Rice Weekly Research Report

Contents

Outlook and Review:

Domestic Front

Wholesale Prices for India as an average for first week of April traded firm by 0.30% and are currently hovering at Rs.2900-2910/*quintal and about 3.5% up from corresponding period last year price of Rs.2805/Quintal. Agriwatch expects non-basmati rice market to move range bound with some firm tone in coming week.*

Wholesale basmati rice prices in the national capital traded slightly firm this week too due to improved demand. *Prices currently hover in the range of Rs.4100-4250 for 1121 sella and Rs.5200-5350 for steam. Overall basmati rice is expected to trade range bound in coming weeks.*

India 5% broken rice is quoted at about $375 per ton, *up about USD 5/T from a week and a month ago and down about $5 per ton from a year ago.*

Total rice exports for MY-2016-16 till February-16 was 45.85 Lakh tons *around 16.95% lower than 55.21 lakh tons exported during corresponding period of last year. Non- basmati rice exports in the month of February was 4.43 lakh tons and basmati exports in the month was 2.66 lakh tons.*

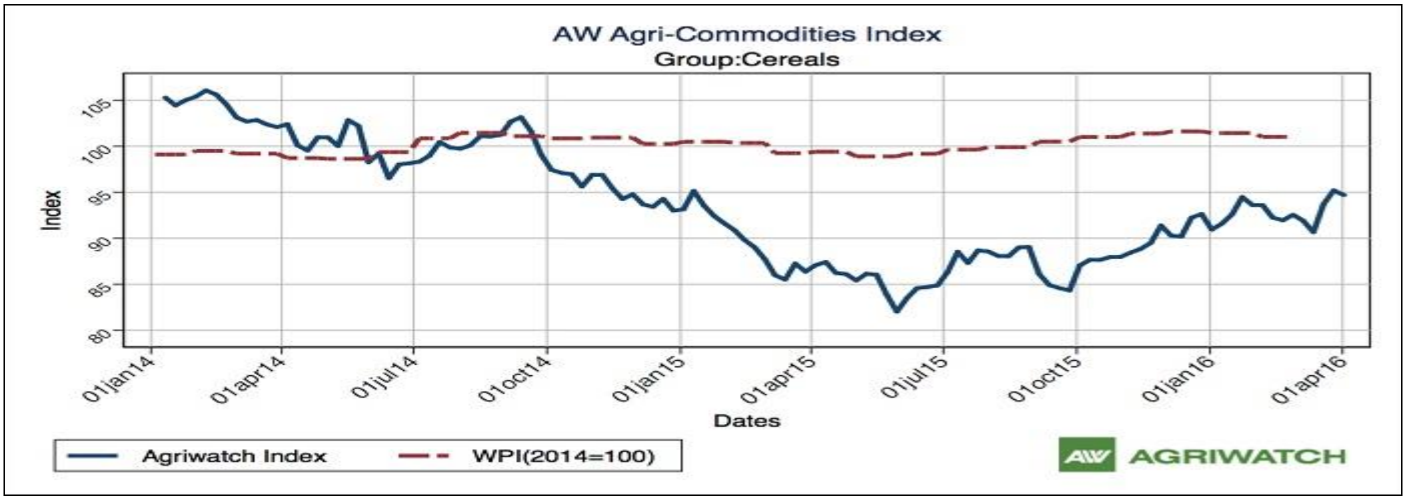
Total rice exports in the third week of March were 213245.58 tons in which aromatic and non basmati rice contribution *was 29.45% and 70.54% respectively with quantity of around 150434 tons and 62811 tons as per latest data extract from IBIS.*

Paddy procurement by The Food Corporation of India (FCI) and other government agencies in the 2015-16 Kharif marketing season *(KMS) has reportedly reached around 29.23 million tons as on March 18, 2016, up by 19.79% from around 24.40 million tons during the corresponding period last year. The government is targeting to procure about 30 million tons in KMS 201516.*

India's rice stocks in the central pool as on March 1, 2016 stood at around 34.06 million tons up by about 19.92% from *around 28.4 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 17.69% from around 28.94 million tons recorded on February 1, 2016. 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.*

In the pre-monsoon season, weekly Rainfall for the country as a whole during the week 10th March, 2016 to 16th March, *2016 was 75% higher than Long Period Average (LPA). Rainfall (% departure from LPA) in the four broad geographical divisions of the country during the above period was lower by 27% in East & North East India, 35% in South Peninsula and higher by 150% in North West India, 84% in Central India.*

Agriwatch Cereals Commodity Indices - Apr 3, 2016



The weekly Agriwatch Agri Commodities Index for cereals (Wheat, Rice & Maize) was declines to -0.53%.

State wise Wholesale Prices weekly for 01st Week of April-2016

State	Prices 01-08 Apr 2016	Prices 24-31 Mar 2016	Prices 01-08 Apr 2015	% Change(Over Previous Week)	% Change(Over Previous Year)
Andhra Pradesh	3771	4397.11	3713.9	-14.24	1.54
Assam	3354.93	3206.67	3170.99	4.62	5.8
Gujarat	3606.61	3618.08	4199.98	-0.32	-14.13
Jharkhand	2576.72	2488.08	2547.42	3.56	1.15
Karnataka	3411.34	3415.42	3315.07	-0.12	2.9
Kerala	2965.33	2971.36	3274.97	-0.2	-9.45
Maharashtra	3009.21	2939.32	2116.2	2.38	42.2
Manipur	2884.92	2891.6	2842.63	-0.23	1.49
Meghalaya	4166.67	3468.33	3449.92	20.13	20.78
Orissa	2121.66	2346.37	2158.17	-9.58	-1.69
Tripura	2559.35	2494.24	2657.54	2.61	-3.69
Uttar Pradesh	2134.83	2111.65	2024.02	1.1	5.47
Uttrakhand	1905	2011.58	1885.34	-5.3	1.04
West Bengal	2234.39	2219.7	2229.95	0.66	0.2
Average	**2907.28**	**2898.53**	**2805.38**		

Source agmarknet

Price Projection for April 02nd Week in Domestic Market

Duration	Trend	Average Price Range	Reason
02nd Week of April, 2016	Steady to Firm	Rs.2900-2950/Q	Non basmati rice market likely to move in northward direction in coming weeks due to diminishing stock and normal demand from domestic as well foreign buyers.

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	02 Apr 2016)	26 Mar 2016)	Month Ago(2 Mar-2016)	% ch. From last week	% Change from last Month
1121 Steam	5300	5100	4950	3.92	7.07
1121 Sella	4200	4050	4200	3.70	0.00
1121 Raw	5300	5200	5100	1.92	3.92

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

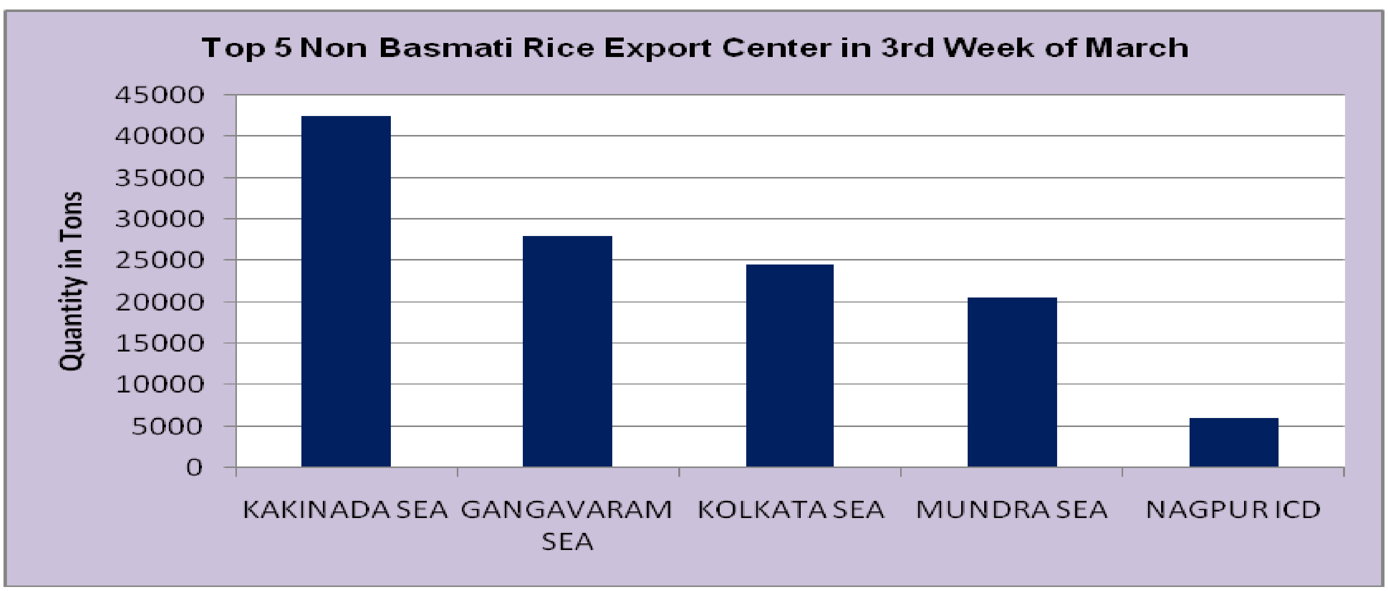
Indian White Rice 5%, 25% High Quality, Long grain parboiled 5%					
Variety	02 Apr 2016)	26 Mar 2016)	Month Ago(2 Mar-2016)	% ch. From last week	% Change from last Month
White Rice 5%	380	370	375	2.70	1.33
White Rice 25%	345	345	340	0.00	1.47
Parboiled 5%	365	360	365	1.39	0.00

Major Importers of Basmati & Non Basmati Rice in the 03rd Week of March (14-20 Mar-2016)

Non Basmati Rice Importers			Basmati Rice Importers		
Country	Quantity(Tons)	Average of FOB $/Tonne	Country	Quantity(Tons)	Average of FOB $/Tonne
IVORY COAST	22434.71	342.35	SAUDI	21213.56	766.70
GUINEA	22182.00	354.92	U A E	8702.30	911.45
SENEGAL	17285.00	272.42	U K	4087.46	763.93
BENIN	11654.53	330.79	IRAQ	4009.89	625.78
CAMBODIA	9000.00	325.95	IRAN	3407.49	630.86
S.AFRICA	8929.00	311.65	U S A	3326.03	683.28
U A E	7523.77	511.97	YEMEN	2195.02	727.05
NEPAL	5395.89	284.22	AUSTRALIA	1241.29	620.91
SAUDI	4373.73	500.49	OMAN	1235.52	947.12
MADAGASCAR	3426.00	272.55	KUWAIT	1224.07	673.26
Others	38229.90	591.86	Others	12168.44	812.35
Grand Total	**150434.52**	**450.56**	**Grand Total**	**62811.06**	**788.28**

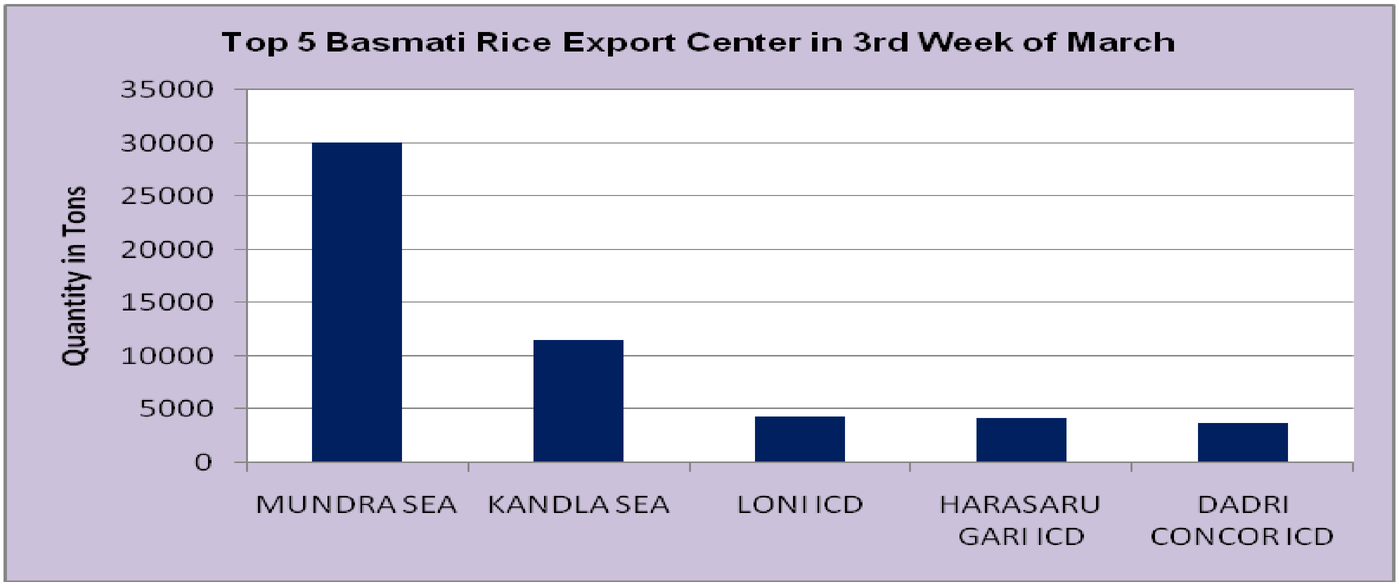
Total rice exports in the third week of March were 213245.58 tons in which aromatic and non basmati rice contribution was 29.45% and 70.54% respectively with quantity of around 150434 tons and 62811 tons as per latest data extract from IBIS. Major importers of Indian Basmati rice in this period were Saudi Arabia, UAE and U.K. 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 Ivory Coast, Guinea, and Senegal. Kakinada port, Kolkata port and Mundra were the major export destination and more than 70% non basmati rice exported from these ports in this period. Rice exports were up by around 32% from last week export of 161882.54 tons.

Major Non-Basmati Export Sourcing Center



Total non-basmati Rice export in the third week of March was 150434.52 tons. Kakinada Sea, Gangavaram Sea, and Kolkata Sea were the major ports for non-basmati rice export during this period.

Major Basmati Export Sourcing Center

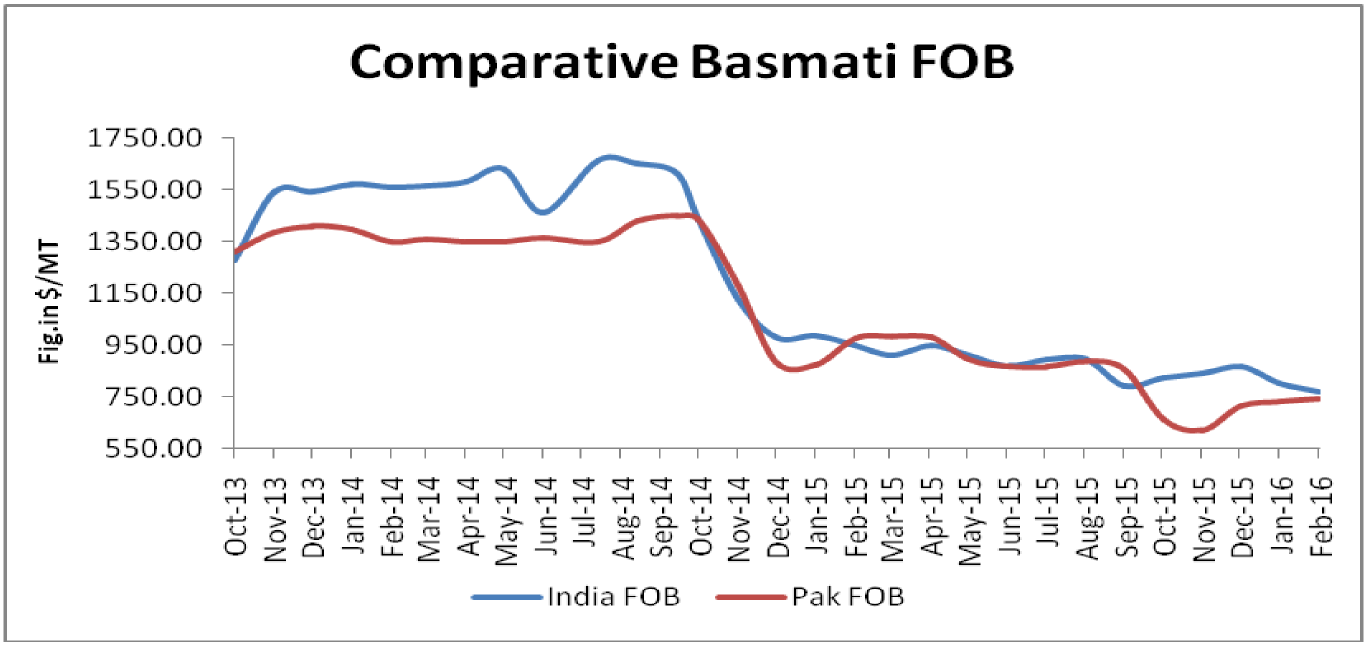


Total Basmati Rice export in the third week of March was 62811.05 tons with an average FOB of USD 788/MT. Mundra Sea, Kandla, and Loni ICD were the major ports for basmati rice export during this period.

State wise Progressive Procurement

Government's rice procurement has increased by around 22% to 29.05 million tons in the 2015-16 marketing year so far despite prospects of lower production due to poor monsoon. The Centre has kept rice procurement target of 30 million tons for the current marketing year, which started in October-2015. These agencies had procured 23.84 million tons a year-ago, while the total purchases had reached 32.04 million tons. At present, procurement has been completed in Punjab and Haryana which is up by 20% and 41% respectively with quantity of 93.50 lakh tons and 28.61 lakh tons, while the operations are in full swing in Uttar Pradesh, Chhattisgarh, Andhra Pradesh and Telangana. As per the Government's latest data, rice procurement in Uttar Pradesh has risen to 5.97 lakh tons so far this year as against 4.29 lakh tons a year-ago. Procurement in Chhattisgarh increased to 39.72 lakh tons from 33.54 lakh tons, while that of Andhra Pradesh has increased to 27.87 lakh tons from 15.99 lakh tons in 2014. Rice purchase in Telangana was lagging behind at 10.16 lakh tons so far this year as against 15.53 lakh tons in the corresponding period of the 2014-15 marketing year. Procurement in Odisha reached to 22.01 lakh tons in 2015-16 against last year procurement of 20.03 lakh tons where as West Bengal is too lagging behind by 23% and currently procured 8.07 lakh tons against 10.58 lakh tons as of 10 March 2016.

FOB Quotes Aromatic Rice (1121 Steam)



Source-FAO& Agriwatch

Indian FOB for 1121 steam in the month of February moved down from last month and currently is in the range of USD 770-775/MT which is down by around 4% from last month price. Average basmati rice price declined due to slackened demand from retailers and exporters against adequate supply push the price in southward direction. Pakistani basmati price has increased from USD 734/MT to 745$/MT, according to the UN's Food and Agriculture Organization (FAO). Currently Pakistani basmati FOB is hovering in the range of USD 745/MT which is up by 0.11% from last month FOB of USD 734/MT, This is due to increased sales to African countries.

Global Updates

Unofficial preliminary rice exports (excluding premium white and fragrant rice) for March 14-20, 2016 totaled 58,825 metric tons, *down 8,762 metric tons from the previous week, and down 10,450 metric tons from the four-week moving average of 69,275 metric tons. Rice exports from January 1 – March 20, 2016 totaled 923,287 metric tons, up 18 percent from the previous week.*

According to the latest export data issued by the European Union (EU) for the crop year 201516 (September 1, 2015 August 31, *2016), the EU exported about 123,197 tons of rice during the period September 1, 2015 March 15, 2016, down about 17% from around 149,137 tons exported during the same period last year. Italy remained the largest exporter in September 1, 2015 March 15, 2016 period with around 65,453 tons followed by Spain (17,190 tons), Greece (14,552 tons), and Portugal (7,966 tons). Other EU countries imported 18,036 tons.*

According to the latest data issued by the European Union (EU), rice imports by the EU nations increased sharply since the beginning *of the crop year 201516 (September 1, 2015 August 31, 2016). The EU imported about 679,233 tons of rice during the period September 1, 2015 March 15, 2016, up about 17% from around 578,157 tons imported during the same period last year. The UK remained the largest importer in September 1, 2015 March 15, 2016 period with around 154,204 tons followed by France (115,527 tons), The Netherlands (81,201 tons), Germany (53,264 tons), Poland (50,416 tons), and Italy (49,224 tons). Other EU countries imported 175,397 tons.*

The Mexico rice production estimate for MY 2015/16 (October-September) has been revised upward from USDA/Official *estimate to 223,000 MT (rough production) due to more complete data from SAGARPA, which reflects higher-than-previously expected planted area. The increased rough production is equivalent to 153,000 MT of milled rice. However, this new production estimate is still approximately 15 percent lower than that estimated a year earlier. The reduction in planted area and production in MY 2015/16, compared with a year earlier, was mainly due to adverse weather conditions and the lack of planting of different rice varieties than the usual "Philippine Miracle" variety traditionally planted in Mexico. Reportedly, this variety of rice cannot compete well on cost with rice imported from the U.S. or Asian countries.*

Unofficial preliminary rice exports (excluding premium white and fragrant rice) for March 21-27, 2016 totaled 62,072 metric tons, *up 3,247 metric tons from the previous week, but down 9,806 metric tons from the four-week moving average of 71,877 metric tons. Rice exports from January 1 – March 27, 2016 totaled 985,396 metric tons, up 16 percent from the previous week.*

In the 2016/17 MY, South Africa's rice imports are expected to increase by 10 percent to 1.1 million tons on increased demand*. USDA forecast a ten percent increase in South Africa's rice consumption in the 2016/17 MY to 970,000 million tons, due to drought reflected record corn prices. Consumers can substitute rice, wheat and corn products on price and taste preferences.*

Source: Oryza

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

Attributes (Fig in Million Tons)	2012-13	2013-14	2014-15 Estimate	Forecast 21.01.16	Forecast 25.02.16
				2015-16	
Production	473	478	479	473	474
Trade	38	43	43	42	42
Consumption	469	479	483	486	486
Carryover stocks	114	112	109	95	96
Y-O-Y change	3	-2	-4	-	-12
Major Exporters	40	38	31	21	21

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

IGC Rice Balance sheet Highlights

The International Grains Council's forecast for world rice output is fractionally higher than previous, but still down by 1% y/y as dryness results in reduced crops in Asia. Together with higher carry-in stocks, and with total use unchanged from before, projected global end-season carryovers are lifted slightly, to 96.3m t. Nevertheless, this still equates to a y/y drop of 11% and is almost entirely linked to heavy inventory depletion in Thailand and India. Traded volumes are set to be sustained at a historically high level as Asian buyers look to ensure ample domestic supplies.

USDA & IGC Forecast the Same World Rice Production

In its February 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.However FAO in its March 2016 grain report forecasts 2015/16 global rice production at around 491.4 million tons, slightly down from an estimated 494.7 million tons in 201415, and slightly down from its last month's forecast of around 491.8 million tons. The FAO attributes the fall to lower production prospects in India, Iran, Bangladesh and Afghanistan.

Global Trade of Rice Unchanged from Last Month

The IGC forecasts 2015-16 global rice trade at around 42 million tons, slightly down (1 million T) from the previous year's 43 million tons and unchanged from its previous estimate of around 42 million tons.

Rice Price Trend @ CBOT May- 16, Rough Rice)
(Prices in US$/hundredweight)

Market Analysis

The CBOT May month rough chart for rice indicates range bound with weak bias in previous couple of day session; overall market too is in weak range from last week. We expect market to hover in the range USD 9.45-10.20 hundred weights in coming sessions.

Price Projection (International-CBOT)

Duration	Trend	Price Range
02nd Week of April,2016	**Weak**	USD/ Hundred Weight 9.45-10.20

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