry plans to auction 1.29 million tonnes of inedible rice for industrial use at the end of July, to reduce the ageing government stockpile accumulated under the previous government's rice pledging scheme. An inventory made on June 30 showed the ministry had a total of 15.11 million tonnes of rice remaining in the stockpile after recent sales, in three categories.

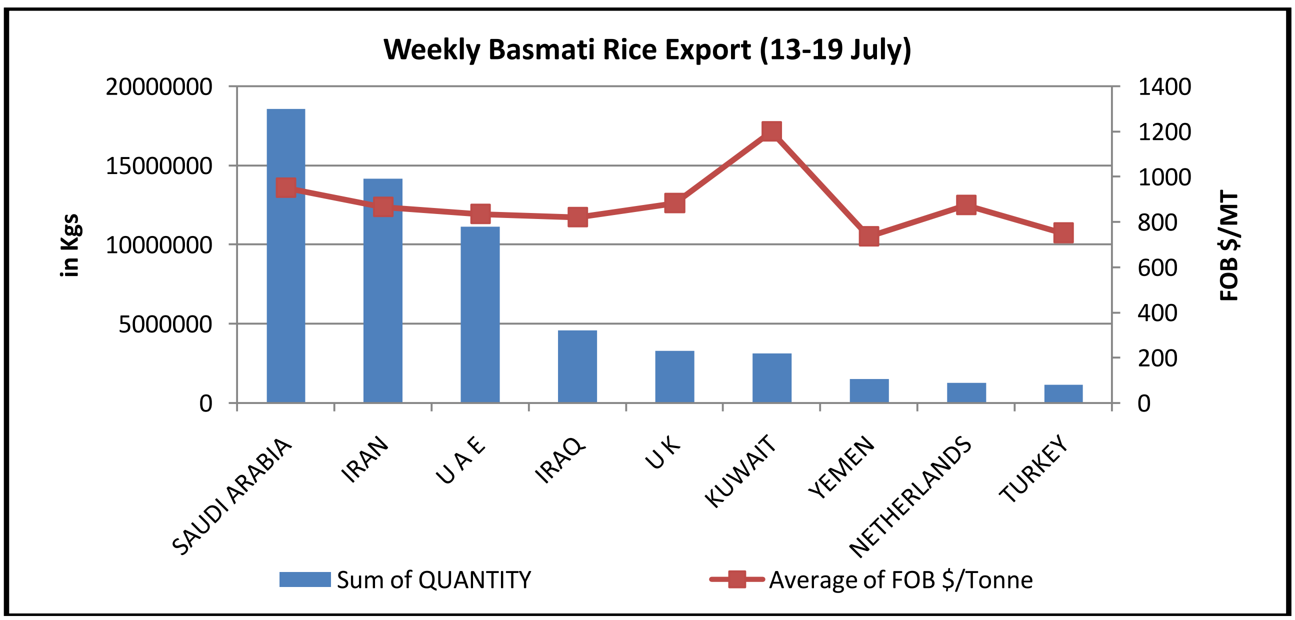
Comparative Basmati FOB of India & Pakistan:



Source:-FAO & Agriwatch

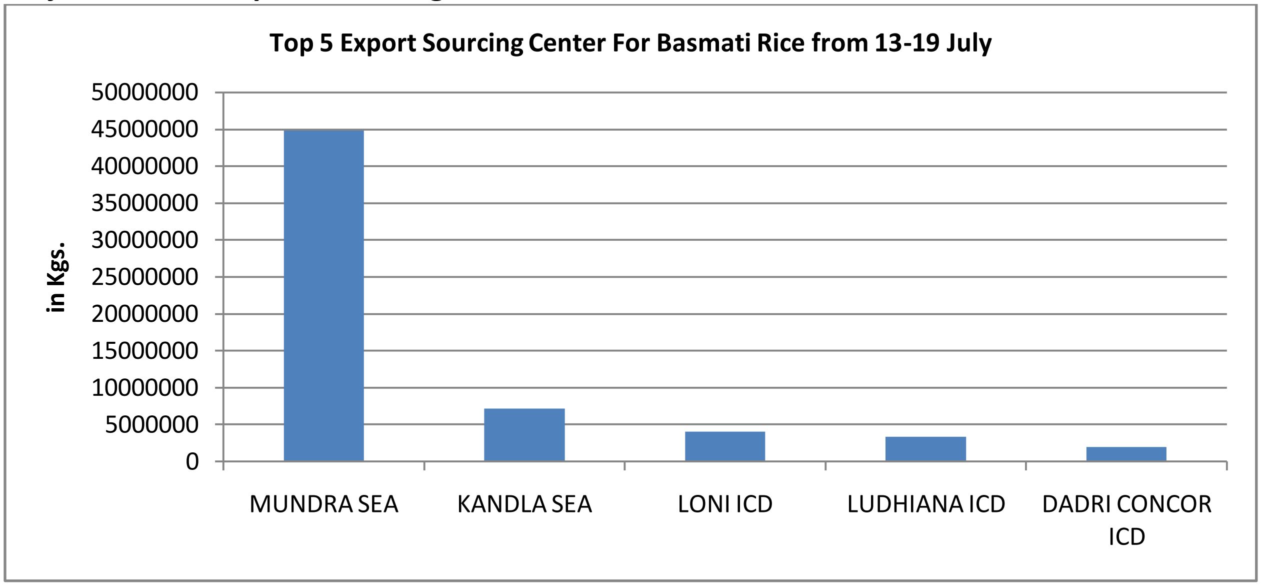
According to FAO, Pakistan Basmati FOB in the month of June was again firm from last month and currently hovers in the range of USD 960-970/MT. whereas Indian FOB is continuously moving southward from last two months due to lower price in domestic market.

Top Basmati Rice Importing Countries in 03rd Week of July-2015:



(Source:-IBIS)

Major Basmati Export Sourcing Center:



Total basmati rice export in the 3rd week of July was around 68,855.55 T with an average FOB of USD 868.37/MT. Mundra, Kandla and Loni ICD were the major ports for basmati rice import center during this period.

IGC Balance Sheet: **(Fig. In Million Tonnes)**

	2012-13	2013-14 est.	2014-15 Forecast 22.01.15	projection 28.05.15 2015-16	projection 25.06.15 2015-16
Production	473	478	476	482	481
Trade	38	43	42	42	42
Consumption	469	479	484	489	489
Carryover stocks	113	112	103	97	96
Y-O-Y change	4	-2	-8	-	-7
Major Exporters	40	37	28	21	21

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

IGC Rice Balance sheet Highlights:

Global rice production in 2015/16 is projected to be almost unchanged m/m, at a new record; the outlook is tentative, especially given uncertainty about the impact of El Niño on crops in Asia. Owing to reduced opening stocks, supplies are expected to tighten and, with uptake to expand further, world end-season inventories are forecast to drop to a six-year low. Major exporters' stocks are seen declining by about one-quarter y/y, to 20.9m t, the lowest since 2007/08. World trade is expected to remain high on firm demand from Asia and Africa.

Assuming bigger crops in key Asian producers, global rice output in 2015/16 is anticipated to reach a new peak. However, with supplies set to contract, world carryovers are projected to drop by 7% y/y, to a six-year low. As China’s inventories are set to edge up, much of the fall is likely due to a steep decline in leading exporters. China’s imports could expand further in 2016 and, together with another year of above-average shipments to traditional buyers in Asia and Africa, trade is seen only fractionally lower y/y, at close to 42m t. Given tightening availabilities, India’s exports are forecast to fall, but Thailand’s shipments are placed at a fresh record.

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

Market Analysis:
The CBOT September month rough chart for rice indicates firm movement in previous weekly session. We expect market to hover in the range USD 11.10 -11.40/ hundredweight in coming sessions.

Price Projection (International-CBOT):

Duration	Trend	Price Range
04th Week of July, 2015	**Steady to Firm**	USD/ Hundred Weight 11.10-11.40