

Latest Market Development

Wholesale Prices for India as an average for fourth week of November traded steady to firm by 0.75% and are currently hovering at Rs.2650-2655/quintal. We expect non-basmati rice market to move range bound with firm tone in coming week.

Aromatic rice monthly average prices in the fourth week of November were firmed from last week and currently move with Rs.5300/quintal(1121 Sela) and Rs.6200/quintal(Steam). We expect price of 1121 varieties to move range bound with firm tone in coming week.

Throughout the month of November basmati rice prices have seen a robust growth. A month ago 1121 Steam rice price was Rs. 5000/quintal and now it is 24% up from last month and 35% up from last week and currently hovers in the range of Rs.6200/quintal. The major reason is the shift of pulses stockiest 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. Overseas and domestic demands are normal and lower stocks too push the price northward.

As per by All India Rice Exporters Association , Basmati production this year is expected to fall sharply, by 22% from last year production of 8.0 million tonnes to 6.2 million tonnes, however Agriwatch estimates it is down by only 8-10% to 7.2 million tonnes in MY 2015-16 due to area shift from 1509 to Parmal.

Iran has decided to temporarily lift the ban on rice imports, which has been in effect since October 2014, for a period of three months starting December 3. Iran Basmati imports from India will continue till March, this could be also a major reason for firming of price in recent weeks.

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. 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 centres during this period.

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 04th Week of November-2015-

State	Prices 24-30 Nov 2015	Prices 16-23 Nov 2015	Prices 09-15 Nov 2015	Prices 24-30 Nov 2014	% Change(Over Previous Week)	% Change(Over Previous to Previous Week)	% Change(Over Previous Year)
AP	3052	3316.01	3820.77	3723.13	-7.96	-20.12	-18.03
Assam	3067.72	3035.18	3035.94	2930.96	1.07	1.05	4.67
Bihar	2068.4	2091.01	2079.53		-1.08	-0.54	—
Gujarat	2796.8	2737.11	2854.28	2626.4	2.18	-2.01	6.49
Jharkhand	2539.11	2539.08	2611.19	2592.97	0	-2.76	-2.08
Karnataka	3556.63	3602.43	3289.87	3336.93	-1.27	8.11	6.58
Kerala	3077.26	3074.53	3090.96	3411.98	0.09	-0.44	-9.81
Maharashtra	3113.19	3170.46	2982.86	4133.99	-1.81	4.37	-24.69
Manipur	2839.76	2866.3	2884.25		-0.93	-1.54	—
Meghalaya	3207.46	3274.71	3451.71	3447.22	-2.05	-7.08	-6.96
Delhi	1800	1878.79	1800	2070	-4.19	0	-13.04
Orissa	2480.83	2354.55	2295.99	2148.31	5.36	8.05	15.48
Punjab	2478.99	2142.98	1733.21	2629.35	15.68	43.03	-5.72
Tripura	2579.2	2686.37	2678.27	2669.31	-3.99	-3.7	-3.38
Uttar Pradesh	2118.34	2137.72	2121.77	2074.96	-0.91	-0.16	2.09
Uttarakhand	2013.3	1870.93	1861.27	1924	7.61	8.17	4.64
West Bengal	2298.7	2275.61	2281.09	2528.12	1.01	0.77	-9.07
Average	2652.22	2650.22	2639.59	2861.46			

Source agmarknet

Price Projection for December 01st Week in Domestic Market:

Duration	Trend	Average Price Range	Reason
01 st Week of December, 2015	Steady to Firm	Rs.2650-2775/Q	Average Rice price in all India is likely to trade steady to firm due to lower carry over stock, 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	27 Nov 2015)	21 Nov 2015)	Month Ago(27 Oct-2015)	% ch. From last week	% Change from last Month
1121 Steam	6200	4600	5000	34.78	24.00
1121 Sella	5300	4200	4000	26.19	32.50
1121 Raw	5100	4500	4400	13.33	15.91

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	27 Nov 2015)	21 Nov 2015)	Month Ago(27 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

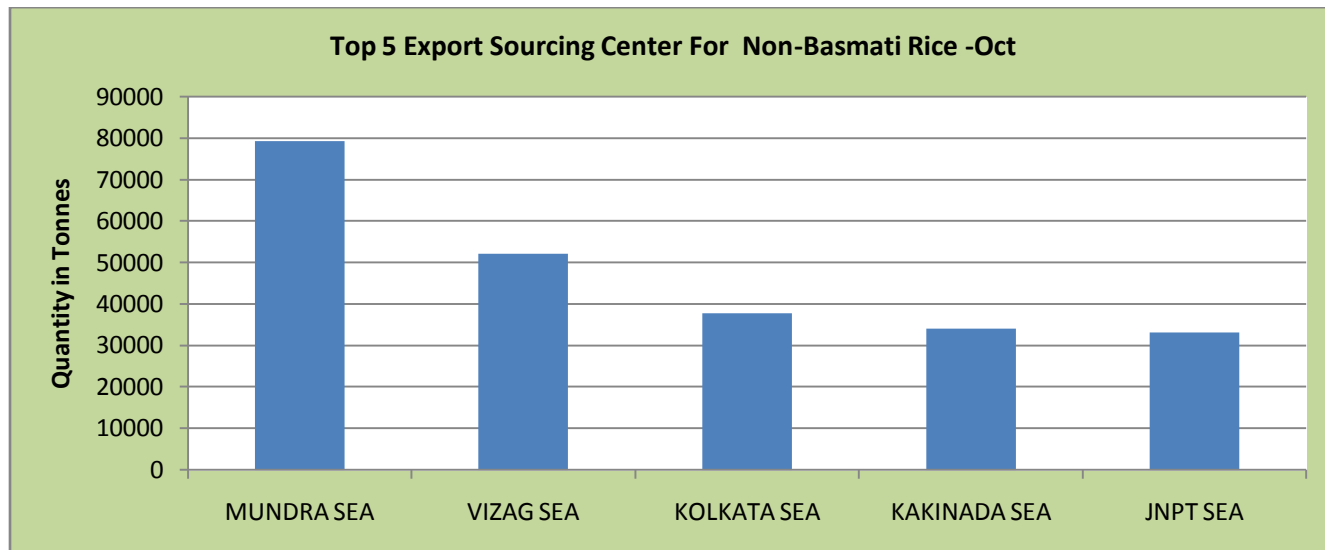
Major Importers of Basmati & Non Basmati Rice of Oct-2015:

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 non-basmati rice is 53.46% 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

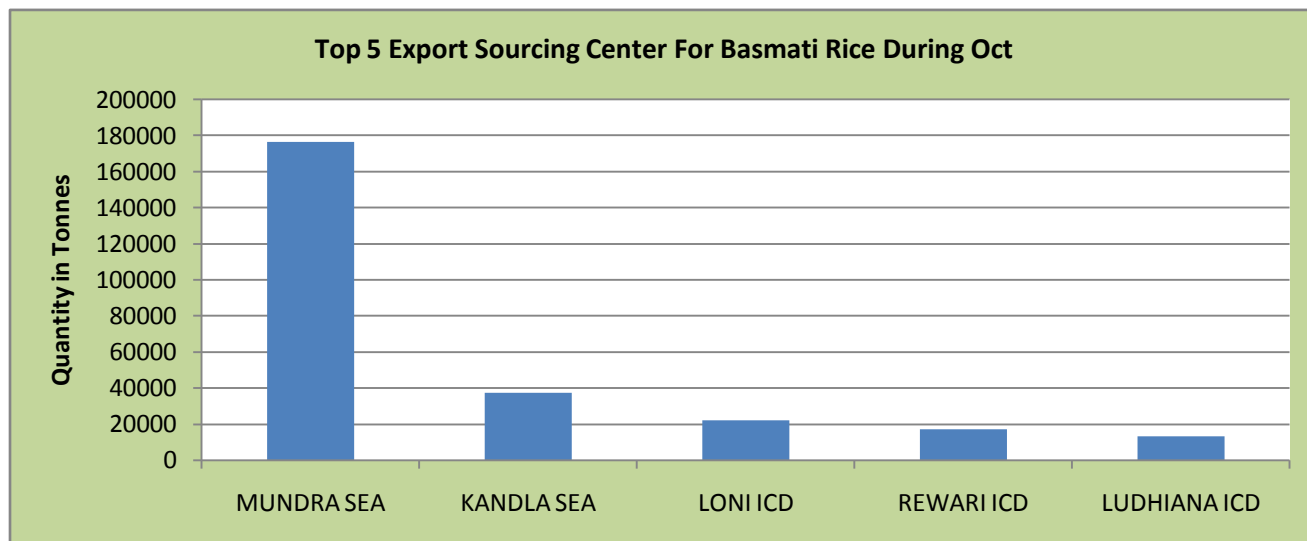
Kandla Port in coming months. Rice exports in this month were down by 43% from corresponding period last year export of 11 lakh tonnes.

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

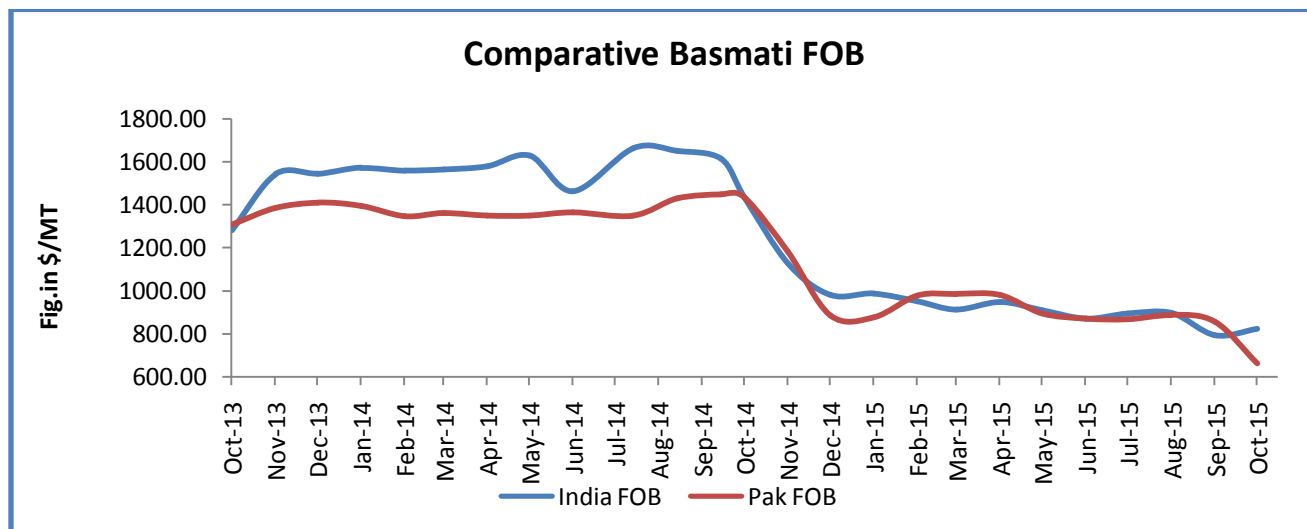
State/UTs	KMS 2014-15*
AP	35.96
Telangana	35.04
Assam	0.15
Bihar	16.19
Chandigarh	1.10
Chhattisgarh	34.22
Delhi	0
Gujarat	0
Haryana	20.15
H.P	0
Jharkhand	0.02
J&K	0
Karnataka	0.88
Kerala	3.74
M.P	8.07
Maharashtra	1.99
Nagaland	0
Odisha	34.87
Pondicherry	0
Punjab	77.86
Rajasthan	0
Tamil Nadu	10.51
U.P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

The Philippines' imports of additional volumes of rice in 2016 will be "much lower" than the initial estimate of 1.3 million tonnes due to better-than-expected domestic output. Lesser purchases by the Philippines, one of the world's biggest rice buyers, could knock export prices in Vietnam and Thailand, the country's main suppliers.

Asian rice markets saw little movement over the past week due to thin demand, while tight supply kept prices high in Vietnam and purchases by China and some Middle East clients failed to move Thai prices. As per trader's feedback, Vietnamese prices are high and they won't decrease as supply is tight. China, the biggest buyer of Vietnamese rice, imported 199,350 tonnes from its Southern neighbor in October, up 81 percent from a year ago, this brought China's total purchases from Vietnam in the first 10 months of 2015 to nearly 1.6 million tonnes, up 42 percent from a year ago. Overall, Vietnam's overall rice exports in January-November rose 3.6 percent from a year ago to 6.24 million tonnes,

B'Desh has raised import duty from 10 percent to 20percent on rice to protect local farmers from cheaper import flow. Local Rice millers association was demanding hike in import duty. Besides, it was also demanding restriction on imported quantity during July-Dec harvest of Aman Crop. The government will probably procure 200,000 tons of 2015 Aman rice from millers at Taka 31 per kilogram (around \$388.5 per ton) between December 15, 2015 and March 15, 2016. Before it 10 % import duty was imposed on rice in May-2015

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.

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 range bound from last week. We expect market to hover in the range USD 11.90-12.30 hundred weights in coming sessions.

Price Projection (International-CBOT):

Duration	Trend	Price Range
01 st week of Dec, 2015	Steady	USD/ Hundred Weight 11.90-12.30

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