



Rice Weekly Research Report

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Outlook and Review:
Domestic Front

Wholesale Prices for India as an average for first week of April traded firm by 0.30%. Prices are currently hovering at Rs.2900-2910/quintal and about 3.5% up from price of Rs.2805/Quintal during corresponding period last year. 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, unchanged from a week ago, up USD 5/MT from month ago and down about \$5 per ton from a year ago.

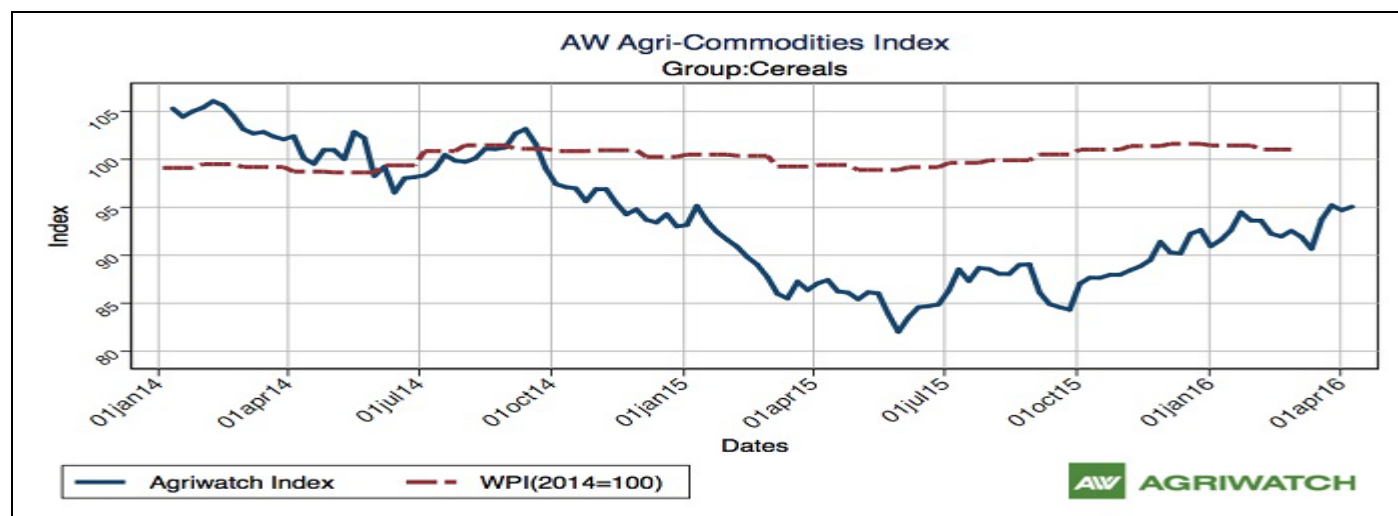
Total Rice exported from India in the month of March was 8.40 lakh tons out of which basmati rice contributes 33.43%, and non-basmati rice is 66.56% in this month with quantity of around 2.81 lakh tons and 5.59 lakh tons respectively as per latest data extract from IBIS.

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 30.23 million tons as of April-01, 2016, up by around 20% from around 25.19 million tons during the corresponding period last year. The government is targeting to procure about 30 million tons in KMS 2015-16 which was exceeding as of now.

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 24th March, 2016 to 30th March, 2016 was 38% lower 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 19% in East & North East India, 44% in North West India, 60% in Central India and 73% in South Peninsula.

Agriwatch Cereals Commodity Indices - Apr 11, 2016


The weekly Agriwatch Agri Commodities Index for cereals (Wheat, Rice & Maize) was firm by +0.38%.

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
Uttarakhand	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
02 nd 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	08 Apr 2016)	02 Apr 2016)	Month Ago(8 Mar-2016)	% ch. From last week	% Change from last Month
1121 Steam	5400	5300	4950	1.89	9.09
1121 Sella	4300	4200	4200	2.38	2.38
1121 Raw	5400	5300	5100	1.89	5.88

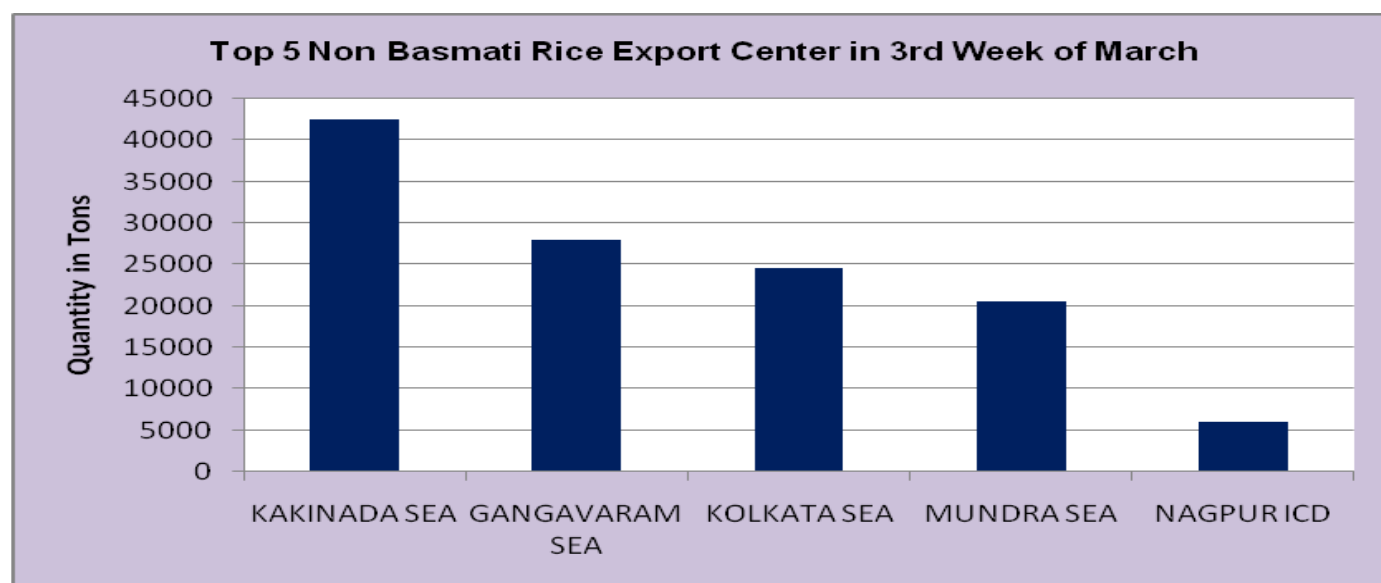
Weekly Price (FOB) Change of Rice 5% broken high quality (Figure in USD/ MT):

Indian White Rice 5%, 25% High Quality, Long grain parboiled 5%					
Variety	08 Apr 2016)	02 Apr 2016)	Month Ago(8 Mar-2016)	% ch. From last week	% Change from last Month
White Rice 5%	380	380	375	0.00	1.33
White Rice 25%	345	345	340	0.00	1.47
Parboiled 5%	355	365	365	-2.74	-2.74

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

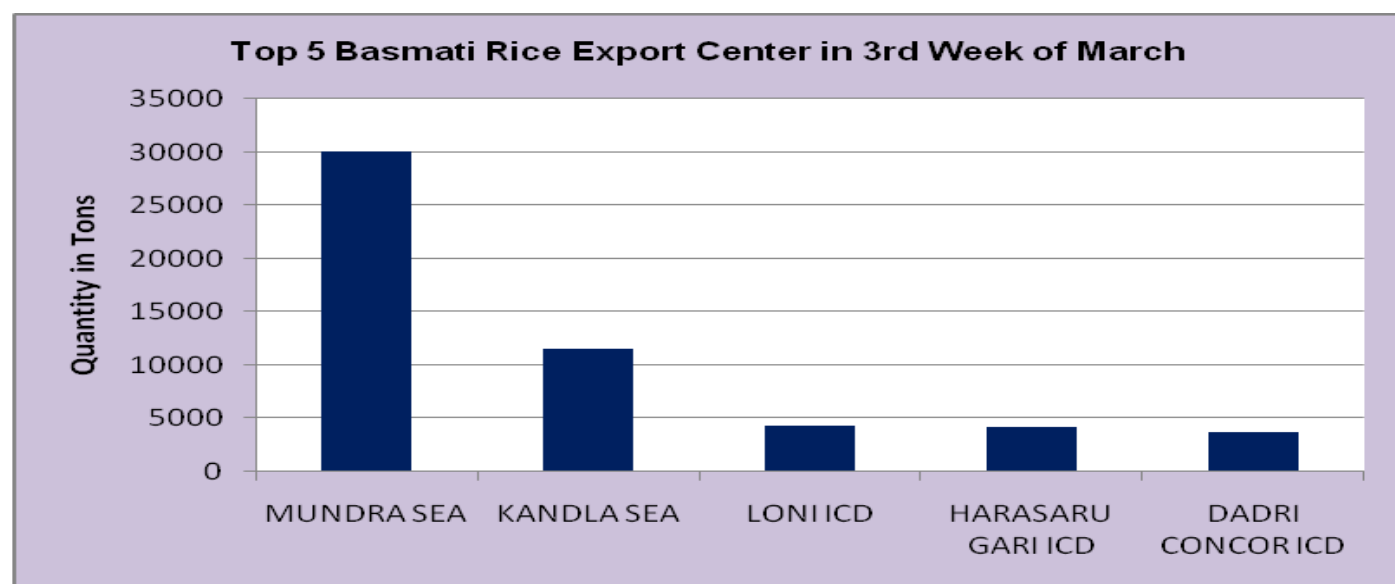
Non Basmati Rice Importers			Basmati Rice Importers		
Country	Quantity(Tons)	Average of FOB \$/Tonne	Country	Quantity(Tons)	Average of FOB \$/Tonne
IVORY COAST	22434.71	342.35	SAUDI	21213.56	766.70
GUINEA	22182.00	354.92	U A E	8702.30	911.45
SENEGAL	17285.00	272.42	U K	4087.46	763.93
BENIN	11654.53	330.79	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

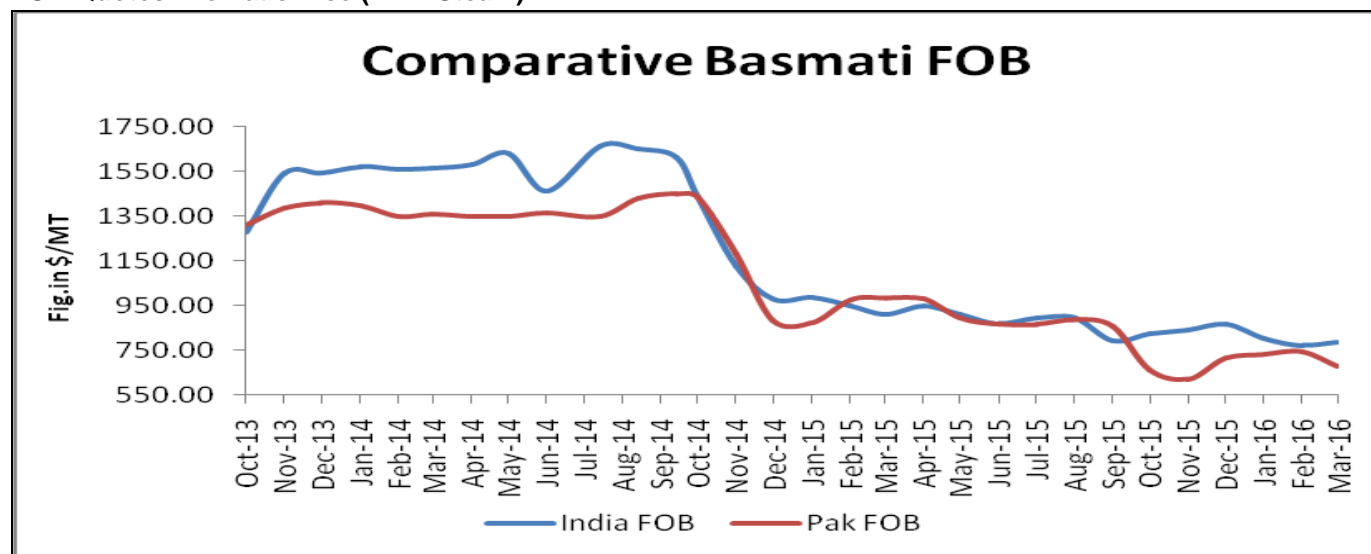


Total Basmati Rice export in the third week of March was 62811.05 tons with an average FOB of USD 788/MT. Mundra Sea, Kandla, and Loni ICD were the major ports for basmati rice export during this period.

State wise Progressive Procurement

State/UTs (in Lakh T)	Total procurement in marketing season 2014-15 (Oct. – Sept.)	Progressive Procurement as on 01.04.2016	
		In Marketing season 2015- 2016	In Marketing season 2014- 2015
AP	35.96	29.18	17.45
Telangana	35.04	10.16	15.86
Chhattisgarh	34.23	34.42	33.54
Haryana	20.15	28.61	20.15
Kerala	3.74	2.46	2.28
M.P	8.07	8.49	8.07
Maharashtra	1.99	1.56	1.32
Odessa	33.57	25.09	22.49
Punjab	77.86	93.5	77.86
Tamilnadu	10.51	8.94	8.03
U.P	16.98	29.10	15.42
Uttrakhand	4.65	5.97	4.29
West Bengal	20.32	10.57	12.46
Others	17.33	14.27	12.77
Total	320.4	302.32	251.99

FOB Quotes Aromatic Rice (1121 Steam)



Source-FAO& Agriwatch

Indian FOB for 1121 steam in the month of March moved up from last month and currently is in the range of USD 780-790/MT which is up by around 2% from last month price. Average basmati rice price increased due to increase buying interest for stockpiling which push the price in northward direction. Pakistani basmati price has decreased from USD 745/MT to 680\$/MT, according to the UN's Food and Agriculture Organization (FAO). Currently Pakistani basmati FOB is hovering in the range of USD 680-681/MT which is down by 8.5% from last month FOB of USD 745/MT.

Global Updates

MY 2016/17 Pakistan rice production is forecast at 6.9 million tons, 2.9 percent above the current year's updated production. Area is expected to increase two percent from the revised official 2015/16 area, mainly because some cotton farmers are likely to shift to rice due to the losses they incurred during the last crop. MY 2015/16 production is also adjusted downwards to 6.7 million tons, in accordance with Government of Pakistan figures. Production and yields during the last three years have been good with little fluctuation. This is due in part to the deposit of a nutrient rich top layer of soil as a result of successive floods in recent years.

Pakistan's rice exports are off to a good start during current marketing year and Pakistan has so far exported 1.72 million metric tons as compared to 1.35 million metric tons during the same period a year ago. MY 2015/16 rice exports are projected at 4.2 million metric tons up five percent from the last year's revised figure of 4.0 million metric tons. Though Pakistan's rice exports are increasing gradually, much of the increase is in non-Basmati varieties as India continues to offer stiff competition in Basmati exports.

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 Thailand 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)	2013-14	2014-15 Estimate	2015-16 Forecast 25.02.16	Forecast 01.04.16	Projection (2016-17) 01.04.16
Production	478	479	474	473	485
Trade	43	42	42	42	42
Consumption	479	483	486	485	489
Carryover stocks	112	109	96	97	93
Y-O-Y change	-2	-3	-	-12	-4
Major Exporters	38	31	21	21	19

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

IGC Rice Balance sheet Highlights

The International Grains Council's forecast that Owing to a smaller outturn and rising consumption, world rice stocks in 2015/16 are expected to be down sharply, mostly on reductions in the main exporters, namely India and Thailand. Production is seen recovering to a fresh peak in 2016/17 on potentially bigger crops in Asia but, given a further expansion of food use, aggregate inventories are expected to post a further modest y/y contraction. While prospects for trade in 2017 (Jan/Dec) are tentative, volumes should stay high on demand from buyers in Africa and Asia.

IGC Forecast the World Rice Production Up in 2016-17

In its April 2016 Grain Market Report (GMR), the International Grains Council (IGC) forecasts 2016-17 global rice production at around 485 million tons, up about 2.5% from an estimated 473 million tons in 2015-16 on improved Asian production. The IGC slightly lowered its estimates for 2015-16 rice production by 1 million tons.

Global Trade of Rice Unchanged from Last Month

The IGC forecasts 2016-17 global rice trades at around 42 million tons, unchanged from its estimates for 2015-16. It expects world rice trade in 2017 to increase on high demand from buyers in Africa and Asia.

Global Consumption of Rice Increases in 2016-17

The IGC forecasts 2016-17 global rice consumption to increase about 1% to around 489 million tons from an estimated 485 million tons in 2015-16.

Global Ending Stock of Rice Decline Sharply 2016-17

The IGC forecasts global rice ending stocks at around 93 million tons in 2016/17, down about 4% from an estimated 97 million tons in 2015/16 due to higher food use in most of the countries. The IGC expects global rice stocks in 2015/16 to decline sharply from around 109 million tons in 2014/15 due to a smaller outturn and rising consumption, mostly on reductions in the main exporters, namely India and Thailand.

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

Market Analysis

The CBOT May month rough chart for rice indicates recovery in previous couple of day session; overall market too is in range bound to slightly firm tone. We expect market to hover in the range USD 9.80-10.20 hundred weights in coming sessions.

Price Projection (International-CBOT)

Duration	Trend	Price Range
02 nd Week of April,2016	Steady to Slightly Firm	USD/ Hundred Weight 9.80-10.20

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