

Domestic Market Highlights:

India 2015-16 winter/rabi rice (November - May) planting area has reached around 1.707 million hectares as of January 8, 2016, down about 9% from around 1.863 million hectares planted during the same period in 2014-15, according to a press release by the Ministry of Agriculture. The decline is due to scanty rains and low moisture in some of the rice growing regions.

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.

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:

European Union (EU), rice imports by the EU increased sharply since the beginning of the crop year 2015-16 (September 1, 2015 - August 31, 2016). The EU imported about 392,569 tons of rice during the period September 1- January 5, 2015, up about 31% from around 299,310 tons imported during the same period last year. Japonica rice imports increased about 14% to around 27,748 tons in September 1 - January 5, 2015 period from around 24,358 tons during the same period last year. Indica rice imports increased about 33% to around 364,821 tons during the said period from around 274,952 tons last year. The UK remained the largest importer in September 1 - January 5, 2015 period with around 97,775 tons followed by France (68,683 tons), Netherlands (43,151 tons), Poland (28,153 tons), Italy (27,421 tons), Germany (27,019 tons), and Portugal (18,675 tons). Other EU countries imported 65,228 tons.

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

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 |
|--------------------------|----------|------------|---------------|---------------|-------------|
| Cereals | | | | | |
| Rice | | | | | |
| Andhra Pradesh | | | | | |
| Kandukur | 0.1 | B P T | 3800 | 4000 | 3900 |
| Markapur | 0.1 | B P T | 3800 | 4000 | 3900 |
| Assam | | | | | |
| Dibrugarh | 31 | Other | 2200 | 2900 | 2550 |
| North Lakhimpur | 18 | Common | 1800 | 2000 | 1900 |
| | | Fine | 2600 | 2800 | 2700 |
| | | Super Fine | 3000 | 4000 | 3500 |
| Silapathar | 55 | Fine | 2500 | 3500 | 3000 |
| | | Medium | 2100 | 2300 | 2200 |
| | | Other | NR | 2300 | NR |
| Bihar | | | | | |
| Chhapra | 0.1 | Other | 3000 | 3100 | 3050 |
| Nawada | NR | Other | 1700 | 1900 | 1800 |
| Gujarat | | | | | |
| Jambusar | NR | Other | 3000 | 4000 | 3500 |
| Jambusar(Kaavi) | NR | Other | 3300 | 4000 | 3600 |
| Jammu and Kashmir | | | | | |

| | | | | | |
|----------------------|-----|------------------------|------|------|------|
| Jammu (Grain Mandi) | NR | Basmatibar (Raw/Old) | 6800 | 7000 | 6900 |
| Jharkhand | | | | | |
| Bokaro (Chas) | NR | Other | 2425 | 2820 | 2615 |
| Dumka | NR | Coarse | 1875 | 1950 | 1900 |
| | | Medium | 2250 | 2300 | 2275 |
| Gadhwah | NR | Other | 2800 | 3200 | 3000 |
| Godda | NR | Medium | 2000 | 2400 | 2200 |
| | | Other | 1800 | 2000 | 1900 |
| Gumla | NR | Other | 2500 | 3000 | 2750 |
| Ranchi | NR | Coarse | 1700 | 2200 | 2120 |
| | | Fine | 3100 | 6000 | 3225 |
| | | Medium | 2300 | 2850 | 2500 |
| Karnataka | | | | | |
| Chintamani | 47 | Broken Rice | 1800 | 2000 | 1900 |
| | | Hansa | 2400 | 2800 | 2700 |
| | | Sona | 3500 | 5100 | 4500 |
| Maharashtra | | | | | |
| Kolhapur(Laxmipuri) | 30 | 1009 Kar | 2000 | 4700 | 3000 |
| Orissa | | | | | |
| Bonai | 2 | Other | 2000 | 2000 | 2000 |
| Jajpur | NR | Other | 1800 | 2600 | 2200 |
| Jeypore | 3.6 | Common | 300 | 330 | 325 |
| Jeypore(Kotpad) | 2.9 | Other | 4000 | 4200 | 4100 |
| Nimapara | 4.5 | Other | 2000 | 2400 | 2200 |
| Tripura | | | | | |
| Melaghar | 2.5 | Coarse | 2300 | 2450 | 2400 |
| | | Fine | 2900 | 3000 | 2950 |
| | | Masuri | 2500 | 2600 | 2550 |
| Uttar Pradesh | | | | | |
| Mirzapur | 26 | Other | 1890 | 1950 | 1920 |
| Uttrakhand | | | | | |
| Ramnagar | 5 | Common | 2050 | 2050 | 2050 |
| West Bengal | | | | | |
| Islampur | 3 | Other | 2100 | 2200 | 2150 |
| Kasipur | 1 | Other | 2280 | 2280 | 2280 |
| Katwa | 9 | Other | 2300 | 2700 | 2500 |
| Samsi | 500 | Fine | 2790 | 2820 | 2800 |
| | | H.Y.V. | 1890 | 1920 | 1900 |
| Sheoraphuly | 11 | Ratnachudi (718 5-749) | 2400 | 2600 | 2500 |

(Arrivals and Prices in Rs/Qtl)

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