

Latest Market Development

Wholesale Prices for India as an average for second week of October traded weak by 0.39% and are currently hovering at Rs.2630-2640/quintal. We expect non-basmati rice market to move range bound to slightly weak due to fresh arrival in major mandis.

Aromatic rice monthly average prices in the second week of October were steady to weak by 0-2% from last week and currently move with Rs.4000/quintal(1121 Sela) and rs.5300/quintal(Steam). We expect price of 1121 varieties move in the range bound in coming week.

Pusa basmati paddy has started hitting the Fazilika mandi in Punjab, purchasing is yet to commence. Millers are hesitant to buy paddy at current price as they had incurred heavy losses last year due to lower price in global market. Millers are not willing to offer Rs 1700 to Rs 1800 per Qtl this year. Higher price than this would make their business unviable. At the ruling basmati price of Rs3700 to Rs 3800 per Qtl they are unable to offer more than Rs 1800 per qtl. There is a fear that large quantity of last year is still unsold. It would continue to restrict aromatic rice price in the weeks ahead. On the other hand farmers say that price should be around Rs 2500 per qtl so as to meet their input cost and continue to grow basmati.

With increasing cost of production, lower rainfall and declining prices for aromatic rice prices farmers in Punjab and Haryana are facing problems related to marketing of basmati rice this season. Ample stock in major importing countries, unexpectedly lower price, quality issue and sluggish demand from global market for aromatic rice have further pressurized price of basmati rice. Farmers are depressed over the low ruling prices of their produce as it is not in line with their expectations of higher prices. This has added to their problem and Farmers have started protests against the prevailing lower price demanding a Minimum Support Price (MSP) of Rs 4200 to Rs 5000 per quintal from the government. This may impact the arrival of 1121 and traditional basmati to mandi in season.

Total rice planting to India's main crop (June-December) stood at 37.81million hectare as of Oct-16, 2015 which is slightly down by 0.14 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.

Total Rice exported from India in the second week of October (12-18) was 146812.83 tonnes out of which basmati rice contributes 44.13%, and 55.87% non-basmati rice exported in this period with quantity of around 82028.33 tonnes as per latest data extract from IBIS. Major importers for Indian Basmati rice in this period was UAE, Saudi Arabia and Kuwait. We expect Middle East countries to remain the major basmati buyers for Indian Basmati from Mundra and Kandla Port in coming weeks.

State wise Wholesale Prices weekly for 02nd Week of October-2015-

State	Prices 16-23 Oct 2015	Prices 09-15 Oct 2015	Prices 01-08 Oct 2015	Prices 16-23 Oct 2014	% Change(Over Previous Week)	% Change(Over Previous to Previous Week)	% Change(Over Previous Year)
AP	2965.56	2908.4	3407.24	2820.95	29.47	10.52	33.49
Assam	2909.62	3101.79	3067.71	2957.7	-6.2	-5.15	-1.63
Bihar	2050.8	2008.1	1994.62		51.88	52.91	—
Gujarat	2686.09	2670.23	2667.61	2581.91	0.59	0.69	4.03
Jharkhand	2435	2550.75	2551.49	2683.85	-4.54	-4.57	-9.27
Karnataka	3441.81	3450.35	3289.73	3478.6	-0.25	4.62	-1.06
Kerala	3136.08	3103.93	3104.93	3414.51	1.04	1	-8.15
Maharashtra	2865.1	3452.13	3524.57	4198.95	-17	-18.71	-31.77
Manipur	3037.97	3040.54	3219.11	3188.92	-0.08	-5.63	-4.73
Meghalaya	3461.42	3060.14	3418.3	3880.79	13.11	1.26	-10.81
Delhi	2000	1800	2000	2000	11.11	0	0
Orissa	2178.7	2093.84	2148.1	2270.03	4.05	1.42	-4.02
Tripura	2668.21	2663.34	2659.88	2742.42	0.18	0.31	-2.71
U.P	2090.59	2101.01	2094.72	2087.59	-0.5	-0.2	0.14
Uttarakhand	1915.88	2035.96	1889.15	1990.97	-5.9	1.41	-3.77
W.B	2303.74	2272.37	2275.57	2649.66	1.38	1.24	-13.06
Average	2634.16	2644.56	2633.1	2884.81			

As per the data reported by APMCs

Source agmarknet

Price Projection for October 04th Week in Domestic Market:

Duration	Trend	Average Price Range	Reason
04 th Week Of Oct, 2015	Steady to Weak	Rs.2590-2680/Q	Average Rice price in all India is likely to trade under pressure with beginning of new arrival.

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	21 Oct 2015)	16 Oct 2015)	Month Ago(21 Sept-2015)	% ch. From last week	% Change from last Month
1121 Steam	5300	5300	5000	0.00	6.00
1121 Sella	4000	4000	4000	0.00	0.00
1121 Raw	4500	4600	4700	-2.17	-2.13

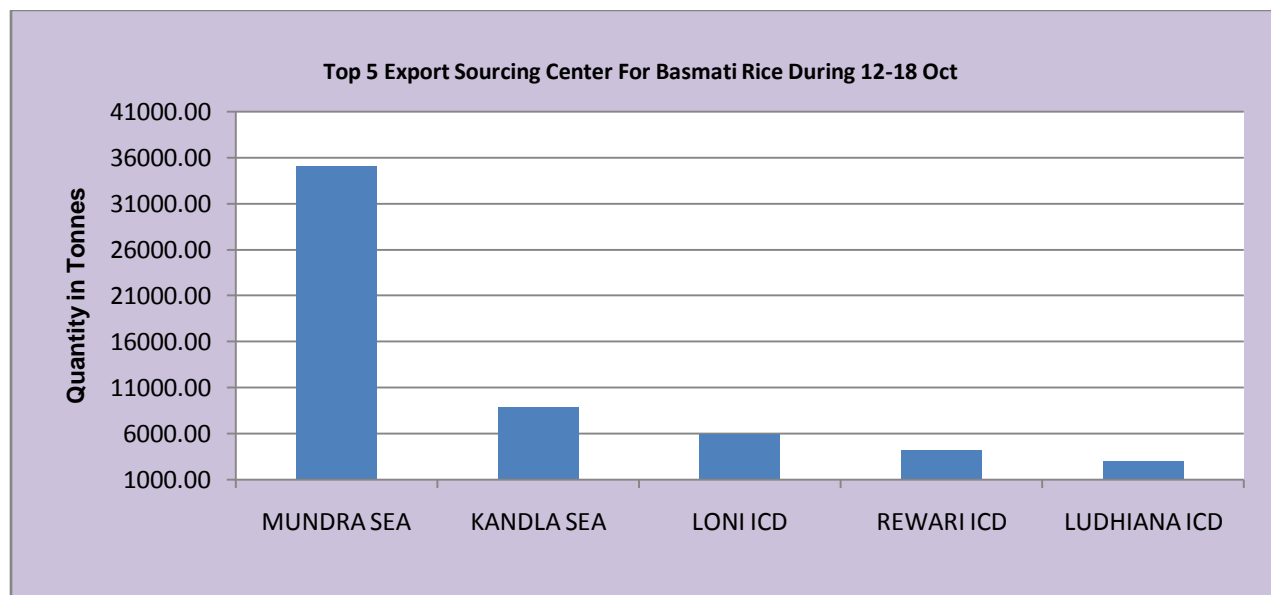
Weekly Price (FOB) Change of Rice 5% broken high quality (Figure in USD/ MT):

Indian White Rice 5%, 25% High Quality, Long grain parboiled 5%					
Variety	21 Oct 2015)	16 Oct 2015)	Month Ago(21 Sept-2015)	% ch. From last week	% Change from last Month
White Rice 5%	360	365	355	-1.37	2.82
White Rice 25%	340	325	325	4.62	0.00
Parboiled 5%	350	345	350	1.45	-1.43

Major Importers of Basmati & Non Basmati Rice in the Period between 12-18 Oct-2015:

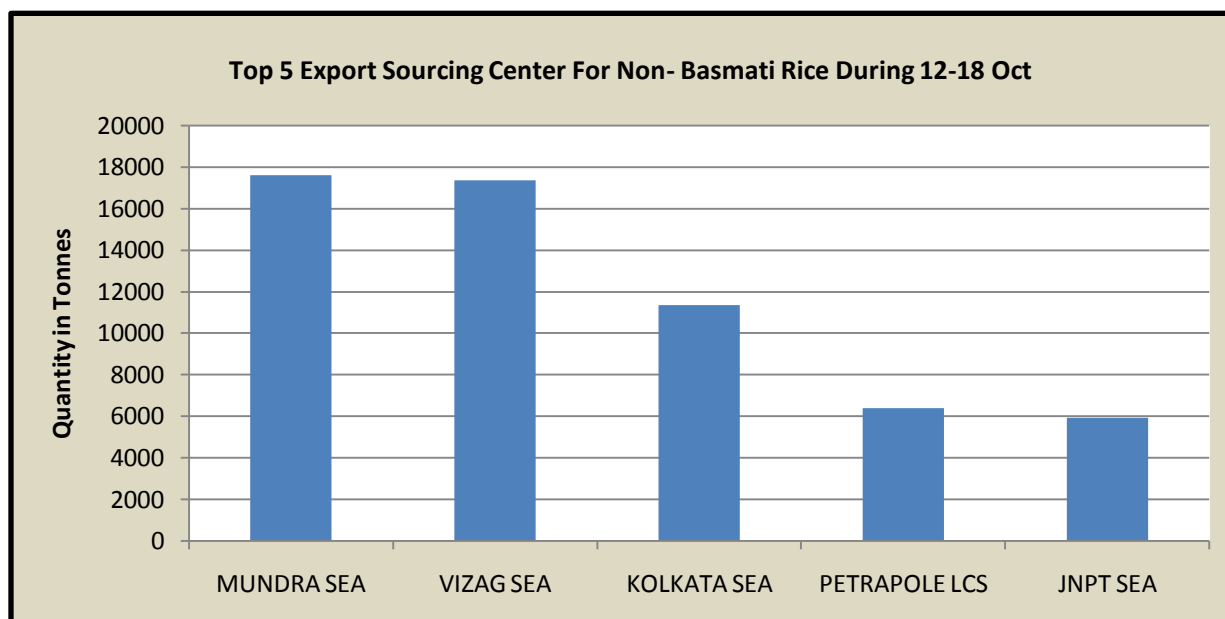
Non Basmati Rice Importers			Basmati Rice Importers		
Country	QUANTITY(TONNES)	Average of FOB \$/Tonne	Country	QUANTITY(TONNES)	Average of FOB \$/Tonne
BENIN	14299.50	345.82	U A E	14571.54	797.98
SENEGAL	9996.00	330.96	SAUDI	13997.16	834.45
B'DESH	6418.50	412.22	KUWAIT	8046.76	802.82
S.AFRICA	4717.14	412.61	IRAN	3705.96	755.38
TURKEY	3878.94	364.95	KOREA	3098.00	747.85
BAHRAIN	3241.12	371.32	IRAQ	2685.29	758.69
SAUDI	2962.08	577.89	U S A	2059.23	646.48
U A E	2905.83	700.38	U K	2015.50	738.75
SOMALIA	2688.00	346.58	AUSTRALIA	1478.04	665.52
IVORY COAST	2499.00	425.71	YEMEN	1292.00	769.13
Others	28422.22	537.89	Others	11835.03	800.81
Grand Total	82028.33	521.56	Grand Total	64784.50	770.85

Major Basmati Export Sourcing Center:



Total basmati rice export in the second week of Oct (12-18), 15 was 64784.50 tonnes. Mundra, Loni ICD was the major port for basmati rice import center during this period.

Major Non-Basmati Export Sourcing Center:



Total non basmati Rice export in the second week of Oct (12-18), 15 was 82028.33 tonnes. Mundra, Vizag and Kolkata Sea was the major port for basmati rice import center during this period.

State wise Progressive Procurement

State/UTs	KMS 2014-15*
AP	35.96
Telangana	35.04
Assam	0.15
Bihar	16.19
Chandigarh	1.10
Chhattisgarh	34.22
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	10.51
U.P	16.98
Uttarakhand	4.65

West Bengal	20.32
Total	321.69

Figure in lakh Tonnes

Source:FCI

*KMS 2014-15 is under progress. Figures reported as on 07.10.2015

Global Updates:

The Indonesian President recently confirmed that the government would decide to import rice if rains don't resume by the fourth week of October 2015 and if the dry season continues till November. The President noted that rice import agreements are already finalized with some exporting nations and rice can be shipped to Indonesia whenever needed. He stated that the imported rice will be used to add up to the national rice reserves. The Vice-President earlier indicated that Indonesia needs to import about 1.5 million tons of rice to maintain adequate stocks and avoid price hikes.

The Philippines may import an additional one million tons of rice next year in order to maintain adequate stocks and avoid price hikes, especially with a strengthening El Nino on the horizon. Rice stocks in the Philippines declined in September for the fourth consecutive month. Total rice stocks as of September 1 stood at around 1.96 million tons, down about 12.5% from August and about 31.5% higher than the corresponding period last year. The Philippines Statistics Agency estimates the Philippines paddy rice production in the third quarter (July-September) of 2015 to decline about 14.8% y/y to 2.579 million tons, down from its previous forecast of 2.589 million tons.

Vietnamese rice prices jumped this week to a nine-month high as exporters prepared loading for the Philippines and Indonesia amid potential fresh demand from Manila, while Thai rice prices were unchanged. The price hike in Vietnam, the world's third-largest rice exporter after India and Thailand, started last month after it won a Philippine tender to supply 450,000 tonnes. Prices jumped again on Indonesia's 1-million-tonne demand. Vietnam's 5-percent broken rice rose to US\$370-US\$300 a tonne, free-on-board (FOB) Saigon Port, from US\$355-US\$360. The recent jump in Vietnam rice prices could force buyers such as China towards Thailand and Pakistan, where prices are lower. It is expected that prices in Vietnam might ease in late February or early March, when fresh supplies arrive from the next crop's harvest in the Mekong Delta.

The USDA Post estimates Pakistan's MY 2014-15 (November-October) rice exports will remain unchanged from last year's level of around 4 million tons.

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 of 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 year 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 range bound movement in previous weekly session; overall market too is in sideways trend from last week. We expect market to hover in the range USD 11.80-12.40 hundredweight in coming sessions.

Price Projection (International-CBOT):

Duration	Trend	Price Range
04 th week of Oct, 2015	Steady	USD/ Hundred Weight 11.80-12.40

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