Latest Market Development

Wholesale Prices for India as an average for second week of September traded weak by 5.6% and are currently hovering at Rs.2630-2640/quintal. Frail demand in previous week was the main reason for bearishness in rice price, however overall sentiments remain bullish in coming week.

Total rice planting to India's main crop (June-December) stood at 36.14 million hectare as of September-04, 2015 which is up by 1% which was 35.74 million hectare during corresponding period last year.

As per data released by Agriculture Ministry, as on August 28, the net area under paddy cultivation in M.P has gone down from 21.19 lakh hectares in the 2014 kharif season to 19.22 lakh hectares in 2015, translating to nearly 11% less paddy sowing area. The crash in Basmati paddy prices from nearly Rs.4, 000 per quintal in 2013 to Rs.1, 800 in 2014 and the lack of rains in eastern MP has contributed to the decline in paddy sowing, with farmers replacing it with other crops.

In the monsoon season, weekly Rainfall for the country as a whole during the week 20th August to 26th August, 2015 was 37% lower 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 29% in East & North East India and lower by 72% in Central India, 63% in North West India and 11% in South Peninsula.

India's rice stocks in the central pool as of August 1, 2015 stood at about 18.6 million tons (including a milled equivalent of about 5.021 million tons of paddy), down about 24% from around 24.56 million tons recorded during the corresponding period last year, according to data from the Food Corporation of India (FCI).

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**	4.67	3.48	**8.15**
May-14	4.68	3.37	**8.05**	**May-15**	5.81	4.31	**10.12**
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***	6.14	2.7	**8.84**
August-14	7.45	2.16	**9.61**	**August-15***	5.6	2.68	**8.28**
September-14	8.86	2.03	**10.89**	**September-15**			
Total	**69.71**	**34.59**	**104.3**	**Total**	**72.82**	**37.17**	**109.99**

Revised (Source-DGCIS & * = IBIS)

Agriwatch has updated the rice exports in the first week of September based on data released by APEDA & IBIS. Total rice exports for MY-2014-15 till August-15 was 109 Lakh tonnes which was up by around 18% from last year's export of 93.41 lakh tonnes for the same period. Non- basmati rice exports in the month of August was 5.6 lakh tonnes and basmati exports in the month was 2.68 lakh tonnes.

For the remaining month (Sept-2015) we expect around 8-9 lakh tonnes of rice to be exported from India. The total rice export expectation is approx 11.5-11.8 million tonnes for MY- 2014-15, which will up by 10% from MY 2013-14 export of 104 lakh tonnes. Basmati exports are likely to end MY 2014-15 at around 40-41 lakh tonnes compared to 34.6 lakh tonnes last year, an increase of 15-18% year-on-year.

India Rice Balance Sheet:

Figure in MMT	2013-14	2014-15	2015-16*
Carry in	26.19	22.65	17.5
Production	106.54	104	104
Imports	0	0	0
Total Availability	132.73	126.65	121.5
Consumption	99.18	99.35	99.5
Exports	10.9	9.8	9
Total Usage	110.08	109.15	108.5
Carry out	22.65	17.5	13
Av Monthly Consumption	8.27	8.28	8.29
Stock to Month Use	2.74	2.11	1.57
Stock to Consumption Ratio	0.23	0.18	0.13

(Source: Agriwatch Research, USDA)

Rice production in MY 2015-16 is likely to be up from 104 million tonnes in 2014-15 to 104.5-105 million tonnes due to better rainfall and expectation of higher yield. On the Exports front, we expect that in MY 2015-16, rice exports will be down by around 13% from 2014-15 and will reach 9.8-10 million tonnes due to the lower carry over stock. However, the exports could improve should Indian rice continue to be competitive.

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

State wise Progressive Procurement

State/UTs	KMS 2014-15*
AP	35.55
Telangana	35.04
Assam	0.15
Bihar	16.19

Chandigarh	0.1
Chhattisgarh	33.55
Delhi	0
Gujarat	0
Haryana	20.15
H.P	0
Jharkhand	0.02
J&K	0
Karnataka	0.88
Kerala	3.74
M.P	8.07
Maharashtra	1.99
Nagaland	0
Odisha	34.87
Pondicherry	0
Punjab	77.86
Rajasthan	0
Tamil Nadu	9.51
U.P	16.98
Uttarakhand	4.65
West Bengal	19.93
Total	**319.23**

Source:FCI

*KMS 2014-15 is under progress. Figures reported as on 01.09.2015

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	18.66	16.31			

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 down from last month to 16.31 million tonnes as of September- 1, 2015.

State wise Wholesale Prices weekly for 01st Week of September-2015-

State	Prices 09-15 Sep 2015	Prices 01-08 Sep 2015	Prices 24-31 Aug 2015	Prices 09-15 Sep 2014	% Change(Over Previous Week)	% Change(Over Previous to Previous Week)	% Change(Over Previous Year)
AP	2809.53	2831.34	2816.75	2490.1	-0.77	-0.26	12.83
Assam	3027.74	3142.04	3191.59	3034.79	-3.64	-5.13	-0.23
Bihar	1932.48	1886.66	1872.33		2.43	3.21	__
Gujarat	2683.88	2674.88	2669.5	2601.44	0.34	0.54	3.17
Jharkhand	2634.76	2614.55	2546.48	2673.34	0.77	3.47	-1.44
Karnataka	3366.98	3404.9	3464.26	3554.49	-1.11	-2.81	-5.28
Kerala	3036.7	3086.74	3121.96	3287.25	-1.62	-2.73	-7.62
Maharashtra	3079.8	5410.33	3189.89	3665.57	-43.08	-3.45	-15.98
Meghalaya	3425	3089.09	3473.15	3365.38	10.87	-1.39	1.77
Orissa	2277.2	2093.51	2486.52	2219.01	8.77	-8.42	2.62
Tripura	2642.84	2619.43	2560.5	3879.26	0.89	3.22	-31.87
U.P	2108.73	2097.63	2075	2092.27	0.53	1.63	0.79
Uttrakhand	1677.54	1933.56	2126.34	1900.9	-13.24	-21.11	-11.75
West Bengal	2242.94	2257.59	2217.55	2573.68	-0.65	1.14	-12.85
Average	2639.01	2795.88	2669.07	2872.11			

Source agmarknet

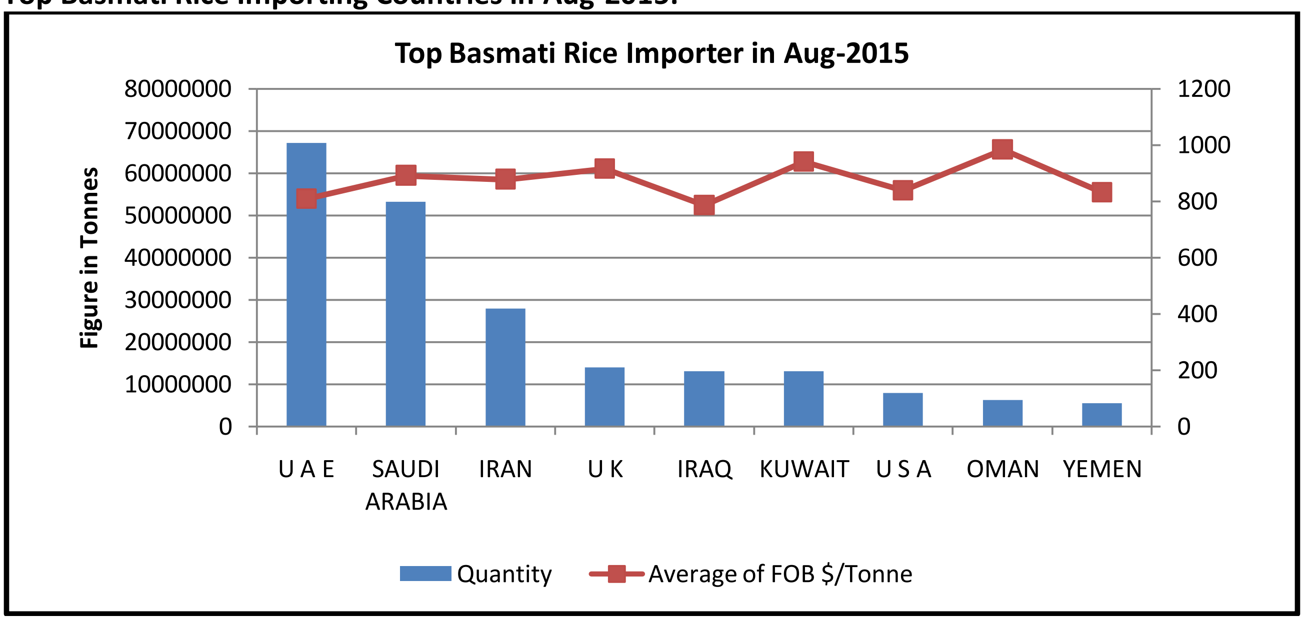
Price Projection for September 03rd Week in Domestic Market:

Duration	Trend	Average Price Range
03rd Week Of Sept, 2015	Steady to firm	Rs.2680-2800/Q

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

Monthly Average Price Change	Delhi			Karnal			Amritsar		
	Aug	July	% change	Aug	July	% change	Aug	July	% change
1121 Steam	5745.27	5463.75	5.15	5725	5975.15	-4.19	5614	5838.46	-3.84
1121 Sella	4411.36	4631.7	-4.76	4354.16	4578.84	-4.91	4338	4515.38	-3.93
Basmati Raw	5306.81	6075	-12.65	5243.47	6015.38	-12.83	5248	6042.3	-13.15

Top Basmati Rice Importing Countries in Aug-2015:



(Source:-IBIS)

After fifth consecutive month Saudi Arabia has slipped to second position after UAE for Indian aromatic rice import in the month of August. This month, Iran maintains its position in third place. Lowest FOB quotes were received by Iraq, USA and Yemen whereas higher price was offered by Oman & Kuwait.

Global Updates:

Vietnam has lowered the minimum export price (MEP) of its lower quality (25% broken) rice by about 3% to about $340 per ton from about $350 per ton in order to boost exports. The MEP was effective from August 13, 2015.

Myanmar Rice Federation (MRF) and the government have jointly decided to ban rice exports until September 15th, when the new monsoon rice crop is expected to reach the market. However, some local sources expect that Myanmar is unlikely to resume rice exports until November this year.

The Philippines Food Secretary has declared that there is a need to import more rice, above the already imported 750,000 tons from Vietnam and Thailand, in 2015 due to the impact of El Nino on rice crop, according to Bloomberg. However the quantum of imports is still not clear. He stated that the government is assessing the damage to rice crops due to drought and will decide on the volume of imports soon.

Thailand is set to sign a government-to-government deal with China next month to sell 1 million tonnes of rice, with delivery starting in December. Commerce Minister Chatchai Sarikulya said after his recent visit to China, that the deal would be signed on Sept 13 or 14. The grains, which are mainly new 5% white rice and Hom Mali fragrant rice, are part of 2 million tonnes of rice for which Thailand and China signed a memorandum of understanding last December.

Major Importers of Basmati & Non Basmati Rice in the Month of Aug-2015:

Non Basmati			Basmati Rice		
Country	**Quantity in Tonnes**	**Average of FOB $/Tonne**	**Country**	**Quantity in Tonnes**	**Average of FOB $/Tonne**
BENIN	99659.17	357.98	U A E	67048.966	808.08
SENEGAL	62398	299.33	S.ARABIA	53162.02	891.76
GUINEA	52629.3	363.15	IRAN	27867.144	878.05
SOUTH AFRICA	47782.472	368.54	U K	13932.207	915.10
LIBERIA	44642.71	352.09	IRAQ	13021.248	786.09
IVORY COAST	34041.5	346.68	KUWAIT	13010.837	941.50
TURKEY	22204.374	366.02	U S A	7829.69143	838.44
SINGAPORE	20289.213	440.36	OMAN	6283.098	983.84
SOMALIA	18855.6	378.56	YEMEN	5502.978	831.44
Others	158183.7737	375.5	Others	60589.918	924.5
Grand Total	**560686.1127**	**469.93**	**Grand Total**	268248.1074	**852.77**

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

	2012-13	**2013-14**	**2014-15 Estimate 22.01.15**	**Forecast 30.7.15** 2015-16	**Forecast 27.08.15** 2015-16
Production	473	478	476	480	479
Trade	38	43	42	42	42
Consumption	469	479	484	489	488
Carryover stocks	113	112	103	96	97
Y-O-Y change	4	-2	-8		-9
Major Exporters	40	37	28	20	22

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

IGC Rice Balance sheet Highlights:

The projection of global rice output in 2015/16 is trimmed but, at 479m t, would broadly match the previous year's record. Carry-in stocks are placed higher than in July and, with total use little changed, aggregate carryovers are lifted by 0.9m t, to 96.9m. Nevertheless, this would still equate to a y/y decline of 9% and be the smallest in six seasons, mainly on a drop in leading exporters. At 42m t, world trade is anticipated to remain high in 2016 on demand from buyers in Africa and Asia

World rice trade is projected to stay historically high in 2016, with China again the biggest buyer owing to large domestic-export price premiums.

The 2015/16 world rice outturn is seen broadly matching the previous year's record, although prospects remain tentative, especially due to ongoing weather worries. With population growth set to support a further expansion of uptake, global end-season inventories are projected to fall by 9%, to 96.9m t – the smallest in six years and almost entirely due to a contraction in key exporters. Trade is expected to remain high in 2016 on demand from buyers in Africa and Asia. Thailand's volumes are seen surpassing those of India as it reclaims its status as the world's biggest exporter.

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

Market Analysis:
The CBOT November month rough chart for rice indicates firm movement in previous weekly session; overall market is in bullish trend. We expect market to hover in the range USD 11.60-12.20/ hundredweight in coming sessions.

Price Projection (International-CBOT):

Duration	Trend	Price Range
03rd week of Sept, 2015	**Steady**	USD/ Hundred Weight 11.60-12.20