# Rice Monthly Research Report

Contents

## *Outlook and Review:*

***Domestic Front***

***On average wholesale prices of non-basmati rice for India in September was frail by 0.47% from last month and is*** *currently hovering at Rs.2860-2865/quintal and 5.56% up from price of Rs.2708Quintal during corresponding period last year. Agriwatch expects non-basmati rice market to move range bound with some weak tone in coming week due to expectation of new arrival in the market.*

***The total sown area as on 23th September, 2016 as per reports received from States, stands at 1067.53lakh hectare as compared to*** *1030.89 lakh hectare at this time last year and total normal area of 1062.50 lakh hectare. It is reported that rice has been sown/transplanted in 387.04 lakh hectare, up by 2.56% from last year till date acreage of 377.35 lakh hectares.*

***As per 01st Advance Estimate released by Union Agriculture Minister, Total production of Kharif rice is estimated at 93.88*** *million tons which is a new record. This year rice production is higher by 1.1 million tons than previous record production of 92.78 million tons achieved during 2011-12. Production of Kharif rice is also higher by 4.16 million tons and 2.57 million tons over the average production of the last five years and the last year's Kharif rice production respectively.*

***As per 1st Advance Estimates for 2016-17, area coverage under all Kharif crops taken together has been 1060.81 lakh hectares at*** *All India level as compared to 1052.16 lakh hectares during last year. ¬ Area coverage under Rice is lower by 2.6 lakh hectares than its area coverage of 395.35 lakh hectares during 2015-16.*

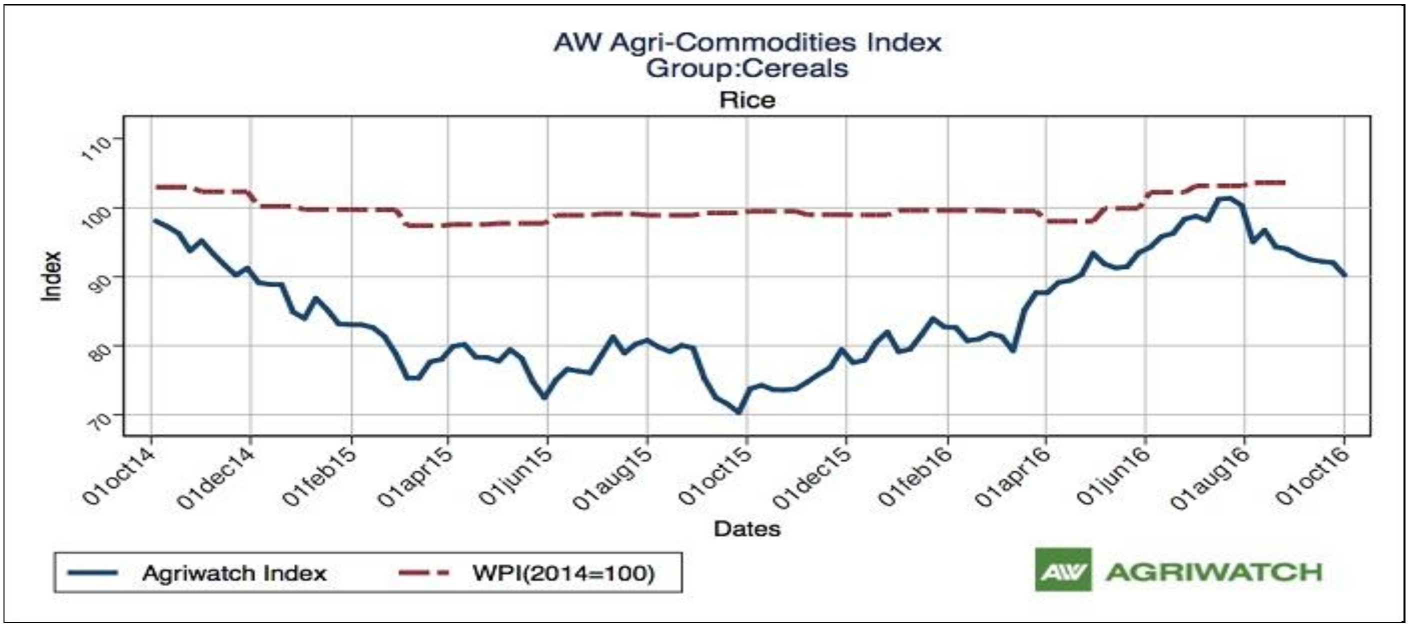
***Even with arrival of aromatic paddy in major producing states like Punjab and Haryana, price of 1509, 1121 paddy is running higher*** *than last year as Iran, the major Indian basmati rice importer is likely to lift ban on basmati rice import by November 25 this year and thus prices jump 30% in Punjab and Haryana markets. 1509 basmati variety was being sold by farmers at Rs 1,750-1,900 a quintal compared at Rs. 1,400 a year ago. The popular basmati variety 1121 crop was less by over 20-30% than last year as farmers had gone for parmal variety. However price will not be able to get the 2014 level prices, when basmati was quoted at Rs.10, 000 a quintal. "The investors' sentiment is not to buy basmati for the entire year by October-November, but to buy as per their demand.*

***Punjab is likely to procure 160 lakh metric tonnes (LMT) of paddy this year. Of this, different procuring agencies like Pungrain*** *would procure 24%, Punsup 23%, Mark fed 23%, Agro 10%, FCI 12%, state's warehousing corporation 08% in all the 1,830 purchase centres set up across the state.*

***Total Rice exported from India in the month August was 8.33 lakh tons out of which basmati rice contribute 23.46%, and non-basmati*** *rice is 76.53% in this period with quantity of around 1.95 lakh tons and 6.37 lakh tons respectively as per latest data extract from IBIS.*

***The cumulative rainfall in the country during the monsoon season i.e. 01st June to 28th September, 2016 has been 3% lower than*** *the Long Period Average (LPA). Rainfall in the four broad geographical divisions of the country during the above period has been higher than LPA by 6% in Central India but lower than LPA by 11% in East & North East India, 7% in South Peninsula and 5% in North-West India.*

## *Agriwatch Cereals Commodity Indices – Oct-02, 2016*




The Agriwatch Agri Commodities Index edged down 0.20% to 115.90 during the week ended Oct 1, 2016 from 116.13 during the previous week. The base for the Index and all sub-Indices is 2014 (= 100).

Declines in cereals and vegetables prices offset the gains in pulses and edible oils. 6 of the 9 commodity groups and 19 of the 29 commodities that constitute the Index declined during the week. The commodity group sub-Index values and their weekly changes are as follows: Cereals: 101.83 (-1.34%), Pulses: 216.70 (+4.40%), Vegetables: 62.30 (-4.85%), Edible Oils: 116.0 (+0.68%), Oilseeds: 107.67 (-1.83%), Sweeteners (Sugar, Gur & Khandsari): 121.96 (-0.48%), Spices: 135.90 (-0.83%), Fibres: 98.82 (-3.23%) and Other Non-Food Articles: 77.57 (+2.25%)

"Agriwatch has recently launched its AW Agri Commodity Indices to enable organizations access independent Indices to track and use to benchmark their purchases and sales. The Indices are based on the daily prices in the key benchmark markets for each commodity that AW has been covering for the past decade. The indices include an Aggregate Index, Category Indices and individual commodity indices. The weekly indices are free to access on our website wwwagriwatch.com. The daily indices are available on subscription. Please contact for more details."

## *Price Projection for Next Month (Oct) in Domestic Market*

| Duration | Trend | Average Price Range | Reason |
|---|---|---|---|
| October - 2016 | Steady | Rs.2750-2900/Q | Average Rice price in all India is likely to trade steady due to expectation of higher sowing supported by good Monsoon and normal domestic 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** | **01-Oct-2016)** | **24-Sept- 2016)** | **Month Ago(01-Sept-2016)** | **% ch. From last week** | **% Change from last Month** |
| **1121 Steam** | 5100 | 5030 | 5250 | **1.39** | **-2.86** |
| **1121 Sella** | 3900 | 4000 | 4250 | **-2.50** | **-8.24** |
| **1121 Raw** | 5250 | 5200 | 5300 | **0.96** | **-0.94** |

**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** | **01-Oct-2016)** | **24-Sept-2016)** | **Month Ago(01-Sept-2016)** | **% ch. From last week** | **% Change from last Month** |
| **White Rice 5%** | 365 | 375 | 380 | **-2.67** | **-3.95** |
| **White Rice 25%** | 340 | 345 | 350 | **-1.45** | **-2.86** |
| **Parboiled 5%** | 360 | 370 | 365 | **-2.70** | **-1.37** |

## *Rice Supply & Demand*

| Figure in MMT | 2013-14 | 2014-15 | 2015-16 | 2016-17 |
|---|---|---|---|---|
| **Carry in** | 25.44 | 22.76 | 17.52 | 13.47 |
| **Production** | **106.64** | **104.8** | **104.3** | **106** |
| **Imports** | 0 | 0 | 0 | 0 |
| **Total Availability** | 132.08 | 127.56 | 121.82 | 119.47 |
| **Consumption** | 99.18 | 98 | 98.35 | 98.5 |
| **Exports** | **10.14** | **12.04** | **10** | **10.2** |
| **Total Usage** | 109.32 | 110.04 | 108.35 | 108.7 |
| **Carry out** | **22.76** | **17.52** | **13.47** | **10.77** |
| **Av Monthly Consumption** | 8.27 | 8.17 | 8.20 | 8.21 |
| **Stock to Month Use** | 2.75 | 2.15 | 1.64 | 1.31 |
| **Stock to Consumption Ratio** | 0.08 | 0.08 | 0.08 | 0.08 |

Agriwatch has updated the rice exports in the 01st week of October based on data released by APEDA & IBIS. Total rice exports for MY-2015-16 till August-16 was 93.29 Lakh tons, down by around 16% from last year's export of 110.94 lakh tons for the corresponding period. Non- basmati rice exports in the month of Aug was 6.37 lakh tons and basmati exports in the month was 1.95 lakh tons.

Rice production in MY 2016-17 is likely to be up from 104 million tons in 2015-16 to 106-106.5 million tons due to more than average rainfall and normal area coverage in Kharif as well in Rabi rice. On the Exports front, Agriwatch expects rice exports in MY 2016-17, to fall by around 5% from 2015-16 and reach 9.0-9.5 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 98.3 million tons in 2015-16 to 98.9 million tons in MY-2016-17. On the other hand USDA estimates MY 2016-17 rice exports lower at 8.5 million tons compared to the last year export of 9 million tons based on the pace of exports in the first quarter of the marketing season.

***All India Expected Rice Production w.r.t Rainfall in MY-2016-17***

| State | Normal Yield(Kg/Hect) | Normal Area in Lakh Ha. | Rainfall Status | 5 Year Average Production | 2016-17(Normal Expected Production) | Rice Production @ Above Normal (Rain More than 5-10% | Rice Production @ Excess Monsoon (More Than 10% |
|---|---|---|---|---|---|---|---|
| Andhra Pradesh | 3020.6 | 16.48 | 33% | 11529.52 | 11933.05 | 11990.70 | 12048.35 |
| Assam | 1958 | 0.9 | -26% | 4693.58 | 4787.45 | 4787.45 | 4810.92 |
| Bihar | 1811.2 | 30.82 | -23% | 5969.60 | 6059.14 | 6059.14 | 6088.99 |
| Chhattisgarh | 1661.4 | 37.74 | 7% | 6358.97 | 6613.33 | 6645.12 | 6645.12 |
| Gujarat | 2070 | 7.33 | -45% | 1607.60 | 1631.71 | 1631.71 | 1639.75 |
| Haryana | 3106.6 | 12.42 | -18% | 3901.67 | 3979.70 | 3979.70 | 4018.72 |
| H.P | 1638.8 | 0.76 | -12% | 125.93 | 127.82 | 127.82 | 127.82 |
| Jharkhand | 2009 | 12.72 | -18% | 2827.57 | 2884.12 | 2884.12 | 2898.26 |
| Karnataka | 2743.4 | 10.66 | 11% | 3512.05 | 3582.29 | 3617.41 | 3634.97 |
| Kerala | 2497.25 | 1.56 | -14% | 518.75 | 531.72 | 531.72 | 531.72 |
| M.P | 1381.2 | 18.46 | 86% | 2788.63 | 2872.29 | 2900.18 | 2905.75 |
| Maharashtra | 1881.6 | 15.21 | 40% | 2808.83 | 2836.92 | 2865.01 | 2865.01 |
| Odisha | 1567 | 38.39 | -17% | 7109.45 | 7322.73 | 7322.73 | 7358.28 |
| Punjab | 3870.4 | 28.48 | 1% | 11053.05 | 11329.38 | 11329.38 | 11384.64 |
| Rajasthan | 47.2 | 1.41 | 28.00% | 284.020 | 285.44 | 285.44 | 285.44 |
| Tamil Nadu | 3183.6 | 16.14 | 5% | 5503.95 | 5558.99 | 5558.99 | 5641.55 |
| Telangana |  | 10.5 | 31% |  | 0.00 | 0.00 | 0.00 |
| Uttar Pradesh | 2347.2 | 58.5 | -3% | 13353.23 | 13820.59 | 13820.59 | 13820.59 |
| Uttrakhand | 2165.2 | 2.55 | 3% | 581.47 | 598.91 | 598.91 | 598.91 |
| West Bengal | 2736.4 | 40.63 | -6% | 14078.77 | 14501.13 | 14501.13 | 14501.13 |
| Others | 2411 | 0.29 | -- | 5123.89 | 5200.75 | 5200.75 | 5200.75 |
| **India** | **2367.2** | **392.67** | 4% | **101428.30** | **106457.48** | **106638.02** | **107006.68** |

All India milled rice production in MY-2016-17 is expected to hover between 106-106.5 million tons as per Agriwatch first estimate. This year there is excess rainfall in most of the paddy growing states. On the other hand paddy acreage is also supportive for higher production, as of 29 July 2016, higher paddy acreage is reported from states like, A.P, Punjab, M.P, Karnataka, and Telangana. AW expects pan India milled rice production to go up to 106.63 million tons if rainfall is more than 5% and if rainfall is above 10% or more, the production will touch 107 million tons which will all time high for India.

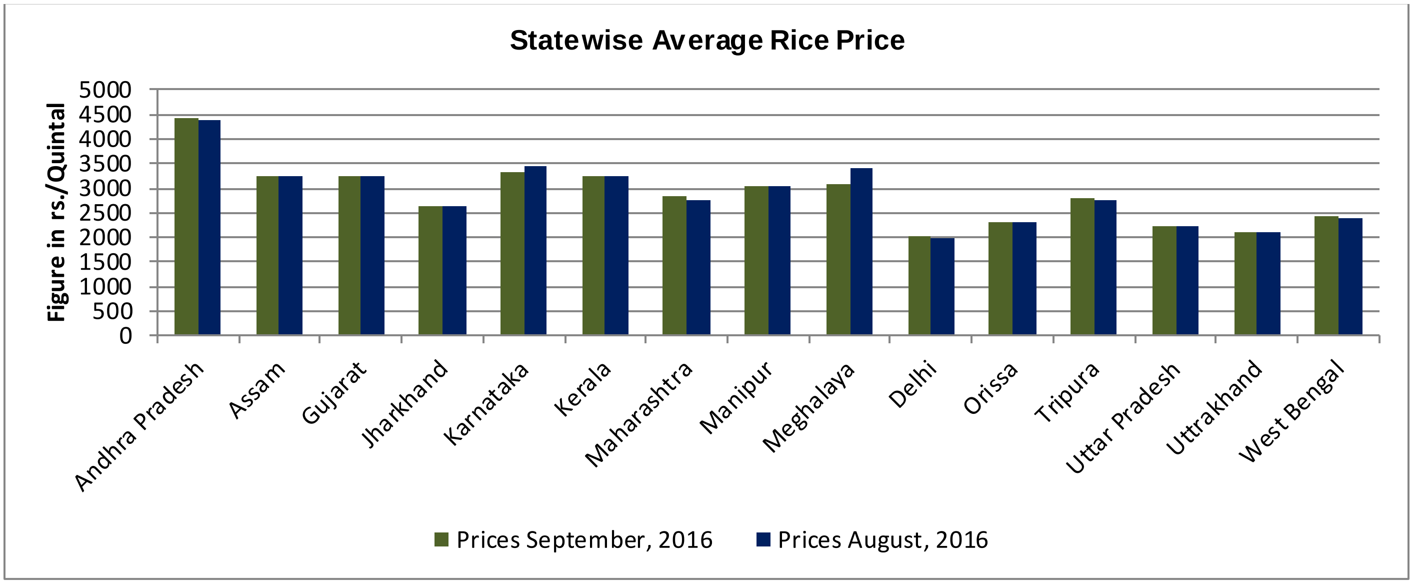
***State wise Wholesale Price Monthly Analysis***

| State | Prices September, 2016 | Prices August, 2016 | Prices September, 2015 | % Change(Over Previous Month) | % Change(Over Previous Year) |
|---|---|---|---|---|---|
| Andhra Pradesh | 4437.83 | 4377.89 | 3000.06 | 1.37 | 47.92 |
| Assam | 3231.67 | 3233.89 | 3092.05 | -0.07 | 4.52 |
| Bihar | | | 1958.18 | __ | __ |
| Gujarat | 3248.06 | 3246.61 | 2679.49 | 0.04 | 21.22 |
| Jharkhand | 2628.25 | 2621.24 | 2584.62 | 0.27 | 1.69 |
| Karnataka | 3328.65 | 3461.74 | 3389.21 | -3.84 | -1.79 |
| Kerala | 3244.45 | 3245.21 | 3085.74 | -0.02 | 5.14 |
| Maharashtra | 2845.15 | 2737.26 | 4427.31 | 3.94 | -35.74 |
| Manipur | 3038.47 | 3022.56 | 3045.49 | 0.53 | -0.23 |
| Meghalaya | 3081.07 | 3393.75 | 3058.12 | -9.21 | 0.75 |
| Delhi | 2025.97 | 2000 | 1920.83 | 1.3 | 5.47 |
| Orissa | 2298.08 | 2322.4 | 2189.73 | -1.05 | 4.95 |
| Tripura | 2790.15 | 2746.16 | 2643.09 | 1.6 | 5.56 |
| Uttar Pradesh | 2211.24 | 2210.67 | 2101.31 | 0.03 | 5.23 |
| Uttrakhand | 2083.64 | 2089.89 | 1890.38 | -0.3 | 10.22 |
| West Bengal | 2418.95 | 2405.65 | 2266.66 | 0.55 | 6.72 |
| **Average** | **2860.78** | **2874.33** | **2708.27** | | |

Source-Agmark

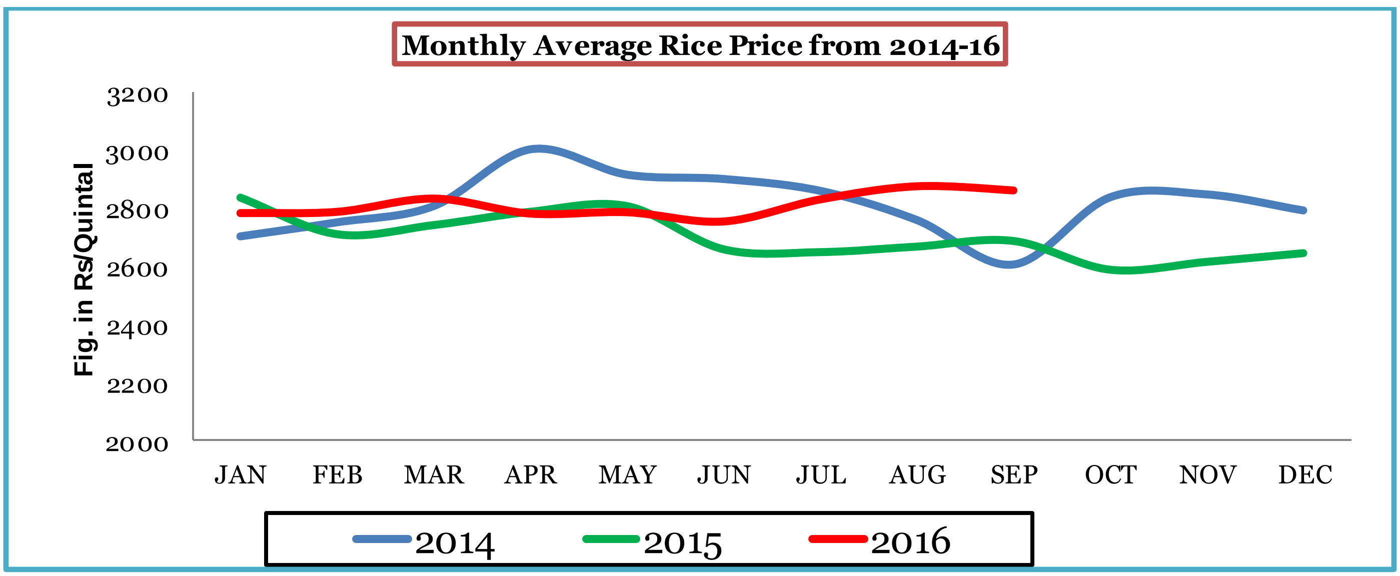
India average wholesale rice prices have decreased slightly in September- 2016 with higher sowing and also as this is lean time and demand from international as well domestic is normal thus rice price doesn't move much down in the month. Average monthly wholesale rice prices in India stood at around Rs.2, 860.78 per quintal in September 2016, down about 0.47% from around Rs.2, 874 per quintal in August 2016, and up about 5.6% from around Rs.2, 708.27 per quintal a year ago.

### *Indian Average Rice Price Trend- September*




All India rice average prices in the month of September was weak in major producing as well in major consuming States like Meghalaya, Karnataka, Orissa, Kerala and Uttrakhand .

### *Monthly Average Rice Price Trend*




*Source-Agmark net*

### *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 | 22.16 | 21.32 | 27.21 | 29 | 24.17 | 19.73 | | | |

Source-FCI

India's rice stocks in the central pool as on September 1, 2016 stood at around 19.73 million tons up by about 12.70% from around 17.51 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 19% from around 24 million tons recorded on August-01, 2016. The current rice stocks are about one million tons more than the required strategic reserve norms of around 1.25 million tons for this time of the year, according to the FCI.

### *Rice Procurement Target for 2016-17-*

| State | Target of Procurement for Kharif Crop only (In Lakh MT) |
|---|---|
| Andhra Pradesh | 29 |
| Assam | 0.75 |
| Bihar | 20 |
| Chhattisgarh | 35 |
| Haryana | 29 |
| Jharkhand | 2.72 |
| Karnataka | 0.5 |
| Kerala | 1.22 |
| Madhya Pradesh | 9 |
| Maharashtra | 2.5 |
| Odisha | 24 |
| Punjab | 94.5 |
| Tamil Nadu | 10 |
| Telangana | 15 |
| Uttar Pradesh | 33.5 |
| Uttrakhand | 6 |
| West Bengal | 17 |
| Others | 0.31 |
| **Total** | **330** |

Procurement target for paddy in terms of rice for Kharif Crop during Kharif Marketing Season (KMS) 2016-17 has been finalized as 330 lakh tons against target of 300 lakh tons of last year i.e. KMS 2015-16. In KMS 2015-16 actual procurement of rice (Kharif crop) was 309.28 LMT. Highest target is set for Punjab (94.5 lakh tons) followed by Chhattisgarh (35.00) lakh Tons) and U.P (33.50 LT).

### *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 | 5.11 | 2.84 | 7.95 |
| May-15 | 5.81 | 4.31 | 10.12 | May-16 | 4.47 | 3.71 | 8.18 |
| June-15 | 5.98 | 3.43 | 9.41 | June-16 | 6.68 | 3.95 | 10.63 |
| July-15 | 6.14 | 2.7 | 8.84 | July-16 | 5.25 | 3 | 8.25 |
| August-15 | 5.6 | 2.68 | 8.28 | August-16 | 6.37 | 1.95 | 8.32 |
| September-15 | 5 | 3.83 | 8.83 | September-16 | | | |
| **Total** | **77.82** | **41** | **118.82** | **Total** | **57.55** | **35.74** | **93.29** |

Source-DGCIS and * IBIS

Agriwatch has updated the rice exports in the 01st week of September based on data released by APEDA & IBIS. Total rice exports for MY-2015-16 till Aug-16 were 93.29 lakh tons, around 16% lesser than last year's export of 110.94 lakh tons for the corresponding period (Oct-Aug). Non- basmati rice exports in MY 2015-16 which started from October 2015 to Aug was 57.55 lakh tons and basmati exports in these months were 35.74 lakh tons.

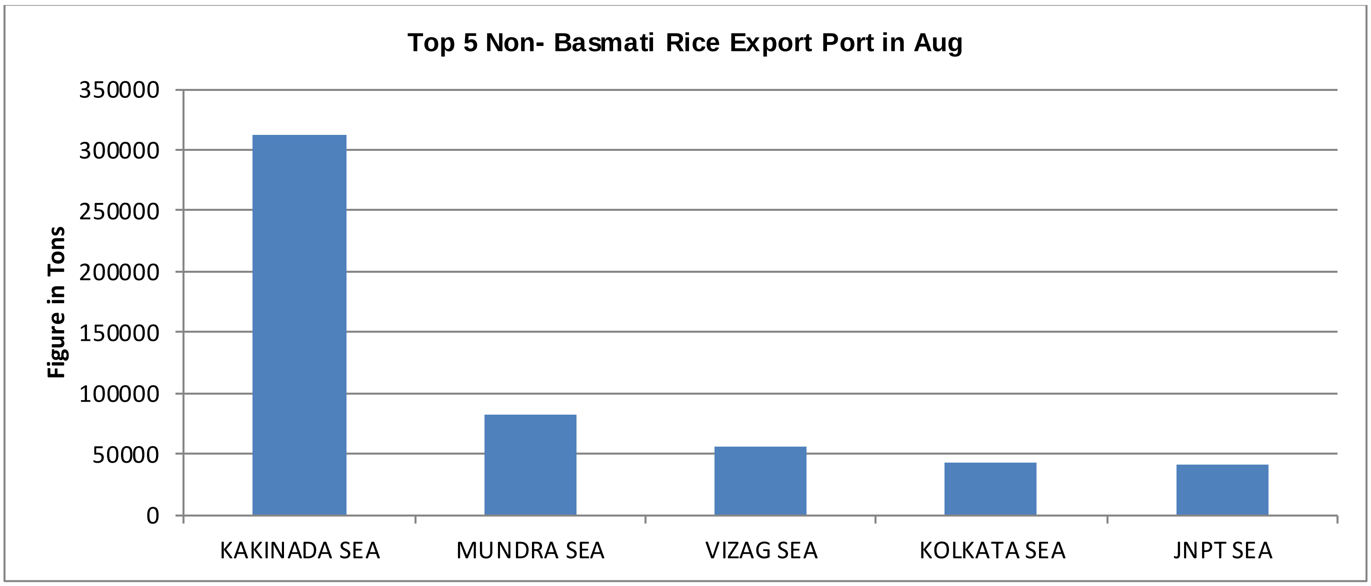
The total rice export has touched 118 lakh tons for MY- 2014-15, which is 13%higher than MY 2013-14 export of 104 lakh tons. Basmati exports in the end of marketing year were 41 lakh tons which is 18% higher than last year exports of 34.59 lakh tons, despite the ban by Iran which is one of the largest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

| Non-Basmati Rice | | | Basmati Rice | | |
|---|---|---|---|---|---|
| **Country** | **Quantity(Tons)** | **Average of FOB $/Ton** | **Country** | **Quantity(Tons)** | **Average of FOB $/Ton** |
| SENEGAL | 123000.55 | 304.92 | SAUDI | 34161.47 | 838.35 |
| BENIN | 85393.47 | 1402.48 | IRAQ | 24356.13 | 713.99 |
| LIBERIA | 60506.91 | 381.57 | U A E | 22120.86 | 828.31 |
| IRAQ | 48217.92 | 595.91 | TURKEY | 13914.09 | 731.62 |
| EGYPT | 37641.86 | 367.32 | YEMEN | 12020.41 | 832.36 |
| S.AFRICA | 28575.82 | 369.12 | IRAN | 9450.08 | 758.61 |
| GUINEA | 27250.00 | 385.75 | U S A | 8816.57 | 772.90 |
| DJIBOUTI | 26465.70 | 347.72 | U K | 8697.40 | 809.48 |
| GHANA | 23273.35 | 308.44 | QATAR | 8317.25 | 834.98 |
| U A E | 20179.50 | 542.89 | BAHRAIN | 6911.17 | 816.92 |
| Others | 157345.01 | 557.99 | Others | 46784.07 | 838.77 |
| **Grand Total** | **637850.09** | **600.86** | **Grand Total** | **195549.50** | **1038.04** |

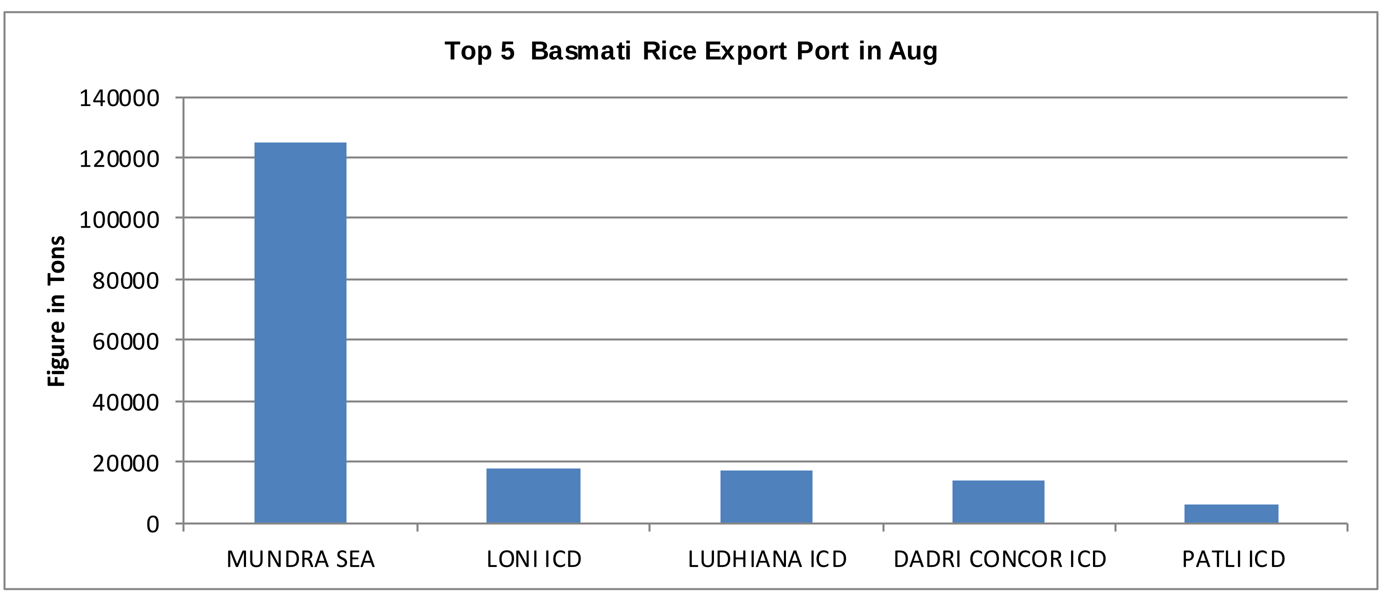
Total Rice exported from India in the month August was 8.33 lakh tons out of which basmati rice contribute 23.46%, and non-basmati rice is 76.53% in this period with quantity of around 1.95 lakh tons and 6.37 lakh tons respectively as per latest data extract from IBIS.Major importers of Indian Basmati rice in this period were Saudi, Iraq and UAE. 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 Senegal, Benin and Liberia.

## *Major Non-Basmati Export Sourcing Center*




Total non-basmati Rice export in the month of Aug was 6.37 lakh tons. Kakinada Sea, Mundra Sea and Vizag were the major ports for non-basmati rice export during this period. These five ports cover approx 80% of total export in this period.

## *Major Basmati Export Sourcing Center*



Total basmati Rice export in the 04th week of Aug was 1.95 lakh tons. Mundra Sea, Loni ICD and Ludhiana ICD were the major port for basmati rice export center during this period. These three ports cover more than 90% of total export in this period.

### *Rice Market Outlook*

Non-basmati rice market in the month of September moved down by 0.47% from last month. We expect non-basmati rice to hover range bound with some weak range in coming month as arrival is starts in many producing regions which may pressurize the market. With the forecast of a normal monsoon and consequent sufficient domestic rice production, government is unlikely to impose any export restrictions. At the current pace of monthly exports, CY 2016 exports are likely to reach 10 MMT.

Basmati rice price is expected to trade steady tone even with expectation of lower area in coming Kharif season (2016-17) as stocks from last year is sufficient to fulfill the current demand. It is also reported that basmati paddy acreage is expected to fall by 20-30% in this Kharif season in major growing states like Punjab and Haryana as farmers like to switch this area to non-aromatic paddy. On the other hand international demand, especially from Middle East countries is normal, which may also support to push price up in some extent in coming months, also Iran is also like to remove aromatic rice import in next month which would also support basmati rice price at some extent.

## *Global Market Scenario*

***Unofficial preliminary Thailand rice exports (excluding premium white and fragrant rice) for September 19- 25, 2016 totaled 118,867*** *metric tons, down 4,470 metric tons from the previous week and up 7,208 metric tons from the four-week moving average of 111,659 metric tons. Rice exports from January 1 – September 25, 2016 totaled 2,808,213 metric tons, down 12 percent from the same period last year.*

***Total rice production in Vietnam for MY 2015/2016 is down about a million tons, due mainly to the impact of drought*** *weather conditions caused by El Nino, which lowered mainly the spring crop production in the Mekong River Delta. The MY 2015/2016 rice export is revised down to 5.7 million tons.*

***Myanmar is due to sign a memorandum of understanding (MoU) with Indonesia to export 500,000 tons of rice a year until 2019.*** *About 90 percent of rice exports currently go overland to China, but the Myanmar Rice Federation is looking to increase sales to Indonesia, the Philippines and Japan. The Indonesian government initiated a plan to import rice from Myanmar in December 2015, saying that importing rice from Myanmar would serve as backup in case rice imports from Vietnam and Thailand were not adequate to stabilize local prices.*

***Egypt will look to import 500, 0000 tonnes of rice and 400,000 tonnes of sugar in order to boost strategic stocks and keep*** *prices down. The government buys commodities and sells them at subsidised prices to the country's poorest citizens. But prices of sugar and rice have been climbing on Egypt's local market in the past few weeks partly due to shortages.*

***The Ministry of Agriculture and Rural Development (MARD) has ordered Viet Nam's rice exporters to closely control the quality*** *of rice exported to the US, after some exports were rejected. The Ministry of Agriculture and Rural Development (MARD) has required Việt Nam's rice exporters to closely control the quality of rice exported to the US, after some exports were rejected. The main export markets for Vietnamese rice in the first eight months included China, with 1.18 million tonnes, Ghana, with 343,000 tonnes, Indonesia, with 359,000 tonnes, and Cuba, with 294,000 tonnes. The US accounted for a small volume of the total national volume of exported rice, with 22,084 tonnes worth $12.2 million in the first eight months of this year. Rice exports had a strong drop against a volume of 33,000 tonnes, and a value of $18.7 million in the same period last year.*

***Pakistan is moving towards another good harvest as monsoon rains this year have been generally good in rice producing areas.*** *Pakistan's rice exports have dropped off during the last quarter from the large volumes that were shipped during the start and middle of the marketing year. Export prices for well-milled 25 percent broken long grain rice are hovering around $320 per metric ton which has reportedly caused some buyers to look elsewhere. Based on preliminary official data, Pakistan has so far exported around 3.7 MMT during the current marketing year (Table 1). Hence, Pakistan's export forecast for MY 2015/16 is lowered to 4.2 MMT. Long grain rather than Basmati rice has accounted for the bulk of exports thus far.*

***Bangladesh rice production in 2016-17 is forecast marginally lower at 34.51 million metric tons (MMT) on estimated lower*** *planting (11.7 million hectares). Based on the latest customs data, MY 2015/16 rice imports are lowered to 0.22 MMT. MY 2016/17 rice imports are also revised lower to 0.15 MMT on sufficient domestic supplies and uncompetitive imports due to the government decision to raise import duty to 25 percent.*

IGC Balance Sheet: **(Fig. In Million Tons)**

| Attributes ( Fig in Million Tons) | 2013-14 | 2014-15 Estimate | 2015-16 Forecast 25.02.16 | Projection (2016-17) 25.08.16 | Projection 29.09.16 |
|---|---|---|---|---|---|
| **Production** | 478 | 480 | 473 | 484 | 482 |
| **Trade** | 42 | 43 | 42 | 40 | 40 |
| **Consumption** | 478 | 481 | 483 | 482 | 482 |
| **Carryover stocks** | 114 | 112 | 101 | 116 | 114 |
| **Y-O-Y change** | 0 | -2 | -10 | 2 | 0 |
| **Major Exporters** | 38 | 32 | 20 | 26 | 25 |

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

**IGC Rice Balance sheet Highlights**

Due to slight downward adjustments for some producers, notably Thailand, the projection of global rice output in 2016/17 is cut by 2m t, to 482m, albeit still up by 2% y/y and an all-time high. Amid record supplies, world carryovers are anticipated to expand to 114m t, as increases in China and other countries more than offset a contraction in the major exporters. Trade in 2017 is predicted broadly unchanged from previously, at about 40m t, a marginal decline y/y, but in line with the prior five-year average.

The outlook for global rice crops is very tentative at this stage of the season but, assuming weather patterns are beneficial in Asian producers, including India, output could expand by 2%, to 482m t. Another increase in food demand is seen boosting consumption, but record supplies should still allow for a marginal increase in global carryovers, to 114m t. Within the total, however, major exporters' inventories are predicted to drop to a nine-year low, largely on a drawdown in Thailand, where the government continues to offload state reserves at competitive prices. Trade is seen at about 40m t, slightly down y/y owing to improving supplies in some buyers, especially in Asia.

**IGC Forecast the World Rice Production Up in 2016-17**

In its September 2016 Grain Market Report (GMR), the International Grains Council (IGC) forecasts 2016-17 global rice production at around 482 million tons, up about 1.90 % from an estimated 473 million tons in 2015-16 on improved Asian production.

**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 2015-16. It expects world rice trade in 2017 to increase on high demand from buyers in Africa and Asia.

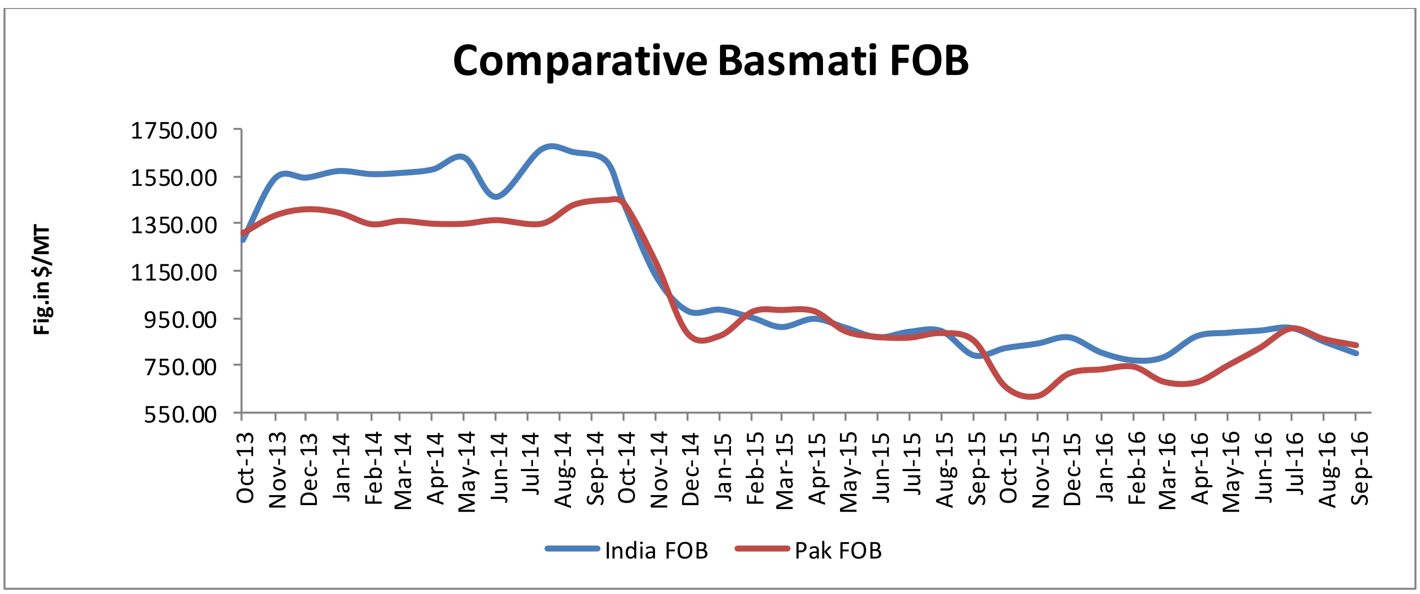
**Global Consumption of Rice Decreases in 2016-17**

The IGC forecasts 2016-17 global rice consumption to down about 0.20% to around 482 million tons from an estimated 483 million tons in 2015-16.

Indicative Basmati Parity Sheet

| Parity Calculation Sheet | Rajkot (Kandla) | Andhra Pradesh(Vizag) | Punjab(Kandla) | Haryana(kandla) | West Bengal(Kolkata) |
|---|---|---|---|---|---|
| Price @ various center | 55500 | 56500 | 53500 | 53000 | 57500 |
| 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) | 56450 | 57450 | 55400 | 54900 | 58500 |
| **Indian FOB (USD/MT)** | **845.82** | **860.80** | **830.09** | **822.60** | **876.54** |
| Insurance @ 0.1% | 0.85 | 0.86 | 0.83 | 0.82 | 0.88 |
| Freight Charges (US $/ton) to Iran | 55 | 55 | 55 | 55 | 55 |
| CIF (Kandla to Iran) | 901.67 | 916.66 | 885.92 | 878.42 | 932.41 |
| INR Monthly Average | 66.74 | 66.74 | 66.74 | 66.74 | 66.74 |

***FOB Quotes Aromatic Rice (1121 Steam)***




*Source-FAO& AW*

Indian FOB for 1121 steam in the month of September moved down from last month and currently is in the range of USD 800-802/MT which is down by around 5.91% from last month price of 851.9USD/T. Average basmati rice price decreased due to fall in buying interest which push the price in southward direction. Pakistani basmati price has also moved down from USD 862.5/MT to 936$/MT, according to the UN's Food and Agriculture Organization (FAO). Currently Pakistani basmati FOB is hovering in the range of USD 836-840/MT which is down by 3.07% from last month FOB of USD 862.5/MT.

### *Rice Price Trend – CBOT*

**@ CBOT November- 16, Rough Rice)**
**(Prices in US$/hundredweight)**


| **Duration** | **Trend** | **Support** | **Resistance** |
|---|---|---|---|
| **Nov-2016** | **Steady** | **S1-9.10**<br>**S2-8.95** | **R1-10.25**<br>**R2-10.45** |