Rice Weekly Research Report
07 Dec-2015

Latest Market Development

Wholesale Prices for India as an average for first week of December traded steady to firm by 0.80% and are currently hovering at Rs.2655-2660/*quintal. We expect non-basmati rice market to move range bound with firm tone in coming week.*

India average wholesale rice prices, which declined in October 2015 with the beginning of the kharif (June-December) *rice harvest, have increased in November on concerns of lower output due to El Nino-induced below average monsoon rains in many rice-growing areas.*

Wholesale basmati rice prices in India's capital, which have been increasing since the beginning of November, *have declined this week on adequate stocks from higher supplies and sluggish demand. Average aromatic price in Delhi Mandi shows a decline of 2-15% from last week and currently 1121 steam is hovering in the range of Rs. 5600-5800/quintal.*

Iran has decided to temporarily lift the ban on rice imports, which has been in effect since October 2014, for a period of three *months starting December 3. Iran Basmati imports from India will continue till March, this could also be a major reason for firming of price in recent weeks.*

Total Rice exported from India in the last week of November was 175045.09 tonnes out of which basmati rice contributes 37.56%, *and non-basmati rice is 62.43% in this month with quantity of around 65761 tonnes and 109283 tonnes respectively.*

Rice procurement by the Food Corporation of India and State government agencies for the kharif marketing seaso*n 2015-16 (October-September) has increased significantly in the first two months compared to last year.*

The FCI and the Government agencies together have procured around 14.06 million tons of rice as of December 1, 2015, *up about 31% from around 10.7 million tons procured during the corresponding period last year. The higher procurement is due to decline in prices of common variety of rice in various markets across the country. The farmers prefer to sell their grain to agencies rather than giving it the private traders in Punjab and Haryana*

As per Agriwatch second preliminary estimates after final Kharif sowing, Indian rice production (including rabi) is *expected to fall by 4-5% from last year production of 104.5 million tonnes to 99-100 million tonnes in KMS 2015-16 due to lower area and lower rainfall in major growing states. Average rice price is likely to trade steady even with the start of harvesting season, due to lower production estimates and lower carryover stock.*

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

State	Prices 01-08 Dec 2015	Prices 24-30 Nov 2015	Prices 16-23 Nov 2015	Prices 01-08 Dec 2014	% Change(Over Previous Week)	% Change(Over Previous to Previous Week)	% Change(Over Previous Year)
A.P	2968.37	2884.69	3304.63	3587.89	2.9	-10.18	-17.27
Assam	2884.54	3030.25	3035.18	3005.42	-4.81	-4.96	-4.02
Bihar		2053.87	2091.01		__	__	__
Gujarat	2784.74	2782.23	2737.11	2610.83	0.09	1.74	6.66
Jharkhand	2632.35	2539.45	2539.08	2605.79	3.66	3.67	1.02
Karnataka	2873.93	3560.4	3602.43	3464.64	-19.28	-20.22	-17.05
Kerala	3052.27	3075.52	3077.71	3360.86	-0.76	-0.83	-9.18
Maharashtra	2897.61	3144.27	3168.67	3346.91	-7.84	-8.55	-13.42
Manipur	2587.08	2766.39	2866.3		-6.48	-9.74	__
Meghalaya	3253.85	3335.29	3274.71	3452.05	-2.44	-0.64	-5.74
Orissa	2526.14	2501.97	2354.51	2198.7	0.97	7.29	14.89
Punjab	2292.87	2392.19	2142.98	2390.02	-4.15	6.99	-4.06
Tripura	2624.14	2621.66	2686.37	2651.37	0.09	-2.32	-1.03
U.P	2138.03	2129.13	2138.07	2092.37	0.42	0	2.18
Uttarakhand	2131.21	1896.66	1870.93	1895.68	12.37	13.91	12.42
W.B	2199.58	2286.42	2275.48	2458.4	-3.8	-3.34	-10.53
Average	2656.45	2635.32	2649.64	2843.62			
As per the data reported by APMCs							

Source agmarknet

Price Projection for December 02nd Week in Domestic Market:

Duration	Trend	Average Price Range	Reason
02nd Week of December, 2015	**Steady**	**Rs.2650-2770/Q**	**Average Rice price in all India is likely to trade steady to firm due to lower carry over stock, lower production prospects and normal 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	04 Dec 2015)	27 Nov 2015)	Month Ago(04 Nov-2015)	% ch. From last week	% Change from last Month
1121 Steam	5800	6200	4700	-6.45	23.40
1121 Sella	4500	5300	3600	-15.09	25.00
1121 Raw	5000	5100	4400	-1.96	13.64

Weekly Price (FOB) Change of Rice 5% broken high quality (Figure in USD/ MT):

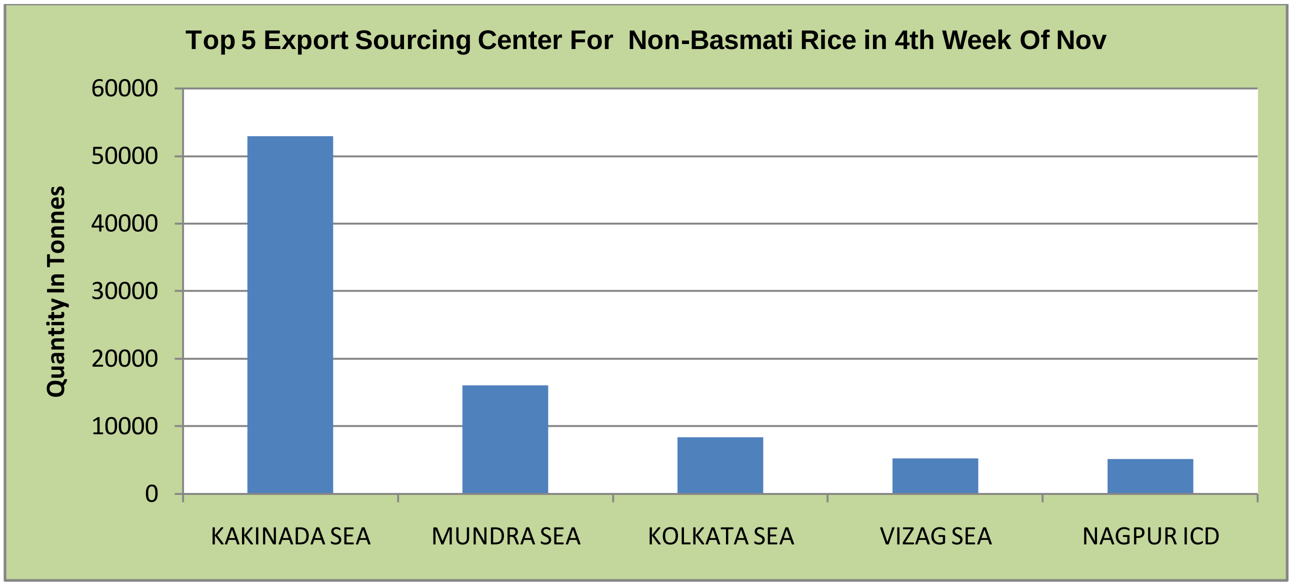
Indian White Rice 5%, 25% High Quality, Long grain parboiled 5%					
Variety	04 Dec 2015)	27 Nov 2015)	Month Ago(04 Nov-2015)	% ch. From last week	% Change from last Month
White Rice 5%	355	355	360	0.00	-1.39
White Rice 25%	330	335	340	-1.49	-1.47
Parboiled 5%	350	350	355	0.00	-1.41

Major Importers of Basmati & Non Basmati Rice of 4th Week of November-2015:

Country	QUANTITY	Average of FOB $/Tonne	Country	QUANTITY	Average of FOB $/Tonne
IVORY COAST	41602	324.74	IRAN	19947.022	743.06
SENEGAL	12000	300.71	SAUDI	9043.32	824.00
BENIN	10406.85	337.26	U A E	7775.079	856.39
U A E	4409.181	535.04	IRAQ	5408.575	654.84
TURKEY	4047	356.18	YEMEN	3449.712	729.66
DJIBOUTI	3280	316.13	KOREA	3221	702.38
SOMAALIA	2500	320.03	U S A	2355.159	609.86
B'DESH	1952	317.68	TURKEY	2020.25	654.13
S.AFRICA	1942.15	317.88	NETHERLANDS	1963.003	926.41
YEMEN	1900	557.79	BAHRAIN	1663.292	770.89
Others	25244.13343	545.35	Others	8915.365	940.83
Grand Total	**109283.3144**	**479.85**	**Grand Total**	**65761.777**	**848.8962743**

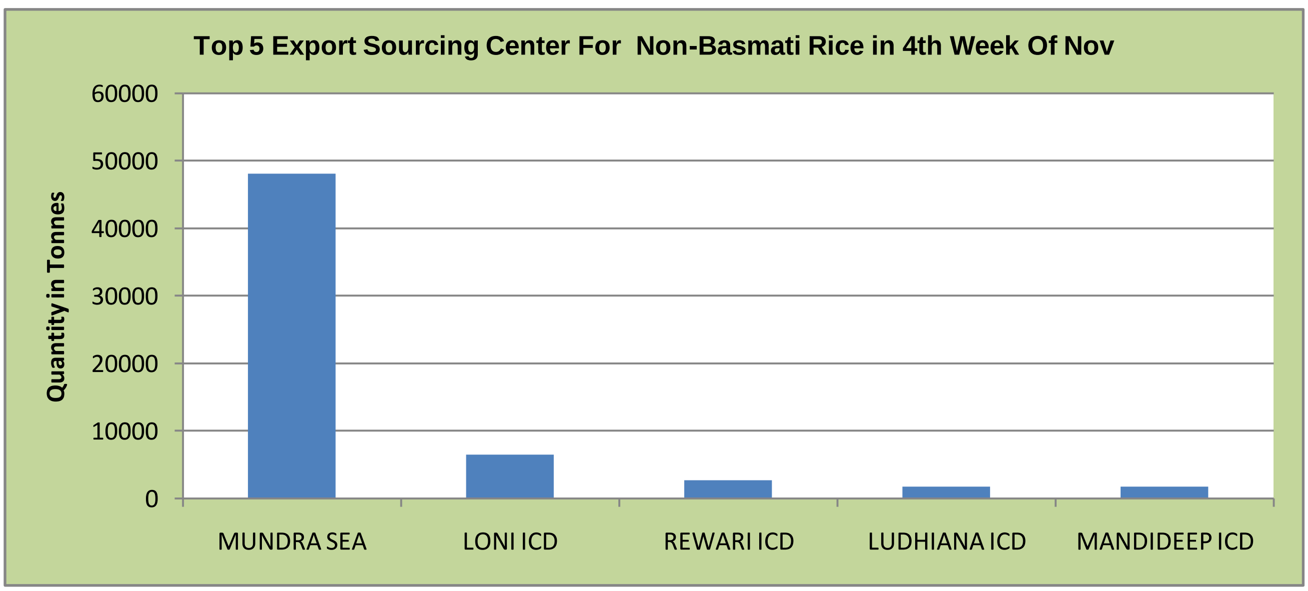
Total Rice exported from India in the last week of November was 175045.09 tonnes out of which basmati rice contributes 37.56%, and non-basmati rice is 62.43% in this month with quantity of around 65761 tonnes and 109283 tonnes respectively as per latest data extract from IBIS. Major importers for Indian Basmati rice in this period were Iran, Saudi Arabia and UAE. We expect Middle East countries to remain the major basmati buyers for Indian Basmati from Mundra, Kandla and Kakinada Port in coming months. On the other hand Ivory Coast, Senegal and Benin were the top importers for Indian non-basmati rice in this period.

Major Non-Basmati Export Sourcing Center:



Total non-basmati Rice export in the last week of November was 109283 tonnes. Kakinada Sea, Mundra, and Kolkata Sea were the major ports for non-basmati rice export during this period.

Major Basmati Export Sourcing Center:



Total basmati Rice export in the last week of November was 65761 tonnes. Mundra Sea, Loni ICD and Rewari ICD, were the major port for basmati rice export center during this period.

State wise Progressive Procurement

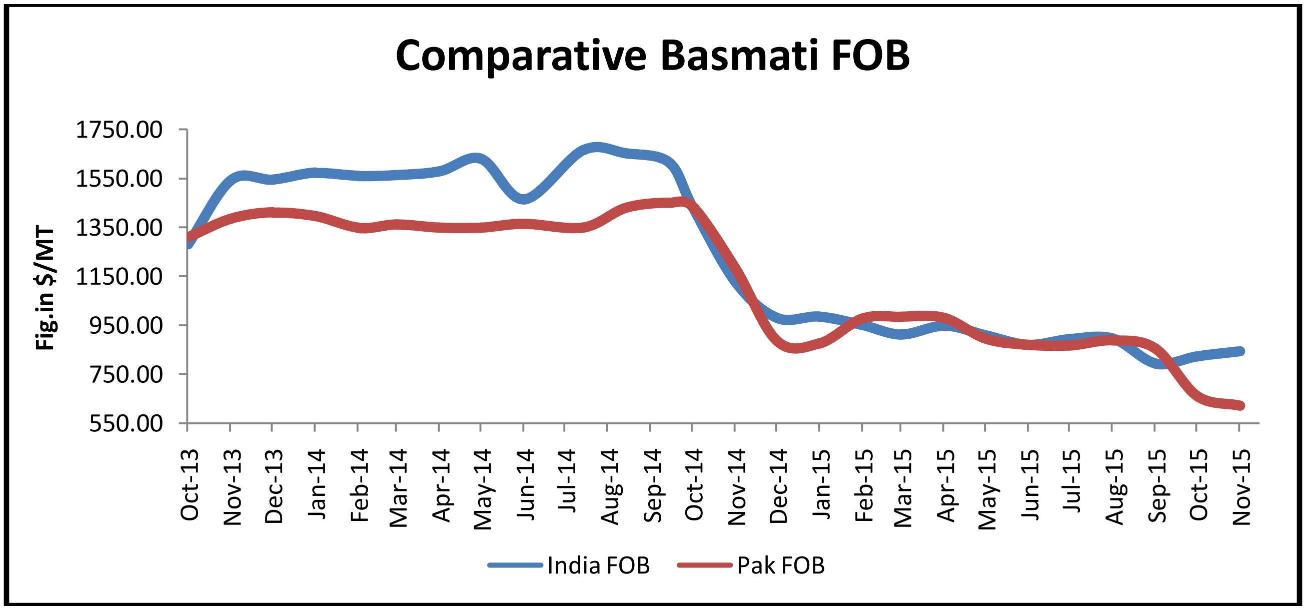
State/UTs	KMS 2014-15*
AP	35.96
Telangana	35.04
Assam	0.15
Bihar	16.19
Chandigarh	1.10
Chhattisgarh	34.22
Delhi	0
Gujarat	0
Haryana	20.15
H.P	0
Jharkhand	0.02
J&K	0
Karnataka	0.88
Kerala	3.74
M.P	8.07
Maharashtra	1.99
Nagaland	0
Odisha	34.87
Pondicherry	0
Punjab	77.86
Rajasthan	0
Tamil Nadu	10.51
U.P	16.98
Uttarakhand	4.65

West Bengal	20.32
Total	**321.69**

Figure in lakh Tonnes Source:FCI

*KMS 2014-15 is under progress. Figures reported as on 07.10.2015 Data not updated

FOB Quotes Aromatic Rice (1121 Steam)



Indian FOB for 1121 steam in the month of November moved up from last month and currently is in the range of USD 840-845/MT which is up by around 2.36% from last month price. Demand from international market push the price upward in recent weeks. On the other hand Pakistani basmati price has declined for the third consecutive month in November 2015 after increasing in August 2015, according to the UN's Food and Agriculture Organization (FAO). Currently Pakistani basmati FOB is hovering in the range of USD 621/MT which is down by 6.05% from last month FOB of USD 661/MT. The decline can be attributed to increasing supplies from the current harvest, lack of export demand as well as surging stocks. Pakistan rice exporters reportedly hold around 500,000 tons of basmati rice from last season. They have been urging the government to intervene in the export market and support them.

Global Updates:

Vietnam's rice exports may reach about 6.8 million tons in 2015, according to the Centre for Informatics and Statistics *under the Ministry of Agriculture and Rural Development. During the period January 1 – November 23, Vietnam exported about 5.372 million tons of rice, down about 8% from the first eleven months of 2014. The average rice export price so far in this year stands at about $409.72 per ton (FOB), about 6.5% less than the same period last year.*

In the first ten months of 2015, Thailand exported around 7.814 million tons of rice, a decrease of about 11% from the corresponding period last year*. In terms of value, exports earned around $3.643 billion, down about 15% from the same period last year. The Honorary President of the Thai Rice Exporters Association expects Thai rice export prices, which are currently slightly below Vietnam prices, to increase by about 10-15% in the first quarter of 2016 and another 10-15% in the second quarter if the dry spell continues. Thai Hom Mali rice prices have reached a low of about $720 - $730 per ton from a previous peak of $1,200 per ton and are lowest in six years, according to Thai rice exporters. In the first auction of stockpiled rotten rice by the government, two private Thai firms won the bid to buy around 37,413 tons worth 198 million baht (about $5.53 million). China's state-owned grains trader COFCO has signed a contract to import one million tons of Thai rice on December 3, 2015.*

The Philippines, which was planning to import an additional 1.3 million tons of rice before the first half of 2016, may not need to *import as much due to better-than-expected domestic rice output next year, according to the Economic Planning Chief.*

Iran needs to import around 600,000 tons of rice before the end of the financial year 2015-16 (April - March) to meet *the domestic demand. The rice imports would be subject to 40% tariff and a charge of 5,000 rials per kilogram (around $167 per ton) of rice imported.*

The Agriculture Ministry has issued a Decree last week, temporarily lifting the ban on rice imports, which it imposed in *October 2014 citing adequate stocks, for three months starting December 3, 2015. As per the Decree, Iranian customs officials will be allowed to register new import orders from December 3, 2015 to June 21, 2016. Exporters from India and Thailand are looking forward to Iran opening rice imports. Iranian ban had significantly impacted basmati rice prices in India as Iran accounts for over a third of India's basmati rice exports.*

Source: Oryza

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

	2012-13	2013-14	2014-15 Estimate	Forecast 29.10.15	Forecast 19.11.15
				2015-16	2015-16
Production	473	478	478	474	474
Trade	38	43	43	42	42
Consumption	469	480	484	487	486
Carryover stocks	113	11	106	94	95
Y-O-Y change	4	-2	-5		-13
Major Exporters	40	38	31	21	21

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

IGC Rice Balance sheet Highlights:

Global rice output in 2015/16 is forecast at around 474m t, broadly unchanged from October, with a marginal fall from the previous year's record. Owing to smaller opening stocks and with consumption likely to expand to a new peak, global end-season reserves are anticipated to tighten markedly, by 12%, to 94m t – mostly on steep declines in the major exporters. Projected trade is maintained at 41.5m t, down fractionally y/y, but well above average on firm demand from buyers in Asia in particular.

USDA & IGC Forecast the Same World Rice Production:

In its November 2015 Rice Outlook report, USDA also forecasted 2015-16 global rice production (milled basis) at around 474 million tons, about 1% lower than last year. Disappointing crops in some producing nations – including India and Thailand, only partly offset by improved harvests elsewhere in Asia, and an expected decline in acreage as well as decline in average yields, are likely to be affected by adverse weather conditions. It forecasted 2015 global rice trade at around 42.4 million tons, down 2% from an estimated 43.2 million tons in 2014

Global Trade of Rice Unchanged from Last Month

The IGC forecasts 2015-16 global rice trade at around 42 million tons, unchanged from the previous year's 42 million tons as well as its previous estimate of around 42 million tons.

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

Market Analysis:

The CBOT January month rough chart for rice indicates weak movement in previous weekly session; overall market too is in bearish trend from last week. We expect market to hover in the range USD 11.00-11.45 hundred weights in coming sessions.

Price Projection (International-CBOT):

Duration	Trend	Price Range
02nd week of Dec, 2015	**Steady to Weak**	USD/ Hundred Weight 11.00-11.45