Latest Market Development

Wholesale Prices for India as an average for third week of November traded firmed by 2.8% and are currently hovering at Rs.2760-2770/*quintal. We expect non-basmati rice market to move range bound with firm tone in coming week.*

Aromatic rice monthly average prices in the third week of November were firmed *from last week and currently move with Rs.4500/quintal(1121 Sela) and Rs.5500/quintal(Steam). We expect price of 1121 varieties to move range bound with firm tone in coming week.*

Wholesale basmati rice prices in Delhi increased by about Rs.300 per quintal recently due to increased demand from *stockiest but lower supplies. Prices of common basmati rice increased to around Rs.5, 000-Rs.5, 400 per quintal from around Rs.5, 000-5,100 per quintal. Prices of Pusa 1121 increased to around Rs.4,200-5,000 per quintal from around Rs.4,100-4,800 per. Farmers' unwillingness to sell basmati paddy at low prices to millers is understood to be resulting in fewer supplies of milled rice in the markets. As per traders' feedback, pulses stockiest shifted from pulses to rice business due to lower rice and higher pulses prices. New entrants in rice market as stockiest remained active during last two months and it encouraged rice price in the open market despite normal domestic and export demand.*

Rice prices are expected to move up in coming months as stock is depleting and kharif production prospects *too look bleak. 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. During the corresponding period, last year 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 procured3.49 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 03rd Week of November-2015-

State	Prices 16-23 Nov 2015	Prices 09-15 Nov 2015	Prices 01-08 Nov 2015	Prices 16-23 Nov 2014	% Change(Over Previous Week)	% Change(Over Previous to Previous Week)	% Change(Over Previous Year)
AP	3415.37	3820.77	3838.06	3703.25	-10.61	-11.01	-7.77
Assam	3120.07	3035.94	3007.76	3101.17	2.77	3.73	0.61
Bihar	3050	2079.53	2065.82		46.67	47.64	__
Gujarat	2733.31	2854.28	2745.73	2646.05	-4.24	-0.45	3.3
Jharkhand	2483.37	2616.05	2626.96	2669.81	-5.07	-5.47	-6.98
Karnataka	3558.44	3289.87	3371.95	3428.39	8.16	5.53	3.79
Kerala	3070.95	3090.96	3155.03	3408.36	-0.65	-2.66	-9.9
Maharashtra	3238.34	2979.08	2843.7	3630.21	8.7	13.88	-10.79
Manipur	2866.06	2884.25	2960.59		-0.63	-3.19	__
Meghalaya	3283.36	3451.71	3500	3448.11	-4.88	-6.19	-4.78
Orissa	2454.9	2295.99	2195.03	2158.21	6.92	11.84	13.75
Punjab	2152.02	1733.21	1630.68	2731.65	24.16	31.97	-21.22
Tripura	2691.68	2678.27	2638.93	2686.71	0.5	2	0.18
Uttar Pradesh	2137.8	2122.9	2114.44	2099.91	0.7	1.1	1.8
Uttrakhand	1764.29	1861.27	1867.06	1957.26	-5.21	-5.5	-9.86
West Bengal	2267.71	2281.09	2241.73	2547.83	-0.59	1.16	-10.99
Average	2767.98	2692.19	2675.22	2872.63			

Source agmarknet

Price Projection for November 04th Week in Domestic Market:

Duration	Trend	Average Price Range	Reason
04th Week of November, 2015	Steady to Firm	Rs.2675-2775/Q	Average Rice price in all India is likely to trade steady to firm due to lower production prospects and normal demand.

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 Nov 2015)**	**15 Nov 2015)**	**Month Ago(21 Oct-2015)**	**% ch. From last week**	**% Change from last Month**
1121 Steam	5500	4800	5300	**14.58**	**-9.43**
1121 Sella	4500	4200	4000	**7.14**	**5.00**
1121 Raw	4800	4400	4600	**9.09**	**-4.35**

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

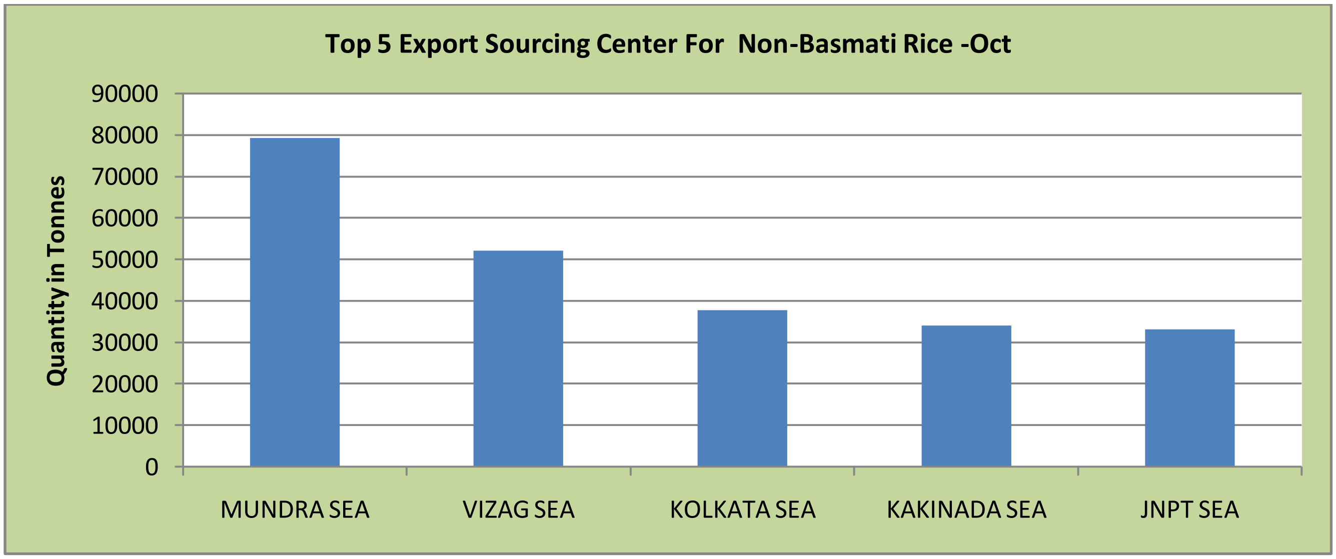
Indian White Rice 5%, 25% High Quality, Long grain parboiled 5%					
Variety	**21 Nov 2015)**	**15 Nov 2015)**	**Month Ago(21 Oct-2015)**	**% ch. From last week**	**% Change from last Month**
White Rice 5%	355	355	360	**0.00**	**-1.39**
White Rice 25%	335	335	340	**0.00**	**-1.47**
Parboiled 5%	350	350	350	**0.00**	**0.00**

Major Importers of Basmati & Non Basmati Rice of Oct-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	66073.30	344.87	U A E	70033.34	778.49
SENEGAL	44703.10	312.03	SAUDI	45037.38	850.70
B'DESH	20373.65	331.60	IRAQ	29854.49	702.94
SOMALIA	17566.05	348.48	IRAN	24510.37	780.76
U A E	16884.17	542.00	KOREA	14410.46	833.89
S.AFRICA	16201.16	347.09	KUWAIT	13538.85	870.00
TURKEY	14202.94	343.70	YEMEN	13092.64	742.19
TOGO	11074.50	344.68	S. ARABIA	12136.23	979.91
BAHRAIN	8153.14	452.26	U S A	11356.71	753.01
BERBERA	7723.00	343.67	U K	9516.43	791.45
Others	115963.08	470.39	Others	51456.50	850.43
Grand Total	**338918.07**	**470.08**	**Grand Total**	**294943.40**	**827.04**

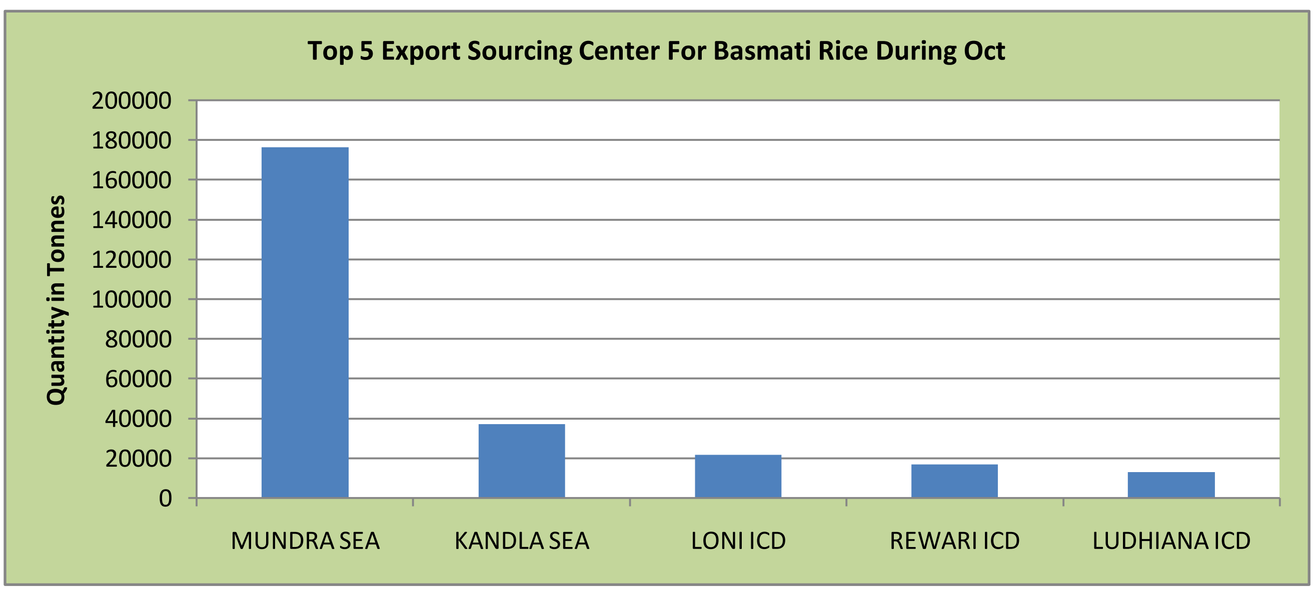
Total Rice exported from India in the month of October was 6.33 lakh tonnes out of which basmati rice contributes 46.53%, and 53.46% non-basmati rice exported in this month with quantity of around 338918.074 tonnes as per latest data extract from IBIS. Major importers for Indian Basmati rice in this period were UAE, Iran, Saudi Arabia and Iraq. We expect Middle East countries to remain the major basmati buyers for Indian Basmati from Mundra and Kandla Port in coming months. Rice exports in this month were down by 43% from same period last year export of 11 lakh tonnes.

Major Non-Basmati Export Sourcing Center:



Total non-basmati Rice export in the month of Oct -15 was 338918.07 tonnes. Mundra Sea, Vizag, and Kolkata Sea were the major ports for non-basmati rice export during this period.

Major Basmati Export Sourcing Center:



Total basmati Rice export in the month of Oct-15 was 294943.40 tonnes. Mundra Sea, Kandla Sea and Loni ICD, were the major port for basmati rice export center during this period.

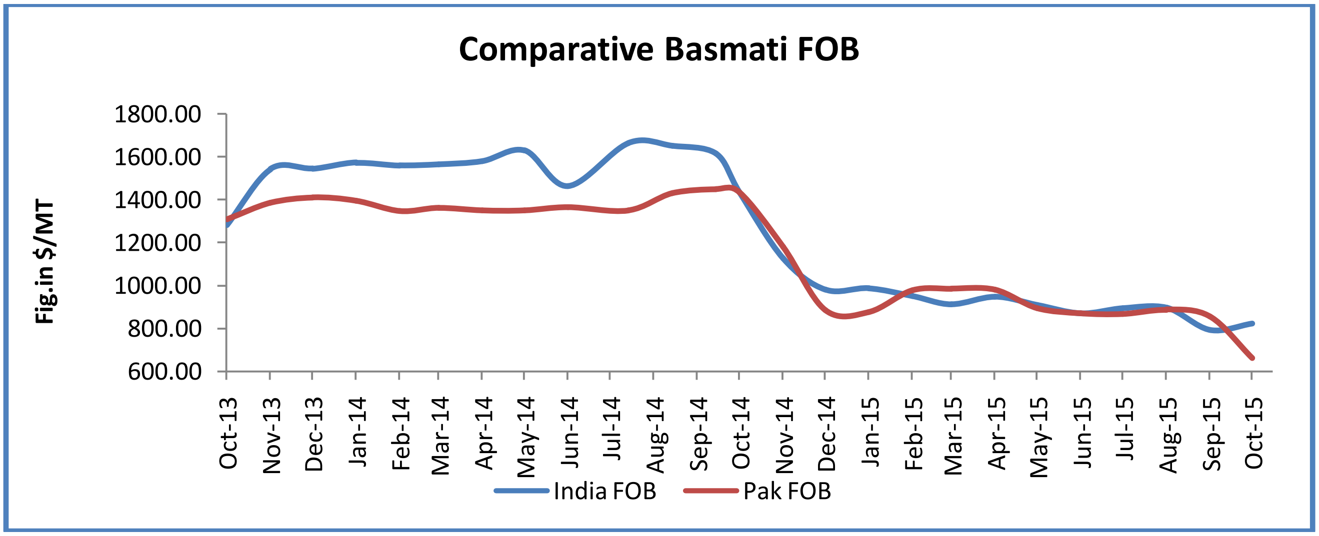
State wise Progressive Procurement

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 around $1,435 per ton year-ago. . 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 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 selling 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 of, 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 Jan- 15, Rough Rice):
(Prices in US$/hundredweight)

Market Analysis:

The CBOT January month rough chart for rice indicates range 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 11.70-12.30 hundred weights in coming sessions.

Price Projection (International-CBOT):

Duration	Trend	Price Range
04th week of Nov, 2015	**Steady to firm**	USD/ Hundred Weight 11.70-12.30