Rice Weekly Research Report
17 August-2015

Latest Market Development

Wholesale Prices for India as an average declined by 0.33% and are currently hovering at Rs.2690-2700/quintal. Higher area coverage under paddy for MY 2015-16 and recovery of monsoon could also be reasons pushing the price downwards.

Total rice planting to India's main crop (June-December) stood at 28.13 million hectares as of August 07, 2015 which is up by 12% from around 26.59 million hectare planting during same period last year.

According to FAO, Pakistan Basmati FOB in the month of July traded steady to slightly weak from the previous month and currently hovers in the range of USD 868/MT. On the other hand, Indian FOB in the month of July moved up from last month and currently is in the range of USD 890-895/MT. Saudi Arabia has emerged as the top importer for Indian aromatic rice for the fifth consecutive month in July. This month, Iran took the third position replacing Iraq which slipped to 5th position. Lowest FOB quotes were received by Iraq and USA, whereas higher price was offered by Kuwait and Saudi Arabia.

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.

With good rainfall this monsoon season, Rajasthan is likely to have bumper kharif crop production as the sowing was done in 144 lakh hectare area so far as against a target of 157 lakh hectare in 2015.With the excess rainfall as compared to last year, the sowing targets of kharif crops including Bajra, Sorghum, cereals, rice, and pulses were achieved at an average of 92 per cent so far.

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)

Agriwatch has updated the rice exports in the first week of August based on data released by APEDA. Total rice exports for MY-2014-15 till July-15 was 100 Lakh tonnes which was up by around 19% from last year's export of 88.3 lakh tonnes for the same period. Non- basmati rice exports in the month of July was 6.14 lakh tonnes and basmati exports in the month was 2.7 lakh tonnes.

For the remaining three months (Aug-Sept-2015) we expect around 12-15 lakh tonnes of rice to be exported from India. The total rice export expectation is approx 11-11.5 million tonnes for MY-2014-15, which will up by 10% from MY 2013-14 export of 10.4 million tonnes.

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 in MY 2015-16 is likely to be up from 102.5 million tonnes in 2014-15 to 104 million tonnes due to better rainfall and expectation of higher yield. On the Exports front, we expect that in MY 2015-16, rice exports will be down by around 13% from 2014-15 and will reach 9.8-10 million tonnes due to the lower carry over stock. However, the exports could improve should Indian rice continue to be competitive.

Domestic consumption is likely to be up by 0.15% to 99.5 million tonnes in 2015-16 from last year consumption of 99.35 million tonnes

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 tonnes as of August- 1, 2015.

State wise Wholesale Prices weekly for 02nd Week of August-2015:

State	Prices 09-15 Aug 2015	Prices 01-08 Aug 2015	Prices 24-31 Jul 2015	Prices 09-15 Aug 2014	% Change(Over Previous Week)	% Change(Over Previous to Previous Week)	% Change(Over Previous Year)
AP	2828.75	2819.63	2815.26	2533.35	0.32	0.48	11.66
Assam	3097.3	2885.92	3140.93	3110.99	7.32	-1.39	-0.44
Bihar	2027.56	2105.75	2047.7		-3.71	-0.98	___
Gujarat	2676.23	2667.6	2676.82	2697.64	0.32	-0.02	-0.79
Jharkhand	2556.61	2559.56	2506.94	2659.69	-0.12	1.98	-3.88
Karnataka	3686.73	3484.75	3397.19	3277.08	5.8	8.52	12.5

Kerala	2961.37	3168.73	3173.1	3425.76	-6.54	-6.67	-13.56
Maharashtra	2892.51	2768.71	2781.59	11303.07	4.47	3.99	-74.41
Manipur	2998.7	3003.62	3006.15	3400	-0.16	-0.25	-11.8
Meghalaya	3227.45	3457.47	3440	3500	-6.65	-6.18	-7.79
Orissa	2378	2341.7	2138.25	2434.57	1.55	11.21	-2.32
Telangana	3000	3000	3000	3000	0	0	0
Tripura	2556.84	2594.29	2532.5	2594.53	-1.44	0.96	-1.45
Uttar Pradesh	2104.22	2102.36	2103.31	2062.83	0.09	0.04	2.01
Uttrakhand	1854.18	1799.85	1795.75	2004.52	3.02	3.25	-7.5
West Bengal	2256.88	2382.61	2226.48	2774.39	-5.28	1.37	-18.65
Average	2693.96	2696.41	2622.47	3385.23			
As per the data reported by APMCs							

Source agmarknet

Price Projection for August 03rd Week in Domestic Market:

Duration	Trend	Average Price Range
03rd 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 14 August 2015)**	**Week Ago(07 Aug-15)**	**Month Ago(14 Juy-2015)**	**% ch. From last week**	**% Change from last Month**
1121 Steam	5900	5900	5200	**0.00**	**13.46**
1121 Sella	4300	4400	4500	**-2.27**	**-4.44**
1121 Raw	5700	5700	5900	**0.00**	**-3.39**

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 14 August 2015)**	**Week Ago(07 Aug-15)**	**Month Ago(14 Juy-2015)**	**% ch. From last week**	**% Change from last Month**
White Rice 5%	390	395	395	**-1.27**	**-1.27**
White Rice 25%	355	360	360	**-1.39**	**-1.39**
Parboiled 5%	380	385	380	**-1.30**	**0.00**

Global Updates:

As per statement given by Thai commerce ministry, China will buy 1 million tonnes of rice from Thailand, easing pressure on a military government struggling to shift stockpiles of the grain accumulated under a previous farm-subsidy programme. Thai Commerce Minister Chatchai Sirikalya, following a visit to China recently ~~and~~ said that country agreed to buy 1 million tonnes of rice to be delivered at year-end. Thailand, the world's second-largest rice exporter, has about 14.5 million tonne in stockpiles built up under a generous rice subsidy scheme run by a government that was overthrown by the military in May 2014. In December, China would buy 2 million tonnes of rice after the two countries signed a memorandum of understanding during a two-day regional summit in Bangkok. Thailand commerce minister also stated that Iran has expressed interest in buying rice at the end of August.

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.

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 has been lowered from June estimate but, with a higher figure for carry-ins, end-season stocks are only slightly different m/m, at 96m t, a drop of 8% y/y. Most of the fall is due to a 30% contraction 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 12-30-12.50/ hundredweight in coming sessions.

Price Projection (International-CBOT):

Duration	Trend	Price Range
03rd Week of August, 2015	**Steady to Firm**	USD/ Hundred Weight 12.30-12.50

Disclaimer