Latest Market Development

Wholesale Prices for India as an average for third week of January traded firmed by 0.26% and are currently hovering at Rs.2760-2765/*quintal. Agriwatch expects non-basmati rice market to move range bound with firm tone in coming week.*

Wholesale basmati rice prices in Delhi moved firmed in third week of January due to increased buying from traders and stockists and limited arrivals from producing States *currently hover in the range of Rs.4250-4300 for 1121 sella and Rs.53-5400 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 *around 1.12% lower than export of 31.03 lakh tons during corresponding period of last year. Non- basmati rice exports in the month of December was 8.71 lakh tons and basmati exports in the month was 6 lakh tons.*

Total Rice exported from India in the second week of January was 162181.12 tons out of which basmati rice contribute 46.12%, *and non-basmati rice is 53.87% in this period with quantity of around 74799.78 tons and 87381.33 tons respectively as per latest data extract from IBIS.*

India 2015-16 winter/rabi rice (November - May) planting area has reached around 1.884 million hectares as of January 15, 2016, *down about 6% from around 1.997 million hectares planted during the corresponding 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.*

In KMS 2015-16, FCI has procured about *20.81 million tons of Rice which is up by 32% from last year as of January 15-2016.Punjab, Haryana and Chhattisgarh are the main contributors with contribution of 49%, 15% and 12% respectively.*

India's rice stocks in the central pool as on January 1, 2015 stood at around 26.02 million tons up by about 14% from *around 22.37 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 up about 10% from around 23.41 million tons recorded on December 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 16-23 Jan 2016	Prices 09-15 Jan 2016	Prices 16-23 Jan 2015	% Change(Over Previous Week)	% Change(Over Previous Year)
A.P	3737.32	4253.92	3644.47	-12.14	2.55
Assam	3003.75	2873.73	3077.78	4.52	-2.41
Gujarat	2801.81	2855.75	2680.97	-1.89	4.51
Jharkhand	2503.18	2521.3	2515.22	-0.72	-0.48
Karnataka	3501.86	3264.84	3217.71	7.26	8.83
Kerala	3125.95	3086.69	3148.97	1.27	-0.73
Maharashtra	3246.48	3097.01	3536.72	4.83	-8.21
Manipur	2535.59	2631.04	2733.56	-3.63	-7.24
Meghalaya	3500	3468.84	3470.02	0.9	0.86
Delhi	1862.5	2000	2000	-6.88	-6.88
Orissa	2509.75	2271.35	2818.02	10.5	-10.94
Telangana	3026.9	3007	3669.1	0.66	-17.5
Tripura	2523.96	2446.51	2590.93	3.17	-2.58
Uttar Pradesh	2134.05	2128.65	2025.9	0.25	5.34
Uttarakhand	1959.2	1914.77	1950.57	2.32	0.44
West Bengal	2191.4	2224.74	2415.81	-1.5	-9.29
Average	2760.23	2752.88	2843.48		

Source agmarknet

Price Projection for December 04th Week in Domestic Market

Duration	Trend	Average Price Range	Reason
04th Week of January, 2016	**Steady to Firm**	**Rs.2770-2830/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	22 Jan 2016)	15 Jan 2016)	Month Ago(22 Dec-2015)	% ch. From last week	% Change from last Month
1121 Steam	5300	5200	5600	1.92	-5.36
1121 Sella	4250	4200	4500	1.19	-5.56
1121 Raw	5400	5300	5100	1.89	5.88

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

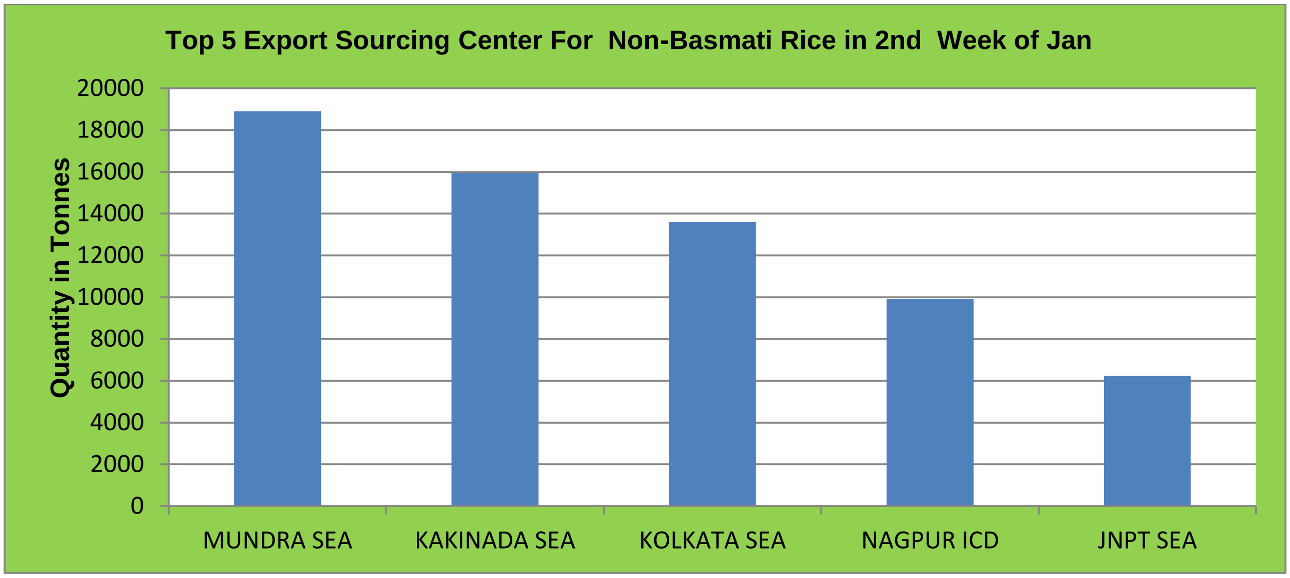
Indian White Rice 5%, 25% High Quality, Long grain parboiled 5%					
Variety	22 Jan 2016)	15 Jan 2016)	Month Ago(22 Dec-2015)	% ch. From last week	% Change from last Month
White Rice 5%	365	365	365	0.00	0.00
White Rice 25%	335	335	335	0.00	0.00
Parboiled 5%	355	365	360	-2.74	-1.39

Major Importers of Basmati & Non Basmati Rice in First Week of Jan (11-17)-2016

Non Basmati Rice Importers			Basmati Rice Importers		
Country	Quantity(Tons)	Average of FOB $/Tonne	Country	Quantity(Tons)	Average of FOB $/Tonne
GUINEA	14362	335.04	SAUDI	14517.86	834.48
BENIN	9245	345.89	U A E	13662.91	677.11
TURKEY	6641	327.91	IRAN	10541.00	770.73
U A E	6247.372	511.27	YEMEN	7977.13	775.70
DJIBOUTI	6062.45	332.75	IRAQ	3521.21	732.82
SAUDI	4574.396	384.40	U S A	2893.34	901.14
YEMEN	3342.88	561.20	U K	2636.86	902.51
S.AFRICA	2911.614	342.58	KOREA	2469.00	751.62
BERBERA	2904.75	344.64	NETHERLANDS	2098.50	844.88
SENEGAL	2762	322.23	KUWAIT	1679.78	840.38
Others	28327.87	565.58	Others	12802.19	987.66
Grand Total	**87381.33**	**488.14**	**Grand Total**	**74799.78**	**841.02**

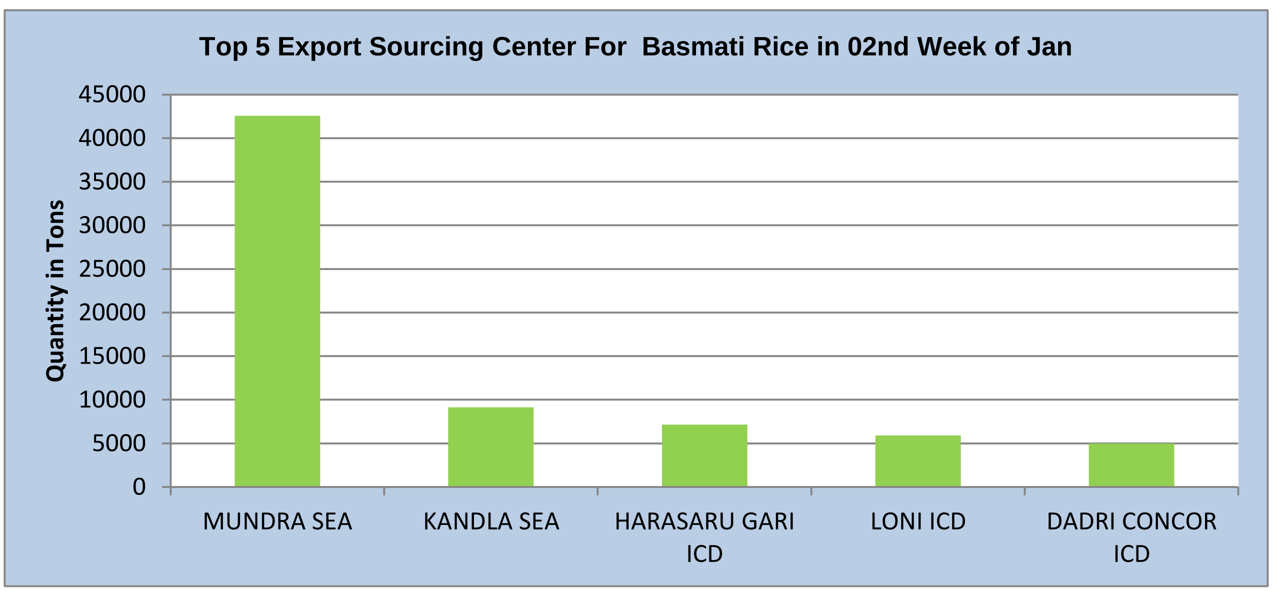
Total Rice exported from India in the second week of January was 162181.12 tons out of which basmati rice contribute 46.12%, and non-basmati rice is 53.87% in this period with quantity of around 74799.78 tons and 87381.33 tons respectively as per latest data extract from IBIS. Major importers of Indian Basmati rice in this period were Saudi UAE and Iran. We expect Middle East countries to remain the major basmati buyers of Indian Basmati from Mundra and Kandla Port in coming months. Major non basmati importers were Guinea, Benin and Turkey. Weekly rice exports were down by around 30% from last week export of 230354 tons.

Major Non-Basmati Export Sourcing Center



Total non-basmati Rice export in the second week of January was 87381.33 tonnes. Mundra Sea, Kakinada, and Kolkata were the major ports for non-basmati rice export during this period.

Major Basmati Export Sourcing Center



Total basmati Rice export in the second week of January was 74799.78 tons. Mundra Sea, Kandla Sea and Harasaru Gari ICD, were the major port for basmati rice export center during this period.

State wise Progressive Procurement

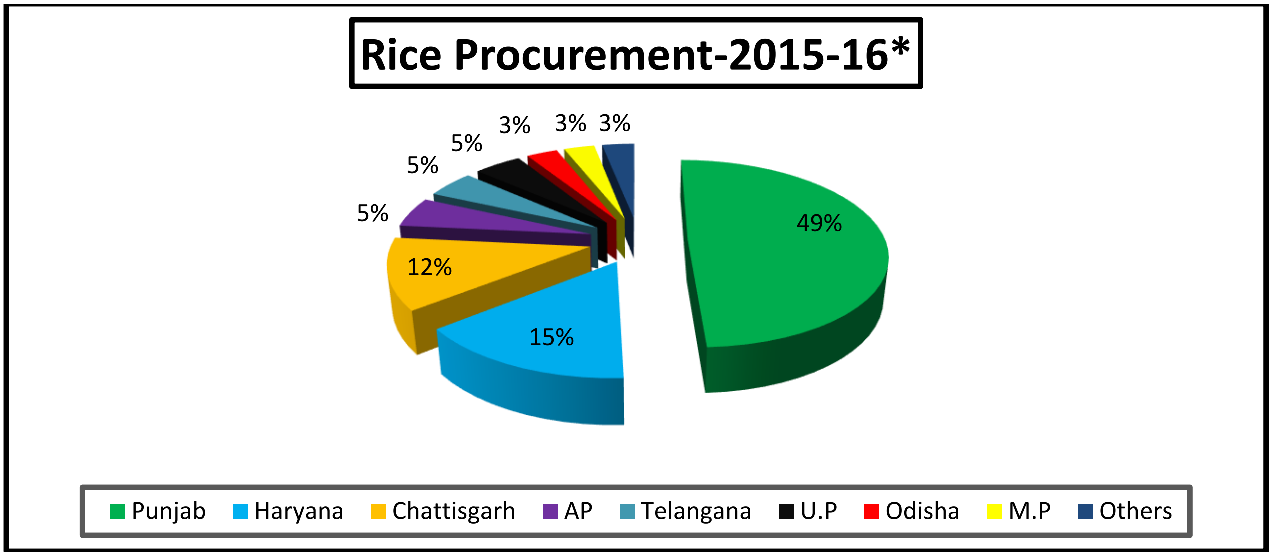
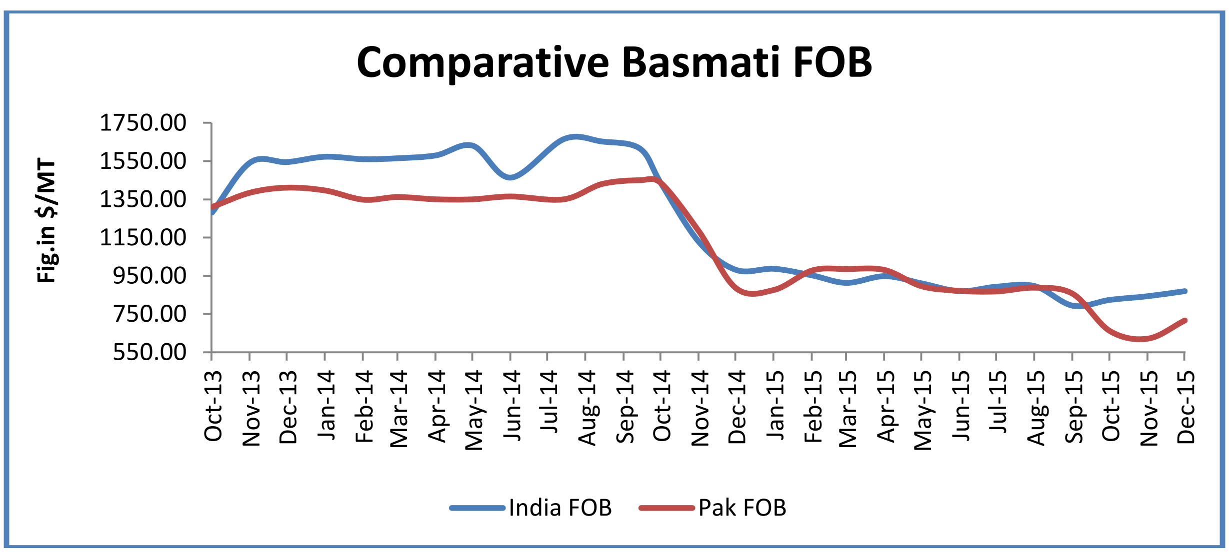


Figure in Million Metric Tonnes Source: FCI

Government rice procurement of MY 2015/16 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 Purchased 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)



Source-FAO& Agriwatch

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 2014. The UN's FAO estimates Vietnam's 2015 rice exports to 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.*

The EU imported about 419,524 tons of rice during the period September 1, 2015 - January 12, 2016, up about 31% *from around 392,569 tons imported during the same period last year. The UK remained the largest importer in September 1, 2015 - January 12, 2016 period with around 101,903 tons followed by France (75,397 tons), Netherlands (46,412 tons), Germany (31,874 tons), Poland (29,552 tons) and Italy (28,264 tons). Other EU countries imported 106,122 tons. The EU imported around 1.143 million tons of rice in the crop year 2014-15, up about 12.7% from around 1.013 million tons imported in the crop year 2013-14.*

The UN's Food and Agriculture organization (FAO) estimates Malawi's 2015 paddy rice production at around 120,000 tons *which is down by about 8% from around 131,000 tons in 2014. Dryness and moisture deficits due to El-Nino in major crop growing regions in south have impacted the 2015-16 crops planting. However Malawi is relatively less affected by the impact of El Niño compared to neighboring countries to its geographical location, but rainfall forecasts point to below average rains in central and southern parts until the start of the harvesting period.*

The USDA forecasts 2015-16 global rice acreage at 158.9 million hectares, down from an estimated 159.95 million hectares in *2014-15, and almost unchanged from its previous month's estimate of about 158.8 million tons. Thailand is accounting for more than half of the decline. While acreage in Australia, Myanmar, Cambodia, Nigeria, Tanzania, the Philippines and the U.S. is expected to decline, that in Bangladesh, Egypt, Indonesia and Sri Lanka is expected to increase. The USDA forecasts the average global yield at 4.41 tons per hectare (on rough rice basis), slightly down from 4.46 tons per hectare in 2014-15.*

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 Mar- 16, Rough Rice)
(Prices in US$/hundredweight)

Market Analysis

The CBOT March month rough chart for rice indicates range bound to weak movement in previous couple of day session; overall market too is in range bound to weak trend from last week. We expect market to hover in the range USD 10.75-11.05 hundred weights in coming sessions.

Price Projection (International-CBOT)

Duration	Trend	Price Range
04th week of Jan,2016	**Steady**	USD/ Hundred Weight 10.75-11.05