

**Latest Market Development**

**Wholesale Prices for India as an average for second week of November traded slightly weak by 1.95% and are currently hovering at Rs.2620-2625/quintal.** We expect non-basmati rice market to move range bound in coming week.

**Aromatic rice monthly average prices in the second week of November were steady** from last week and currently move with Rs.3700/quintal(1121 Sela) and Rs.4400/quintal(Steam). We expect price of 1121 varieties to move range bound in coming week.

**Rice prices are expected to move up in coming months as stock is depleting and kharif production prospects** too look blemish. As of now prices are ruling lower. However emerging scenario points to firmness, Kharif rice production is estimated at 90.61 million tonnes in 2015-16 crop years. As major growing states are facing deficit rainfall, estimated production is unlikely to turn into a reality now. Besides, higher export volume and supply for PDS (Public Distribution System) and other welfare schemes will continue to weigh on availability in the open market. All these developments may lend support to cash market fundamentals.

**This kharif season mandis of Haryana have received 49.53 lakh tonne paddy so far. Out of the total arrival of paddy,** 43.26 lakh tonnes were of Grade A, 13,555 tonnes Sharbati, 1.73 lakh tonnes Muchhal and 4.40 lakh tonnes were Basmati. Govt agencies have procured 40.75 lakh tonne. Last year till date total arrival was registered at 35.95 lakh tonne. Food and Supplies Department has purchased 18.50 lakh tonnes, hafed has purchased 14.50 lakh tonnes while 4.24 lakh tonnes has been purchased by the Haryana Agro-industries Corporation and Haryana Warehousing Corporation has procured 3.49 lakh tonnes.

**Despite ban imposed by Iran on aromatic rice import Indian basmati rice continued to enter into Iran Market through UAE.** Notably, world powers had agreed to lift sanctions on Iran four months ago and after this Dubai has emerged the new stopover for India's basmati rice exports to Iran. According to market experts Indian aromatic rice export volume has suddenly increased from Ave of 15000 T to Around 80,000 T now. Normalcy in trading conditions has given Indian basmati rice exporters the opportunity to use ports in Dubai to ship basmati rice to Iran.

**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.

### State wise Wholesale Prices weekly for 02<sup>nd</sup> Week of November-2015-

State	Prices 09-15 Nov 2015	Prices 01-08 Nov 2015	Prices 24-31 Oct 2015	Prices 09-15 Nov 2014	% Change(Over Previous Week)	% Change(Over Previous to Previous Week)	% Change(Over Previous Year)
AP	3778.07	3791.25	3317.75	2963.47	-0.35	13.87	27.49
Assam	3022.43	3007.76	3057.03	3077.46	0.49	-1.13	-1.79
Bihar	2079.53	2065.82	2007.37		0.66	3.59	—
Gujarat	2854.28	2745.73	2680.69	2703.38	3.95	6.48	5.58
Jharkhand	2649.88	2626.96	2659.97	2691.28	0.87	-0.38	-1.54
Karnataka	3290.12	3371.95	3374.5	3311.63	-2.43	-2.5	-0.65
Kerala	3091.25	3155.03	3130.75	3373.89	-2.02	-1.26	-8.38
Maharashtra	2787.43	2886.07	3062.3	3636.8	-3.42	-8.98	-23.35
Manipur	2884.25	2962.15	2996.77		-2.63	-3.75	—
Meghalaya	3451.71	3500	3446.01	3450.88	-1.38	0.17	0.02
Delhi	1800		1710		—	5.26	—
Orissa	2295.99	2195.03	2201.32	2166.14	4.6	4.3	5.99
Punjab	1654.11	1630.68		2733.32	1.44	—	-39.48
Tripura	2675.26	2638.93	2691	2747.26	1.38	-0.58	-2.62
Uttar Pradesh	2122.46	2114.44	2106.89	2124.09	0.38	0.74	-0.08
Uttarakhand	1861.27	1867.06	1880.81	1966.45	-0.31	-1.04	-5.35
West Bengal	2287.17	2241.73	2253.28	2585.99	2.03	1.5	-11.56
Average	2622.66	2675.04	2661.03	2868.33			

Source agmarknet

### Price Projection for November 02<sup>nd</sup> Week in Domestic Market:

Duration	Trend	Average Price Range	Reason
03 <sup>rd</sup> Week of November, 2015	Steady	Rs.2600-2750/Q	Average Rice price in all India is likely to trade steady due to lower production prospects

**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	15 Nov 2015)	06 Nov 2015)	Month Ago(15 Oct-2015)	% ch. From last week	% Change from last Month
<b>1121 Steam</b>	4400	4800	5300	<b>-8.33</b>	<b>-9.43</b>
<b>1121 Sella</b>	3700	3700	4000	<b>0.00</b>	<b>-7.50</b>
<b>1121 Raw</b>	4400	4500	4700	<b>-2.22</b>	<b>-4.26</b>

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

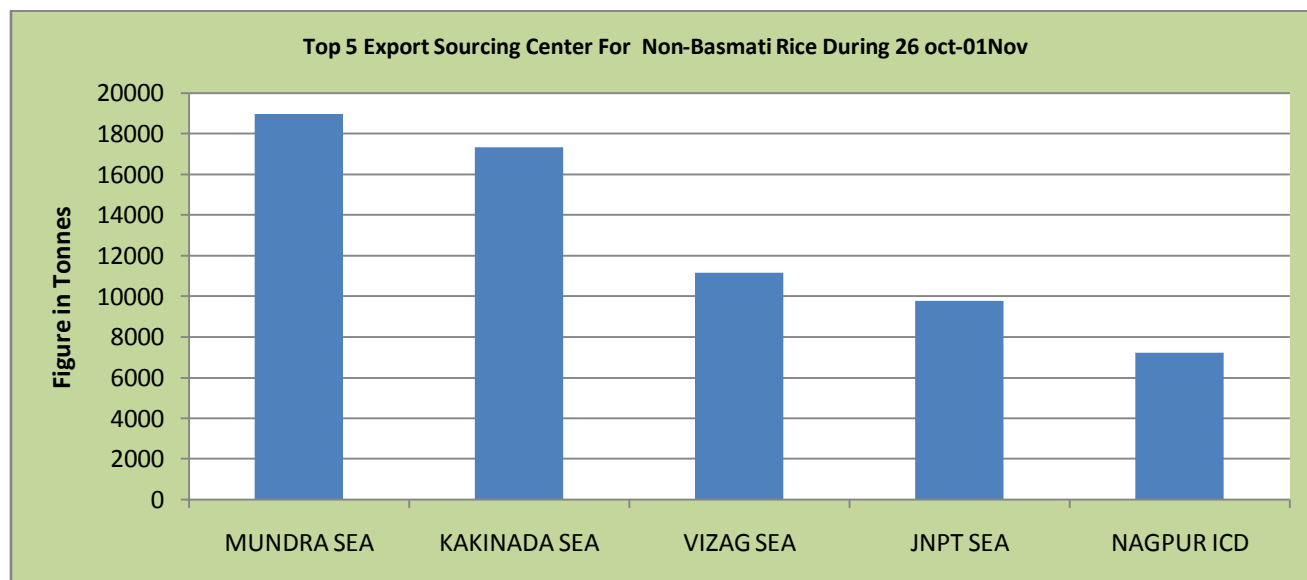
Indian White Rice 5%, 25% High Quality, Long grain parboiled 5%					
Variety	15 Nov 2015)	06 Nov 2015)	Month Ago(15 Oct-2015)	% ch. From last week	% Change from last Month
<b>White Rice 5%</b>	355	345	365	<b>2.90</b>	<b>-5.48</b>
<b>White Rice 25%</b>	335	340	325	<b>-1.47</b>	<b>4.62</b>
<b>Parboiled 5%</b>	350	350	345	<b>0.00</b>	<b>1.45</b>

**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
<b>Grand Total</b>	<b>82848.22</b>	<b>554.74</b>	<b>Grand Total</b>	<b>62540.61</b>	<b>835.57</b>

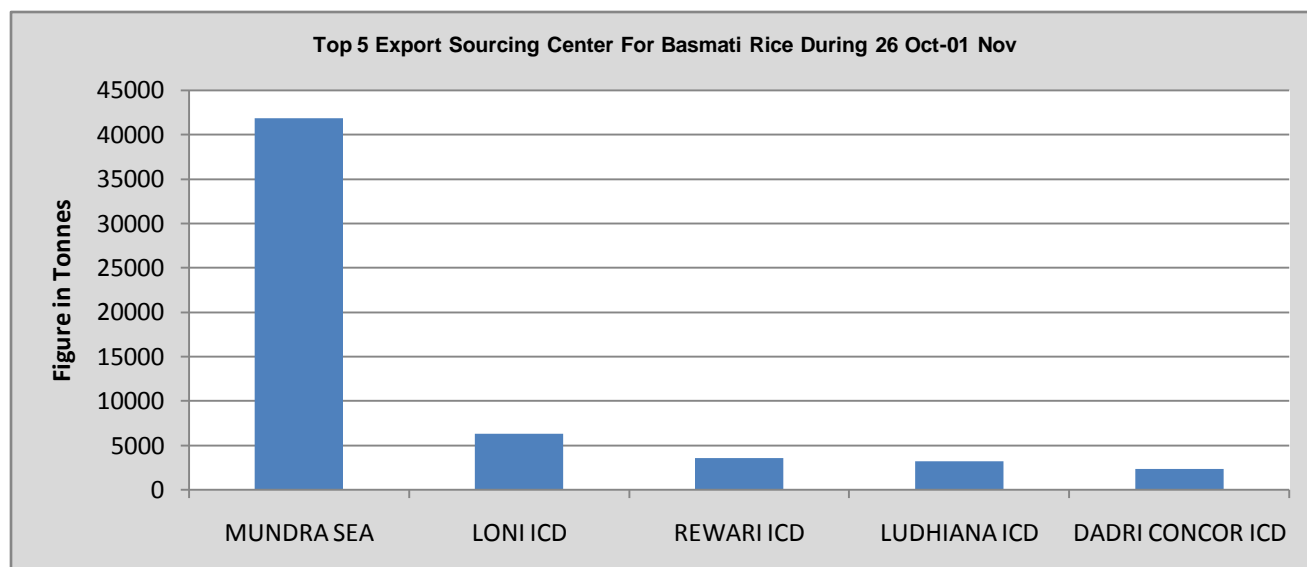
Total Rice exported from India in fourth week of October (26 Oct-01 Nov) was 145388.83 tonnes out of which basmati rice contributes 43.01%, and 56.98% non-basmati rice exported in this period with quantity of around 82848.22 tonnes as per latest data extract from IBIS. Major importers for Indian Basmati 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.

### 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**

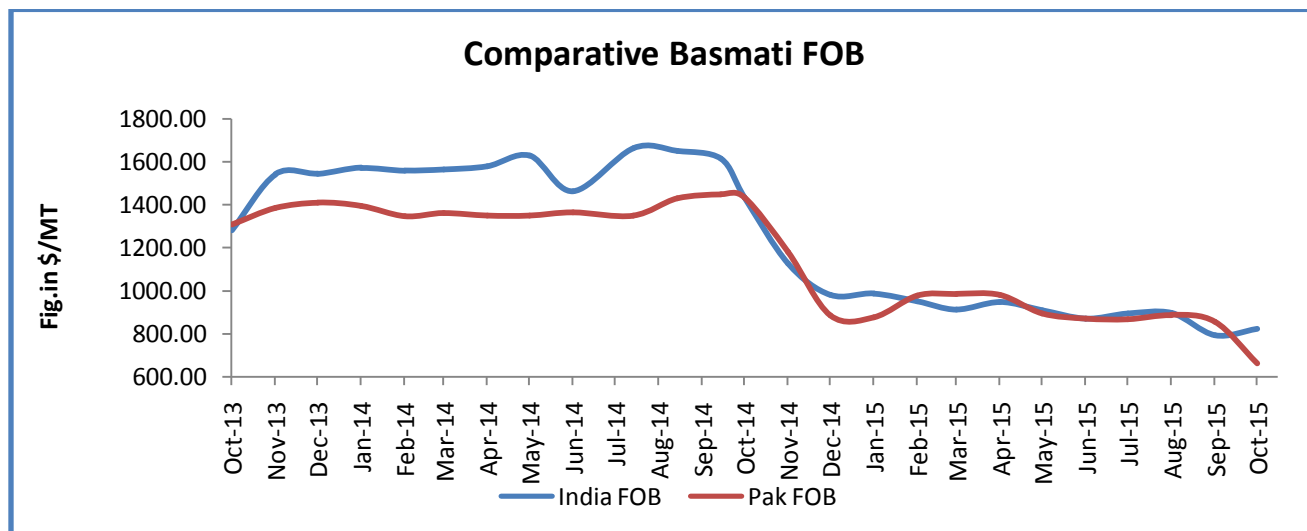
State/UTs	KMS 2014-15*
AP	35.96
Telangana	35.04
Assam	0.15
Bihar	16.19
Chandigarh	1.10
Chhattisgarh	34.22
Delhi	0
Gujarat	0
Haryana	20.15
H.P	0
Jharkhand	0.02
J&K	0
Karnataka	0.88
Kerala	3.74
M.P	8.07
Maharashtra	1.99
Nagaland	0
Odisha	34.87
Pondicherry	0
Punjab	77.86
Rajasthan	0
Tamil Nadu	10.51
U.P	16.98
Uttarakhand	4.65

<b>West Bengal</b>	<b>20.32</b>
<b>Total</b>	<b>321.69</b>

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:**

Thai rice export association says that rice export prospect is very good this year and Thailand may export rice in between 9.5 to 10 MMT in 2016. According to Association, Thailand's rice situation is stable as several pending purchase orders under government-to-government (G-to-G) contracts with the Philippines and China get enacted now. Paddy prices in local market are expected to remain stable at 8,000 to 8,500 baht a tonne next year, so more sell from govt stock seems on the card. Drought is forecast to cut second-crop output next year by 50% to 4-5 million tonnes of paddy from 8-10 million tonnes.

**Rice exporters in Cambodia are not happy with local export policy as they are paying higher tax per container in comparison to Vietnam & Thailand.** They pay \$50 per container higher for export as tax. Higher port and container cost would derail export target of 1 MMT for the country. A group of Analysts opined that the target would be possible only if the country successfully sort out issues like blocking competitiveness, including high costs related to transportation.

**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

**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
<b>Production</b>	473	478	479	477	474
<b>Trade</b>	38	43	43	42	42
<b>Consumption</b>	469	480	484	488	487

<b>Carryover stocks</b>	113	11	106	95	94
<b>Y-O-Y change</b>	4	-2	-5		-13
<b>Major Exporters</b>	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 range bound from last week. We expect market to hover in the range USD 11.35-12.30 hundred weights in coming sessions.*

**Price Projection (International-CBOT):**

Duration	Trend	Price Range
03 <sup>rd</sup> week of Nov, 2015	Steady	USD/ Hundred Weight 11.35-12.30

**Disclaimer**

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