Latest Market Development

Wholesale Prices for India as an average for fourth week of January traded firmed by 0.56% and are currently hovering at Rs.2795-2800/*quintal. Agriwatch expects non-basmati rice market to move range bound with firm tone in coming week.*

Wholesale basmati rice prices in the national capital have declined this week due to a slackened demand from retailers. Currently hover in the range of Rs.41-4200 for 1121 sella and Rs.5100-5150 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 third week of January was 81409.66 tons out of which basmati rice contribute 51.29%, *and non-basmati rice is 48.71% in this period with quantity of around 41756.39 tons and 39653.26 tons respectively as per latest data extract from IBIS.*

As per preliminary reports received from the States, the total area sown under Rabi crops as on 28th January, 2015 stands *at 591.51 lakh hectare. Wheat has been sown/transplanted in 292.52 lakh hectares, pulses in 139.08 lakh hectares, coarse cereals in 60.08 lakh hectares & Rice is 22.41 lakh hectares against 24.08 lakh hectares in 2014-15. .*

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 04th Week of January-2016

State	Prices 24-31 Jan 2016	Prices 16-23 Jan 2016	Prices 24-31 Jan 2015	% Change(Over Previous Week)	% Change(Over Previous Year)
AP	3148.73	3570.85	3682.95	-11.82	-14.51
Assam	3108.67	2996.33	3112.64	3.75	-0.13
Bihar	3050	3050		0	__
Gujarat	2766.95	2780.89	2624.62	-0.5	5.42
Jharkhand	2581.65	2494.21	2526.07	3.51	2.2
Karnataka	3592.67	3482.71	3275.82	3.16	9.67
Kerala	3173.25	3128.2	3089.31	1.44	2.72
Maharashtra	2968.61	3239.91	4658.41	-8.37	-36.27
Manipur	2734.8	2554.55	2840.54	7.06	-3.72
Meghalaya	3530.77	3981.22	3467.28	-11.31	1.83
Delhi		1862.5	1900	__	__
Orissa	2227.11	2257.49	2206.29	-1.35	0.94
Telangana	2995.89	3026.9	3634.31	-1.02	-17.57
Tripura	2457.36	2532.88	2676.3	-2.98	-8.18
Uttar Pradesh	2102.52	2128.2	2081.57	-1.21	1.01
Uttrakhand	2087.72	1964.8	1846.35	6.26	13.07
West Bengal	2208.91	2212.43	2370.71	-0.16	-6.82
Average	2795.98	2780.24	2874.57		

Source agmarknet

Price Projection for February 01st Week in Domestic Market

Duration	Trend	Average Price Range	Reason
01st Week of February, 2016	**Steady to Firm**	**Rs.2780-2850/Q**	**Average Rice price in all India is likely to trade firm due to lower carry over stock, lower production prospects and normal demand.**

AGRIWATCH

Rice Weekly Research Report
01 Feb-2016

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	29 Jan 2016)	22 Jan 2016)	Month Ago(29 Dec-2015)	% ch. From last week	% Change from last Month
1121 Steam	5100	5300	5200	-3.77	-1.92
1121 Sella	4250	4250	4200	0.00	1.19
1121 Raw	5400	5400	4900	0.00	10.20

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

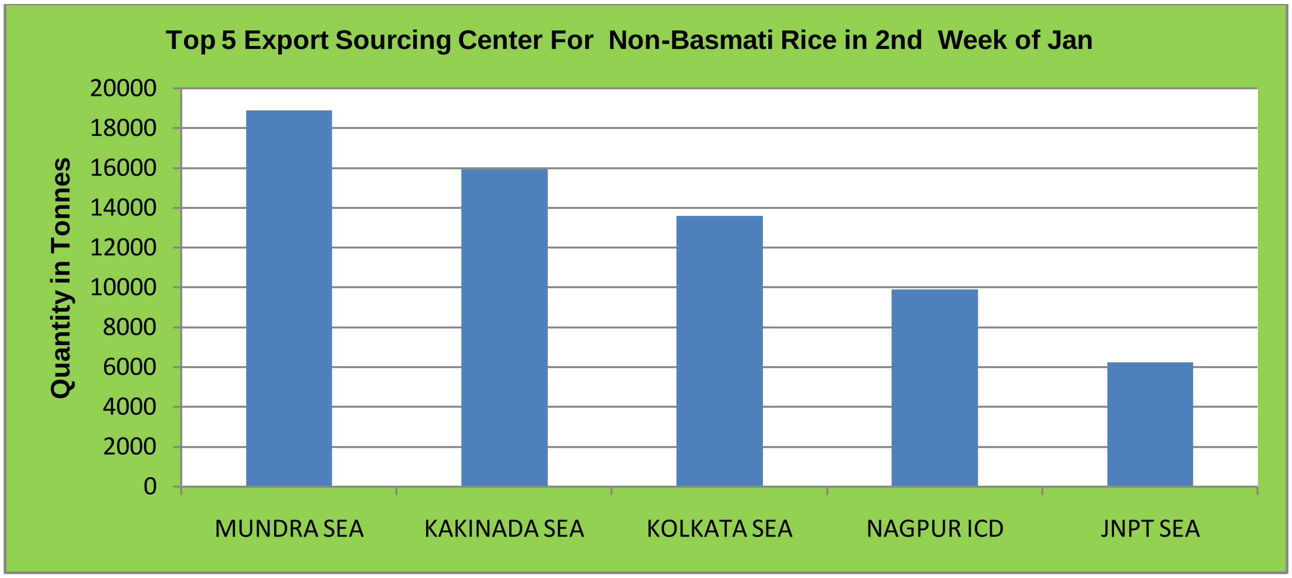
Indian White Rice 5%, 25% High Quality, Long grain parboiled 5%					
Variety	29 Jan 2016)	22 Jan 2016)	Month Ago(29 Dec-2015)	% ch. From last week	% Change from last Month
White Rice 5%	365	365	365	0.00	0.00
White Rice 25%	335	335	335	0.00	0.00
Parboiled 5%	355	355	355	0.00	0.00

Major Importers of Basmati & Non Basmati Rice in Third Week of Jan (18-24)-2016

Non Basmati Rice Importers			Basmati Rice Importers		
Country	Quantity(Tons)	Average of FOB $/Tonne	Country	Quantity(Tons)	Average of FOB $/Tonne
TOGO	9978.50	356.29	IRAN	9973.00	786.04
U A E	3967.25	932.79	SAUDI	7029.90	855.40
BENIN	3797.50	337.88	U A E	6538.57	796.89
DJIBOUTI	3252.98	324.79	KOREA	4025.00	769.46
TURKEY	1872.00	303.70	U K	2030.72	700.50
SAUDI	1749.67	499.29	YEMEN	2028.30	707.34
BERBERA	1321.25	343.45	U S A	1207.93	916.49
GUINEA	1296.00	356.90	IRAQ	967.93	704.25
RUSSIA	1060.00	365.94	NETHERLANDS	958.50	663.44
GAMBIA	1040.00	292.47	TURKEY	908.98	507.00
Others	10318.13	500.31	Others	6087.56	817.11
Grand Total	**39653.26**	**554.53**	**Grand Total**	**41756.39**	**813.83**

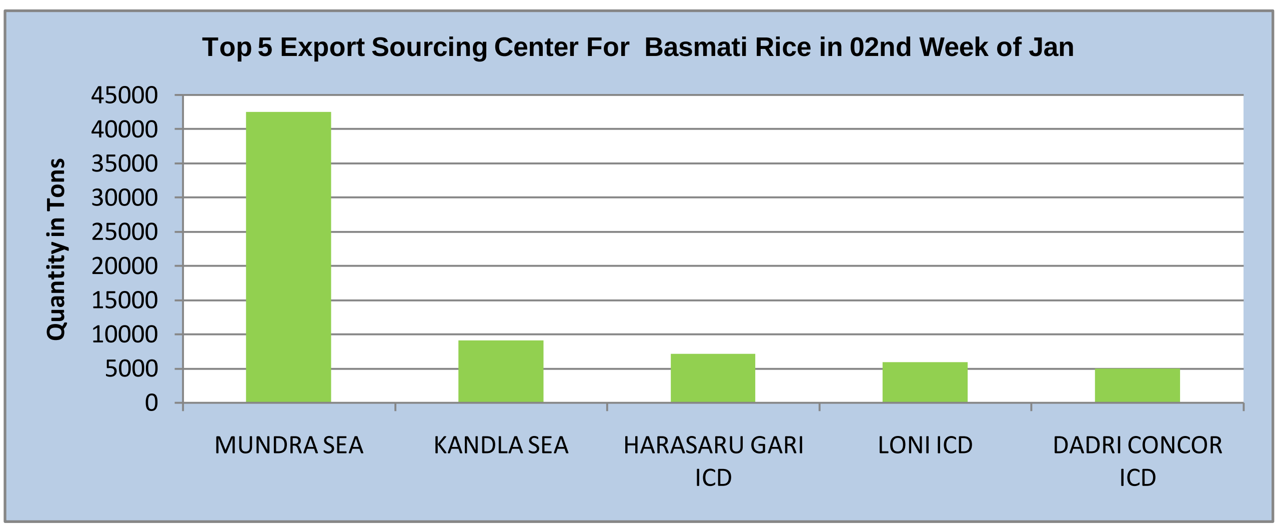
Total Rice exported from India in the third week of January was 81409.66 tons out of which basmati rice contribute 51.29%, and non-basmati rice is 48.71% in this period with quantity of around 41756.39 tons and 39653.26 tons respectively as per latest data extract from IBIS. Major importers of Indian Basmati rice in this period were Iran, Saudi & UAE. We expect Middle East countries to remain the major basmati buyers of Indian Basmati from Mundra, Kakinada and Kandla Port in coming months. Major non basmati importers were Togo, UAE and Benin. Weekly rice exports were down by around 50% from last week export of 162181.12 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

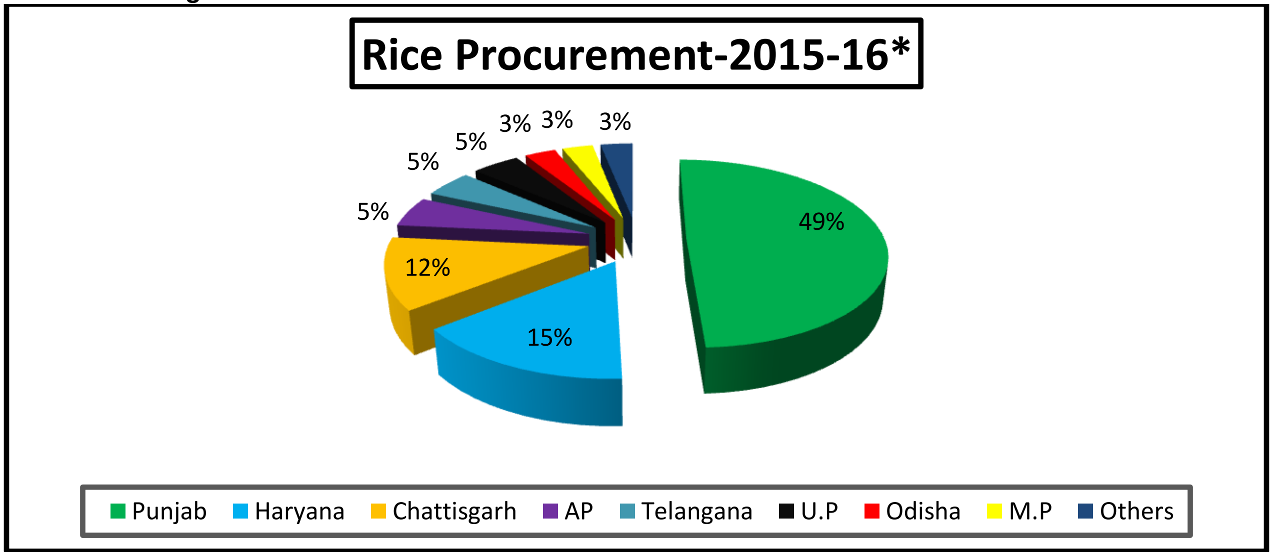
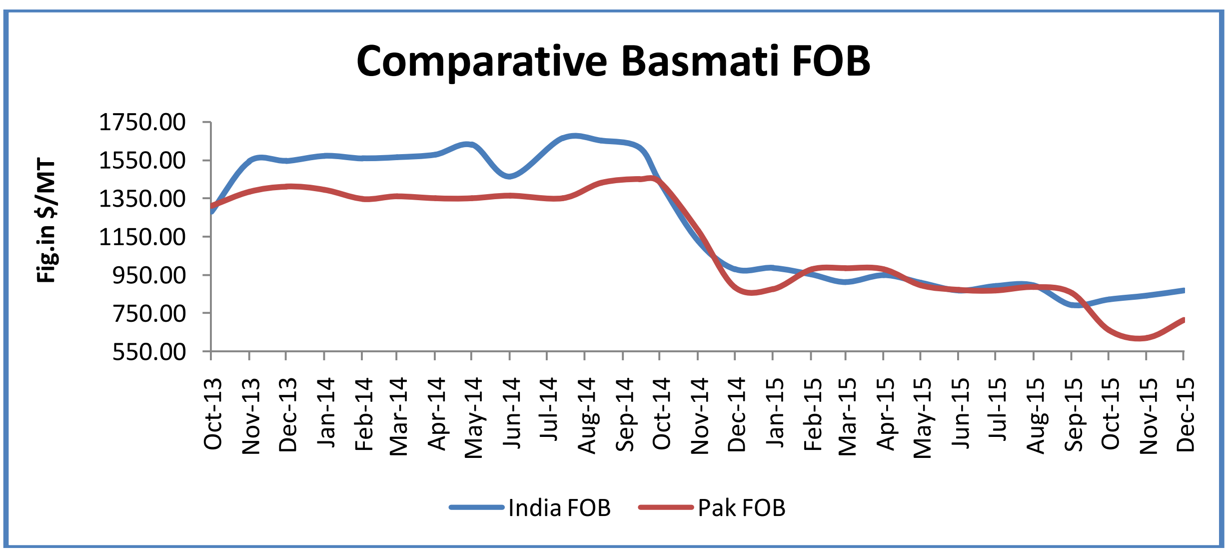


Figure in Million Metric Tonnes Source: FCI

All-India progressive procurement of Rice as on 22.01.2016 for the marketing season 2015-16, was 229.35 lakh tons against the procurement of 178.11 lakh tons up to corresponding period last year. Rice procurement is up by around 29% from last year due to lower open market price which did not meet the farmers' expectations and also timely harvest mainly from northern states. In Punjab, which contributes the highest volume of rice and wheat to the central pool, the FCI and the state agencies have contributed around 49% till date, higher by 20% from last year.

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 441,465 tons of rice during the period September 1, 2015 - January 19, 2016, up by about 28% from *around 345,163 tons imported during the same period last year. Japonica rice imports increased about 8% to around 32,114 tons in September 1, 2015 - January 19, 2015 period from around 29,619 tons during the same period last year. Indica rice imports increased about 30% to around 409,351 tons during the same period from around 315,544 tons last year. The UK remained the largest importer in September 1, 2015 - January 19, 2016 period with around 105,407 tons followed by France (78,689 tons), The Netherlands (49,535 tons), Germany (33,480 tons), Poland (31,047 tons) and Italy (30,404 tons). Other EU countries imported 112,903 tons of rice. During the week ended January 19, 2015, the EU imported around 21,941 tons of rice, down about 17% from around 26,514 tons imported during the week ended January 12, 2015.*

As per IGC latest report, Due to El Niño-induced dryness in a number of Asian countries, including India and Thailand, world *rice production in 2015/16 is forecast to contract by 1% y/y. And with a further expansion of consumption expected, global carryovers are likely to decline by 12%, to a seven-year low of 94.7m t, including a drop of one-third in the major exporters. Traded volumes in 2016 are projected broadly unchanged y/y, as disappointing crops ensure demand from Asian buyers remains firm. With shipments of 10m t, Thailand is seen as the leading exporter for the first time since 2011.*

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.*

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

	2012-13	2013-14	2014-15 Estimate	Forecast 29.10.15	Forecast 21.01.2016
				2015-16	2015-16
Production	473	478	478	474	473
Trade	38	43	43	42	42
Consumption	469	480	484	486	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

Projected global rice output is cut on slightly reduced prospects in some producers, mainly in the southern hemisphere, but, at 473m t, would be only 1% lower y/y. While the outlook for rice use is maintained, a higher figure for carry-in stocks results in a small upward revision to end-season inventories, to 94.7m t. However, this is still a drop of 12% y/y owing to depletion in key exporters. The outlook for trade in 2016 is little changed, at close to 42m t, underpinned by demand from Asian importers.

USDA & IGC Forecast the Same World Rice Production

In its January 2016 Rice Outlook report, USDA also forecasted 2015-16 global rice production (milled basis) at around 473 million tons, about 1.5% 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 Weekly Research Report
01 Feb-2016

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 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 11.15-11.45 hundred weights in coming sessions.

Price Projection (International-CBOT)

Duration	Trend	Price Range
01st Week of February,2016	**Steady to Firm**	USD/ Hundred Weight 11.15-11.45

Disclaimer