Rice Monthly Research Report

Contents

Outlook and Review:

Domestic Front

Wholesale non-basmati rice Prices for India in March as an average was firm by 1.60% from last month and are currently hovering at Rs.2835-2840/quintal.

Wholesale basmati rice prices in the national capital increased in March due to improved demand from stockiest. Currently price hover in the range of Rs-4300-4350/quintal for 1121 sella and Rs-5200-5300/quintal for steam rice. Overall basmati rice is expected to trade range bound in coming weeks.

The supply of basmati paddy is expected to witness some moderation in the second half of MY-2016-17 as farmers are likely to shift away from basmati, given the non-remunerative prices in the last two crop cycles. It also predicts improvement of demand from Iran following its removal of the ban on rice imports. Any improvement in the price situation is likely only from the next basmati paddy harvest season in the second half of 201617 due to improvement in demand.

Total Rice exported from India in the month of March was 8.40 lakh tons out of which basmati rice contribute 33.43%, and non-basmati rice is 66.56% in this month with quantity of around 2.81 lakh tons and 5.59 lakh tons respectively as per latest data extract from IBIS.

All India progressive procurement of Rice as on 01 April 2016 for the marketing season 2015-16 was 302.32 lakh tons against the procurement of 251.99 lakh tons upto the corresponding period of last year.

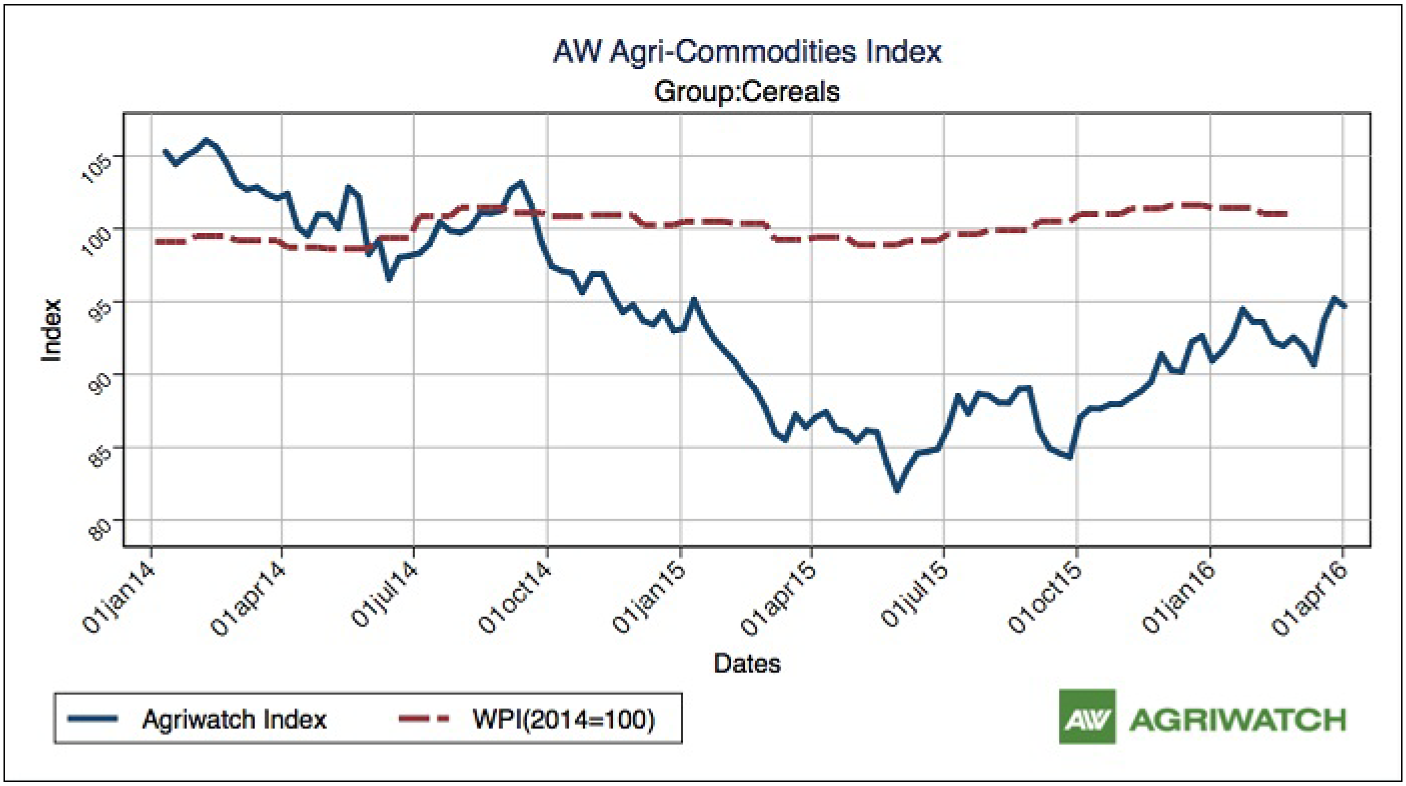
India's rice stocks in the central pool as on March 1, 2016 stood at around 34.06 million tons up by about 19.92% from around 28.4 million tons recorded during the corresponding period last year, according to data from the Food Corporation of India (FCI).

The cumulative rainfall in the country during the winter season i.e. 01st March, 2016 to 30th March, 2016 was equal to Long Period Average (LPA). Rainfall (% departure from LPA) in the four broad geographical divisions of the country during the above period was lower by 24% in East & North East India, 49% in South Peninsula and higher by 21% in North West India, 12% in Central India.

After two consecutive years of drought, the monsoon this year, a private Indian Weather Agency Predicts that Monsoon this year may be 5-10% above normal and well distributed across the nation. Most prediction models indicate continued weakening of El Nino conditions over the coming months, returning to neutral by late spring or early summer 2016, and a chance for La Nina development by autumn. These signals are favourable for the above normal monsoon rainfall.

Assuming normal 2016 monsoon (June-September) and weather conditions, MY 2016/17 (October/September) rice production is forecast higher at 105 MMT from 43.5 million hectares compared to MY 2015/16 production of 103 MMT. Basmati rice production in MY 2015/16 increased to 9.8 MMT from 2.1 million hectares compared to 8.5 MMT from 2.0 million hectares in MY 2014/15. However, domestic prices crashed by 30-40 percent in MY 2015/16 compared to last year on weak export demand. Consequently, Basmati acreage in MY 2016/17 is forecast to decline to 1.7 million hectare and production to 8.0 MMT assuming normal weather conditions.

Agriwatch Cereals Commodity Indices - Apr 3, 2016



The weekly Agriwatch Agri Commodities Index for cereals (Wheat, Rice & Maize) was declines to -0.53%.

Price Projection for Next Month (May) in Domestic Market

Duration	Trend	Average Price Range	Reason
May - 2016	**Steady to Firm**	**Rs.2850-3000/Q**	**Average Rice price in all India is likely to trade firm due to lower production prospects and lower carry over stock.**

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	**02 Apr 2016)**	**26 Mar 2016)**	**Month Ago(2 Mar-2016)**	**% ch. From last week**	**% Change from last Month**
1121 Steam	5300	5100	4950	**3.92**	**7.07**
1121 Sella	4200	4050	4200	**3.70**	**0.00**
1121 Raw	5300	5200	5100	**1.92**	**3.92**

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	**02 Apr 2016)**	**26 Mar 2016)**	**Month Ago(2 Mar-2016)**	**% ch. From last week**	**% Change from last Month**
White Rice 5%	380	370	375	**2.70**	**1.33**
White Rice 25%	345	345	340	**0.00**	**1.47**
Parboiled 5%	365	360	365	**1.39**	**0.00**

Rice Supply & Demand

Figure in MMT	**2013-14**	**2014-15**	**2015-16***
Carry in	25.44	22.76	16.34
Production	**106.64**	**104.8**	**102**
Imports	0	0	0
Total Availability	132.08	127.56	118.34
Consumption	99.18	99.35	99.5
Exports	10.14	11.87	9.2
Total Usage	109.32	111.22	108.7
Carry out	**22.76**	**16.34**	**9.64**
Av Monthly Consumption	8.27	8.28	8.29
Stock to Month Use	2.75	1.97	1.16
Stock to Consumption Ratio	0.08	0.08	0.08

Agriwatch has updated the rice exports in the 01st week of April based on data released by APEDA & IBIS. Total rice exports for MY-2015-16 till march-16 was 54.25 Lakh tons, down by around 17% from last year's export of 65 lakh tons for the corresponding period. Non- basmati rice exports in the month of March was 5.59 lakh tons and basmati exports in the month was 2.81 lakh tons.

Rice production in MY 2015-16 is likely to be down from 104 million tons in 2014-15 to 101-102 million tons due to lower rainfall and lower area coverage in Kharif as well in Rabi rice. On the Exports front, Agriwatch expects rice exports in MY 2015-16, to fall by around 13% from 2014-15 and reach 9.0-9.2 million tons due to the lower carry over stock. However, the exports could improve if Indian rice price continue to be competitive over Thailand and Vietnam. Domestic consumption is likely to increase by 0.15% to 99.5 million tons in 2015-16 from last year consumption of 99.35 million tons. On the other hand USDA estimates MY 2015/16 rice exports lower at 8 million tons compared to the earlier estimate of 8.5 million tons based on the pace of exports in the first quarter of the marketing season.

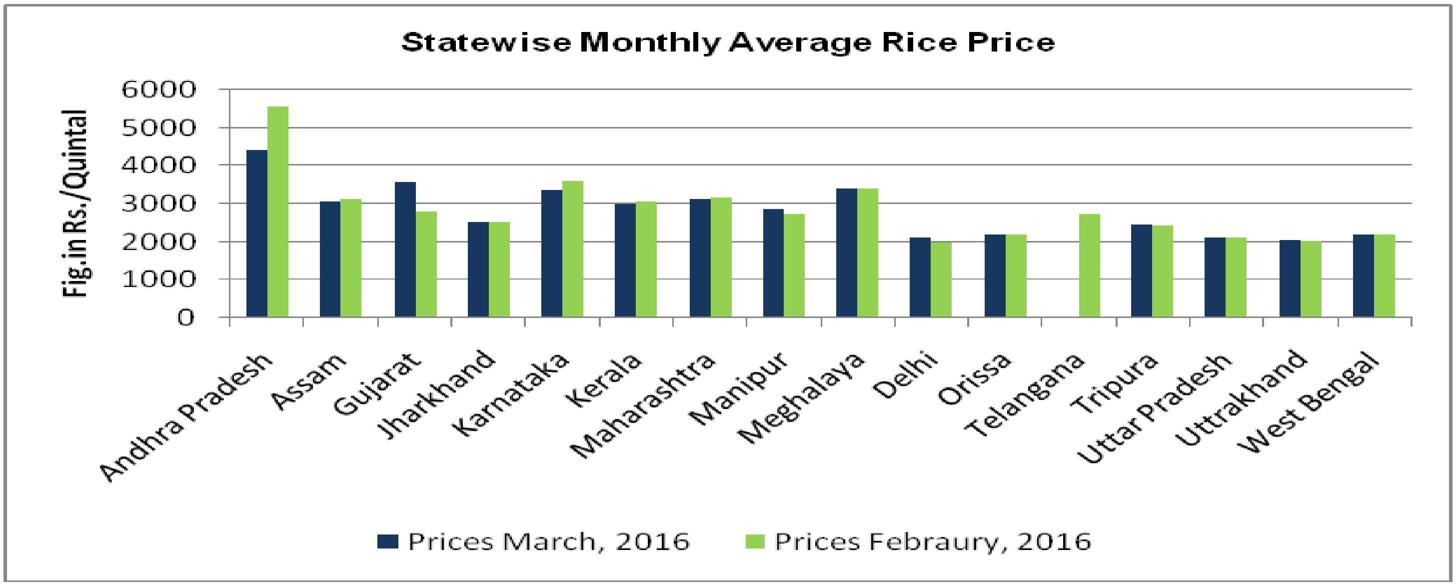
State wise Wholesale Price Monthly Analysis

State	Prices March, 2016	Prices February, 2016	Prices March, 2015	% Change(Over Previous Month)	% Change(Over Previous Year)
Andhra Pradesh	4411.44	5561.99	3517.54	-20.69	25.41
Assam	3073.89	3121.21	3085.18	-1.52	-0.37
Gujarat	3571.89	2802.9	4182.7	27.44	-14.6
Jharkhand	2524.59	2544.39	2564.17	-0.78	-1.54
Karnataka	3379.85	3619.48	3206.92	-6.62	5.39
Kerala	2995.08	3082.25	3216.01	-2.83	-6.87
Maharashtra	3127.23	3161.33	3229.7	-1.08	-3.17
Manipur	2854.45	2716.76	2832.81	5.07	0.76
Meghalaya	3395.16	3405.1	3438.06	-0.29	-1.25
Delhi	2112.2	1985.45	2351.11	6.38	-10.16
Orissa	2198.71	2189.02	2219.56	0.44	-0.94
Telangana		2717.39	2965.98	__	__
Tripura	2475.47	2443.46	2575.97	1.31	-3.9
Uttar Pradesh	2114.27	2119.48	2035.36	-0.25	3.88
Uttrakhand	2060.57	2015.89	1915.74	2.22	7.56
West Bengal	2194.41	2188.27	2256.01	0.28	-2.73
Average	2832.61	2787.6	2849.55		

Source-Agmark

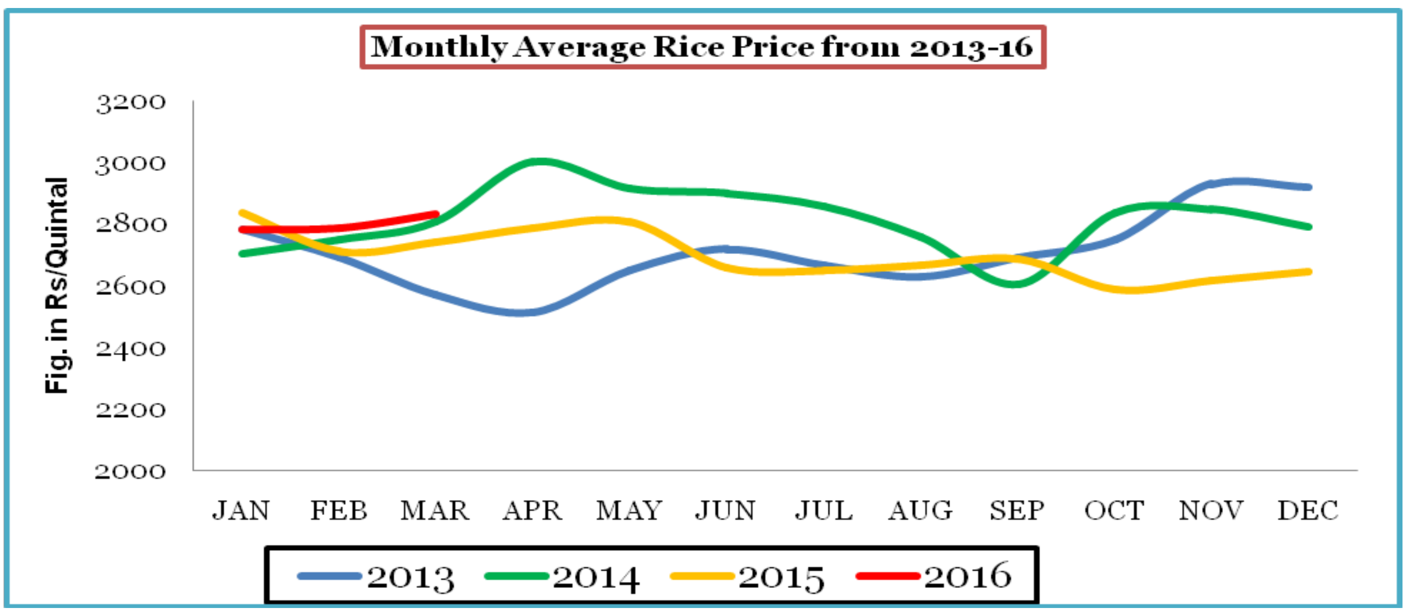
Average monthly wholesale rice prices in India increased to around Rs.2,835 per quintal in March 2016, up about 1.60% from around Rs.2,787.6 per quintal in February 2016, and slightly down(0.59%) from their levels of around Rs.2,849.5 per quintal, an year-ago. India average wholesale rice prices have increased for the fifth consecutive month on concerns of low production following below average rains during the 2015-16 Kharif (July December) season.

Indian Average Rice Price Trend- March



All India rice average prices in the month of March was firm in major producing as well in major consuming States like Odisha, West-Bengal, Delhi, Gujarat.

Monthly Average Rice Price Trend



Source-Agmarknet

Month-wise Rice Stock in Central Pool

Year	Jan	Feb	Mar	Apr	May	June	July	Aug	Sept	Oct	Nov	Dec
2014	38.01	38.99	37.93	35.61	32.72	32.01	27.66	27.40	23.98	20.21	27.94	27.49
2015	28.74	30.98	28.40	27.13	25.01	25.72	24.52	20.32	17.51	14.93	25.89	30.35
2016	26.02	28.94	34.06									

Source-FCI

India's rice stocks in the central pool as on March 1, 2016 stood at around 34.06 million tons up by about 19.92% from around 28.4 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 17.69% from around 28.94 million tons recorded on February 1, 2016. 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.

Rice Procurement

State/UTs (in Lakh T)	Total procurement in marketing season 2014-15 (Oct. – Sept.)	Progressive Procurement as on 17.03.2016	
		In Marketing season 2015- 2016	In Marketing season 2014- 2015
AP	35.96	28.38	16.59
Telangana	35.04	10.16	15.64
Chhattisgarh	34.23	34.42	33.54
Haryana	20.15	28.61	20.15
Kerala	3.74	1.94	1.69
M.P	8.07	8.49	8.07
Maharashtra	1.99	1.48	1.28
Odessa	33.57	22.81	21.38
Punjab	77.86	93.5	77.86
Tamilnadu	10.51	8.30	7.28
U.P	16.98	29.43	14.82
Uttrakhand	4.65	5.97	4.29
West Bengal	20.32	9.06	11.45
Others	17.33	9.83	10.04
Total	**320.4**	**292.38**	**244.08**

Government's rice procurement has increased 19.78% to 29.23 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-2015. These agencies had procured 24.40 million tons a year-ago, while the total purchases had reached 32 million tons. At present, procurement has been completed in Punjab and Haryana which is up by 20% and 41% respectively with quantity of 93.50 lakh tons and 28.61 lakh tons, 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 Uttrakhand has risen to 5.97 lakh tons so far this year as against 4.29 lakh tons a year-ago. Procurement in Chhattisgarh increased to 34.42 lakh tons from 33.54 lakh tons, while that of Andhra Pradesh has increased to 28.38 lakh tons from 16.59 lakh tons in 2014. Rice purchase in Telangana was lagging behind at 10.16 lakh tons so far this year as against 15.64 lakh tons in the corresponding period of the 2014-15 marketing year.

Rice Export Statistics

MY-2014-15	Non Basmati	Basmati	Total Export2014-15	MY-2015-16	Non Basmati	Basmati	Total Export2015-16
October-14	8.22	2.95	11.17	October-15	3.38	2.94	6.32
November-14	8.1	2.56	10.66	November-15	6.62	3.03	9.65
December-14	5.38	3.82	9.2	December-15	8.71	6	14.71
January-15	8.3	3.47	11.77	January-16	5	3.08	8.08
February-15	8.62	3.79	12.41	February-16	4.43	2.66	7.09
March-15	6	3.98	9.98	March-16	5.59	2.81	8.4
April-15	4.67	3.48	8.15	April-16			
May-15	5.81	4.31	10.12	May-16			
June-15	5.98	3.43	9.41	June-16			
July-15	6.14	2.7	8.84	July-16			
August-15	5.6	2.68	8.28	August-16			
September-15	5	3.83	8.83	September-16			
Total	**77.82**	**41**	**118.82**	**Total**	**33.73**	**20.52**	**54.25**

Source-DGCIS and * IBIS

Agriwatch has updated the rice exports in the first week of April based on data released by APEDA & IBIS. Total Rice exported from India in month of March was 8.4 lakh tons out of which basmati rice contribute 33.43%, and non-basmati rice is 66.56% in this period with quantity of around 5.59 lakh tons and 2.81 lakh 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 Kandla Port in coming months. Major non basmati importers were Senegal, Guinea and Benin. Monthly rice exports were up by around 19% from last month export of 7.09 lakh tons.

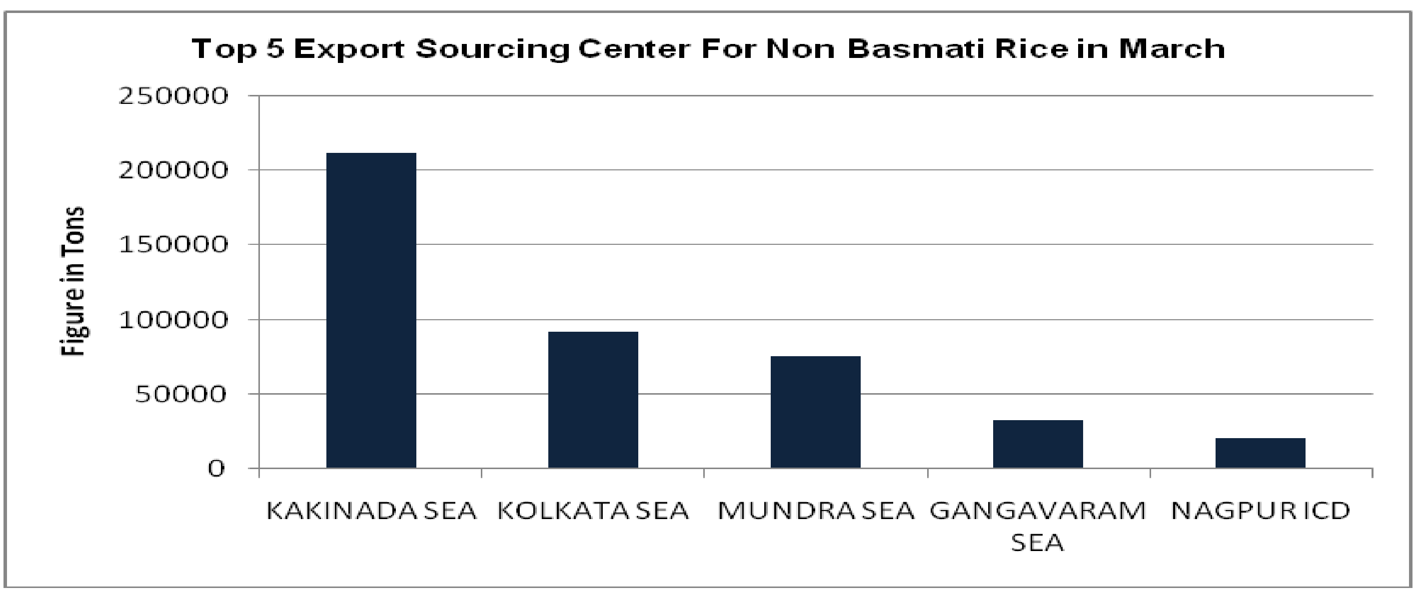
The total rice export has touched 118 lakh tons for MY- 2014-15, which is 13% higher than MY 2013-14 export of 104 lakh tons. Basmati exports in the end of marketing year were 41 lakh tons which is 18% higher than last year exports of 34.59 lakh tons, despite the ban by Iran which is one of the largest buyers of Indian Basmati rice. In MY 2014-15, Saudi Arabia, Iraq, Kuwait, USA were the main buyers.

Major Importers of Basmati & Non basmati Rice in March

Non-Basmati Rice			Basmati Rice		
Country	**Quantity(Tons)**	**Average of FOB $/Ton**	**Country**	**Quantity(Tons)**	**Average of FOB $/Ton**
SENEGAL	82392.78	272.61	SAUDI	88224.56	801.94
GUINEA	74342.00	348.38	U A E	47086.80	800.81
BENIN	58519.78	334.92	IRAN	24375.58	673.46
IVORY COAST	46237.13	322.34	KUWAIT	18225.23	845.25
U A E	23520.32	510.59	IRAQ	15073.50	640.57
S.AFRICA	22380.25	326.69	U S A	11644.41	704.34
CAMBODIA	22000.00	328.28	U K	9203.29	770.20
LIBERIA	16649.80	347.94	YEMEN	7827.87	723.34
SAUDI	14786.48	495.70	OMAN	6802.34	901.31
GAMBIA	13489.30	293.58	NETHERLANDS	4968.95	662.44
Others	185451.32	358.10	Others	47756.09	929.21
Grand Total	**559769.16**	**449.38**	**Grand Total**	**281188.63**	**818.43**

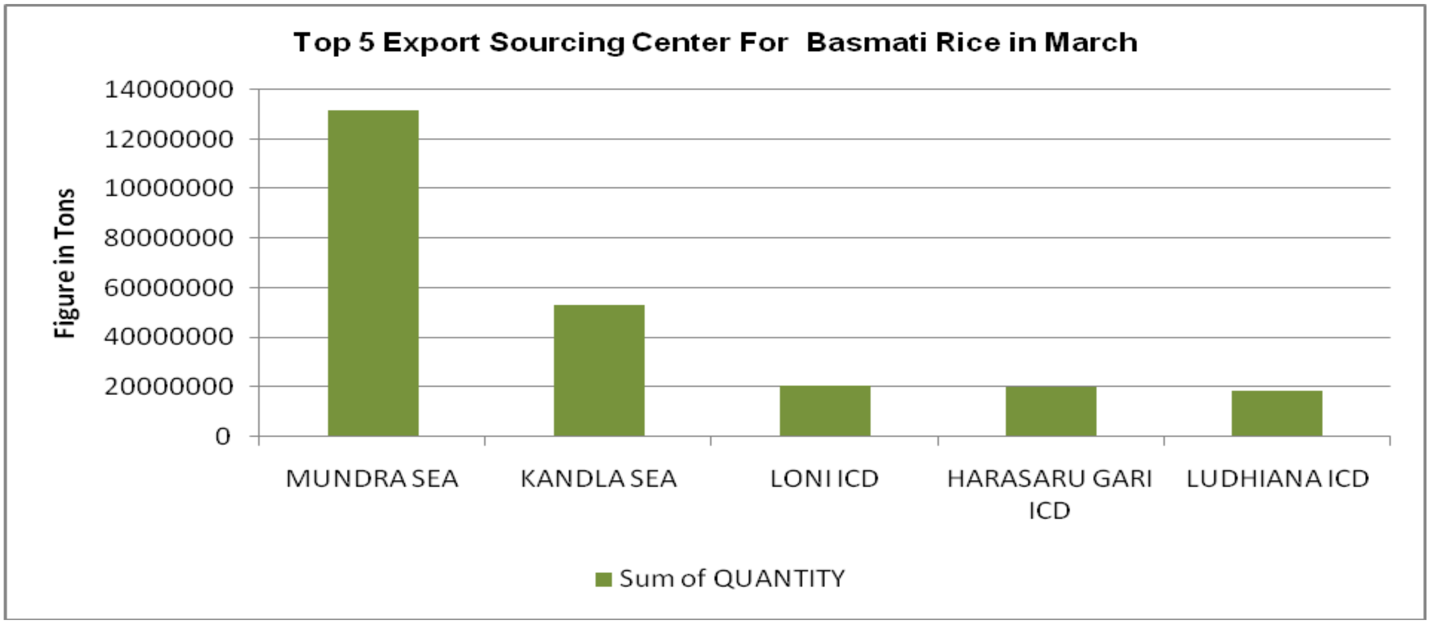
Total Rice exported from India in the month of March was 8.40 lakh tons out of which basmati rice contribute 33.43%, and non-basmati rice is 66.56% in this month with quantity of around 2.81 lakh tons and 5.59 lakh tons respectively as per latest data extract from IBIS. Major importers of Indian Basmati rice in this period were Saudi, UAE, and Iran. We expect Middle East countries to remain the major basmati buyers of Indian Basmati from Mundra and Kakinada Port in coming months. Major non basmati importers were UAE, Guinea and Iraq. Rice exports in this month were 19% higher than the export of 7.09 lakh tons during last month. Rice export in MY-2015-16 starts from Oct-2015 till March-2016 was down by 17% from corresponding period last year export of 65 lakh tons (Oct-2014-March-2015).

Major Non-Basmati Export Sourcing Center



Total non-basmati Rice export in the month of March -16 was 559769.16 tons. Kakinada Sea, Kolkata sea, and Mundra 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 March-16 was 281188.63 tons. Mundra Sea, Kandla Sea and Loni ICD, were the major port for basmati rice export center during this period.

Rice Market Outlook

Indian rice price in March have increased for the fifth consecutive month on concerns of lower production following below average rains during the Kharif of MY-2015-16. Rice market is likely to trade range bound with firm bias which is likely to continue in the medium term. Carryover stock is also depleting as stockiest buying interest against restricted supply from producing belts led to rise in cash rice market. International demand is too increasing on monthly basis which would support the rice price in coming months.

Global Market Scenario

Thailand's military government sold 418,000 tons of rice from state stockpiles recently in its second auction of the year. Thailand, the world's second-biggest rice exporter after India, has stocks of about 12 million tons and its military government has auctioned off 5.05 million tons of rice worth $1.53 billion through several tenders since taking power in 2014. The government plans to clear the entire stockpile in warehouses by end-2017. Thailand aims to export 9.5 million tons of rice this year, and has so far exported 2.65 million tons worth around 41.51 billion baht ($1.18 billion).

MY 2015/16 Korea rice production is forecast to remain around 4 million metric tons (MMT) which is down 6 percent from 4.24 MMT in 2014/15 based on five year average yield. According to a recent Korea Rural Economic Institute (KREI) survey of rice farmers from December 26, 2014 - January 2, 2015, planted area is expected to decline to 801,000 HA, down about 1.8 percent from last year. However, high yield varieties will almost offset the lower acreage planted.

According to the latest export data issued by the European Union (EU) for the crop year 2015-16 (September 1, 2015 August 31, 2016), the EU exported about 123,197 tons of rice during the period September 1, 2015 March 15, 2016, down about 17% from around 149,137 tons exported during the corresponding period last year. Italy remained the largest exporter in September 1, 2015 March 15, 2016 period with around 65,453 tons followed by Spain (17,190 tons), Greece (14,552 tons), and Portugal (7,966 tons). Other EU countries imported 18,036 tons.

According to the latest data issued by the European Union (EU), rice imports by the EU nations increased sharply since the beginning of the crop year 2015-16 (September 1, 2015 August 31, 2016). The EU imported about 679,233 tons of rice during the period September 1, 2015 March 15, 2016, up about 17% from around 578,157 tons imported during the corresponding period last year. The UK remained the largest importer in September 1, 2015 March 15, 2016 period with around 154,204 tons followed by France (115,527 tons), The Netherlands (81,201 tons), Germany (53,264 tons), Poland (50,416 tons), and Italy (49,224 tons). Other EU countries imported 175,397 tons.

Under the free trade agreement (FTA), the government of Pakistan and Iran prepare a free trade agreement, which would likely to boost bilateral trade between these two countries. This development is particularly a good for basmati rice as Iran is the largest importer of aromatic rice The FTA is likely to help Pakistan to regain its share in the Iranian Market as most of the Iranian rice demand shifted towards India.

Vietnam exported 1.426 million tons of rice in first three months of 2016 (January – March), up about 58% from 901,692 tons of rice exported during corresponding period in last year, according to data from the Vietnam Food Association (VFA). The average rice export price so far in this year stands at around $405 per ton (FOB), down about 7% per ton from around $434 per ton recorded during corresponding last year.

IGC Balance Sheet:

Attributes (Fig in Million Tons)	2013-14	2014-15 Estimate	2015-16 Forecast 25.02.16	Forecast 01.04.16	Projection (2016-17) 01.04.16
Production	478	479	474	473	485
Trade	43	42	42	42	42
Consumption	479	483	486	485	489
Carryover stocks	112	109	96	97	93
Y-O-Y change	-2	-3	-	-12	-4
Major Exporters	38	31	21	21	19

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

IGC Rice Balance sheet Highlights

The International Grains Council's forecast that Owing to a smaller outturn and rising consumption, world rice stocks in 2015/16 are expected to be down sharply, mostly on reductions in the main exporters, namely India and Thailand. Production is seen recovering to a fresh peak in 2016/17 on potentially bigger crops in Asia but, given a further expansion of food use, aggregate inventories are expected to post a further modest y/y contraction. While prospects for trade in 2017 (Jan/Dec) are tentative, volumes should stay high on demand from buyers in Africa and Asia.

IGC Forecast the World Rice Production Up in 2016-17

In its April 2016 Grain Market Report (GMR), the International Grains Council (IGC) forecasts 2016-17 global rice production at around 485 million tons, up about 2.5% from an estimated 473 million tons in 2015-16 on improved Asian production. The IGC slightly lowered its estimates for 2015-16 rice production by 1 million tons.

Global Trade of Rice Unchanged from Last Month

The IGC forecasts 2016-17 global rice trades at around 42 million tons, unchanged from its estimates for 201516. It expects world rice trade in 2017 to increase on high demand from buyers in Africa and Asia.

Global Consumption of Rice Increases in 2016-17

The IGC forecasts 2016-17 global rice consumption to increase about 1% to around 489 million tons from an estimated 485 million tons in 201516.

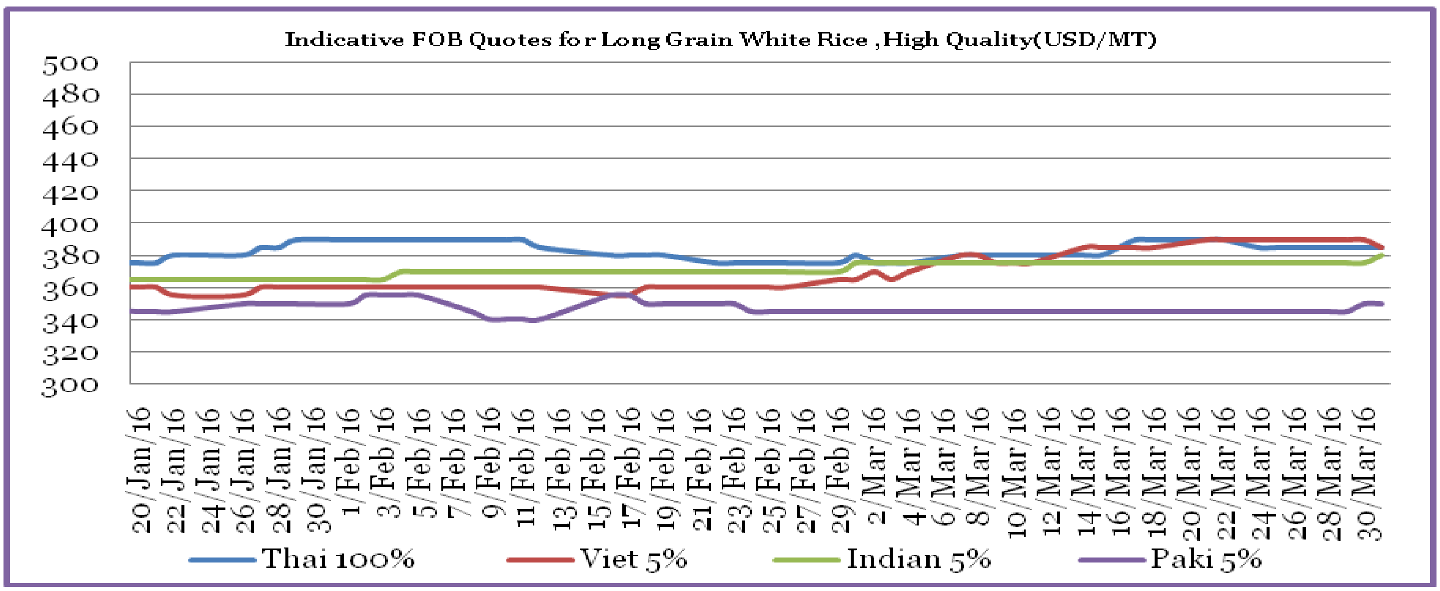
Global Ending Stock of Rice Decline Sharply 2016-17

The IGC forecasts global rice ending stocks at around 93 million tons in 201617, down about 4% from an estimated 97 million tons in 201516 due to higher food use in most of the countries. The IGC expects global rice stocks in 201516 to decline sharply from around 109 million tons in 201415 due to a smaller outturn and rising consumption, mostly on reductions in the main exporters, namely India and Thailand.

Indicative Basmati Parity Sheet

Parity Calculation Sheet	Rajkot (Kandla)	Andhra Pradesh(Vizag)	Punjab(Kandla)	Haryana(kandla)	West Bengal(Kolkata)
Price @ various center	52000	52500	49500	50000	51500
Port handling charges /Loading/Unloading /Clearing (Rs/ton)	550	550	550	550	550
Freight Charges till port	400	400	1350	1350	450
Indian FOB (Rs/MT)	52950	53450	51400	51900	52500
Indian FOB (USD/MT)	**791.95**	**799.43**	**768.77**	**776.25**	**785.22**
Insurance @ 0.1%	0.79	0.80	0.77	0.78	0.79
Freight Charges (US $/ton) to Iran	55	55	55	55	55
CIF (Kandla to Iran)	847.75	855.23	824.54	832.03	841.01
INR MonthlyAverage	66.86	66.86	66.86	66.86	66.86

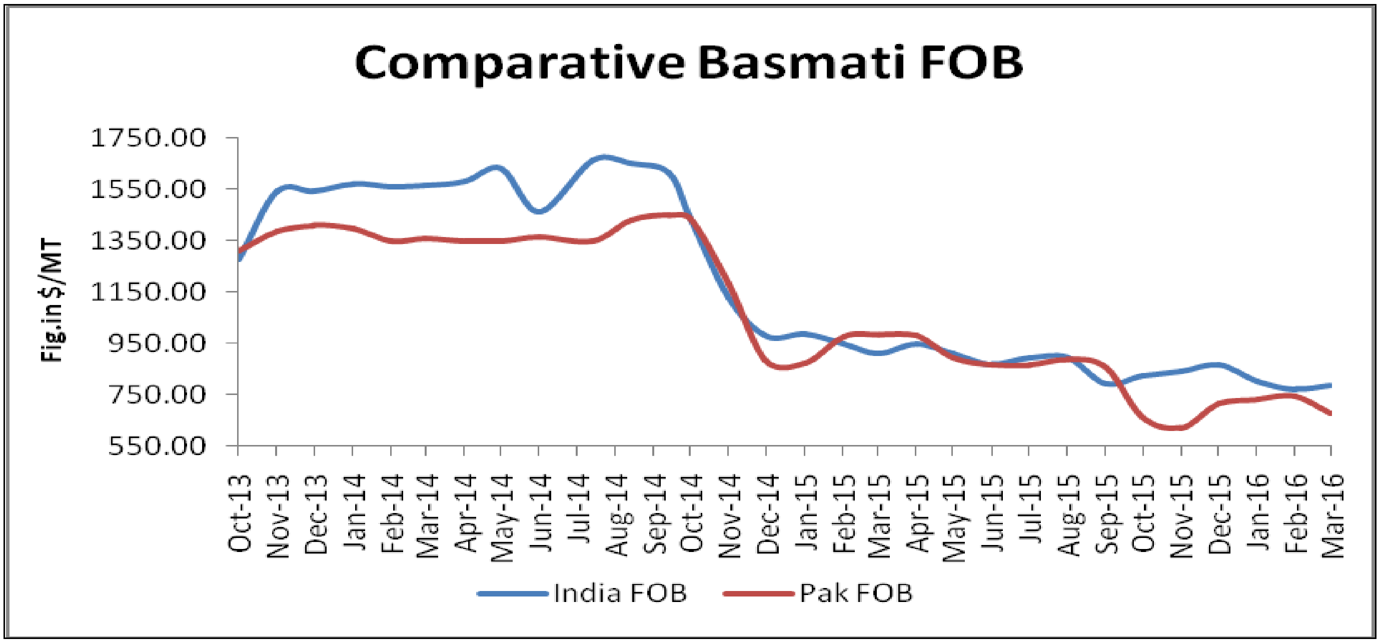
FOB Quotes for Long Grain White Rice, High Quality



Source-Oryza

FOB quotes for high quality white rice in the month of March was moved with steady to slightly firmer tone for the major exporters. Thai long grain high quality white rice is moving in the range of USD 385-390/T which is up by USD 5-10/MT and down by USD 20-25/MT from last month and last year respectively. Vietnam long grain high quality white rice is moving in the range of USD 385-390/T which is almost up by USD20-25/MT from last month. Pakistan white rice high quality increased by 5-10 USD/MT from last month and currently hovers in the range of USD 350-355/MT. Indian 5% white rice high quality is moving up from last month and currently at USD 380-385 /MT.

FOB Quotes Aromatic Rice (1121 Steam)



Source-FAO& AW

Indian FOB for 1121 steam in the month of March moved up from last month and currently is in the range of USD 780-790/MT which is up by around 2% from last month price. Average basmati rice price increased due to increase buying interest for stockpiling which push the price in northward direction. Pakistani basmati price has decreased from USD 745/MT to 680$/MT, according to the UN's Food and Agriculture Organization (FAO). Currently Pakistani basmati FOB is hovering in the range of USD 680-681/MT which is down by 8.5% from last month FOB of USD 745/MT.

Rice Price Trend – CBOT

Duration	Trend	Support	Resistance
May-2016	Steady to Weak	S1-09.60 S2-09.45	R1-10.25 R2-10.65