

Latest Market Development

Wholesale Prices for India as an average for first week of October traded weak by 0.84% and are currently hovering at Rs.2590-2600/quintal. We expect non-basmati rice market to move in the range bound with slightly weak due to start of new arrivals in major north Indian market.

Aromatic rice monthly average prices in the month of August were weak by 8-12% in all major markets of Amritsar, Karnal and Delhi, due to frail demand from bulk buyers.

Total rice planting to India's main crop (June-December) stood at 37.59 million hectare as of Oct-01, 2015 which is up by 0.72 lakh Ha from the corresponding period last year. This is almost final figure of main crop. As of October 01st-2015, Area under paddy in Punjab, Haryana and U.P is 28.43 lakh Ha, 12.43 Lakh Ha and 58.96 lakh hectare respectively, which is up by 0.23 lakh hectare, 1.07 lakh hectare and 1.99 lakh hectare in these states accordingly.

Punjab Govt. has imposed 7% tax on basmati rice procurement again to check manipulation by traders and exporters. The State govt had withdrawn taxes on the hope of higher prices. The applicable tax includes 2% tax towards market fee, 2% towards rural development fund and 3% towards Punjab Infrastructure Development Fund. Now millers/exporters will pay 7 % tax. However, exporters can get a refund if they export total purchased quantity. Actually govt had incurred heavy loss due to this tax withdrawal last year. This year production of basmati in Punjab is expected to be around 3.2 million tonne. It will give govt. Rs 448 crores.

The total rice export has touched 118 lakh tonnes for MY- 2014-15, which will up by 13% from MY 2013-14 export of 104 lakh tonnes. Basmati exports in the end of marketing year were 41 lakh tonnes which is 18% up from last year exports of 34.59 lakh tonnes, despite the ban by Iran which is one of the largest buyers of Indian Basmati rice. In MY 2014-15, Saudi Arabia, Iraq, Kuwait, USA were the main buyers.

In the month of September, Iraq, UAE and Saudi Arabia were the three major importers for Indian basmati rice respectively. This month, Iran slipped down from third to fourth position. Lowest FOB quotes were received by Iraq, USA and Yemen whereas higher price was offered by United Kingdom & Kuwait.

State wise Progressive Procurement

State/UTs	KMS 2014-15*
AP	35.72
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	20.32
Total	319.79

Figure in lakh Tonnes

Source:FCI

*KMS 2014-15 is under progress. Figures reported as on 15.09.2015

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

State	Prices 01-08 Oct 2015	Prices 24-30 Sep 2015	Prices 16-23 Sep 2015	Prices 01-08 Oct 2014	% Change(Over Previous Week)	% Change(Over Previous to Previous Week)	% Change(Over Previous Year)
AP	3400.84	3383.38	2857.5	2529.48	0.52	19.01	34.45
Assam	3066.98	3085.13	3057.42	2716.28	-0.59	0.31	12.91
Bihar	1992.41	2006.67	2007.45		-0.71	-0.75	—
Gujarat	2667.17	2721.46	2673.01	2694.76	-1.99	-0.22	-1.02
Jharkhand	2578	2563.63	2616.96	2635.37	0.56	-1.49	-2.18
Karnataka	3291.07	3366.82	3316.96	3345.69	-2.25	-0.78	-1.63
Kerala	3106.54	3119.11	3100.02	3370.44	-0.4	0.21	-7.83
Maharashtra	3535.32	2962.72	3339.55	4042.54	19.33	5.86	-12.55
Meghalaya	3418.3	3042.28	3027.55	3970.14	12.36	12.91	-13.9
Delhi	2000	1880.43	1945.95	2000	6.36	2.78	0
Orissa	2137.08	2249.45	2173	2247.7	-5	-1.65	-4.92
Punjab	1450			2408.15	—	—	-39.79
Tripura	2659.86	2656.06	2667.81	2690.99	0.14	-0.3	-1.16
Uttar Pradesh	2090.19	2111.94	2094.28	2058.43	-1.03	-0.2	1.54
Uttarakhand	1889.15	1857.01	1713.43	1940.8	1.73	10.26	-2.66
West Bengal	2273.35	2283.8	2277.18	2623.74	-0.46	-0.17	-13.35
Average	2597.26	2619.33	2591.2	2823.33			

As per the data reported by APMCs

Source agmarknet

Price Projection for October 02nd Week in Domestic Market:

Duration	Trend	Average Price Range
02 nd Week Of Oct, 2015	Steady to Weak	Rs.2580-2650/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	08 Oct 2015)	01 Oct 2015)	Month Ago(08 Sept-2015)	% ch. From last week	% Change from last Month
1121 Steam	5300	5000	5000	6.00	0.00
1121 Sella	4000	4000	4050	0.00	-1.23
1121 Raw	4600	4700	5000	-2.13	-6.00

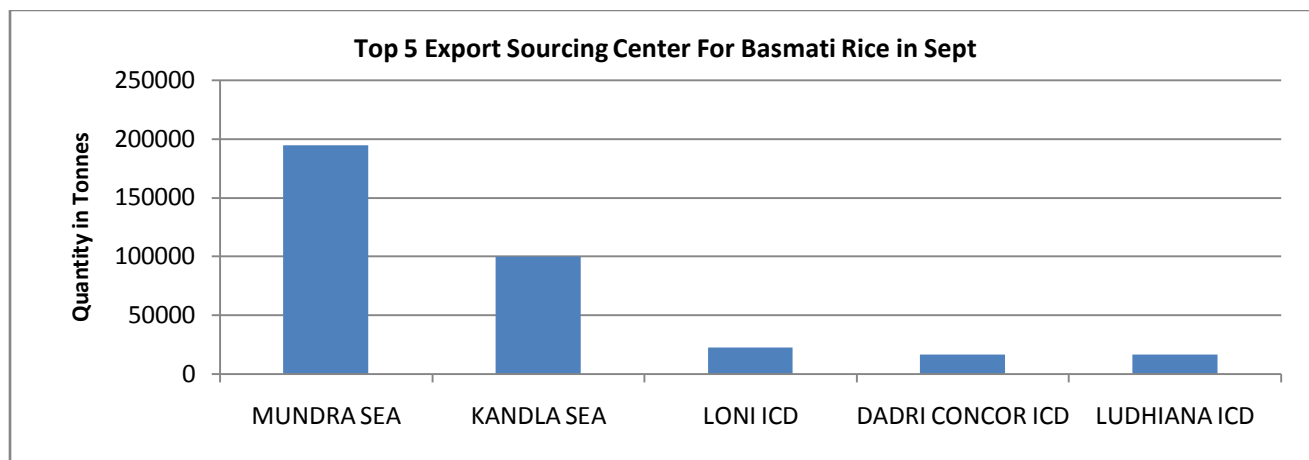
Weekly Price (FOB) Change of Rice 5% broken high quality (Figure in USD/ MT):

Indian White Rice 5%, 25% High Quality, Long grain parboiled 5%					
Variety	Today 08 Oct 2015)	01 Oct 2015)	Month Ago(08 Sept-2015)	% ch. From last week	% Change from last Month
White Rice 5%	355	355	375	0.00	-5.33
White Rice 25%	325	325	350	0.00	-7.14
Parboiled 5%	345	350	365	-1.43	-4.11

Major Importers of Basmati & Non Basmati Rice in Sept-2015:

Major Importers Of Non Basmati rice			Major Importers Of Basmati rice		
Country	Quantity in Tonnes	Average of FOB \$/Tonne	Country	Quantity in Tonnes	Average of FOB \$/Tonne
BENIN	94507.66	353.67	IRAQ	91887.99	797.36
SENEGAL	57820.00	301.54	U A E	74062.83	832.15
LIBERIA	44999.96	353.40	SAUDI	50177.32	924.77
IVORY COAST	25740.45	348.34	IRAN	33768.24	844.30
S.AFRICA	19895.98	390.07	S.ARABIA	16757.96	901.40
TURKEY	19192.55	347.88	KUWAIT	15643.43	957.95
B'DESH	18180.31	378.90	U K	15530.73	962.72
NIGERIA	18025.15	153.62	YEMEN	12664.27	794.67
U A E	16978.85	530.37	U S A	11181.28	844.03
GUINEA	13048.83	365.75	KOREA	6955.80	924.92
Others	172074.29	550.32	Others	55288.24	919.01
Grand Total	500464.03	454.28	Grand Total	383918.07	901.77

Major Basmati Export Sourcing Center:



Total Rice export in the month of Sept, 15 was 8.83 lakh tonnes. Mundra, Kandla and Loni ICD were the major port for basmati rice import center during this period.

Global Updates:

According to FAO, Pakistan Basmati FOB in the month of September traded weak by 3.66% from the previous month and currently hovers in the range of USD 855/MT, Similarly, Indian FOB in the month of Aug moved down from last month and is currently in the range of USD 790-795/MT which is down by around 11% from last month price. According to the FAO, rice prices in Thailand as well as in India and Pakistan declined due to the on-going harvesting. However, prices were firmer in Vietnam and the U.S., says the FAO. The UN agency attributes the weakness of prices to a sluggish international demand. It says depreciation of currencies and difficulty in accessing foreign exchange are stalling imports in some countries like Nigeria.

The UN's Food and Agriculture Organization (FAO) estimates 2015 global milled rice production to decline about 0.4% to around 493 million tons from an estimated 494.9 million tons in 2014-15; and down about 1.5% from its previous estimate of around 500.6 million tons. The FAO estimates production to fall in all regions except in Latin America and the Caribbean, and Europe.

The UN agency estimates 2015-16 global rice utilization at around 499.9 million tons (basis, milled), up about 5.6 million tons from last year, and down about 9.8 million tons from its previous estimate. It estimates world rice consumption to surpass global rice production. The FAO estimates 2015-16 global rice stocks at 164.3 million tons, down about 6 million tons from the previous year, and down about 5.2 million tons from its previous estimate due to offloading of inventories in the five major exporting countries. The UN agency estimates 2015-16 world rice trade at around 45 million tons, slightly up from last year's 44 million tons, up about 2.9 million tons from its previous estimate. The FAO estimates higher imports from Indonesia, North Korea and the Philippines. It also expects exports from Thailand and Vietnam to increase.

IGC Balance Sheet:
(Fig. In Million Tonnes)

	2012-13	2013-14	2014-15 Estimate 22.01.15	Forecast 27.08.15 2015-16	Forecast 24.09.15 2015-16
Production	473	478	479	479	477
Trade	38	43	43	42	42
Consumption	469	480	484	488	488
Carryover stocks	113	11	106	97	95
Y-O-Y change	4	-2	-5		-11
Major Exporters	40	38	31	22	22

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

IGC Rice Balance sheet Highlights:

World rice output in 2015/16 is predicted to fall slightly from the previous year's high, on expectations for smaller crops in key Asian producers. Together with reduced opening stocks, global availabilities are set to tighten and, given a population-driven increase in food use, carryovers are anticipated to contract by 10% y/y. Most of the downward adjustment of 11m t is likely to be due to a heavy drop in the major exporters. Trade in calendar 2016 is expected to contract, but stay historically high. the projection of world rice output is cut by about 2m t, to 477m, but would still be only a fraction lower y/y. Feeding through to a smaller prediction of total supplies, and with consumption little changed from last month, global inventories are trimmed to 95m t, the y/y contraction of 10% almost entirely due to India and Thailand. The outlook for trade in 2016 is maintained at 42m t, down slightly from the year before, but well above the prior five-year average.

IGC Revised Rice Production Down By 2 MMT to 477 MMT

IGC has revised rice production estimate down by 2 MMT to 477 MMT for 2015-16. Decrease in production estimate may shrink opening stock. With increasing population driven demand carry out may decrease by 10 percent year on year basis. It may stabilize rice price in the months ahead.

Global Trade of Rice may Decline to 42 MMT

Global trade of rice too has been projected slightly lower (at 42MMT) from previous year high. Global inventory may touch 95MMT due to decrease in Indian and Thai stock.

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

Market Analysis:

The CBOT November month rough chart for rice indicates weak movement in previous weekly session; overall market is in bullish trend. We expect market to hover in the range USD 12.60-12.80/ hundredweight in coming sessions.

Price Projection (International-CBOT):

Duration	Trend	Price Range
02 nd week of Oct, 2015	Steady to Weak	USD/ Hundred Weight 12.60-12.80

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