

Latest Market Development

Wholesale Prices for India as an average for third week of February traded weak by 0.36% and are currently hovering at Rs.2960-2965/quintal. Agriwatch expects non-basmati rice market to move range bound with firm tone in coming week.

Wholesale basmati rice prices in the national capital increased this week due to increased buying by stockiest. Prices currently hover in the range of Rs.41-4200 for 1121 sella and Rs.5150-5200 for steam. Overall basmati rice is expected to trade range bound in coming weeks.

Total rice exports for MY-2016-16 till January-16 was 38.76 Lakh tons around 9.43% lower than 42.8 lakh tons exported during corresponding period of last year. Non- basmati rice exports in the month of January was 5.00 lakh tons and basmati exports in the month was 3.08 lakh tons.

Total Rice exported from India in the second week of February was 162753.40 tons out of which basmati rice contribute 37.97%, and non-basmati rice is 62.02% in this period with quantity of around 618101.15 tons and 100952.24 tons respectively as per latest data extract from IBIS.

As per preliminary reports received from the States, the total area sown under Rabi crops as on 28th January, 2015 stands at 591.51 lakh hectare. Wheat has been sown/transplanted in 292.52 lakh hectares, pulses in 139.08 lakh hectares, coarse cereals in 60.08 lakh hectares & Rice is 22.41 lakh hectares against 24.08 lakh hectares in 2014-15.

Paddy procurement by The Food Corporation of India (FCI) and other government agencies in the 201516 Kharif marketing season (KMS) has reportedly reached around 26.13 million tons as on February 11, 2016, up about 21% from around 21.54 million tons during the corresponding period last year. The government is targeting to procure about 30 million tons in KMS 201516.

India's rice stocks in the central pool as on February 1, 2015 stood at around 28.94 million tons down by about 6.58% from around 30.98 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 up about 11.22% from around 26.02 million tons recorded on January 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 February-2016

State	Prices 16-23 Feb 2016	Prices 09-15 Feb 2016	Prices 16-23 Feb 2015	% Change(Over Previous Week)	% Change(Over Previous Year)
Andhra Pradesh	5778.35	6623.47	3712.27	-12.76	55.66
Assam	3143.15	3076.89	2961.75	2.15	6.12
Gujarat	2934.63	2769.62	2791.43	5.96	5.13
Jharkhand	2546.45	2499.93	2570.23	1.86	-0.93
Karnataka	3480.42	3640.17	3300.69	-4.39	5.45
Kerala	3071.08	3067.74	3177.53	0.11	-3.35
Maharashtra	3189.48	3045.79	3539.27	4.72	-9.88
Manipur	2760.05	2709.64	2848.48	1.86	-3.1
Meghalaya	3500	3252.48	3259.62	7.61	7.37
Orissa	2110.34	2234.8	2113.99	-5.57	-0.17
Tripura	2459.24	2436.62	2561.18	0.93	-3.98
Uttar Pradesh	2125.62	2113.82	2044.47	0.56	3.97
Uttarakhand	2215.13	1987.48	1957.76	11.45	13.15
West Bengal	2182.07	2187.48	2240.82	-0.25	-2.62
Average	2964	2974.71	2859.23	2757.3	3.664273

Source agmarknet

Price Projection for February 04th Week in Domestic Market

Duration	Trend	Average Price Range	Reason
04 th Week of February, 2016	Steady to Firm	Rs.2860-2980/Q	Average Rice price in all India is likely to trade 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	19 Feb 2016)	13 Feb 2016)	Month Ago(19 Jan-2016)	% ch. From last week	% Change from last Month
1121 Steam	5150	5000	5250	3.00	-1.90
1121 Sella	4100	4000	4350	2.50	-5.75
1121 Raw	5300	5400	5400	-1.85	-1.85

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	19 Feb 2016)	13 Feb 2016)	Month Ago(19 Jan-2016)	% ch. From last week	% Change from last Month
White Rice 5%	370	370	365	0.00	1.37
White Rice 25%	335	335	335	0.00	0.00
Parboiled 5%	360	360	355	0.00	1.41

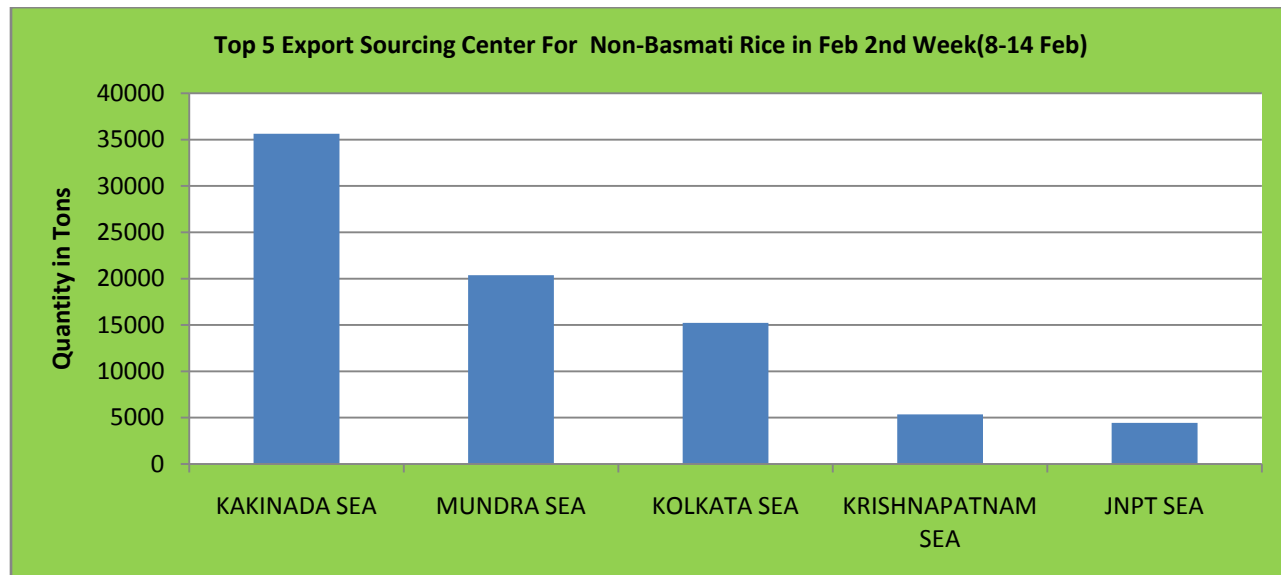
Major Importers of Basmati & Non Basmati Rice in the 02nd Week of Feb (8-14 Feb-2016)

Non Basmati Rice Importers			Basmati Rice Importers		
Country	Quantity(Tons)	Average of FOB \$/Tonne	Country	Quantity(Tons)	Average of FOB \$/Tonne
IVORY COAST	20741	320.9980952	SAUDI	15921.44	762.64
S.AFRICA	10577.24	462.87	U A E	9989.48	874.88
SENEGAL	9890	287.72	IRAN	6625	773.79
BENIN	9507.5	328.21	U K	3844.1	769.09
U A E	6711.48	478.33	YEMEN	3666.94	747.71
BERBERA	4394	341.31	S.AFRICA	2211.88	747.48
SAUDI	4150.86	464.73	IRAQ	2190.37	521.47
DJIBOUTI	3473	364.88	OMAN	1362.90	929.10
NEPAL	3007.35	925.85	KOREA	1267	816.91
MADAGASCAR	2834	276.65	U S A	1158.66	1005.59
Other	25665.80	506.05	Others	13563.37	837.59
Grand Total	100952.24	536.08	Grand Total	61801.15	826.30

Total Rice exported from India in the second week of February was 162753.40 tons out of which basmati rice contribute 37.97%, and non-basmati rice is 62.02% in this period with quantity of around 61801.15 tons and 100952.24 tons respectively as per latest data extract from IBIS. Major importers of Indian Basmati rice in this period were, Saudi, UAE & Iran. We expect Middle East countries to remain the major basmati buyers of Indian Basmati from Mundra, Kakinada and Kolkata Port in coming months. Major non basmati importers were Ivory

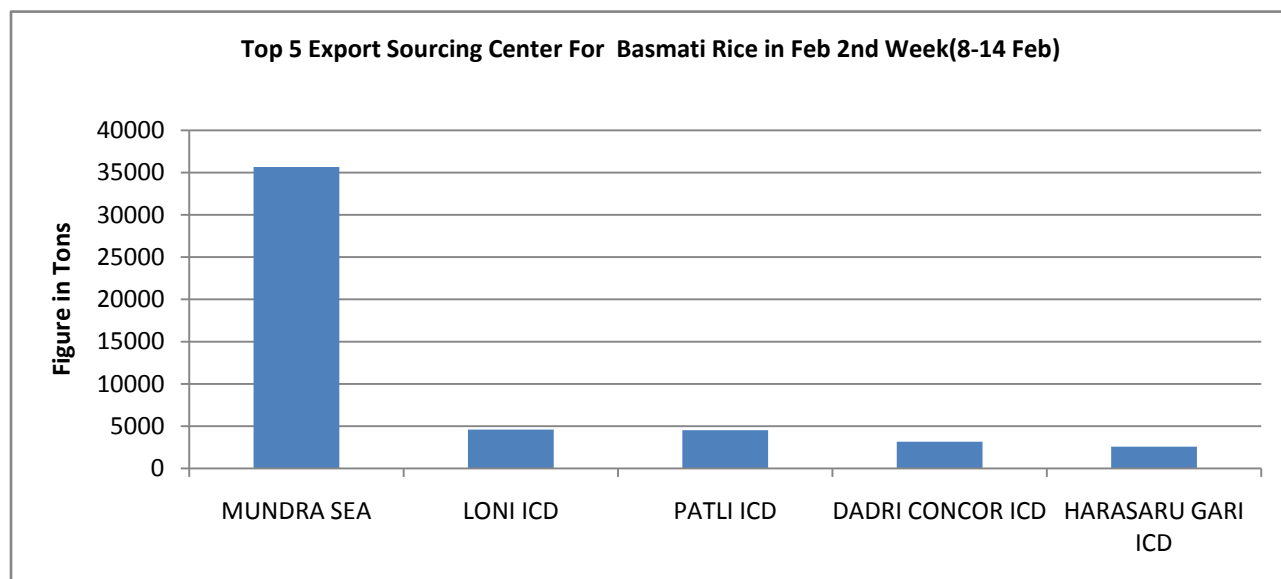
Coast, South Africa and Senegal. Total rice exported was down by 1.16% from last week export of 164672.13 tons.

Major Non-Basmati Export Sourcing Center



Total non-basmati Rice export in the second week of February was 100952.24 tonnes. Kakinada Sea, Mundra, and Kolkata 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 February was 61801.15 tons. Mundra Sea, Loni ICD and Patli ICD, were the major port for basmati rice export center during this period.

State wise Progressive Procurement

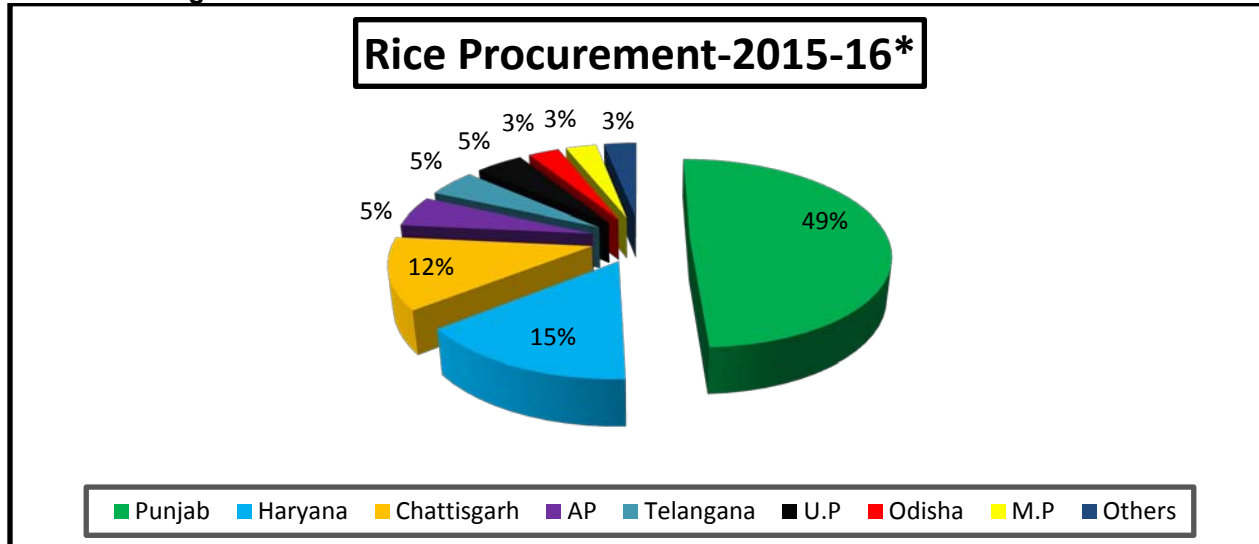
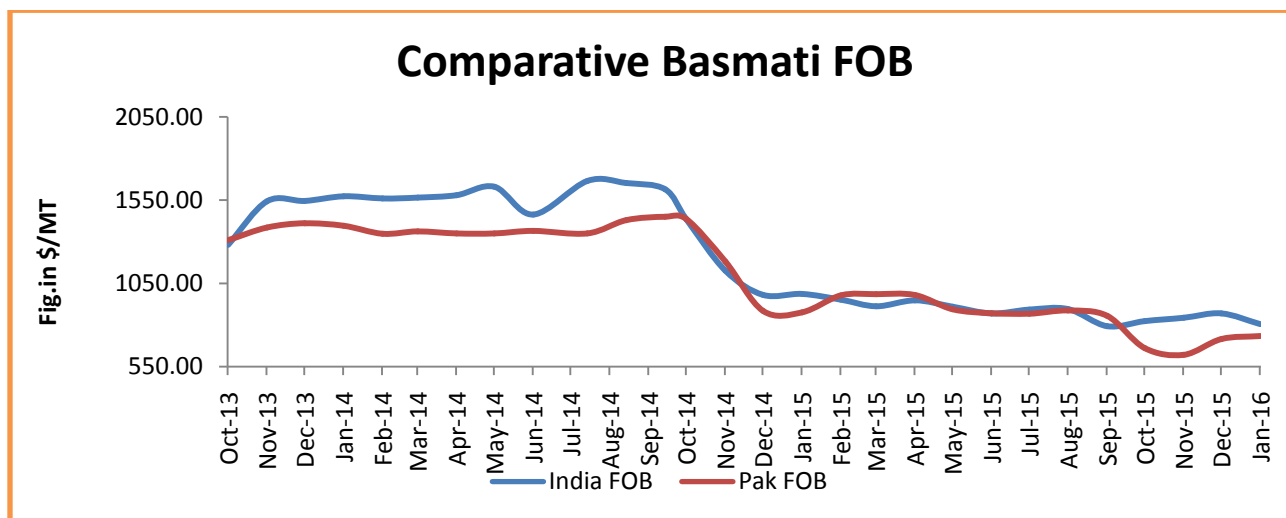


Figure in Million Metric Tonnes

Source: FCI

Government's rice procurement has increased 25% to 24.47 million tons in the 2015-16 marketing year so far despite prospects of lower production due to poor monsoon. The Centre has kept rice procurement target of 30 million tons for the current marketing year, which started in October. These agencies had procured 19.66 million tons a year-ago, while the total purchases had reached 32 million tons. At present, procurement has been completed in Punjab and Haryana, while the operations are in full swing in Uttar Pradesh, Chhattisgarh, Andhra Pradesh and Telangana. As per the government's latest data, rice procurement in Uttar Pradesh has risen to 2.15 million tons so far this year as against 1.15 million tons a year-ago. Procurement in Chhattisgarh increased to 3.72 million tons from 2.86 million tons, while that of Andhra Pradesh has increased to 1.92 million tons from 1 million tons in 2014. Rice purchase in Telangana was lagging behind at 0.99 million tons so far this year as against 1.48 million tons in the corresponding period of the 2014-15 marketing year. In Punjab, rice procurement increased to 9.34 million tons from 7.7 million tons, while that of Haryana jumped to 2.85 million tons from 2.01 million tons in the period under the review.

FOB Quotes Aromatic Rice (1121 Steam)



Source-FAO& Agriwatch

Indian FOB for 1121 steam in the month of January moved down from last month and currently is in the range of USD 805-810/MT which is down by around 7.43% from last month price. Average basmati rice price declined due to slackened demand from retailers against adequate supply and pushed the price in southward direction. Pakistani basmati price has increased from USD 716/MT to 734\$/MT, according to the UN's Food and Agriculture Organization (FAO). Currently Pakistani basmati FOB is hovering in the range of USD 716/MT which is up by 2.47% from last month FOB of USD 716/MT.

Global Updates

Thailand's 2015-16 secondary rice crop (January June) acreage declined by about half to around 800,000 hectares due to extending drought conditions. Accordingly, the country's rice output from the secondary crop is expected to drop significantly. In a recent report, the USDA Post forecast Thailand's MY 201516 (January December 2016) paddy rice production at around 24 million tons, down from last year's 29.4 million tons. It forecast Thai offseason paddy production to decline about 57% y/y to around 3.1 million tons. Lower production of rice could increase the local and international price in coming months.

The EU imported about 526,984 tons of rice during the period September 1, 2015 February 9, 2016, up about 19% from around 441,482 tons imported during the corresponding period last year. The UK remained the largest importer in September 1, 2015 February 9, 2016 period with around 121,888 tons followed by France (90,732 tons), The Netherlands (61,144 tons), Poland (40,793 tons), Germany (39,530 tons), and Italy (38,510 tons). Other EU countries imported 134,387 tons.

THE Philippines, one of the world's top rice importers, is set to buy 400,000 tons of the grain for delivery in the second quarter, and may need an additional 800,000 tons to cover this year's requirements. This volume is required for the lean month which is beginning from July. The Philippines' fresh demand could give a boost to rice prices in Vietnam and Thailand - the country's main suppliers and the world's third and second biggest exporters, respectively after India.

The USDA Post estimates South Africa's MY 201516 rice consumption to increase about 10% y/y to around 970,000 tons, due to drought. This could be good opportunity for India to export more rice to South Africa in 2015-16.

Source: Oryza

IGC Rice Balance Sheet
(Fig. In Million Tonnes)

	2012-13	2013-14	2014-15 Estimate	Forecast 29.10.15 2015-16	Forecast 21.01.2016 2015-16
Production	473	478	478	474	473
Trade	38	43	43	42	42
Consumption	469	480	484	486	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

Projected global rice output is cut on slightly reduced prospects in some producers, mainly in the southern hemisphere, but, at 473m t, would be only 1% lower y/y. While the outlook for rice use is maintained, at a higher figure for carry-in stocks results in a small upward revision to end-season inventories, to 94.7m t. However, this is still a drop of 12% y/y owing to depletion in key exporters. The outlook for trade in 2016 is little changed, at close to 42m t, underpinned by demand from Asian importers.

USDA & IGC Forecast the Same World Rice Production

In its January 2016 Rice Outlook report, USDA also forecasted 2015-16 global rice production (milled basis) at around 473 million tons, about 1.5% 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 Mar- 16, Rough Rice)
(Prices in US\$/hundredweight)

Market Analysis

The CBOT March month rough chart for rice indicates range bound movement in previous couple of day session; overall market too is in range bound trend from last week. We expect market to hover in the range USD 10.80-11.25 hundred weights in coming sessions.

Price Projection (International-CBOT)

Duration	Trend	Price Range
04 th Week of February,2016	Steady to Weak	USD/ Hundred Weight 10.80-11.25

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