AGRIWATCH

Rice Weekly Research Report
10 August-2015

Latest Market Development

All India average price of non-basmati rice in the first week of August traded firmed by 0.83% from last week and currently hovers in the range of Rs. 2690-2700/Quintal. We expect price to move steady to slightly firm in coming week due to lean season and current ongoing demand. Aromatic rice monthly average prices in the month of July firmed up by 2-12% in all major markets of Amritsar, Karnal and Delhi, due to limited supply from producing belts. We expect aromatic rice price to move range bound with positive tone in coming months.

Total rice planting to India's main kharif crop (June-December) stood at 22.8 million hectare as of July 31, 2015 which is up by 6% from around 21.5 million hectare planting during same period last year. As per trade sources, this year planting of aromatic varieties is around 15% lower than last year due to lower price realization last year. As per trade sources, farmers have shifted their area to other non-basmati rice like PR in Punjab and Haryana. We expect prices of aromatic variety to rise gradually in remaining months of marketing Year (MY) 2014-15 (MY runs from Oct-Sept).

Currently revival of monsoon in East & West India signals recovery in total rice crop production in 2015-16. Right now, the pattern of rainfall and sowing area coverage is almost similar to that of 2013-14, which was a bumper crop year. If this situation till growth stage, total rice production is likely to go up to 104 to 105 million tonnes. However there is gossip in market that basmati acreage is going to fall in MY 2015-16 and thus production is likely to decrease by 10-15%.

The government set a target to procure 30 million tonne (MT) of rice during the next kharif marketing season (2015-16) starting from October 1. We expect that government to procure 27.5-28.5 million tonnes which is lower by 8-9% from procurement target due to higher open market price and lower stock with private traders. Punjab (8.2 mt) has the highest target, followed by Chhattisgarh (3.6 mt), Odisha (2.8 mt), Uttar Pradesh (2.75 mt), Haryana (2.35 mt), Andhra Pradesh and Bihar (2 mt each), Telangana and West Bengal (1.8 mt each).

Total Rice export for MY-2014-15 till July-15 was 100 Lakh tonnes up by around 19% from last year's export of 88.3 lakh tonnes for the same period. Non- basmati rice export in the month of July was 6.14 lakh tonnes and basmati exports for MY-2014-15(Oct14-Sep-15) in the month was 2.7 lakh tonnes.

Rice Monthly Export:

MY-2013-14	Non Basmati	Basmati	Total Export 2013-14	MY-2014-15	Non Basmati	Basmati	Total Export2014-15
October-13	6.7	1.8	**8.5**	**October-14**	8.22	2.95	**11.17**
November-13	4.29	2.49	**6.78**	**November-14**	8.1	2.56	**10.66**
December-13	5.11	3.79	**8.9**	**December-14**	5.38	3.82	**9.2**
January-14	6.85	3.44	**10.29**	**January-15**	8.3	3.47	**11.77**
February-14	6.18	3.5	**9.68**	**February-15**	8.62	3.79	**12.41**
March-14	4.17	3.19	**7.36**	**March-15**	6	3.98	**9.98**
April-14	4.61	2.85	**7.46**	**April-15**	4.67	3.48	**8.15**
May-14	4.68	3.37	**8.05**	**May-15**	5.81	4.31	**10.12**
June-14	5.05	3.64	**8.69**	**June-15***	5.98	3.43	**9.41**
July-14	5.76	2.33	**8.09**	**July-15***	6.14	2.7	**8.84**
August-14	7.45	2.16	**9.61**	**August-15**			
September-14	8.86	2.03	**10.89**	**September-15**			
Total	**69.71**	**34.59**	**104.3**	**Total**	**67.22**	**34.49**	**101.71**

Revised (Source-DGCIS & * = IBIS)

Total Rice export for MY-2014-15 till July-15 was 101.71 lakh tonnes which was up by around 20% as compared to last year's export of 88.3 lakh tonnes during same period. Non- basmati rice export in the month of July was 6.14 lakh tonnes and basmati exports for MY-2014-15(Oct14-Sep-15) in the month was 2.7 lakh tonnes.

For the remaining two months (Aug-Sept-2015) we expect around 12-15 lakh tonnes of rice to be exported from India, including about 5-6 lakh tonnes of basmati varieties. The total rice export expectation is approximately 11-11.5 million tonnes for MY- 2014-15 which is up by 10% from MY 2013-14 export of 10.4 million tonnes. Basmati exports are likely to end MY 2014-15 at around 40-41 lakh tonnes compared to 34.6 lakh tonnes last year, an increase of 15-18% year-on-year.

India Rice Balance Sheet:

Figure in MMT	2013-14	2014-15	2015-16*
Carry in	26.19	22.65	16
Production	106.54	102.5	104
Imports	0	0	0
Total Availability	132.73	125.15	120
Consumption	99.18	99.35	99.5
Exports	10.9	9.8	8.5
Total Usage	110.08	109.15	108
Carry out	22.65	16	12
Av Monthly Consumption	8.27	8.28	8.29
Stock to Month Use	2.74	1.93	1.45
Stock to Consumption Ratio	0.23	0.16	0.12

(Source: Agriwatch Research, USDA)

Rice production for MY 2015-16 is likely to be up from 102.5 million tonnes to 104 million tonnes due to favorable weather at sowing stage in various growing states.

At Export front, we expect rice export in MY 2015-16, to fall by around 13% from last year export of 9.5-9.8 million tonnes due to lower carry over stock. Domestic consumption is likely to be up by 0.15% from last year consumption of 99.35 million tonnes to 99.5million tonnes in 2015-16.

Progressive Procurement of Rice as on 29.05.2015 (lakh tonnes):

State	Total procurement in marketing season	Progressive Procurement as on 29.05.2015	
	2013-14 (Oct. - Sept.)	In Marketing season 2014-15	In Marketing season 2013-14
Andhra Pradesh	37.38	32.61	59.39
Telangana	44.00	28.45	0.00
Chhattisgarh	43.0	33.55	42.85
Haryana	24.06	20.09	24.05
Kerala	4.00	3.72	3.48
Punjab	81.06	77.82	81.06
Madhya Pradesh	10.14	8.07	10.40
Maharashtra	2.00	1.45	1.40

Tamil Nadu	7.0	0.06	0.59
Uttaranchal	4.63	4.61	4.13
Uttar Pradesh	11.27	16.46	11.18
West Bengal	13.59	14.21	8.83
Others	36.46	4.02	9.42
All-India	319	281.19	277.79

Source-agricoo

Rice Stock in Central Pool Kitty from 2012-2015:

Year	Jan	Feb	Mar	Apr	May	June	July	Aug	Sept	Oct	Nov	Dec
2012	29.71	31.8	33.17	33.35	32.92	32.14	30.70	28.50	25.59	23.4	28.95	30.67
2013	32.22	35.4	35.8	35.46	34.72	33.3	31.50	29.23	26.78	23.13	28.58	28.62
2014	28.69	31.52	31.26	30.55	28.65	32.00	27.66	24.56	21.65	18.62	23.21	21.57
2015	23.13	25.22	24.05	23.62	22.23	22.48	21.67	18.66				

Source-FCI

*Format of stock position has been revised w.e.f. 1.9.2013. In earlier format, rice included un-milled paddy lying with FCI and State Agencies in terms of rice.

Total rice stocks in India's central pool have gone down from last month to 18.66 million tons as of August- 1, 2015.

State wise Wholesale Prices Weekly for 1st Week of August-2015:

State	Prices 01-08 Aug 2015	Prices 24-31 Jul 2015	Prices 16-23 Jul 2015	Prices 01-08 Aug 2014	% Change(Over Previous Week)	% Change(Over Previous to Previous Week)	% Change(Over Previous Year)
AP	2822.22	2815.26	2890.02	3164.42	0.25	-2.35	-10.81
Assam	2832.74	3140.93	3133.03	3206.81	-9.81	-9.58	-11.66
Bihar	2118.94	2047.7	2045.46		3.48	3.59	__
Gujarat	2667.67	2676.82	2670.66	2606	-0.34	-0.11	2.37
Jharkhand	2559.99	2506.94	2546.3	2627.65	2.12	0.54	-2.57
Karnataka	3529.12	3397.19	3526.83	3388.61	3.88	0.06	4.15
Kerala	3181.06	3173.1	3058.55	3390.34	0.25	4.01	-6.17
Maharashtra	2772.63	2781.59	2882.64	8762.85	-0.32	-3.82	-68.36
Manipur	3003.62	3006.15	2942.57	3400	-0.08	2.07	-11.66

Meghalaya	3421.8	3440	3495.17	3199.21	-0.53	-2.1	6.96
Orissa	2354.9	2138.25	2277.99	2309.64	10.13	3.38	1.96
Telangana	3000	3000	3147.37	3545.45	0	-4.68	-15.38
Tripura	2591.38	2532.5	2574.59	2571.48	2.32	0.65	0.77
UP	2099.03	2103.31	2084.74	2058.17	-0.2	0.69	1.99
Uttarakhand	1795.48	1795.75	1985.79	2016.72	-0.02	-9.58	-10.97
West Bengal	2390.62	2226.48	2231.27	2750.72	7.37	7.14	-13.09
Average	2696.32	2673.87	2718.31	3266.54			
As per the data reported by APMCs							

Source agmarknet

Price Projection for August 02nd Week in Domestic Market:

Duration	Trend	Average Price Range
02nd Week Of August, 2015	**Steady to firm**	**Rs.2680-2720/Q**

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	**Today 31 July 2015)**	**Week Ago(23 July-15)**	**Month Ago(30 June-2015)**	**% ch. From last week**	**% Change from last Month**
1121 Steam	5900	6000	5750	**-1.67**	**2.61**
1121 Sella	4650	4700	4500	**-1.06**	**3.33**
1121 Raw	5750	5700	5200	**0.88**	**10.58**

Weekly Price Change of (FOB) Indian White Rice 5%, 25% High Quality, Long grain parboiled 5%:(Figure in USD/MT):

Indian White Rice 5%, 25% High Quality, Long grain parboiled 5%					
Variety	**Today 31 July 2015)**	**Week Ago(23 July-15)**	**Month Ago(30 June-2015)**	**% ch. From last week**	**% Change from last Month**
White Rice 5%	395	395	395	**0.00**	**0.00**
White Rice 25%	360	360	360	**0.00**	**0.00**
Parboiled 5%	385	390	370	**-1.28**	**4.05**

Global Updates:

Pakistani Farmers are engaged in transplanting rice with better than average irrigation water supplies. The Meteorological Department has forecasted that the total amount of rainfall during the upcoming monsoon season (July-September) will remain slightly below normal and glacier melt rate will be slightly more than normal, which means that overall availability of water in the country for the Kharif (summer) crops should be satisfactory. Based on preliminary official data, Pakistan's MY 2014/15 rice exports have scaled to 2.5 MMT through the first six months of the marketing year. Exports are now expected to reach 4.0 MMT, assuming a pace of 250,000 MT per month. Long grain rather than Basmati rice has accounted for the bulk of exports thus far.

Vietnam's rice exports in the first half of 2015 are estimated to have dropped 6.2 percent from the same period last year to 3.05 million tonnes. Vietnam, the world's third-largest rice exporter after India and Thailand, could ship 6.5 million tonnes of the grain in 2015, unchanged from the previous year,

Unofficial preliminary rice exports (excluding premium white and fragrant rice) for July 6-12, 2015 totaled 87,844 metric tons, up 5,521 metric tons from the previous week and up 4,306 metric tons from the four-week moving average of 83,539 metric tons. Rice exports (excluding premium white and fragrant rice) from January 1 – July 12, 2015, totaled 2,056,761 metric tons, down 18 percent from the same period last year. Total rice exports from January to May 2015 totaled 3,772,158 metric tons, down 1.4 percent from the same period last.

The Philippines, one of the world's biggest rice importers, could ship in more to boost buffer stocks and keep local prices stable because of an El Nino dry weather pattern now forecast to last until next year, potentially hurting the local harvest. Rice imports this year have reached 750,000 tonnes out of which 550,000 tonnes from Vietnam and the rest from Thailand. The NFA has permission from President Benigno Aquino to import an additional 250,000 tonnes if drought conditions worsen and hurt local rice production. However rice production is likely to move up by 4.3% from last year with 12.4 million tonnes in coming season of 2015-16

Major Importers of Basmati & Non Basmati Rice in July:

Non Basmati Rice			Basmati Rice		
Country	**Quantity(Tonnes)**	**Average of FOB $/Tonne**	**Country**	**Quantity (Tonnes)**	**Average of FOB $/Tonne**
SENEGAL	104062.23	301.73	SAUDI ARABIA	552212.65	949.38
BENIN	84513.13	353.72	U A E	443258.55	885.57
IVORY COAST	68815.00	343.12	IRAN	433470.2	857.75
GUINEA	58976.75	353.37	U K	150655.84	857.65
SOMALIA	24122.19	338.87	IRAQ	140563.7	796.55
DJIBOUTI	23185.18	347.86	KUWAIT	125580.88	1149.13
CAMEROON	20753.00	345.38	U S A	102577.72	847.34
SINGAPORE	18663.82	295.13	KOREA	82820	930.58
U A E	18116.57	516.97	NETHERLANDS	68591.3	831.69
Others	178404.71	370.58	others	605341.33	901.01
Grand Total	**614896.87**	**449.25**	**Grand Total**	**2705072.17**	**905.35**

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

	2012-13	2013-14 est.	2014-15 Forecast	projection 25.06.15	projection 30.7.15
			22.01.15	2015-16	2015-16
Production	473	478	476	481	480
Trade	38	43	42	42	42
Consumption	469	479	484	489	489
Carryover stocks	113	112	103	96	96
Y-O-Y change	4	-2	-8	-7	-9
Major Exporters	40	37	28	21	20

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

IGC Rice Balance sheet Highlights:

The projection of world rice production is lowered from June but, with a higher figure for carry-ins, end-season stocks are slightly changed m/m, at 96m t, a drop of 8% y/y. Most of the fall is due to a 30% reduction in major exporters' inventories, almost entirely in India and Thailand. Trade in 2016 is expected to stay high, at close to 42m t, on sustained demand from Africa and Asia due to attractive prices, with China likely to remain the biggest importer.

Rice Price Trend @ CBOT Sept- 15, Rough Rice):
(Prices in US$/hundredweight)

Market Analysis:

The CBOT September month rough chart for rice indicates firm movement in previous weekly session. We expect market to hover in the range USD 11.20-11.80/ hundredweight in coming sessions.

Price Projection (International-CBOT):

Duration	Trend	Price Range
02nd Week of August, 2015	**Steady to Firm**	USD/ Hundred Weight 11.20-11.80