

Latest Market Development

Wholesale Prices for India as an average for first week of November traded slightly firm by 0.46% and are currently hovering at Rs.2670-2675/quintal. We expect non-basmati rice market to move range bound in coming week.

Aromatic rice monthly average prices in the first week of November were traded in mixed form from last week and currently move with Rs.3700/quintal(1121 Sela) and rs.4800/quintal(Steam). We expect price of 1121 varieties to move range bound in coming week.

As per Agriwatch second preliminary estimates after final Kharif sowing ,Indian rice production (including rabi) is expected to fall by 4-5% from last year production of 104.5 million tonnes to 99-100 million tonnes in KMS 2015-16 due to lower area and lower rainfall in major growing states. Average rice price is likely to trade steady even with the start of harvesting season, due to lower production estimates and lower carryover stock.

Government procurement of MY 2015/16 rice under the minimum support price is significantly ahead of last year due to the timely harvest of rice unlike last year where harvest was delayed by about two weeks due to October rains. Government procurement through October 25, 2015, is estimated at 6.54 MMT compared to 5.05 MMT during the corresponding period of MY 2014/15. Most of the procurement is currently limited to the northern states, but will gradually spread to other parts of the country from November onwards as harvest progresses. Based on the production and procurement estimates suggested by various states, the government has set the MY 2015/16 kharif rice procurement target of 30 MMT compared to MY 2014/15 kharif rice procurement of 25.3 MMT (target 30.1 MMT).

Based on the production and procurement estimates suggested by various states, the government has set the MY 2015/16 kharif rice procurement target of 30 MMT compared to MY 2014/15 kharif rice procurement of 25.3 MMT (target 30.1 MMT). Market sources report that the government's MSP (INR 14,100/MT for common paddy rice) is above the open market price of un-milled paddy rice supporting government procurement. However, overall procurement is likely to depend on open market prices in other states, which could be affected by forecast lower productivity.

Total Rice exported from India in fourth week of October (26 Oct-01 Nov) was 145388.83 tonnes out of which basmati rice contributes 43.01%, and 56.98% non-basmati rice exported in this period with quantity of around 82848.22 tonnes as per latest data extract from IBIS. Major importers for Indian Basmati rice in this period were UAE, Iran, Saudi Arabia and Korea. We expect Middle East countries to remain the major basmati buyers for Indian Basmati from Mundra and Kandla Port in coming weeks. Rice exports in this week were up by 64% from last week export of 88483.77 tonnes.

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

State	Prices 01-08 Nov 2015	Prices 24-31 Oct 2015	Prices 16-23 Oct 2015	Prices 01-08 Nov 2014	% Change(Over Previous Week)	% Change(Over Previous to Previous Week)	% Change(Over Previous Year)
AP	3801.96	3317.75	3784.13	2629.48	14.59	0.47	44.59
Assam	2952.02	3057.03	2901.36	3300.22	-3.44	1.75	-10.55
Bihar	2062.35	2007.37	3050		2.74	-32.38	—
Gujarat	2742.61	2680.69	2680.2	2643.67	2.31	2.33	3.74
Jharkhand	2626.37	2659.97	2533.74	2748.19	-1.26	3.66	-4.43
Karnataka	3448.45	3374.5	3344.04	3201.07	2.19	3.12	7.73
Kerala	3209.71	3130.75	3111.18	3361.22	2.52	3.17	-4.51
Maharashtra	2810.3	3062.3	2898.44	4164.83	-8.23	-3.04	-32.52
Manipur	2954.89	2996.77	3038.06		-1.4	-2.74	—
Meghalaya	3500	3446.01	3423.9	3105.97	1.57	2.22	12.69
Orissa	2236.29	2201.32	2002.51	2153.16	1.59	11.67	3.86
Punjab	1630.33			2717.99	—	—	-40.02
Tripura	2614.02	2691	2664.58	2728.44	-2.86	-1.9	-4.19
Uttar Pradesh	2112.59	2106.8	2100.54	2107.99	0.27	0.57	0.22
Uttrakhand	1844.13	1880.81	1897.54	1943.4	-1.95	-2.81	-5.11
West Bengal	2229.5	2253.28	2275.68	2628.32	-1.06	-2.03	-15.17
Average	2673.47	2661.02	2731.62	2814.32			

As per the data reported by APMCs

Source agmarknet

Price Projection for November 02nd Week in Domestic Market:

Duration	Trend	Average Price Range	Reason
02 nd Week of November, 2015	Steady to Weak	Rs.2600-2750/Q	Average Rice price in all India is likely to trade under pressure as main crop harvesting starts

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	06 Nov 2015)	30 Oct 2015)	Month Ago(06 Nov-2015)	% ch. From last week	% Change from last Month
1121 Steam	4800	4800	5000	0.00	-4.00
1121 Sella	3700	4000	4000	-7.50	0.00
1121 Raw	4500	4400	4600	2.27	-4.35

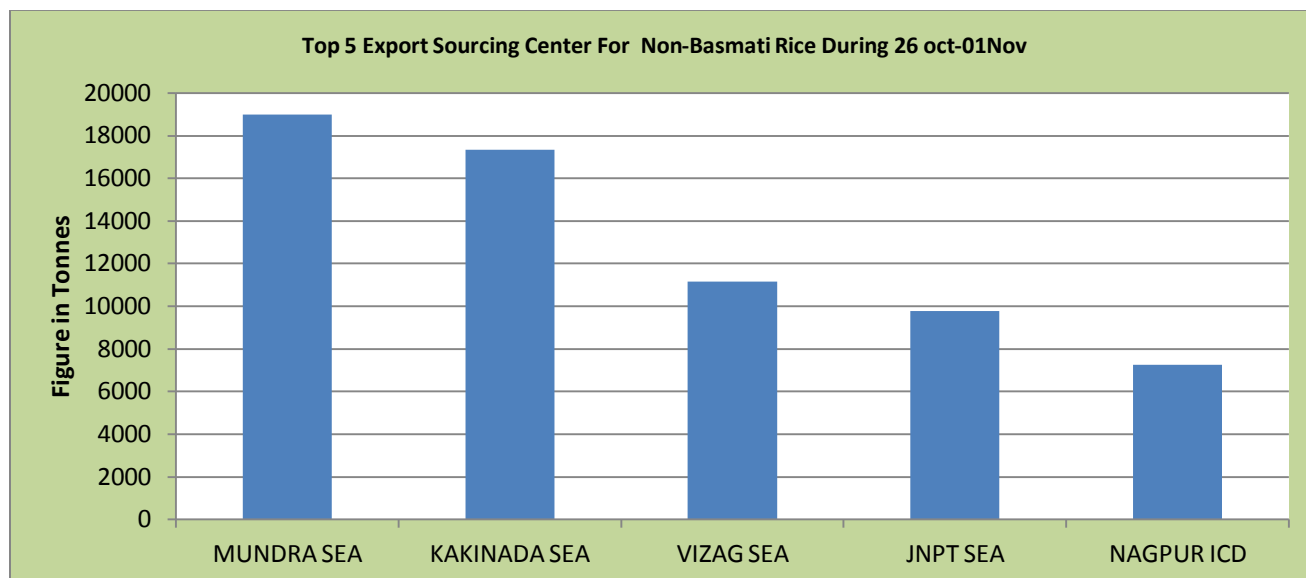
Weekly Price (FOB) Change of Rice 5% broken high quality (Figure in USD/ MT):

Indian White Rice 5%, 25% High Quality, Long grain parboiled 5%					
Variety	06 Nov 2015)	30 Oct 2015)	Month Ago(06 Nov-2015)	% ch. From last week	% Change from last Month
White Rice 5%	345	360	355	-4.17	1.41
White Rice 25%	340	340	325	0.00	4.62
Parboiled 5%	350	350	345	0.00	1.45

Major Importers of Basmati & Non Basmati Rice in the Period between 19-25 Oct-2015:

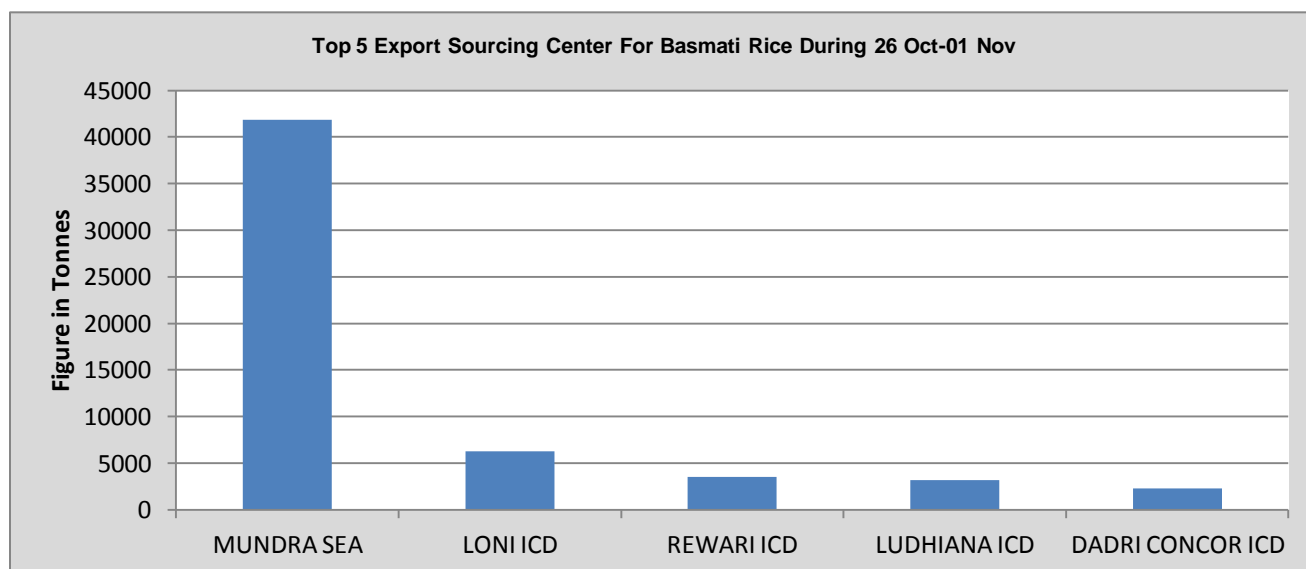
Non Basmati Rice Importers			Basmati Rice Importers		
COUNTRY	Quantity in Tonnes	Average of FOB \$/Tonne	COUNTRY	Quantity in Tonnes	Average of FOB \$/Tonne
SENEGAL	17350	278.79	U A E	16805.96	823.50
BENIN	16789.35	343.09	SAUDI	8953.49	808.77
SOMALIA	5963	349.39	IRAN	6029.22	805.82
S.AFRICA	5673.15	335.38	KOREA	4181.46	903.18
U A E	3834.51	506.51	IRAQ	4029.98	688.55
BERBERA	3770	344.45	YEMEN	3265.60	791.30
TOGO	3458	341.51	U S A	2997.40	769.51
RUSSIA	2178.65	364.35	U K	2318.48	710.21
TURKEY	2085	401.60	BELGIUM	1559	897.82
SAUDI	1739.32	422.96	TURKEY	1206	613.48
Others	20007.23	498.73	Others	11193.99	862.48
Grand Total	82848.22	554.74	Grand Total	62540.61	835.57

Major Non-Basmati Export Sourcing Center:



Total non-basmati Rice export in the fourth week of Oct (26 Oct-01Nov), 15 was 82848.22 tonnes. Mundra sea, Kakinada, and Vizag Sea was the major port for basmati rice export center during this period.

Major Basmati Export Sourcing Center:



Total basmati Rice export in the fourth week of Oct (26 Oct-01Nov), 15 was 62540.61 tonnes. Mundra sea, Loni ICD, and Rewari was the major port for basmati rice export center during this period.

State wise Progressive Procurement

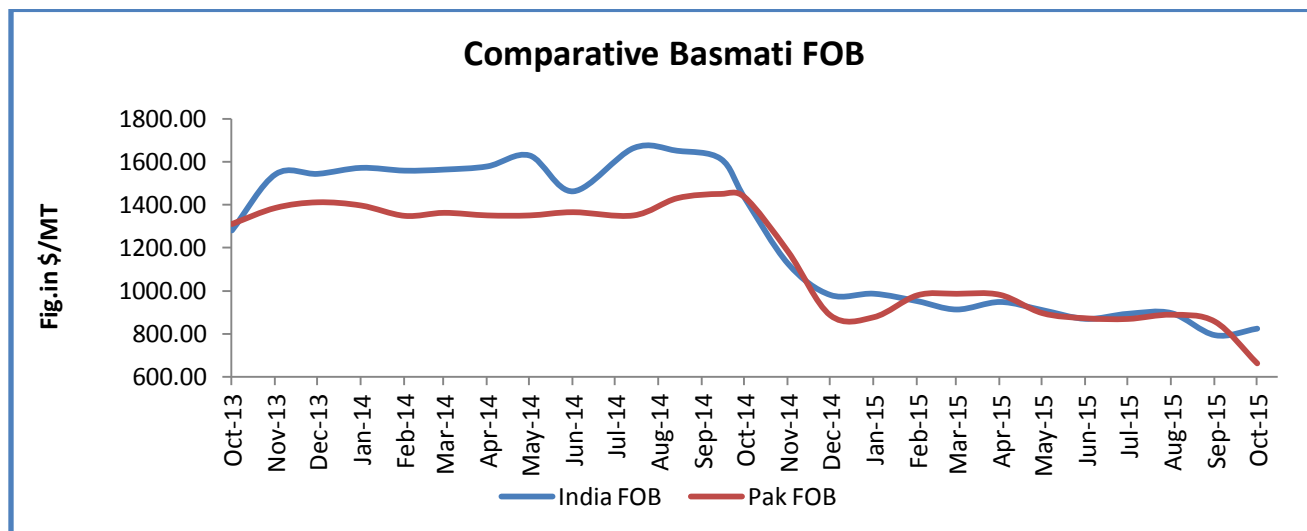
State/UTs	KMS 2014-15*
AP	35.96
Telangana	35.04
Assam	0.15
Bihar	16.19
Chandigarh	1.10
Chhattisgarh	34.22
Delhi	0
Gujarat	0
Haryana	20.15
H.P	0
Jharkhand	0.02
J&K	0
Karnataka	0.88
Kerala	3.74
M.P	8.07
Maharashtra	1.99
Nagaland	0
Odisha	34.87
Pondicherry	0
Punjab	77.86
Rajasthan	0
Tamil Nadu	10.51
U.P	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



Pakistan basmati rice export prices have declined for second consecutive month after increasing in August 2015, according to the UN's Food and Agriculture Organization (FAO). The decline can be attributed to increasing supplies from the current harvest, lack of export demand as well as surging stocks. Pakistan rice exporters reportedly hold around 500,000 tons of basmati rice from last season. In October 2015, Pakistan's basmati rice export prices have declined by about 23% to around \$661 per ton from around \$855 per ton in September 2015, and down about 54% from their year-ago levels of around \$1,435 per ton. Unlikely, Indian FOB in the month of October moved up from last month and currently is in the range of USD 820-825/MT which is up by around 3.86% from last month price.

Global Updates:

Bloomberg's states that Iran's Government Trading Corporation (GTC) has announced on Tuesday that it is lifting ban on rice imports from November 2015. The Middle East nation imposed a ban on rice imports in November 2014 citing excess production and adequate stocks. If it happens, aromatic price is likely to recover in coming months, as it is already ruling five years low. Currently 1121 paddy in Haryana mandi is hovering in the range of Rs.1500-1800/quintal, and demand from Iran, which is biggest buyer of Indian 1121 rice would push the price up by around Rs.300-400/quintal in coming months.

USDA forecasts Thailand's 2015 rice exports to decline to around 9 million tonnes, down about 18% from around 10.97 million tons in 2014 due to increased competition from Vietnam and India. Based on data from the Thai Custom Department, the Post reports that Thailand exported around 6.6 million tons of rice in the first nine months of 2015, down about 13% from last year

According to data from the Vietnam Food Association (VFA), Vietnam exported about 4.48 million tons of rice in January 1 - October 20, 2015, down about 17% from about 5.37 million tons of rice exported in first ten months of 2014. Global rice prices especially of Vietnam are continuing to increase amid fears of lower supplies and increased demand from Indonesia and the Philippines. This could be opportunity for Indian rice export increase in MY 2015-16 as international rice price is ruling lower than all major suppliers.

Vietnam's rice stockpile shrinks as exports increase: On the back of the lowered expectations for the year, the VFA has dropped its export target to 6.1-6.3 million metric tons, 700,000-500,000 metric tons less than last year. The VFA official warned that despite the decline in rice exports, there is not much stockpiled because the central region had a poor crop. Nearly 1.4 million metric tons on order have not been delivered to customers, nearly 800,000 metric tons of which belong to Chinese customers. The VFA official expressed concern that many of these contracts are unlikely to be fulfilled.

IGC Rice Balance Sheet:

(Fig. In Million Tonnes)

	2012-13	2013-14	2014-15 Estimate 22.01.15	Forecast 24.09.15 2015-16	Forecast 29.10.15 2015-16
Production	473	478	479	477	474
Trade	38	43	43	42	42
Consumption	469	480	484	488	487

Carryover stocks	113	11	106	95	94
Y-O-Y change	4	-2	-5		-13
Major Exporters	40	38	31	22	21

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

IGC Rice Balance sheet Highlights:

IGC forecast world rice production is forecast to decline by 1% in 2015/16. Coupled with smaller opening stocks, supplies are projected to tighten and, given a further rise in total uptake, a fall in inventories of nearly 13m t is anticipated, including more than 10m in the five majors. Trade is expected to remain historically high, especially on big deliveries to Asian markets. Thailand is projected to be the world's leading exporter in 2016.

USDA & IGC Forecast the Same World Rice Production:

In its October 2015 Rice Outlook report, USDA also forecasted 2015-16 global rice production (milled basis) at around 474 million tons, down about 1% from last year due to an expected decline in acreage as well as decline in average yields, which are likely to be affected by adverse weather conditions. It forecasted 2015 global rice trade at around 42.4 million tons, down 2% from an estimated 43.2 million tons in 2014

Global Trade of Rice Unchanged from Last Month

The IGC forecasts 2015-16 global rice trade at around 42 million tons, unchanged from the previous year's 42 million tons as well as its previous estimate of around 42 million tons.

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



Market Analysis:

The CBOT November month rough chart for rice indicates firm bound movement in previous weekly session; overall market too is in slightly uptrend from last week. We expect market to hover in the range USD 11.30-12.40 hundred weights in coming sessions.

Price Projection (International-CBOT):

Duration	Trend	Price Range
02 nd week of Nov, 2015	Steady to firm	USD/ Hundred Weight 11.30-12.40

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