

Latest Market Development

Wholesale Prices for India as an average for first week of January trade firm by 1.30% and are currently hovering at Rs.2990-2995/quintal. We expect non-basmati rice market to move range bound with firm tone in coming week.

Wholesale basmati rice prices in Delhi moved weak in second week of January due to frail demand and supply from producing states and currently hover in the range of Rs.4200-4250 for 1121 sella and Rs.52-5300 for steam. Overall basmati rice is expected to trade range bound in coming weeks.

Total rice exports for MY-2016-16 till December-15 was 30.68 Lakh tons which was down by around 1.12% from last year's export of 31.03 lakh tons for the same period. Non- basmati rice exports in the month of December was 8.71 lakh tons and basmati exports in the month was 6 lakh tons.

India 2015-16 winter/rabi rice (November - May) planting area has reached around 1.707 million hectares as of January 8, 2016, down about 9% from around 1.863 million hectares planted during the same period in 2014-15, according to a press release by the Ministry of Agriculture. The decline is due to scanty rains and low moisture in some of the rice growing regions.

Among the food grains, inflation for Rice has increased to (-) 3.22% from the previous month's level of (-) 3.40%, Cereals to 0.47% from the previous month's level of (-) 0.25%, Pulses to 58.17% from the previous month's level of 52.98%. The inflation for Wheat has decreased to 4.53% from the previous month's level of 4.68%.

India's rice stocks in the central pool as of December 1, 2015 stood at around 11.315 million tons down about 48% from around 21.57 million tons recorded during the corresponding period last year, according to data from the Food Corporation of India (FCI). India's rice stocks in the central pool are down about 8% from around 12.27 million tons recorded on November 1, 2015. The current rice stocks are about one million tons more than the required strategic reserve norms of around 10.25 million tons for this time of the year, according to the FCI.

State wise Wholesale Prices weekly for 02nd Week of January-2016

State	Prices 09-15 Jan 2016	Prices 01-08 Jan 2016	Prices 24-31 Dec 2015	Prices 09- 15 Jan 2015	% Change(Ov er Previous Week)	% Change(Over Previous to Previous Week)	% Change(Ove r Previous Year)
Andhra Pradesh	3750	6227.18	4037.43	3691.77	-39.78	-7.12	1.58
Assam	2625.91	2960.81	3074.33	3052.07	-11.31	-14.59	-13.96
Bihar	3050	3050	3050		0	0	—
Gujarat	4100	2780.1	2775.75	2663.82	47.48	47.71	53.91
Jharkhand	2795	2506.97	2576.83	2561.9	11.49	8.47	9.1
Karnataka	3050.3	3455.73	3196.4	3103.17	-11.73	-4.57	-1.7
Kerala	3889.5	3142.15	3139.95	3157.19	23.78	23.87	23.19
Maharashtra	3038.78	3306.7	3008.91	3374.08	-8.1	0.99	-9.94
Manipur		2583.16	2567.49	2830.69	—	—	—
Meghalaya	4200	3346.58	4200	3468.32	25.5	0	21.1
Orissa	2447.31	2218.3	2124.97	2363.34	10.32	15.17	3.55
Punjab			2158.59		—	—	—
Telangana	3048	3069.21	3205.24	3692.68	-0.69	-4.91	-17.46
Tripura	2552.86	2453.84	2484.19	2579.27	4.04	2.76	-1.02
Uttar Pradesh	2015.73	2105.78	2113.75	2078.59	-4.28	-4.64	-3.02
Uttarakhand	1900.53	1949.68	2000.04	1927.33	-2.52	-4.98	-1.39
West Bengal	2398.37	2206.99	2261.65	2430.85	8.67	6.05	-1.34
Average	2990.82	2960.2	2769.75	2810.94			

Source agmarknet

Price Projection for December 02nd Week in Domestic Market

Duration	Trend	Average Price Range	Reason
03 rd Week of January, 2016	Steady to Firm	Rs.2850-3000/Q	Average Rice price in all India is likely to trade 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	09 Jan 2016)	31 Dec 2015)	Month Ago(09 Dec-2015)	% ch. From last week	% Change from last Month
1121 Steam	5200	5150	5700	0.97	-8.77
1121 Sella	4200	4250	4700	-1.18	-10.64
1121 Raw	4800	5050	4800	-4.95	0.00

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	09 Jan 2016)	31 Dec 2015)	Month Ago(09 Dec-2015)	% ch. From last week	% Change from last Month
White Rice 5%	365	365	355	0.00	2.82
White Rice 25%	335	335	330	0.00	1.52
Parboiled 5%	355	365	350	-2.74	1.43

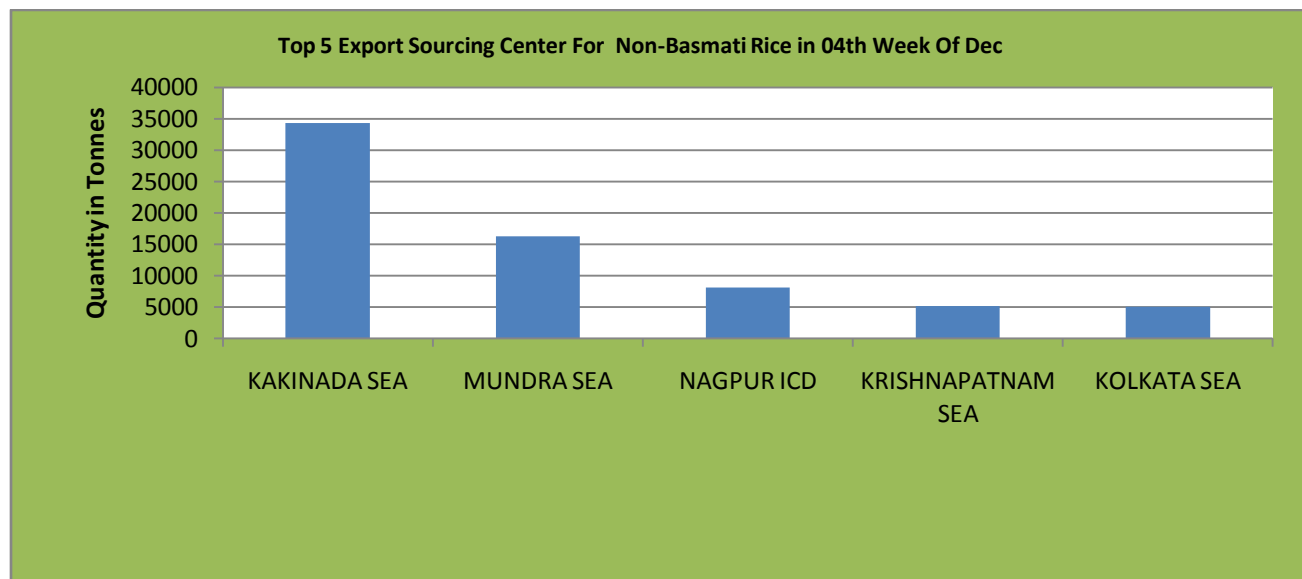
Major Importers of Basmati & Non Basmati Rice of December-2015

Country	Quantity(Ton)	Average of FOB \$/Tonne	Country	Quantity(Ton)	Average of FOB \$/Tonne
SENEGAL	28730.00	278.02	SAUDI	69679.13	706.81
U A E	6385.62	556.64	IRAN	67363.66	716.15
TURKEY	5941.00	356.32	U A E	52821.50	773.19
BENIN	4213.68	338.23	BENIN	39695.91	357.00
DJIBOUTI	4197.04	349.28	KOREA	37447.00	750.06
QATAR	3591.74	590.10	NIGERIA	32192.30	117.46
SINGAPORE	3070.16	716.98	DJIBOUTI	25954.95	389.94
SAUDI	3060.24	525.73	IRAQ	22027.41	677.82
GAMBIA	2470.00	288.93	YEMEN	20561.04	723.67
ANGOLA	2023.00	384.48	KUWAIT	17979.48	716.67
Others	23463.83	484.78	Others	214789.36	829.66
Grand Total	87146.30	551.17	Grand Total	600511.72	722.82

Total Rice exported from India in the month of December was 14.71 lakh tons out of which basmati rice contribute 41%, and non-basmati rice is 59% in this month with quantity of around 6 lakh tons and 8.71 lakh tons respectively as per latest data extract from IBIS. Major importers of Indian Basmati rice in this period were Saudi, Iran and UAE. We expect Middle East countries to remain the major basmati buyers of Indian Basmati from

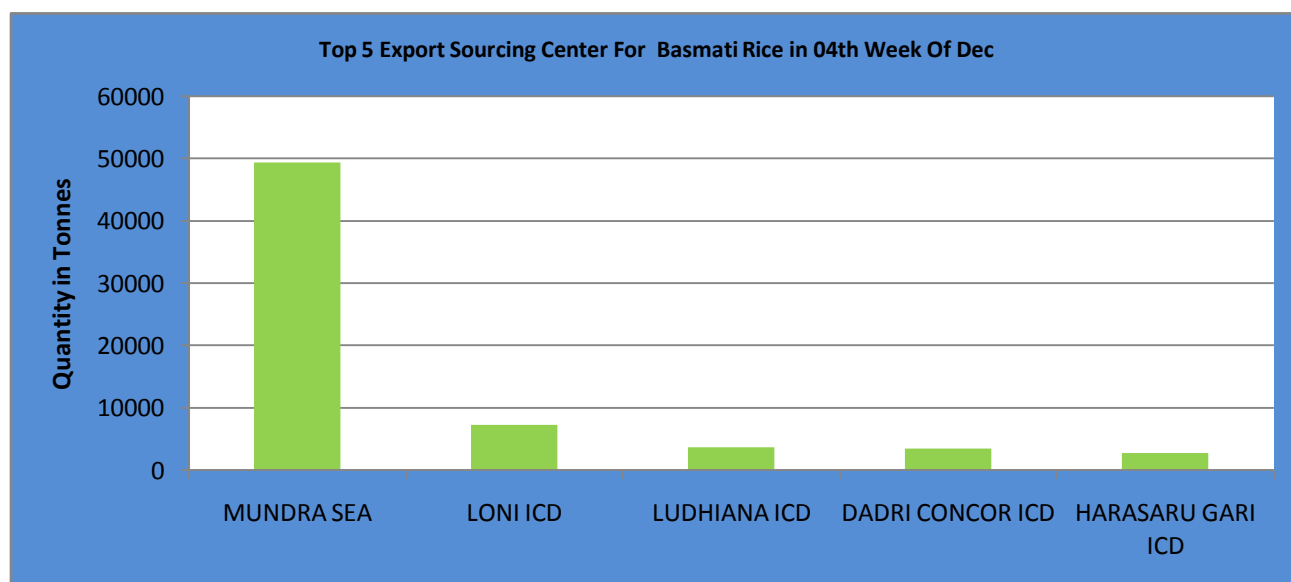
Mundra and Kakinada Port in coming months. Major non basmati importers were Senegal, UAE and Turkey. Rice exports in this month were 43% higher than the export of 9.65 lakh tons during last month.

Major Non-Basmati Export Sourcing Center

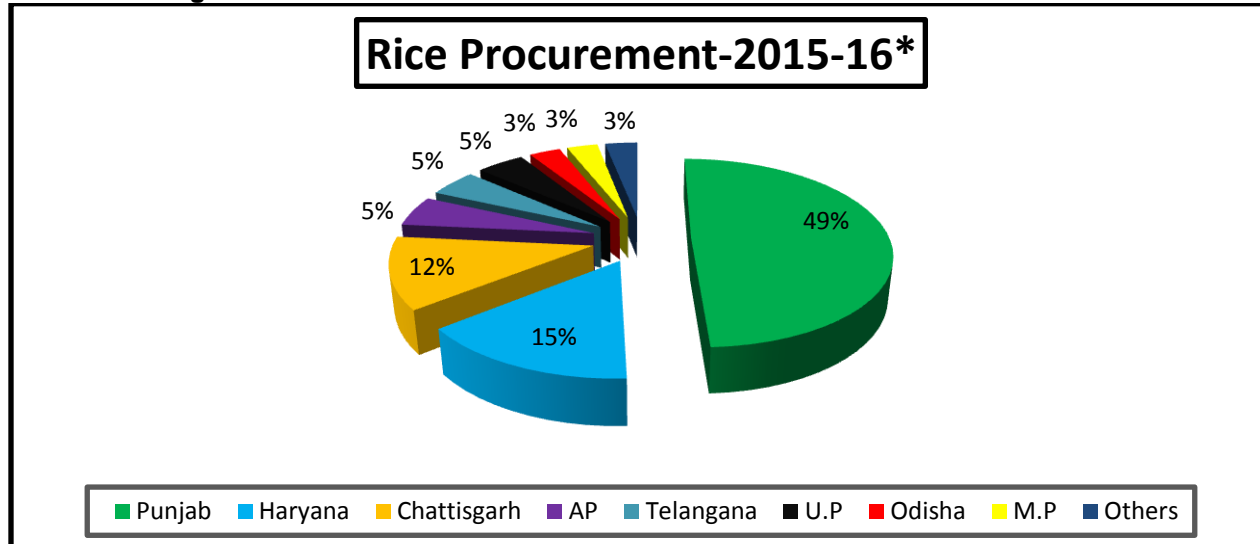


Total non-basmati Rice export in the fourth week of December was 86488.20 tonnes. Kakinada Sea, Mundra, and Nagpur were the major ports for non-basmati rice export during this period.

Major Basmati Export Sourcing Center

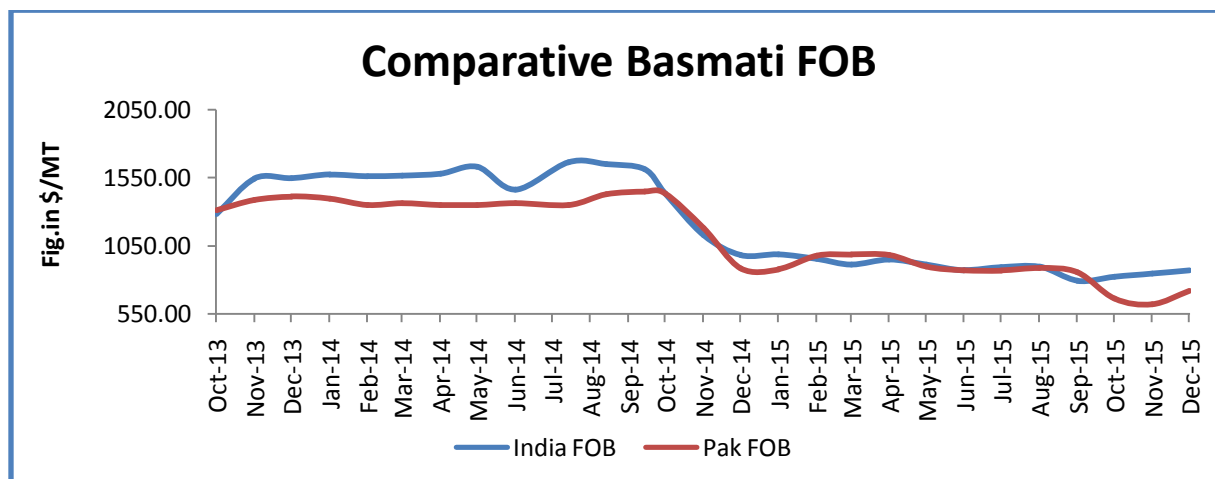


Total basmati Rice export in the fourth week of December was 74296.21 tonnes. Mundra Sea, Loni ICD and Ludhiana ICD, were the major port for basmati rice export center during this period.

State wise Progressive Procurement


Government procurement of MY 2015/16 rice under the minimum support price (MSP) continues to be ahead of last year due to the timely harvest (last year delayed due to October rains) and good harvest from the irrigated northern states. Government procurement through January-01, 2016, is estimated at 18.96 MMT compared to 13.96 MMT during the corresponding period of MY 2014/15.

In Punjab, which contributes the highest volume of rice and wheat to the central pool, the FCI and the state agencies have procured around 9.3 million tons of rice so far, compared to around 7.7 million tons procured last year. Agencies have procured around 2.8 million tons of rice in Haryana compared to around 2.3 million tons last year. They reportedly procured 760,000 tons, 830,000 tons and 108,000 tons from Uttar Pradesh, Telangana and Kerala respectively. State agencies have reportedly Purchase 1.7 million tons of rice in Chhattisgarh and 400,000 tons in Odisha. Based on the pace of procurement, the Food Ministry Officials expressed confidence that the government may surpass the target of 30 million tons for KMS 2015-16. The FCI and government agencies procured 32 million tons of rice in KMS 2014-15.

FOB Quotes Aromatic Rice (1121 Steam)


Indian FOB for 1121 steam in the month of December moved up from last month and currently is in the range of USD 865-870/MT which is up by around 3.12% from last month price. Lower basmati rice production estimates and demand from international market push the price upward in recent months. Pakistani basmati price has also increased drastically from USD 621/MT to 716.30\$/MT, according to the UN's Food and Agriculture Organization (FAO). Currently Pakistani basmati FOB is hovering in the range of USD 716/MT which is up by 15.34% from last month FOB of USD 621/MT. The decline can be attributed to diminishing supplies from the recent harvest, and increasing demand from east countries like China, Philippines.

Global Updates

Vietnam Paddy rice production in 2015 is estimated to increase to around 45.2 million tons from 44.97 million tons in 2014, despite dry conditions. The Agriculture Ministry estimates the country's rice exports to reach about 6.7 million tons in 2015, up about 5.8% from in 2014. The UN's FAO estimates Vietnam's 2015 rice exports will reach 8.3 million tons (including 1.5 million tons of unofficial exports to China through land borders), an increase of about 4% from 2014.

Bangladesh paddy prices have increased after the government hiked the import duty on rice from 10% to 20% earlier this month. Prices of medium variety paddy have increased by about Tk 25 per 40 kilograms (around \$8 per ton) to TK 625 (around \$203 per ton). The duty hike is beneficial to farmers but the current prices are still not sufficient to fetch profits to them. The government rice stocks stood at around 1.13 million tons as on December 27, 2015, up about 17% from last year, according to the Food Ministry data. USDA estimates Bangladesh's MY 2015-16 (July 2015 – June 2016) milled rice production at around 34.6 million tons, slightly up from an estimated 34.5 million tons in MY 2014-15. It estimates Bangladesh to import around 1.2 million tons of rice in MY 2014-15 and about 600,000 tons in MY 2015-16.

The UN's Food and Agricultural Organization FAO forecasts 2015-16 global rice production at around 491.5 million tons, slightly down from an estimated 494.2 million tons in 2014-15. The decline is expected to be caused by a combination of unfavorable weather and prices, which may curb plantings to 161.1 million hectares, while yields are set to average 4.6 tons per hectare.

The FAO estimates 2016 global rice trade at around 45.3 million tons, up about 1.4% from an estimated 44.7 million tons last year. The FAO expects most of the importers, especially in Africa and Latin America, to replenish inventories. On the export side, the expansion of trade could be dampened next year by more limited availabilities in several export origins, says the FAO. It expects exports of Vietnam to increase while those of India, Brazil and the U.S. to fall.

Source: Oryza

IGC Rice Balance Sheet
(Fig. In Million Tonnes)

	2012-13	2013-14	2014-15 Estimate	Forecast 29.10.15 2015-16	Forecast 19.11.15 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- 16, Rough Rice)
(Prices in US\$/hundredweight)**

Market Analysis

The CBOT January month rough chart for rice indicates range bound to firm movement in previous couple of day session; overall market too is in range bound to firm trend from last week. We expect market to hover in the range USD 11.35 -11.65 hundred weights in coming sessions.

Price Projection (International-CBOT)

Duration	Trend	Price Range
03 rd week of Jan,2016	Steady to Firm	USD/ Hundred Weight 11.35-11.65

Disclaimer

The information and opinions contained in the document have been compiled from sources believed to be reliable. The company does not warrant its accuracy, completeness and correctness. Use of data and information contained in this report is at your own risk. This document is not, and should not be construed as, an offer to sell or solicitation to buy any commodities. This document may not be reproduced, distributed or published, in whole or in part, by any recipient hereof for any purpose without prior permission from the Company. IASL and its affiliates and/or their officers, directors and employees may have positions in any commodities mentioned in this document (or in any related investment) and may from time to time add to or dispose of any such commodities (or investment). Please see the detailed disclaimer at <http://www.agriwatch.com/Disclaimer.asp> © 2016 Indian Agribusiness Systems Pvt Ltd