Latest Market Development

All India average price of non-basmati rice in the fourth week of July traded weak by 1% from last week and currently hovers in the range of Rs. 2660-2670/Quintal. We expect price to move steady in coming week due to 7% higher area coverage under paddy than last year. **Aromatic rice price in (all varieties) wholesale markets due to sluggish demand from importers.**

Total area planting for India's 2015-16 Kharif (main) rice crop (June - December) stood at around 18.85 million hectares as of July 24, 2015, up about 7% from around 17.65 million hectares planted during the same period last year.

Currently revival of monsoon in East & West India signals the bumper rice crop production in 2015-16 and this rainfall is the sign of farm sector recovery. Right now, the pattern of rainfall and sowing area coverage is almost similar to that of 2013-14, which was a bumper crop year. If this situation occurs till growth stage, then rice production is likely to go up by 104 to 105 million tonnes.

The government set a target to procure 30 million tonne (MT) of rice during the next kharif marketing season (2015-16) starting from October 1. We expect that government to procure 27.5-28.5 million tonnes which is lower by 8-9% from procurement target due to higher open market price and lower stock with private traders. Punjab (8.2 mt) has the highest target, followed by Chhattisgarh (3.6 mt), Odisha (2.8 mt), Uttar Pradesh (2.75 mt), Haryana (2.35 mt), Andhra Pradesh and Bihar (2 mt each), Telangana and West Bengal (1.8 mt each).

Total rice export (including non- basmati) in the 04th week of July(20-26 July-2015) is accounted at approx 52,371 T in which basmati rice export contribution is around 0.52 tonnes as per data received from IBIS. Kakinada, Mundra and Kandla were the major port for basmati rice import center during this period.

In the monsoon season, weekly Rainfall for the country as a whole during the week 16th July to 22nd July, 2015 was 12% 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 3% in East & North East India, 12% in Central India, 11% in South Peninsula and 20% in North West India.

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 is 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 fall 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-agricoo**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 04th Week of July-2015:

State	Prices 24-31 Jul 2015	Prices 16-23 Jul 2015	Prices 09-15 Jul 2015	Prices 24-31 Jul 2014	% Change(Over Previous Week)	% Change(Over Previous to Previous Week)	% Change(Over Previous Year)
AP	2813.88	2886.03	2893.44	3845	-2.5	-2.75	-26.82
Assam	3119.96	3133.03	3157.88	2754.78	-0.42	-1.2	13.26
Bihar	2043.86	2045.46	2000.99		-0.08	2.14	__
Gujarat	2684.05	2670.66	2670.07	2599.96	0.5	0.52	3.23
Jharkhand	2501.48	2546.3	2498.83	2595.97	-1.76	0.11	-3.64
Karnataka	3341.58	3526.83	3643.28	3481.6	-5.25	-8.28	-4.02
Kerala	3188.6	3058.55	3129.67	3378.91	4.25	1.88	-5.63
Maharashtra	2746.39	2882.64	2936.35	6895.17	-4.73	-6.47	-60.17
Manipur	3006.15	2942.57			2.16	__	__
Meghalaya	3451.35	3495.17	3202	3273.26	-1.25	7.79	5.44
Orissa	2160.28	2277.99	2351.34	2212.28	-5.17	-8.13	-2.35
Telangana	3000	3147.37	3142.08	2072.09	-4.68	-4.52	44.78
Tripura	2532.13	2574.59	2554.39	2540.42	-1.65	-0.87	-0.33
UP	2096.01	2084.74	2082.67	2053.75	0.54	0.64	2.06
Uttarakhand	1795.75	1985.79	1941.83	2043.68	-9.57	-7.52	-12.13
West Bengal	2220.45	2231.27	2226.83	2686.37	-0.48	-0.29	-17.34
Average	2668.87	2718.06	2695.44	3030.95			
As per the data reported by APMCs							

Source agmarknet

Price Projection for August 01st Week in Domestic Market:

Duration	Trend	Average Price Range
01st Week Of August, 2015	Steady	Rs.2650-2700/Q

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

1121 Steam, Raw and Sella Rice Price Delhi Market					
Variety	Today 31 July 2015)	Week Ago(23 July-15)	Month Ago(30 June-2015)	% ch. From last week	% Change from last Month
1121 Steam	5900	6000	5750	-1.67	2.61
1121 Sella	4650	4700	4500	-1.06	3.33
1121 Raw	5750	5700	5200	0.88	10.58

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

Indian White Rice 5%, 25% High Quality, Long grain parboiled 5%					
Variety	Today 31 July 2015)	Week Ago(23 July-15)	Month Ago(30 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	360	0.00	0.00
Parboiled 5%	385	390	370	-1.28	4.05

Global Updates:

Thailand's government has struck preliminary deals to export a total of 760,000 tonnes from its huge stockpiles to several countries in Africa. Rice will be supplied to Mozambique, Nigeria and South Africa, Chukiat Opaswong, honorary president of the association, told Reuters by phone from Johannesburg. Thailand, the world's second-largest rice exporter, has about 14.5 million tonnes of rice in stockpiles built up under a generous rice subsidy scheme run by a government that was overthrown by the military in May 2014.

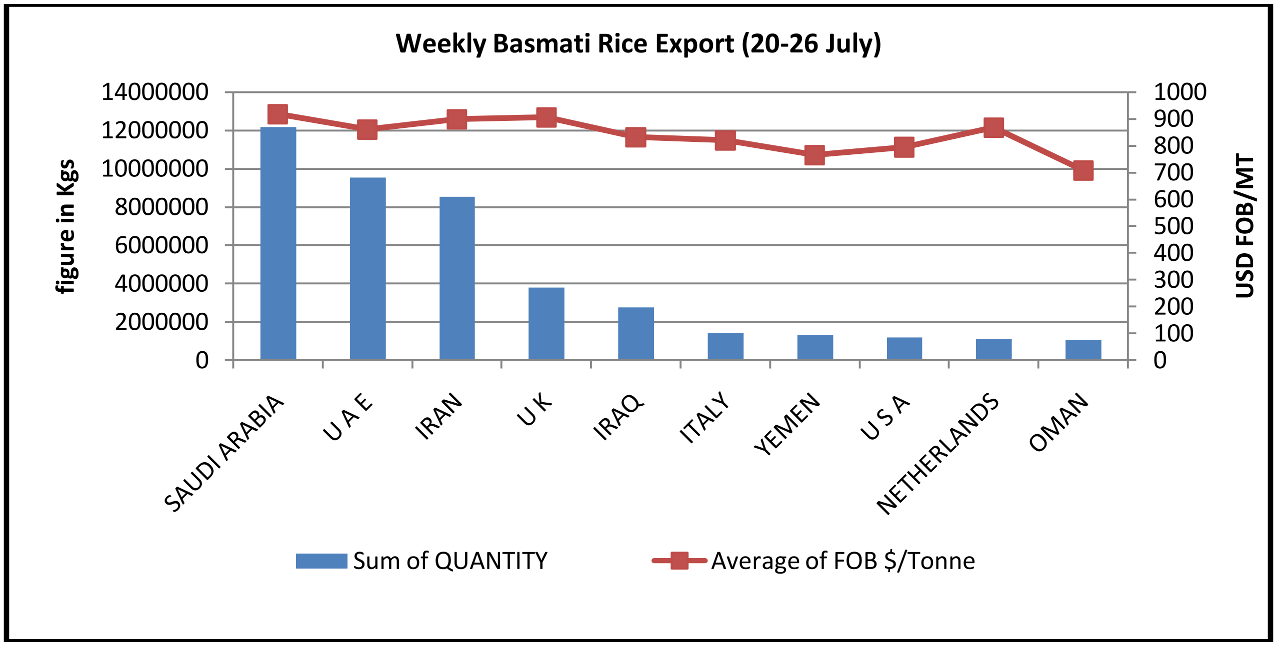
Vietnam's rice exports in the first half of 2015 are estimated to have dropped 6.2 percent from the same period last year to 3.05 million tonnes. Vietnam, the world's third-largest rice exporter after India and Thailand, could ship 6.5 million tonnes of the grain in 2015, unchanged from the previous year,

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.

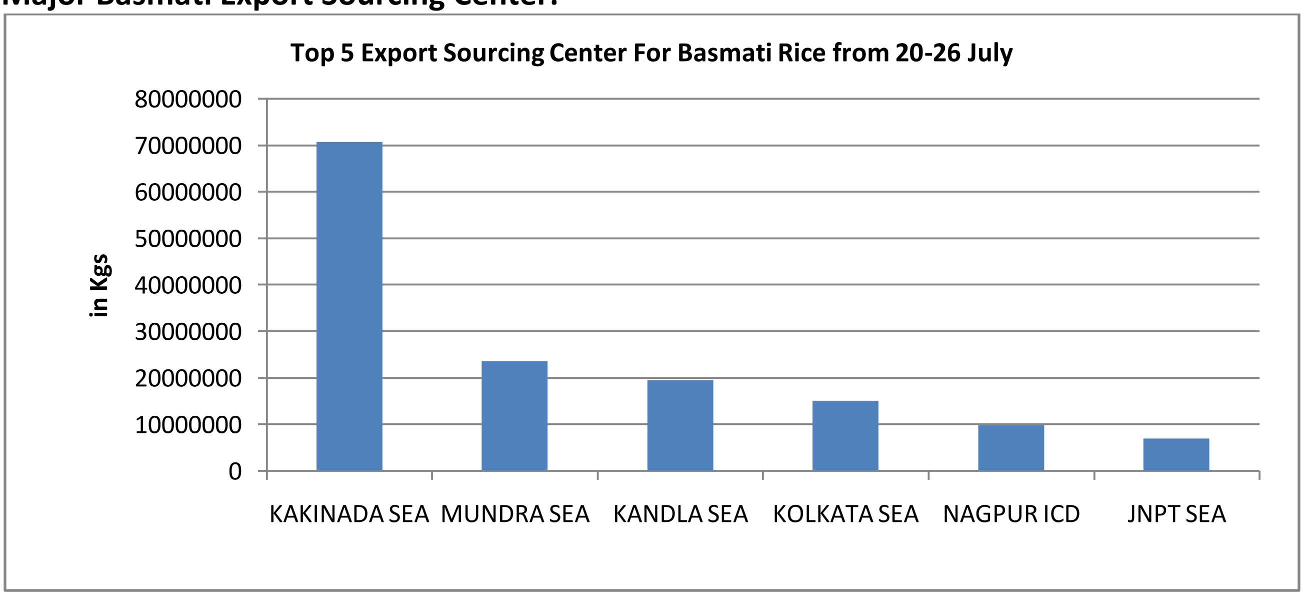
The Philippines, one of the world's biggest rice importers, could ship in more to boost buffer stocks and keep local prices stable because of an El Nino dry weather pattern now forecast to last until next year, potentially hurting the local harvest. Rice imports this year have reached 750,000 tonnes out of which 550,000 tonnes from Vietnam and the rest from Thailand. The NFA has permission from President Benigno Aquino to import an additional 250,000 tonnes if drought conditions worsen and hurt local rice production. However rice production is likely to up by 4.3% from last year with 12.4 million tonnes in coming season of 2015-16

Top Basmati Rice Importing Countries in 04th Week of July-2015:



(Source:-IBIS)

Major Basmati Export Sourcing Center:



Total basmati rice export in the 04th week of July was around 52,202 T with an average FOB of USD 877.07/MT. Kakinada, Mundra and Kandla 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	projection 28.05.15	projection 25.06.15
			22.01.15	2015-16	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 the uncertainty of 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 11.20-12.40/ hundredweight in coming sessions.

Price Projection (International-CBOT):

Duration	Trend	Price Range
01st Week of August, 2015	**Steady to Firm**	USD/ Hundred Weight 11.20-12.40