Rice Weekly Research Report
07 Sept-2015

Latest Market Development

Wholesale Prices for India as an average for first week of September firmed by 8.04% and are currently hovering at Rs.2980-2990/quintal. Demand from local and foreign buyers were the main reason for firmness in the period.

Total rice planting to India's main crop (June-December) stood at 34.58 million hectare as of Aug-28, 2015 which is up by 0.41 lakh Ha during corresponding period last year.

As per data released by Agriculture Ministry, as on August 28, the net area under paddy cultivation in M.P has gone down from 21.19 lakh hectares in the 2014 kharif season to 19.22 lakh hectares in 2015, translating to nearly 11% less paddy sowing area. The crash in Basmati paddy prices from nearly Rs.4, 000 per quintal in 2013 to Rs.1, 800 in 2014 and the lack of rains in eastern MP has contributed to the decline in paddy sowing, with farmers replacing it with other crops.

As of August 28th 2015, Area under paddy in Punjab, Haryana and U.P is 28.43 lakh Ha, 12.43 Lakh Ha and 58.96 lakh hectare respectively, which is up by 0.23 lakh hectare, 1.07 lakh hectare and 1.99 lakh hectare in these states accordingly.

In the monsoon season, weekly Rainfall for the country as a whole during the week 20th August to 26th August, 2015 was 37% lower than Long Period Average (LPA). Rainfall (% departure from LPA) in the four broad geographical divisions of the country during the above period was higher by 29% in East & North East India and lower by 72% in Central India, 63% in North West India and 11% in South Peninsula.

India's rice stocks in the central pool as of August 1, 2015 stood at about 18.6 million tons (including a milled equivalent of about 5.021 million tons of paddy), down about 24% from around 24.56 million tons recorded during the corresponding period last year, according to data from the Food Corporation of India (FCI).

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 August- 1, 2015.

State wise Wholesale Prices weekly for 01st Week of September-2015:

State	Prices 01-08 Sep 2015	Prices 24-31 Aug 2015	Prices 16-23 Aug 2015	Prices 01-08 Sep 2014	% Change(Over Previous Week)	% Change(Over Previous to Previous Week)	% Change(Over Previous Year)
AP	2828.99	2816.32	2822.46	3829.32	0.45	0.23	-26.12
Assam	2964.97	3191.59	3158.79	3195.32	-7.1	-6.14	-7.21
Gujarat	2671.43	2669.5	2658.92	2637.9	0.07	0.47	1.27
Jharkhand	2607.01	2546.48	2505.84	2611.46	2.38	4.04	-0.17
Karnataka	3343.85	3464.26	3324.04	3558.52	-3.48	0.6	-6.03
Kerala	3176.44	3121.96	3124.01	3319.31	1.75	1.68	-4.3

Maharashtra	6352.38	3188.49	3144.83	3652.6	99.23	101.99	73.91
Meghalaya	3376.47	3473.15	3429.9	319.42	-2.78	-1.56	957.06
Orissa	2322.21	2486.52	2483.91	2332.37	-6.61	-6.51	-0.44
Tripura	2715.14	2560.5	2572.94	2638.98	6.04	5.53	2.89
UP	2074.51	2074.99	2097.18	2078.2	-0.02	-1.08	-0.18
Uttarakhand	2029.93	2126.34	1858.95	2075.09	-4.53	9.2	-2.18
West Bengal	2369.66	2217.55	2232.02	2582.68	6.86	6.17	-8.25
Average	2987.15	2764.66	2724.13	2679.32			
As per the data reported by APMCs							

Source agmarknet

Price Projection for September 02nd Week in Domestic Market:

Duration	Trend	Average Price Range
02nd Week Of Sept, 2015	**Steady to firm**	**Rs.2750-2950/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 04 Sept 2015)	Week Ago(28 Aug-15)	Month Ago(04 Aug-2015)	% ch. From last week	% Change from last Month
1121 Steam	5200	5600	5900	-7.14	-5.08
1121 Sella	4100	4200	4600	-2.38	-8.70
1121 Raw	5100	5300	5600	-3.77	-5.36

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 04 Sept 2015)	Week Ago(28 Aug-15)	Month Ago(04 Aug-2015)	% ch. From last week	% Change from last Month
White Rice 5%	375	370	395	1.35	-6.33
White Rice 25%	350	345	360	1.45	-4.17
Parboiled 5%	365	365	385	0.00	-5.19

Global Updates:

Vietnam has lowered the minimum export price (MEP) of its lower quality (25% broken) rice by about 3% to about $340 per ton from about $350 per ton in order to boost exports. The MEP was effective from August 13, 2015.

Myanmar Rice Federation (MRF) and the government have jointly decided to ban rice exports until September 15th, when the new monsoon rice crop is expected to reach the market. However, some local sources expect that Myanmar is unlikely to resume rice exports until November this year.

The Philippines Food Secretary has declared that there is a need to import more rice, above the already imported 750,000 tons from Vietnam and Thailand, in 2015 due to the impact of El Nino on rice crop, according to Bloomberg. However the quantum of imports is still not clear. He stated that the government is assessing the damage to rice crops due to drought and will decide on the volume of imports soon.

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 recent visit to China, 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.

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	2014-15 Estimate	Forecast 30.7.15	Forecast 27.08.15
			22.01.15	2015-16	2015-16
Production	473	478	476	480	479
Trade	38	43	42	42	42
Consumption	469	479	484	489	488
Carryover stocks	113	112	103	96	97
Y-O-Y change	4	-2	-8		-9
Major Exporters	40	37	28	20	22

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

IGC Rice Balance sheet Highlights:

The projection of global rice output in 2015/16 is trimmed but, at 479m t, would broadly match the previous year's record. Carry-in stocks are placed higher than in July and, with total use little changed, aggregate carryovers are lifted by 0.9m t, to 96.9m. Nevertheless, this would still equate to a y/y decline of 9% and be the smallest in six seasons, mainly on a drop in leading exporters. At 42m t, world trade is anticipated to remain high in 2016 on demand from buyers in Africa and Asia

World rice trade is projected to stay historically high in 2016, with China again the biggest buyer owing to large domestic-export price premiums.

The 2015/16 world rice outturn is seen broadly matching the previous year's record, although prospects remain tentative, especially due to ongoing weather worries. With population growth set to support a further expansion of uptake, global end-season inventories are projected to fall by 9%, to 96.9m t – the smallest in six years and almost entirely due to a contraction in key exporters. Trade is expected to remain high in 2016 on demand from buyers in Africa and Asia. Thailand's volumes are seen surpassing those of India as it reclaims its status as the world's biggest exporter.

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

Market Analysis:

The CBOT November month rough chart for rice indicates firm movement in previous weekly session; overall market is in bullish trend. We expect market to hover in the range USD 11.60-12.20/ hundredweight in coming sessions.

Price Projection (International-CBOT):

Duration	Trend	Price Range
02nd week of Sept, 2015	**Steady to Firm**	USD/ Hundred Weight 11.60-12.20