

Latest Market Development

Wholesale Prices for India as an average for first week of February traded firmed by 4.48% and are currently hovering at Rs.2890-2895/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 January-16 was 38.76 Lakh tons around 9.43% lower than export of 42.8 lakh tons during corresponding period of last year. Non- basmati rice exports in the month of January was 5.00 lakh tons and basmati exports in the month was 3.08 lakh tons.

The Indian government will likely soon strike a one million tons rice export deal worth Rs.3, 000 crore (around \$443 million) with Indonesia.

The Agricultural and Processed Food Products Export Development Authority (APEDA) has urged the Commerce Ministry to include packaged basmati rice in the Merchandise exports from India Scheme list to help boost the country's basmati rice exports.

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 and other state agencies has procured about 24.47 million tons of Rice which is up by 24% from last year as of February-01-2016. 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 01st Week of February-2016

State	Prices 01-08 Feb 2016	Prices 24-31 Jan 2016	Prices 01-08 Feb 2015	% Change(Over Previous Week)	% Change(Over Previous Year)
AP	4850.27	3178.51	3728.11	52.6	30.1
Assam	3175	3084.56	3300.46	2.93	-3.8
Bihar		3050		—	—
Gujarat	2777.41	2768.9	2648.5	0.31	4.87
Jharkhand	2538.52	2536.21	2525.69	0.09	0.51
Karnataka	4119.31	3592.67	3427.61	14.66	20.18
Kerala	3101.97	3151.91	3156.32	-1.58	-1.72
Maharashtra	3232.26	2957.3	3361.95	9.3	-3.86
Manipur	2633.92	2639.75	2834.89	-0.22	-7.09
Meghalaya	3330.34	3498.53	3473.32	-4.81	-4.12
Orissa	2213.37	2088.39	2251.35	5.98	-1.69
Telangana	2607.89	2911.51	3678.35	-10.43	-29.1
Tripura	2458.84	2479.95	2561.94	-0.85	-4.02
Uttar Pradesh	2107.53	2106.45	2047.66	0.05	2.92
Uttarakhand	2061.86	2051.68	1878.28	0.5	9.77
West Bengal	2193.4	2213.31	2345.3	-0.9	-6.48
Average	2893.46	2769.35	2838.73		

Source agmarknet

Price Projection for February 02nd Week in Domestic Market

Duration	Trend	Average Price Range	Reason
02 nd Week of February, 2016	Steady to Firm	Rs.2780-2890/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	06 Feb 2016)	29 Jan 2016)	Month Ago(06 Jan-2016)	% ch. From last week	% Change from last Month
1121 Steam	5050	5100	5200	-0.98	-2.88
1121 Sella	3950	4250	4300	-7.06	-8.14
1121 Raw	5400	5400	5100	0.00	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	06 Feb 2016)	29 Jan 2016)	Month Ago(06 Jan-2016)	% ch. From last week	% Change from last Month
White Rice 5%	370	365	365	1.37	1.37
White Rice 25%	335	335	335	0.00	0.00
Parboiled 5%	360	355	355	1.41	1.41

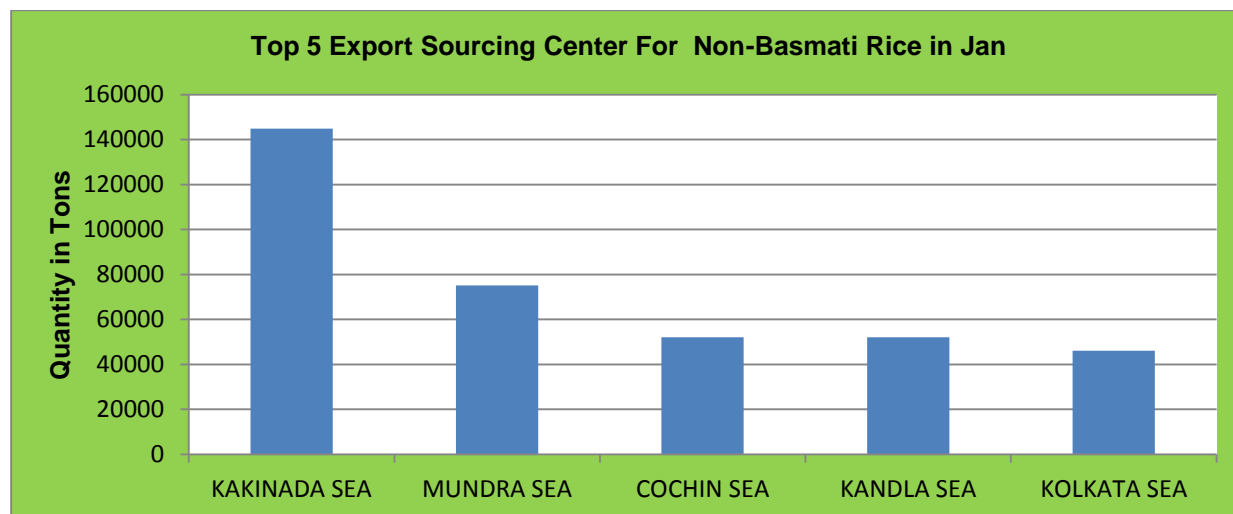
Major Importers of Basmati & Non Basmati Rice in the Month of Jan -2016

Non Basmati Rice Importers			Basmati Rice Importers		
Country	Quantity(Tons)	Average of FOB \$/Tonne	Country	Quantity(Tons)	Average of FOB \$/Tonne
U A E	72796.05	587.23	U A E	61391.08	714.03
GUINEA	52879.00	340.35	SAUDI	58301.14	832.98
IRAQ	42266.50	476.90	IRAN	51863.45	748.63
BENIN	41869.85	338.93	YEMEN	23644.25	768.97
IVORY COAST	40410.00	339.51	KOREA	17156.00	740.91
SENEGAL	36072.00	300.53	U S A	11015.00	829.78
DJIBOUTI	26961.47	338.81	U K	10358.42	795.20
S.AFRICA	19679.02	346.03	IRAQ	9451.39	730.86
TURKEY	16599.06	330.71	TURKEY	6128.81	594.21
TOGO	16473.00	346.28	OMAN	5802.23	872.42
Others	134489.49	514.82	Others	53318.22	821.82
Grand Total	500495.44	744.05	Grand Total	308429.99	820.31

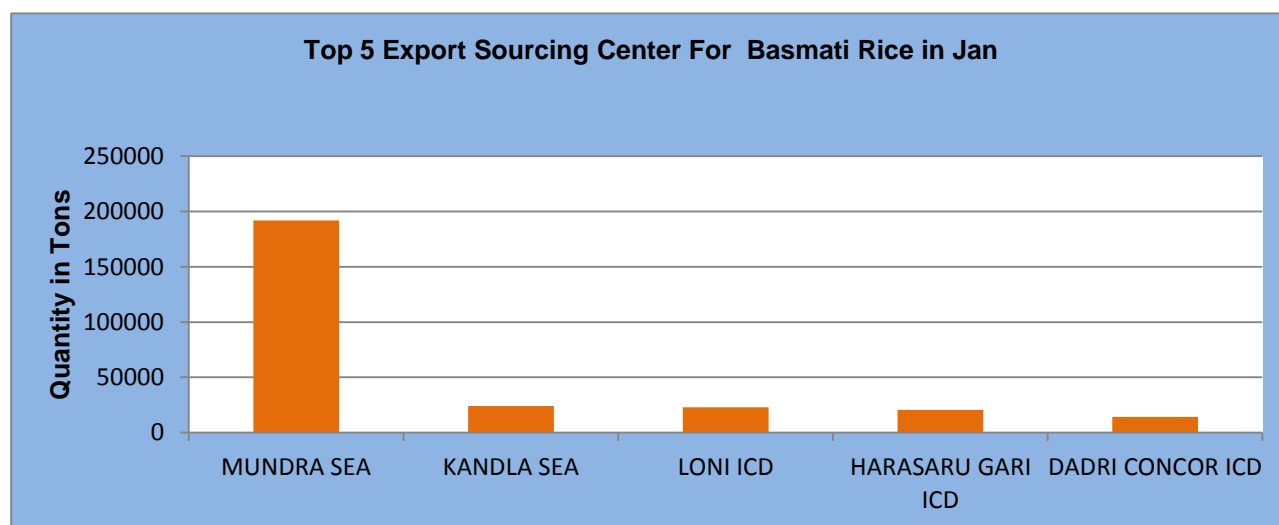
Total Rice exported from India in month of January was 8.08 lakh tons out of which basmati rice contribute 38.12%, and non-basmati rice is 61.87% in this period with quantity of around 308429.99 tons and 500495.44 tons respectively as per latest data extract from IBIS. Major importers of Indian Basmati rice in this period were

UAE, Saudi & Iran. 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 UAE, Guinea and Iraq. Monthly rice exports were down by around 45% from last month export of 14.71 lakh tons.

Major Non-Basmati Export Sourcing Center



Total non-basmati Rice export in the month of January was 500495.44 tonnes. Kakinada Sea, Mundra, and Cochin were the major ports for non-basmati rice export during this period.



Major Basmati Export Sourcing Center

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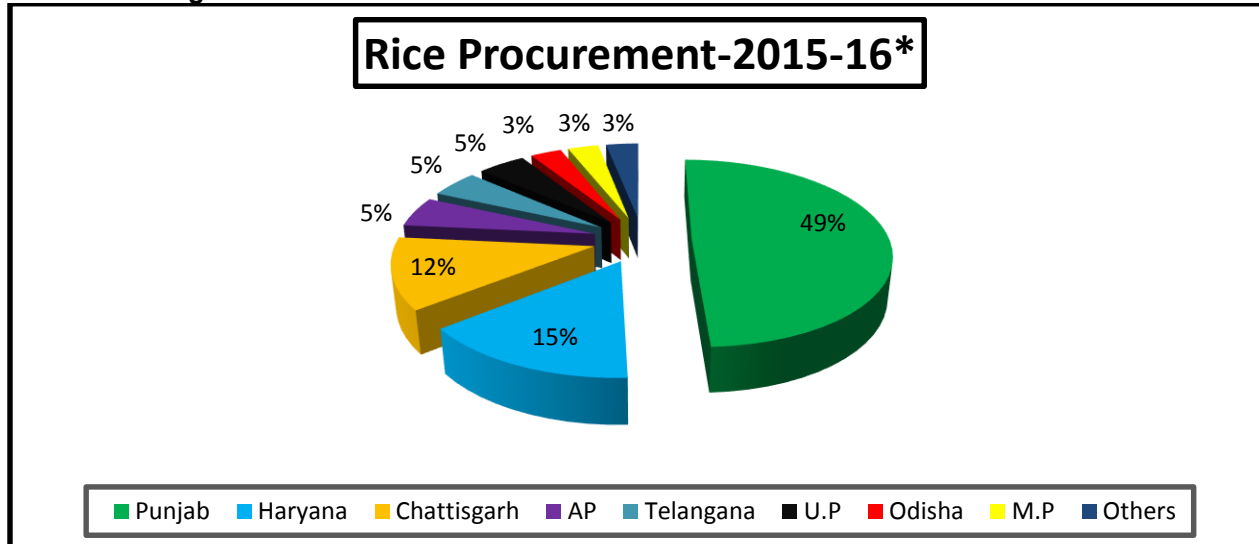
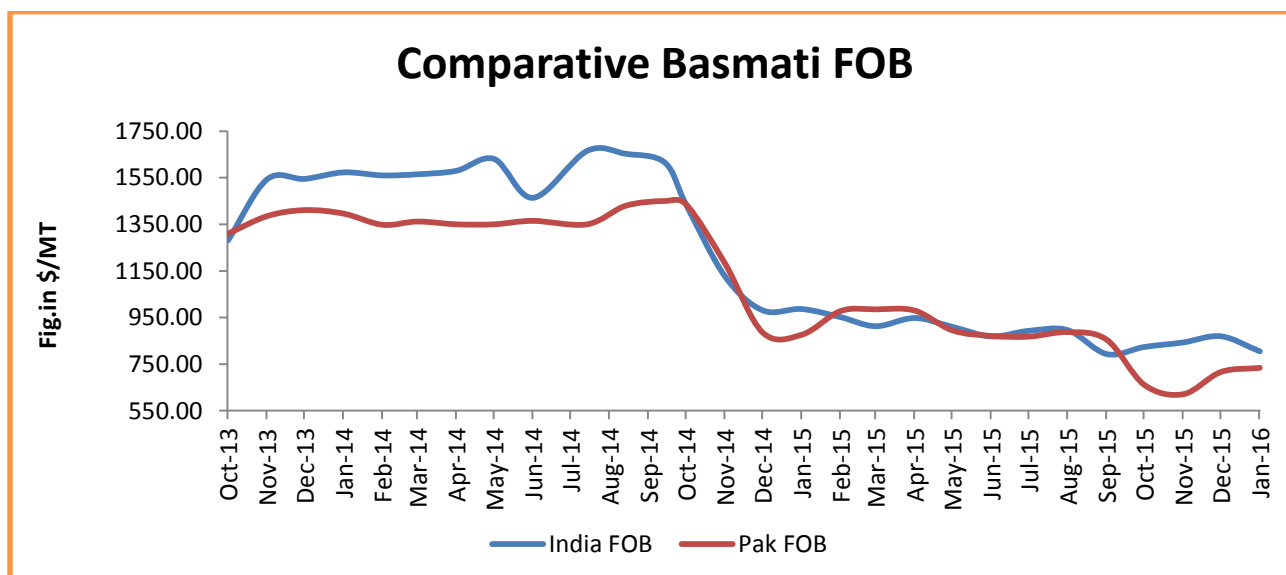
State wise Progressive Procurement


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 January moved down from last month and currently is in the range of USD 805-810/MT which is down by around 7.43% from last month price. Average basmati rice price declined due to slackened demand from retailers against adequate supply push the price in southward direction. Pakistani

basmati price has increased from USD 716/MT to 734\$/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 2.47% from last month FOB of USD 716/MT.

Global Updates

The Thailand government plans to sell 570,000 tons of rice from its stockpiles on February 16 and 17. Thailand has signed four agreements to sell about 300,000 tons of rice worth 4.3 million baht (about \$121 million) to Iran in 2016.

During the period January 1 – January 28, Vietnam exported about 314,706 million tons of rice, an increase of about 43% from in January 2015 but about half as much as exported in December. The average export price so far in January stands at about \$404.5 per ton, down about 10% from a year ago and down about 1% from a month ago. In 2015, Vietnam exported about 6.62 million tons of rice, an increase of about 5% from 2014. Asia accounted for about 78% of Vietnam's total 2015 rice exports.

The government of Bangladesh plans to sell about 1.5 million tons of rice and wheat at reduced prices through open market sales program as the harvest time for 201516 Boro rice crop (JanuaryMay) nears. The USDA Post forecasts Bangladesh's MY 201516 (MayApril) milled rice production at about 34.6 million tons, up slightly from last year's numbers and unchanged from USDA's official estimates.

The Agriculture Secretary of the Philippines estimates 2016 paddy rice production will fall below the 2015 level of about 18.15 million tons due to the prevailing drought conditions. The USDA Post forecasts Turkey's MY 201516 (September/August) to be around 330,000 tons, up about 4% from in MY 201415 and unchanged from the USDA's official estimates.

The USDA Post forecasts South Korea's MY 201516 (November/October) imports to be around 470,000 tons, up slightly from last year's imports but unchanged from the USDA's official estimates.

The USDA Post estimates South Africa's MY 201516 rice consumption to increase about 10% y/y to around 970,000 tons, due to drought reflected record corn and wheat prices. This could be good opportunity for India to export more rice to South Africa in 2015-16.

Source: Oryza

IGC Rice Balance Sheet
(Fig. In Million Tonnes)

	2012-13	2013-14	2014-15 Estimate	Forecast 29.10.15 2015-16	Forecast 21.01.2016 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 Price Trend @ CBOT Mar- 16, Rough Rice)
(Prices in US\$/hundredweight)**

Market Analysis

The CBOT March month rough chart for rice indicates range bound movement in previous couple of day session; overall market too is in range bound 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
02 nd Week of February,2016	Steady	USD/ Hundred Weight 11.00-11.45

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