

**Domestic Market Highlights:**

**Agriwatch has updated the rice exports in the 01st week of December based on data released by APEDA & IBIS.** Total rice exports for MY-2016-16 till December-15 was 30.68 Lakh tons which was down by around 1.12% from last year's three months export of 31.03 lakh tons for the same period. Non- basmati rice exports in the month of December was 8.71 lakh tons and basmati exports in the month was 6 lakh tons.

**Rice export from India in the month of December was approx 14.71 lakh tonnes which was up by 60% last year** December export of 9.2 lakh tonnes and also up from last month from 52%. Non basmati rice contribution was around 59% and rest 40.78% contribution of basmati rice with quantity of 8.71 lakh tonnes and 6 lakh tonnes respectively as per data received from IBIS.

**Wholesale Prices for India as an average for first week of January trade firm by 5.80% and are currently hovering at Rs.2930-2940/quintal. We expect non-basmati rice market to move** range bound with firm tone in coming week. Wholesale basmati rice prices in Delhi moved weak in first week of January due to frail demand and supply from producing states and currently hover in the range of Rs.4200-4250 for 1121 sella and Rs.51-5300 for steam. Overall basmati rice is expected to trade range bound in coming weeks.

**Sowing of Rabi rice crop continued to be lower than last year but improved in last week from 12.5% down to 8.0% till date,** with preliminary reports from the States placing the total area sown at 14.77 lakh hectares (lh), as on January 01-2016, against 16.05 lakh hectares in the corresponding period last year. However normal area under rabi rice is approx 43.11 lakh hectare. We expect that total area under paddy will decline by 3-5% from normal due to crop shifting in major rabi rice growing states.

**Total Rice exported from India in the fourth week of December was 160787.40 tonnes, down about 10% from last week export of 178763.75 tonnes.** Out of total rice exports, basmati rice contributes 46.20%, and non-basmati rice is 53.79% in this period with quantity of around 74296.21 tonnes and 86488.20 tonnes respectively as per latest data extract from IBIS. Major importers of Indian Basmati rice in this period were Iran, Saudi and Korea whereas top importers for non-basmati were Nigeria, Ivory Coast and Benin. We expect Middle East countries to remain the major basmati buyers for Indian Basmati from Mundra, Kandla and Kakinada Port in coming months.

**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.

**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.

**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 same 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.

**Price Outlook:-Average Rice price in all India is likely to trade steady with firm tone due to higher demand and tight supply.**

#### **International Market Highlight:**

**The Thailand Commerce Ministry expects to clear the remaining 13 million tons of rice stockpiled in** the government's warehouses within the next 18 months. This will partially be achieved by the targeted sale of least 2 million tons of rice through government-to-government (G2G) deals this year, mainly with China, the Philippines and Indonesia. The government this year will focus on strategies to clear its rice stocks and create sustainable growth for rice production and marketing. The government expects to sell the remaining 13 million tons of rice from the stockpiles within a year and a half, with at least 2 million tons being sold through G2G contracts this year. This year, Thailand should be able to export at least 9 million tons of rice in total, against almost 10 million tons that were shipped in 2015.

**Vietnam Paddy rice production in 2015 is estimated to increase to around 45.2 million tons from** 44.97 million tons in 2014, despite dry conditions. The Agriculture Ministry estimates the country's rice exports to reach about 6.7 million tons in 2015, up

about 5.8% from in 2014. The UN's FAO estimates Vietnam's 2015 rice exports will reach 8.3 million tons (including 1.5 million tons of unofficial exports to China through land borders), an increase of about 4% from 2014.

**Pakistan and Indonesia have finalized a one-million ton rice agreement under which Pakistan** will export one million tons of rice worth \$400 million over the next four years. The first tender to export 15,000 tons of rice, including 5,000 tons of basmati rice, has been reportedly finalized. The tender is expected to push up rice prices in Pakistan

**After Nigeria, Mali is the second largest rice producing country in African continent and this year** (2015-16) Mali is expected to produce 2,451,321 tonnes of rice which is up by around 13% from last year.

**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. Thailand is projected to be the world's leading exporter in 2016.

#### Rice Prices in Various Markets:

| Jan-04-2016    | White Rice 5% Broken | White Rice 25% Broken |
|----------------|----------------------|-----------------------|
| Gujarat        | 2431.63              | 2231.77               |
| Andhra Pradesh | 2411.38              | 2211.52               |

In Rs. /Quintal

#### Rice Prices in Various Markets

| Market Center         | Arrivals | Variety   | Minimum Price | Maximum Price | Modal Price |
|-----------------------|----------|-----------|---------------|---------------|-------------|
| <b>Cereals</b>        |          |           |               |               |             |
| <b>Rice</b>           |          |           |               |               |             |
| <b>Andhra Pradesh</b> |          |           |               |               |             |
| Divi                  | 0.1      | B P T     | 3100          | 3200          | 3100        |
| Kandukur              | 0.1      | B P T     | 3800          | 4000          | 3900        |
| Kondapi               | 0.1      | B P T     | 3800          | 4000          | 3900        |
| Markapur              | 0.1      | B P T     | 3800          | 4000          | 3900        |
| Nandyal               | 0.1      | Sona Fine | 3100          | 3200          | 3150        |
| Ongole                | 0.1      | B P T     | 4000          | 4100          | 4030        |
| Pamaru                | NR       | Fine      | 2200          | 3500          | 3000        |
| Polavaram             | NR       | Sona      | 3000          | 3600          | 3400        |
| Proddatur             | NR       | Masuri    | 4000          | 4200          | 4100        |

|                      |      |            |      |      |      |
|----------------------|------|------------|------|------|------|
| <b>Assam</b>         |      |            |      |      |      |
| Dhekiajuli           | 30   | Common     | 1760 | 2000 | 1900 |
|                      |      | Fine       | 2200 | 2600 | 2400 |
| Dibrugarh            | 20   | Other      | 2200 | 2900 | 2550 |
| Lanka                | 50   | Common     | 1700 | 1750 | 1725 |
| North Lakhimpur      | 18.2 | Common     | 1800 | 2000 | 1900 |
|                      |      | Fine       | 2600 | 2800 | 2700 |
|                      |      | Super Fine | 3000 | 4000 | 3500 |
| Silapathar           | 13   | Fine       | 2500 | 3500 | 3000 |
|                      |      | Medium     | 2100 | 2300 | 2200 |
| <b>Gujarat</b>       |      |            |      |      |      |
| Jambusar             | NR   | Other      | 3000 | 4000 | 3500 |
| Jambusar(Kaavi)      | NR   | Other      | 3500 | 4200 | 4000 |
| <b>Kerala</b>        |      |            |      |      |      |
| Aroor                | 4    | Basumathi  | 6800 | 7000 | 6900 |
|                      |      | IR-8       | 2400 | 2600 | 2500 |
|                      |      | Jaya       | 2700 | 2900 | 2800 |
|                      |      | Other      | 2900 | 3100 | 3000 |
| Chengannur           | 8    | IR-8       | 2400 | 2500 | 2500 |
|                      |      | Jaya       | 3200 | 3500 | 3500 |
| Mannar               | 10   | IR-8       | 2800 | 3000 | 2900 |
|                      |      | Jaya       | 3500 | 3700 | 3600 |
|                      |      | Other      | 6000 | 6200 | 6100 |
| <b>Orissa</b>        |      |            |      |      |      |
| Bonai                | 0.6  | Other      | 2000 | 2200 | 2000 |
| Deogarh              | 9.5  | Other      | 2000 | 3000 | 2500 |
| Jeypore              | 3.9  | Common     | 300  | 330  | 325  |
| Jeypore(Kotpad)      | 1.5  | Other      | 4000 | 4200 | 4150 |
| <b>Uttar Pradesh</b> |      |            |      |      |      |
| Mirzapur             | 25   | Other      | 1890 | 1960 | 1925 |

**(Arrivals and Prices in Rs/Qtl)**

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