

Latest Market Development

Wholesale Prices for India as an average for third week of December traded firmed by 0.30% and are currently hovering at Rs.2715-2720/quintal. We expect non-basmati rice market to move range bound with firm tone in coming week.

Wholesale basmati rice prices in Delhi moved mixed in third week of December and currently hover in the range of Rs.4500-4600 1121 sella and Rs.55-5600 for steam. Overall basmati rice is expected to trade firm in coming weeks.

Total Rice exported from India in the second week of December was 156573.02 tonnes out of which basmati rice contributes 42.58%, and non-basmati rice is 57.41% in this period with quantity of around 66673.98 tonnes and 89899.04 tonnes respectively.

Sowing of Rabi crop continued to be lower than last year but improved in last week from 22% down to 12.5% till date, with preliminary reports from the States placing the total area sown at 370.28 lakh hectares (lh), as on December 4, against 438.77 lakh hectares in the corresponding period last year. Sowing/transplanting of rice was done in only 0.11 million hectare compared with 0.13 million hectares in the corresponding period last year. Rabi rice area is down by around 12.5% from corresponding period last year till December 18th 2015.

Procurement of new paddy starts in Andhra Pradesh with all preparations required at this point of time. A major producing district of A.P. has targeted to procure 3.5 lakh tonne paddy in on-going season and 136 purchasing centres have been opened for smooth procurement. The procurement quantity may go up to 5.5 lakh tonnes this season in this district. Millers in this season have been directed to procure paddy at MSP of Rs. 1,450 per quintal for A-grade variety and Rs. 1,410 for common variety. Administration has warned millers to avoid irregularities in procurement and in payment process.

India's rice stocks in the central pool as of December 1, 2015 stood at around 11.315 million tons down about 48% from around 21.57 million tons recorded during the corresponding period last year, according to data from the Food Corporation of India (FCI). India's rice stocks in the central pool are down about 8% from around 12.27 million tons recorded on November 1, 2015. The current rice stocks are about one million tons more than the required strategic reserve norms of around 10.25 million tons for this time of the year, according to the FCI.

State wise Wholesale Prices weekly for 03rd Week of December-2015

State	Prices 16-23 Dec 2015	Prices 09-15 Dec 2015	Prices 01-08 Dec 2015	Prices 16-23 Dec 2014	% Change(Over Previous Week)	% Change(O ver Previous to Previous Week)	% Change(Over Previous Year)
AP	3992.83	3224.21	3027.03	3753.88	23.84	31.91	6.37
Assam	2616.51	2973.88	2928.32	2936.67	-12.02	-10.65	-10.9
Bihar		1846.27	1805.53		—	—	—
Gujarat	2761.42	2786.84	2807.12	2593.69	-0.91	-1.63	6.47
Jharkhand	2397.24	2499.91	2588.5	2595.02	-4.11	-7.39	-7.62
Karnataka	3295.93	3489.24	3152.59	3292.69	-5.54	4.55	0.1
Kerala	3222.18	3089.99	2823.05	3397.63	4.28	14.14	-5.16
Maharashtra	3148.7	3056.61	3034.57	3148.46	3.01	3.76	0.01
Manipur	2580.39	2553.96	2575.76		1.03	0.18	—
Meghalaya	3500	3189.54	3308.96	3500	9.73	5.77	0
Orissa	2044.66	2335.78	2429.04	2165.57	-12.46	-15.82	-5.58
Punjab	2240.96	2286.08	2299.92	2364.42	-1.97	-2.56	-5.22
Telangana	2739	3680.38		3497.15	-25.58	—	-21.68
Tripura	2603.2	2643.5	2596.44	2652	-1.52	0.26	-1.84
UP	2130.24	2145.46	2148.09	2039.39	-0.71	-0.83	4.45
Uttarakhand	1946.07	1987.88	2034.56	1971.09	-2.1	-4.35	-1.27
West Bengal	2253.36	2261.49	2190.67	2350.32	-0.36	2.86	-4.13
Average	2717.04	2708.88	2573.54	2766.12			
As per the data reported by APMCs							

Source agmarknet

Price Projection for December 04th Week in Domestic Market

Duration	Trend	Average Price Range	Reason
04 th Week of December, 2015	Steady to Firm	Rs.2710-2770/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	18 Dec 2015)	10 Dec 2015)	Month Ago(18 Nov-2015)	% ch. From last week	% Change from last Month
1121 Steam	5600	5700	4600	-1.75	21.74
1121 Sella	4500	4600	4200	-2.17	7.14
1121 Raw	5100	4900	4500	4.08	13.33

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	18 Dec 2015)	10 Dec 2015)	Month Ago(18 Nov-2015)	% ch. From last week	% Change from last Month
White Rice 5%	365	355	355	2.82	2.82
White Rice 25%	335	330	335	1.52	0.00
Parboiled 5%	360	350	350	2.86	2.86

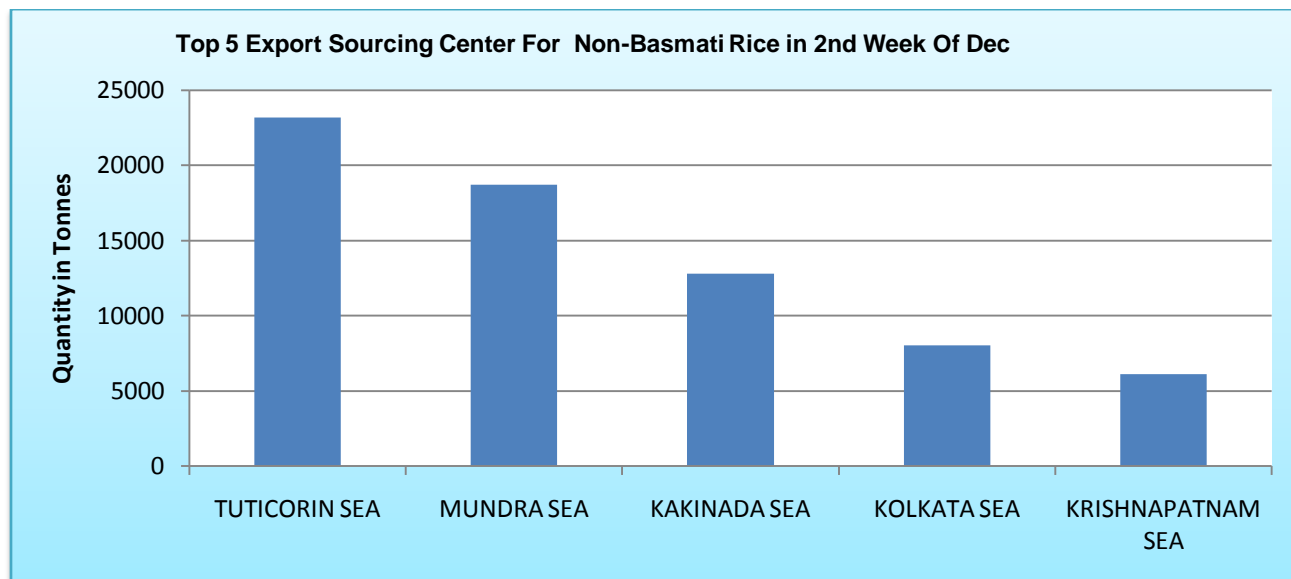
Major Importers of Basmati & Non Basmati Rice of 02nd Week of December-2015

Country	Quantity in Tonnes	Average of FOB \$/Tonne	Country	Quantity in Tonnes	Average of FOB \$/Tonne
U A E	27366.38	552.76	IRAN	23475.42	719.88
SENEGAL	13392.00	323.95	SAUDI	10017.23	791.47
BENIN	10317.50	398.05	U A E	9017.46	922.75
DJIBOUTI	4965.75	323.94	KOREA	4520.00	669.40
TURKEY	3473.00	362.89	U K	3422.91	861.09
ANGOLA	3079.50	383.89	IRAQ	2973.98	703.58
BAHRAIN	1984.96	383.82	U S A	2740.71	670.89
SAUDI	1590.28	409.02	JORDAN	975.20	745.94
BERBERA	1585.93	329.63	OMAN	884.51	797.59
QATAR	1511.35	552.69	TURKEY	831.81	626.31
others	20632.40	530.42	others	7814.75	768.72
Grand Total	89899.04	508.38	Grand Total	66673.98	790.54

Total Rice exported from India in the second week of December was 156573.02 tonnes, up about 5.32% from last week export of 148655.87 tonnes. Out of total rice exports, basmati rice contributes 42.58%, and non-basmati rice is 57.41% in this period with quantity of around 66673.98 tonnes and 89899.04 tonnes respectively as per latest data extract from IBIS. Major importers of Indian Basmati rice in this period were Iran, Saudi Arabia and UAE whereas top importers for non-basmati were UAE, Senegal and Benin. We expect Middle East countries to

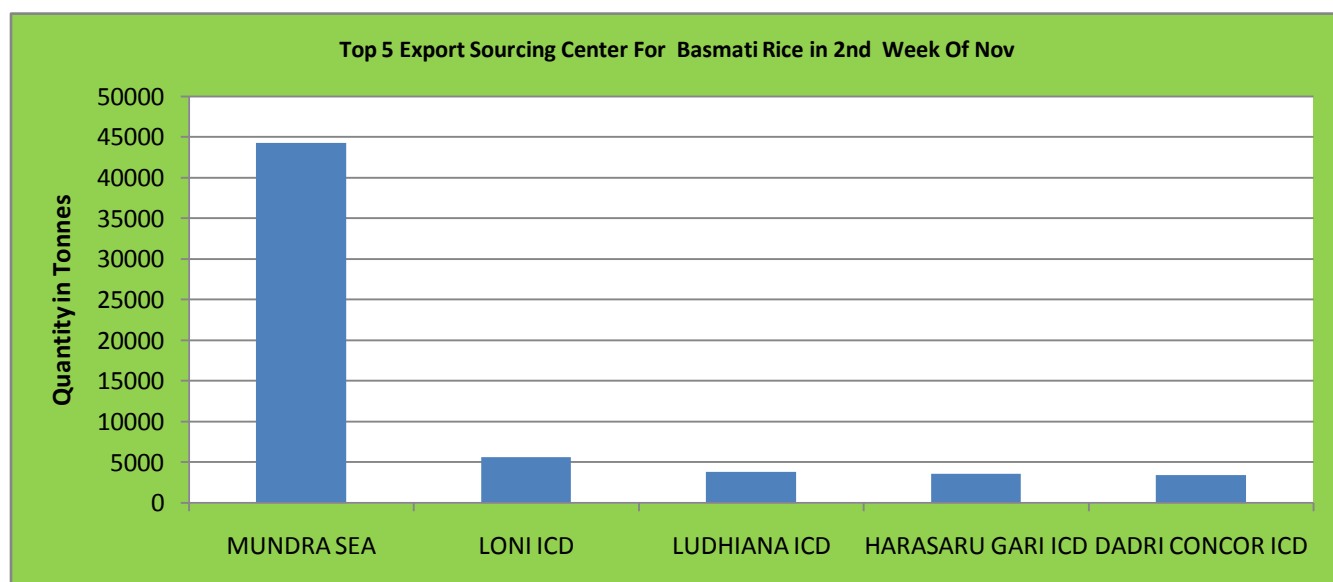
remain the major basmati buyers for Indian Basmati from Tuticorin, Mundra, Kandla and Kakinada Port in coming months.

Major Non-Basmati Export Sourcing Center



Total non-basmati Rice export in the second week of December was 89899.04 tonnes. Tuticorin Sea, Mundra, and Kakinada were the major ports for non-basmati rice export during this period.

Major Basmati Export Sourcing Center



Total basmati Rice export in the second week of December was 66673.98 tonnes. Mundra Sea, Loni ICD and Ludiana ICD, were the major port for basmati rice export center during this period.

State wise Progressive Procurement

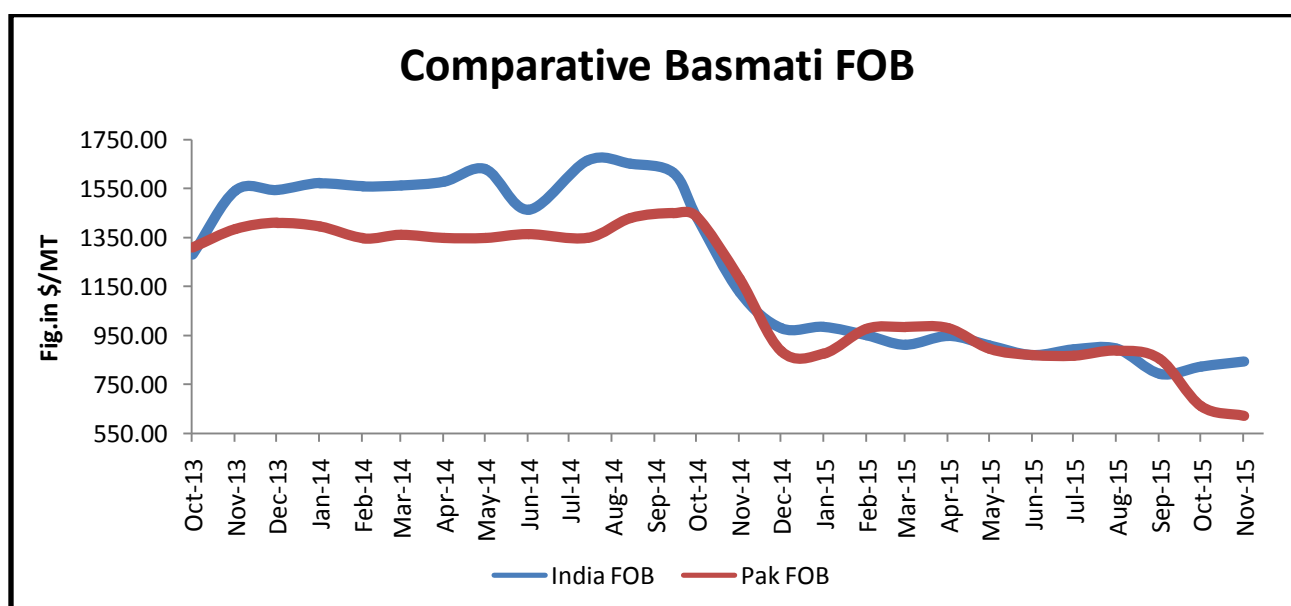
State	MY2013/14	MY 2014/15	MY 2015/16	MY 2014/15
	October-September	October-September	October 1 through November 30	
Punjab	8.11	7.79	9.30	7.74
Andhra Pradesh	3.74	3.60	0.15	0.10
Telangana	4.35	3.50	0.48	0.54
Chhattisgarh	4.29	3.42	0.39	0.01
Odisha	2.80	3.49	-	-
Haryana	2.41	2.02	2.85	1.99
Uttar Pradesh	1.13	1.70	0.37	0.12
West Bengal	1.36	2.03	-	-
Madhya Pradesh	1.05	0.81	-	-
Tamil Nadu	0.68	1.05	-	-
Others	<u>1.94</u>	<u>2.77</u>	<u>0.33</u>	<u>0.14</u>
Total	31.85	32.17	13.87	10.64

Figure in Million Metric Tonnes

Source: FCI

Procurement in the Northern States is almost over, but will gradually spread to other parts of the country as harvest progresses. Government procurement of MY 2015/16 rice under the minimum support price (MSP) continues to be ahead of last year due to the timely harvest (last year delayed due to October rains) and good harvest from the irrigated Northern States. Government procurement through November 30, 2015, is estimated at 13.87MMT compared to 10.64 MMT during the corresponding period of MY 2014/15.

FOB Quotes Aromatic Rice (1121 Steam)



Indian FOB for 1121 steam in the month of November moved up from last month and currently is in the range of USD 840-845/MT which is up by around 2.36% from last month price. Demand from international market push the price upward in recent weeks. On the other hand Pakistani basmati price has declined for the third consecutive month in November 2015 after increasing in August 2015, according to the UN's Food and Agriculture Organization (FAO). Currently Pakistani basmati FOB is hovering in the range of USD 621/MT which is down by 6.05% from last month FOB of USD 661/MT. 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. They have been urging the government to intervene in the export market and support them.

Global Updates

The government of Turkey has announced the paddy purchasing price for 2015-16 at around TL(Turkish Lira) 1,580 (around \$534) per tonne. Harvesting of paddy is almost over in the country and paddy as well rice prices are continuously bearish due to fresh arrival in the market. In 2015, Turkey is expected to produce record 920,000 tonnes of paddy this year, up about 11% from around 830,000 tonnes in 2014.

Total rice stocks in the Philippines as of November 1, 2015 stood at around 3.11 million tons, up about 41% from around 2.2 million tons recorded on October 1, 2015, and up about 5% from around 2.95 million tons recorded during the corresponding period last year. Rice stocks in the Philippines continued to increase for the second consecutive month in November 2015 after continuously declining for four months, according to the Bureau of Agricultural Statistics (BAS). The increase can be attributed to increasing imports.

The UN's Food and Agricultural Organization FAO forecasts 2015-16 global rice production at around 491.5 million tons, slightly down from an estimated 494.2 million tons in 2014-15. The decline is expected to be caused by a combination of unfavorable weather and prices, which may curb plantings to 161.1 million hectares, while yields are set to average 4.6 tons per hectare.

The FAO estimates 2016 global rice trade at around 45.3 million tons, up about 1.4% from an estimated 44.7 million tons last year. The FAO expects most of the importers, especially in Africa and Latin America, to replenish inventories. On the export side, the expansion of trade could be dampened next year by more limited availabilities in several export origins, says the FAO. It expects exports of Vietnam to increase while those of India, Brazil and the U.S. to fall.

Vietnam's rice exports between January and November had year-on-year increase of 3.6 percent in volume, but a 4.9 percent annual decrease in value. Rice exports in the first nine months reached 6.24 million tons, fetching US\$2.65 billion in total. Shipments in October and November, increased sharply compared to previous months, citing new contracts signed with the Philippines and Indonesia in October as the main reason. Under the contracts that will expire in March next year, Vietnam is set to export 450,000 tons of rice to the Philippines and one million tons to Indonesia. The contracts may bring the total rice exports in 2015 to 6.8 million tons, while the estimated figure released in September was only 6.02 million tons. The Vietnam Food Association cut the minimum price of exported rice twice, in May and September.

Source: Oryza

IGC Rice Balance Sheet
(Fig. In Million Tonnes)

	2012-13	2013-14	2014-15 Estimate	Forecast 29.10.15 2015-16	Forecast 19.11.15 2015-16
Production	473	478	478	474	474
Trade	38	43	43	42	42
Consumption	469	480	484	487	486
Carryover stocks	113	11	106	94	95
Y-O-Y change	4	-2	-5		-13
Major Exporters	40	38	31	21	21

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

IGC Rice Balance sheet Highlights

Global rice output in 2015/16 is forecast at around 474m t, broadly unchanged from October, with a marginal fall from the previous year's record. Owing to smaller opening stocks and with consumption likely to expand to a new peak, global end-season reserves are anticipated to tighten markedly, by 12%, to 94m t – mostly on steep declines in the major exporters. Projected trade is maintained at 41.5m t, down fractionally y/y, but well above average on firm demand from buyers in Asia in particular.

USDA & IGC Forecast the Same World Rice Production

In its November 2015 Rice Outlook report, USDA also forecasted 2015-16 global rice production (milled basis) at around 474 million tons, about 1% lower than last year. Disappointing crops in some producing nations – including India and Thailand, only partly offset by improved harvests elsewhere in Asia, and an expected decline in acreage as well as decline in average yields, 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 weak movement in previous couple of day session; overall market too is in range bound to weak trend from last week. We expect market to hover in the range USD 10.90-11.35 hundred weights in coming sessions.

Price Projection (International-CBOT)

Duration	Trend	Price Range
04 th week of Dec, 2015	Steady	USD/ Hundred Weight 10.90-11.35

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