AGRIWATCH

Rice Weekly Research Report
31 August-2015

Latest Market Development

Wholesale Prices for India as an average for fourth week of August firmed by 3.37% and are currently hovering at Rs.2785-2790/quintal. Demand from local and foreign buyers was the main reason for firmness in the period.

Total rice planting of India's main crop (June-December) stood at 30.05million hectares as of August 14, 2015 which is up by 11.9 million hectare from around 28.81 million hectare planting during same period last year.

As per 4th Advance Estimates for 2014-15, total food grains production in the country is estimated at 252.68 million tonnes which is lower by 12.36 million tonnes than the last year's record food grains production of 265.04 million tonnes. Total production of rice is estimated at 104.80 million tonnes which is lower by 1.85 million tonnes than the last year's record production of 106.65 million tonnes. In third advance estimates, govt. of India gave the production estimates of 102.54 million tonnes. Fourth Advance Estimates are released in July-August and by this time completely firmed up data on area as well as yield of Kharif crops and rabi crops are expected to be available with the States. As such, Fourth Advance Estimates are considered to be almost as good as Final Estimates released in next February along with Second Advance Estimates for the subsequent agricultural year.

Total Rice export for the period 10-16 Aug, 15 was 146488.4 thousand tonnes. Non-basmati rice export in the period was 97953.05 tonnes and basmati exports contribution for the period was 33.13% with quantity of 48535.49 tonnes.

In the monsoon season, weekly Rainfall for the country as a whole during the week 06th August to 12th August, 2015 was 31% lower than Long Period Average (LPA). Rainfall (% departure from LPA) in the four broad geographical divisions of the country during the above period was lower by 45% in East & North East India, 13% in North West India, 44% in Central India and 8% in South Peninsula , but rice planting is still going well in the country.

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	17.5
Production	106.54	104	104
Imports	0	0	0
Total Availability	132.73	126.65	121.5
Consumption	99.18	99.35	99.5
Exports	10.9	9.8	9
Total Usage	110.08	109.15	108.5
Carry out	22.65	17.5	13
Av Monthly Consumption	8.27	8.28	8.29
Stock to Month Use	2.74	2.11	1.57
Stock to Consumption Ratio	0.23	0.18	0.13

(Source: Agriwatch Research, USDA)

Rice production in MY 2015-16 is likely to be up from 104 million tonnes in 2014-15 to 104.5-105 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-agricoop

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 Augurat- 1, 2015.

State wise Wholesale Prices weekly for 04th Week of August-2015:

State	Prices 24-31 Aug 2015	Prices 16-23 Aug 2015	Prices 09-15 Aug 2015	Prices 24-31 Aug 2014	% Change(Over Previous Week)	% Change(Over Previous to Previous Week)	% Change(Over Previous Year)
AP	2813.53	2822.46	2789.51	3987.95	-0.32	0.86	-29.45
Assam	3086.59	3158.79	3126.24	3194.57	-2.29	-1.27	-3.38
Bihar	3050	1929.55	2003.03		58.07	52.27	__
Gujarat	2671.14	2658.92	2673.21	2641.91	0.46	-0.08	1.11
Jharkhand	2543.53	2505.84	2574.94	2661.91	1.5	-1.22	-4.45
Karnataka	3590.32	3327.38	3591.55	3624.43	7.9	-0.03	-0.94

Kerala	3210.29	3124.01	2967.42	3486.52	2.76	8.18	-7.92
Maharashtra	3222.25	3144.83	2832.07	10754.05	2.46	13.78	-70.04
Manipur		3005.33	2998.7	3296.47	__	__	__
Meghalaya	3495.51	3429.9	3227.45	3169.57	1.91	8.31	10.28
Orissa	2362.9	2483.91	2357.55	2486.31	-4.87	0.23	-4.96
Tripura	2533.63	2572.94	2565.34	2617.04	-1.53	-1.24	-3.19
U.P	2063.7	2097.15	2101.94	2081.09	-1.6	-1.82	-0.84
Uttarakhand	2038.44	1858.95	1837.9	2076.78	9.66	10.91	-1.85
West Bengal	2251.04	2231.94	2246.45	2601.57	0.86	0.2	-13.47
Average	2780.91	2690.12	2659.55	3477.15			
As per the data reported by APMCs							

Source agmarknet

Price Projection for September 01st Week in Domestic Market:

Duration	Trend	Average Price Range
01st Week Of Sept, 2015	**Steady to firm**	**Rs.2690-2800/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 28 August 2015)**	**Week Ago(21 Aug-15)**	**Month Ago(28 Juy-2015)**	**% ch. From last week**	**% Change from last Month**
1121 Steam	5600	5400	6200	**3.70**	**-12.90**
1121 Sella	4200	4300	4700	**-2.33**	**-8.51**
1121 Raw	5300	5400	5700	**-1.85**	**-5.26**

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 28 August 2015)	Week Ago(21 Aug-15)	Month Ago(28 Juy-2015)	% ch. From last week	% Change from last Month
White Rice 5%	370	370	395	0.00	-6.33
White Rice 25%	345	350	360	-1.43	-2.78
Parboiled 5%	365	365	385	0.00	-5.19

Global Updates:

The Philippines government aims to increase rice production by as much as 6.5 percent in 2016 after an expected fall in this year's output, with state spending to boost crop yields helping to offset possible losses from the El Nino dry weather condition. Annual rice production of the country is around 11.85-11.88 million tonnes which will go up to 12.4-12.5 million tonnes in 2016 which affect the imports of rice for next year. Ending stock is likely increase by 2 million tonnes to 2.5 million tonnes in next year.

The conversion of low-yielding rice fields into land growing high-value cash crops has helped farmers around the Vietnam improve their earnings, but the pace of change has been slow, according to the Ministry of Agriculture and Rural Development. Last year rice farmers in the north switched to more lucrative crops like vegetables, corn, soy bean and sesame on more than 17,100ha. Many cash crops yield earnings of VND400-500 million (US$19,000–23,800) per hectare a year, or five to 10 times the income from rice

Thailand is set to sign a government-to-government deal with China next month to sell 1 million tonnes of rice, with delivery starting in December. Commerce Minister Chatchai Sarikulya said after his return from China last week that the deal would be signed on Sept 13 or 14. The grains, which are mainly new 5% white rice and Hom Mali fragrant rice, are part of 2 million tonnes of rice for which Thailand and China signed a memorandum of understanding last December.

Burma BM 5008-Flood inundated more than 400,000 hectares (more than1 million acres) of farmland including 393,031 hectares (970,787 acres) of monsoon paddy fields and about 72,064 hectare (178,000 acres) of other crops such as corn, sesame and pulses and other seasonal crops.

Major Importers of Basmati & Non Basmati Rice 10-16 Aug-2015:

Non Basmati Rice Export(10-16 Aug-2015)			Basmati Rice Export(10-16 Aug-2015)		
Country	**QUANTITY(T)**	**Average of FOB $/Tonne**	**Country**	**QUANTITY(T)**	**Average of FOB $/Tonne**
BENIN	23288.80	357.50	U A E	13749221	836.86
GUINEA	17406.80	399.93	SAUDI ARABIA	10176880	905.90
SOUTH AFRICA	8407.30	366.62	IRAN	4308630	902.72
TURKEY	5856.31	374.99	IRAQ	3755338	767.93
SOMALIA	4325.60	391.74	U K	2200000	876.90
B'DESH	4002.00	299.34	SAUDI	2003135	928.99
SINGAPORE	3951.48	407.53	KUWAIT	1589152	923.81
U A E	3102.98	520.17	YEMEN	1338944	878.75
DJIBOUTI	2632.03	342.82	TURKEY	1214047	759.02
Others	24979.75	460.66	Others	8200144.48	913.47
Grand Total	**97953.05**	**470.36**	**Grand Total**	**48535491.48**	**876.60**

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

	2012-13	**2013-14 est.**	**2014-15 Forecast 22.01.15**	**projection 25.06.15** 2015-16	**projection 30.7.15** 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 a30% shrinkage 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 weak movement in previous weekly session, however overall market is in bullish trend. We expect market to hover in the range USD 10.90-11.50/ hundredweight in coming sessions.

Price Projection (International-CBOT):

Duration	Trend	Price Range
01st week of Sept, 2015	**Steady to Weak**	USD/ Hundred Weight 10.90-11.50