



Rice Weekly Research Report

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Outlook and Review:
Domestic Front

Wholesale Prices for India as an average for first week of May traded firmed by 0.15% from last week. Prices are currently hovering at Rs.2958-2960/quintal and about 6.5% up from price of Rs.2844/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 too firmed from last week due to local demand from retailers against limited supplies from producing regions.

After the impressive gain in food grain production over recent years in eastern India, procurement has also started picking up, particularly in Assam, Jharkhand, West Bengal and eastern Uttar Pradesh. As of end-April, 6.56 million tones of paddy was procured from Assam, Jharkhand, Bihar, West Bengal and east UP in the 2015-16 season that started in October. This is 61 per cent more than that in the same period last year. The rise has come with involvement of the private sector for rice procurement on behalf of Food Corporation of India (FCI), on an experimental basis.

All major rice producing states, except the drought affected Telangana, have registered higher procurement this year, with the northern states of Punjab and Haryana registering record procurement levels. Additional procurement is likely to continue in the southern and eastern states, but is likely to be lower than normal due to the expected lower harvest of rabi rice due to irrigation water stress. Consequently, total procurement is likely to be around 33 MMT, slightly higher than last year.

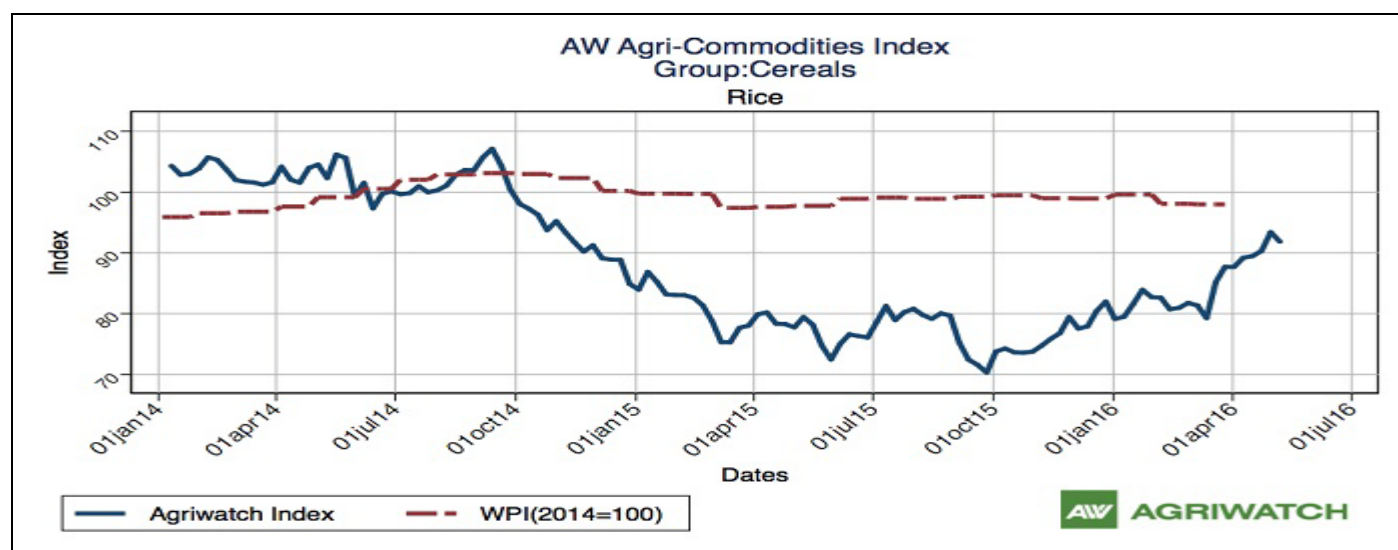
All-India progressive procurement of Rice as on 29.04.2016 for the marketing season 2015-16 was 317.70 lakh tonnes against the procurement of 269.93 lakh tonnes upto the corresponding period of last year.

Total rice exports for MY-2015-16 till Apr-16 were 62.2 Lakh tons, around 15% lesser than last year's export of 73.34 lakh tons for the corresponding period (Oct-Apr). Non- basmati rice exports in MY 2015-16 which started from October 2015 to April was 38.84 lakh tons and basmati exports in these month were 23.36 lakh tons.

Commission for Agricultural Costs and Prices recommended an increase in minimum support price (MSP) of paddy by Rs 60 to Rs 1,470 per quintal for common grade for coming Kharif season (2016-17), which is up by around 4.26% from last year price of Rs.1410/Quintal, likely CACP has proposed an increase in Grade A variety from Rs.1450/quintal in MY-2015-16 to Rs.1510/quintal in 2016-17 which is approx 4% up from last year.

On April 12, 2016, the Indian Meteorological Department (IMD) published its first long-range rainfall forecast for the upcoming 2016 southwestern monsoon (June to September). The second forecast is expected in June. As per the IMD forecast, the monsoon season rainfall is likely to be 106 percent of the long-period average.

In the pre-monsoon season, weekly Rainfall for the country as a whole during the week 21st April, 2016 to 27th April, 2016 was 19% lower than Long Period Average (LPA). Rainfall (% departure from LPA) in the four broad geographical divisions of the country during the above period was higher by 38% in East & North East India and lower by 89% in South Peninsula, 78% in Central India, 61% in North West India.

Agriwatch Cereals Commodity Indices – May-08, 2016


The Agriwatch Agri Commodities Index fell 1.36% to 110.10 during the week ended May 7, 2016 from 111.62 the previous week. This was the Index's first decline in eight weeks during which it soared to 111.62 from 100.12 during the week ended March 12. The base for the Index and all sub-Indices is 2014 (= 100). Seven of the nine sub-Indices fell during the week, led by Edible Oils and Cereals. The sub-Index values and their weekly changes are as follows: Edible Oils Index: 110.81 (-3.21%), Cereals Index: 97.57 (-1.03%), Pulses Index: 180.34 (-1.46%), Oilseeds Index: 111.83 (-0.82%), Spices Index: 131.46 (-1.25%), Sweeteners Index: 114.50 (-0.90%), Other Non-food Articles Index: 90.35 (-4.56%), Vegetables Index: 72.30 (+4.08%) and Fibres Index: 94.95 (+0.20%).

"Agriwatch has recently launched its AW Agri Commodity Indices to enable organizations access independent Indices to track and use to benchmark their purchases and sales. The Indices are based on the daily prices in the key benchmark markets for each commodity that AW has been covering for the past decade. The indices include an Aggregate Index, Category Indices and individual commodity indices. The weekly indices are free to access on our website www.agriwatch.com. The daily indices are available on subscription. Please contact for more details."

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

State	Prices 01-08 May 2016	Prices 24-30 Apr 2016	Prices 01-08 May 2015	% Change(Over Previous Week)	% Change(Over Previous Year)
Andhra Pradesh	5267	5539.18	2654.98	-4.91	98.38
Assam	3072.74	3019.43	2828.87	1.77	8.62
Gujarat	2801.17	3551.43	4018.39	-21.13	-30.29
Jharkhand	2405.55	2359.47	2493.12	1.95	-3.51
Karnataka	3322.79	3274.64	3437.77	1.47	-3.34
Kerala	2951.84	2966.29	3084.89	-0.49	-4.31
Maharashtra	3601.07	3713.25	3201.15	-3.02	12.49
Manipur	2900	2883.08	2858.47	0.59	1.45
Meghalaya	3036.23	3436.97	3471.77	-11.66	-12.55
Orissa	2382.37	2135.38	2381.03	11.57	0.06
Tripura	2529.93	2515.19	2638.45	0.59	-4.11
Uttar Pradesh	2142.44	2144.51	2046.04	-0.1	4.71

Uttarakhand	2822.32	2527.38	1897.52	-18.62	11.67
West Bengal	2181.72	2240.12	2250.96	-2.61	-3.08
Average	2958.36	2953.75			

Source agmarknet

Price Projection for May 02nd Week in Domestic Market

Duration	Trend	Average Price Range	Reason
02 nd Week of May, 2016	Steady to Firm	Rs.2950-3050/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	07-May 2016)	30 Apr 2016)	Month Ago(07-May-2016)	% ch. From last week	% Change from last Month
1121 Steam	5700	5600	5400	1.79	5.56
1121 Sella	4700	4600	4200	2.17	11.90
1121 Raw	5800	5700	5400	1.75	7.41

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

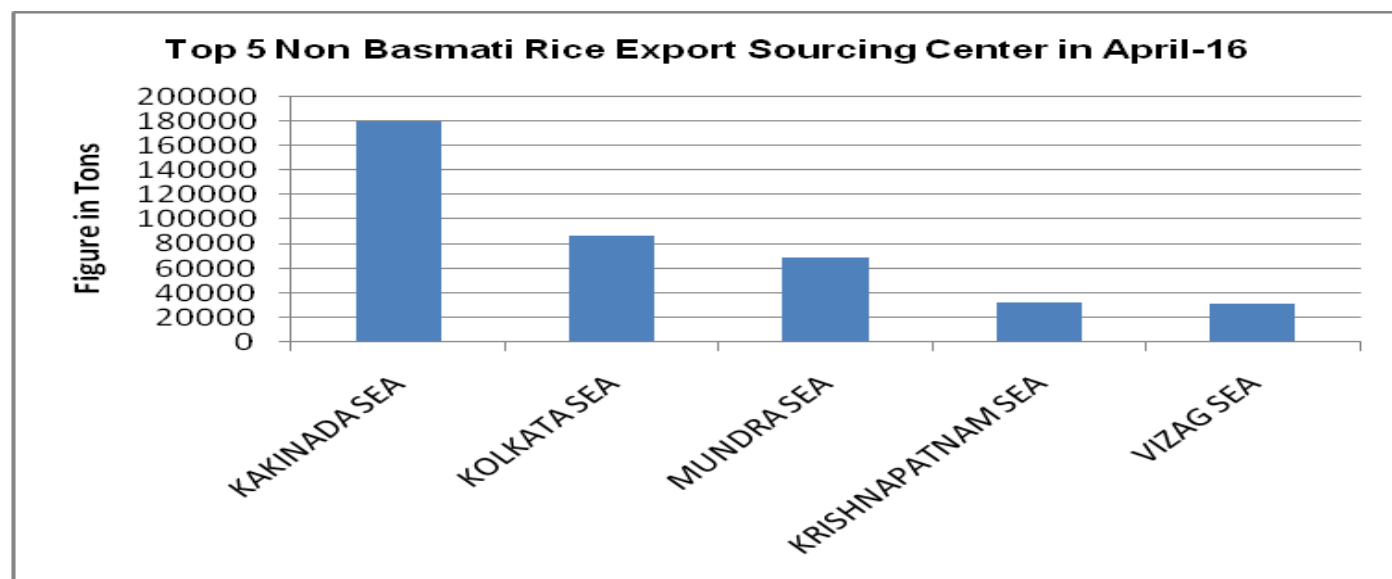
Indian White Rice 5%, 25% High Quality, Long grain parboiled 5%					
Variety	07-May 2016)	30 Apr 2016)	Month Ago(07-May-2016)	% ch. From last week	% Change from last Month
White Rice 5%	375	375	380	0.00	-1.32
White Rice 25%	345	345	345	0.00	0.00
Parboiled 5%	355	355	355	0.00	0.00

Major Importers of Basmati & Non Basmati Rice April-2016

Non-Basmati Rice			Basmati Rice		
Country	Quantity(Tons)	Average of FOB \$/Ton	Country	Quantity(Tons)	Average of FOB \$/Ton
BENIN	82906.60	338.05	SAUDI	73813.49	779.39
SENEGAL	80476.00	285.23	U A E	46419.10	761.35
GUINEA	66320.00	329.15	IRAN	44325.42	696.13
LIBERIA	31749.73	345.34	KOREA	19013.00	902.63
IVORY COAST	21155.00	307.05	IRAQ	17535.89	624.86
U A E	20282.94	621.30	YEMEN	9564.32	722.96
S.AFRICA	18142.36	304.04	U S A	6867.87	689.55
BERBERA	17746.00	338.72	OMAN	6227.55	705.11
NEPAL	15687.04	410.62	BAHRAIN	4476.69	829.97
SAUDI	11907.10	452.96	CANADA	4297.52	762.81
Others	145338.49	448.08	Others	51929.03	811.73
Grand Total	511711.26	461.60	Grand Total	284469.87	766.78

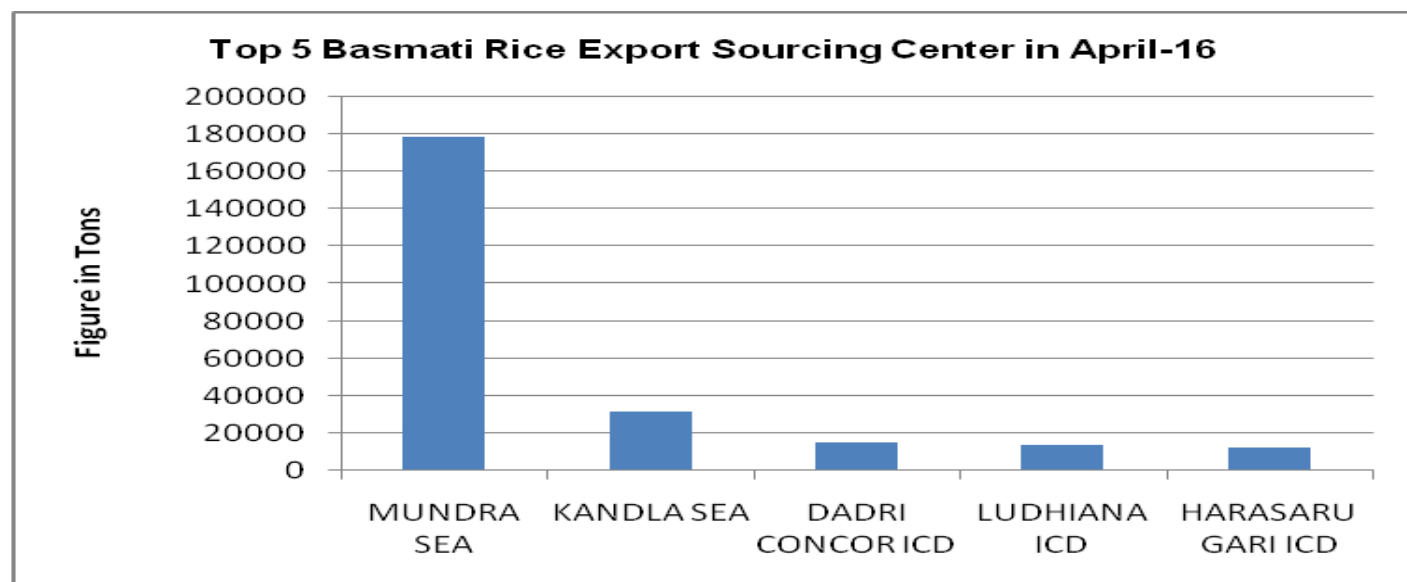
Total Rice exported from India in the month of April was 7.96 lakh tons out of which basmati rice contribute 35.73%, and non-basmati rice is 64.28% in this month with quantity of around 2.84 lakh tons and 5.11 lakh tons respectively as per latest data extract from IBIS. Major importers of Indian Basmati 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 Kakinada Port in coming months. Major non basmati importers were Benin, Senegal and Guinea. Rice exports in this month were 5.23% lower than the export of 8.4 lakh tons during last month. Rice export in MY-2015-16 starts from Oct-2015 till April-2016 was down by 15% from corresponding period last year export of 73 lakh tons (Oct-2014-April-2015).

Major Non-Basmati Export Sourcing Center



Total non-basmati Rice export in the month of April -16 was 511711 tons. Kakinada Sea, Kolkata Sea, and Mundra Sea were the major ports for non-basmati rice export during this period.

Major Basmati Export Sourcing Center



Total basmati Rice export in the month of April-16 was 284469 tons. Mundra Sea, Kandla Sea and Dadri ICD, were the major port for basmati rice export center during this period. These three ports cover almost 80% of total export in this period.

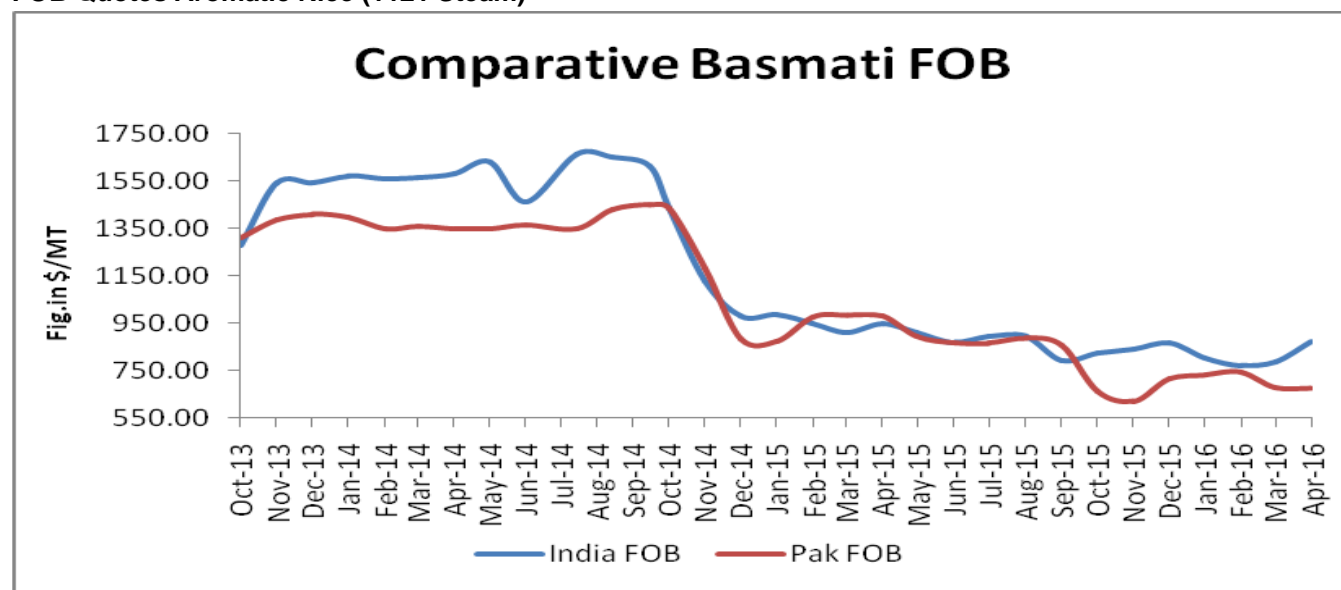
State wise Progressive Procurement

State/UTs (in Lakh T)	Total procurement in marketing season 2014-15 (Oct. – Sept.)	Progressive Procurement as on 22.04.2016	
		In Marketing season 2015- 2016	In Marketing season 2014- 2015
AP	35.96	32.80	18.99
Telangana	35.04	10.86	16.65
Chhattisgarh	34.23	34.42	33.55
Haryana	20.15	28.61	20.15
Kerala	3.74	3.26	2.99
M.P	8.07	8.49	8.07
Maharashtra	1.99	1.60	1.37
Odessa	33.57	26.77	26.53
Punjab	77.86	93.5	77.86
Tamilnadu	10.51	9.59	8.59
U.P	16.98	29.10	15.42
Uttarakhand	4.65	5.97	4.29
West Bengal	20.32	12.76	13.20
Others	17.33	0.53	4.4
Total	320.4	312.53	264.83

Government's rice procurement has increased around 18% to 30.41 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 and has also exceeded the target as of now. These agencies had procured 26.48 million tons a year-ago, while the total purchases had reached 32 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 Uttarakhand 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 34.42 lakh tons from 33.55 lakh tons, while that of Andhra Pradesh has increased to 32.80 lakh tons from 18.99 lakh tons in 2014. Rice purchase in Telangana was lagging behind at 10.86 lakh tons so far this year as against 16.65 lakh tons in the corresponding period of the 2014-15 marketing year. Telangana rice production is also likely to down by 35% from last year production of 4.54 million tons.

FOB Quotes Aromatic Rice (1121 Steam)



Source-FAO& Agriwatch

Indian FOB for 1121 steam in the month of April moved up from last month and currently is in the range of USD 87875/MT which is up by around 11% 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 681/MT to 679\$/MT, according to the UN's Food and Agriculture Organization (FAO). Currently Pakistani basmati FOB is hovering in the range of USD 675-679/MT which is down by 0.33% from last month FOB of USD 681.3/MT.

Global Updates

The Thailand Ministry of Commerce is preparing to organize a new round auction for 1.2 million tons of rice in the government's warehouses. Rice traders can submit their document for the auction on 17 May and tender bids on 19 May.

Unofficial preliminary Thailand rice exports (excluding premium white and fragrant rice) for April 25 – May 1, 2016 totaled 52,203 metric tons, up 331 metric tons from the previous week, and up 6,662 metric tons from the four-week moving average of 45,541 metric tons (Table 2). Rice exports from January 1 – May 1, 2016 totaled 1,249,619 metric tons, up 5 percent from last year.

Thailand exported around 2.85 million tons of rice in the first quarter of 2016, up about 34% from around 2.13 million tons exported during the same period of last year. The TREA noted that Thailand remained the top rice exporter the first three months of 2016, while India stood second with 2.3 million tons Vietnam stood third with 1.55 million tons. Thailand's National Rice Policy Committee has approved the government's decision to sell 11.4 million tons of stockpiled rice through a series of auctions starting next week. The government hopes to generate income of at least 100 billion baht (about \$2.86 billion) from the sales.

Domestic and export Thailand prices continued to increase around 1 to 2 percent due to tight domestic supplies. However, some exporters left their quotations unchanged as they expect the government to issue a new tender by the end of this month or early May. The Committee on Rice Policy and Management (CRPM) announced on April 25, 2016 that the Ministry of Commerce will speed up the sales of government rice stocks during May and June 2016.

During the period January 1 – April 21, Vietnam exported about 1.571 million tons of rice, an increase of about 1.23% from in the first four months of last year. The average rice export price so far this year stands at around \$410 per ton (FOB), down about 4% from the same time last year.

Burma Rice production is estimated to decrease to 12.2 million metric tons (MMT) in Marketing Year (MY) 2015/16 due primarily to flooding. Production is expected to recover to 12.5 MMT in MY 2016/17 due to anticipated favorable weather conditions. Myanmar's rice exports are forecast to decline to 1.5 MMT in 2016 as a result of lower rice production in 2015/16.

IGC Rice Balance Sheet
(Fig. In Million Tonnes)

Attributes (Fig in Million Tons)	2013-14	2014-15 Estimate	2015-16 Forecast 25.02.16	Projection (2016-17) 01.04.16	Forecast 28.04.16
Production	478	479	474	485	485
Trade	43	42	42	42	42
Consumption	479	483	486	489	489
Carryover stocks	112	109	96	93	94
Y-O-Y change	-2	-3	-	-	-4
Major Exporters	38	31	21	19	19

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

IGC Rice Balance sheet Highlights

Forecasts for rice supply and demand in 2015/16 are little changed from before, with global inventories expected to fall by 11% on steep declines in key exporters. Centered on a recovery in Asia, including in India, the 2016/17 world rice outturn is projected at an all-time peak of 485m t, up by 3% y/y. However, due to smaller carry-ins and continued growth in food use, stocks are anticipated to tighten to an eight-year low of 94m t. Global rice stocks are expected to tighten sharply in 2015/16, almost entirely due to depletion in the main exporters, namely Thailand and India. The outlook for 2016/17 is tentative but, assuming a broadly favorable weather, especially in Asia, the world outturn could recover to a new peak of 485m t. Nevertheless, given an anticipated rise in food consumption, which accounts for the bulk of total uptake, carryovers are, expected to retreat again, to 94m t, the lowest since 2008/09. Trade in calendar 2017 depends on crop outcomes and availabilities in Asian and African markets, but is expected to stay close to 42m t.

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 last 15-20 days; overall market too is in firm tone. We expect market to hover in the range of USD 11.20-11.50 hundred weights in coming sessions.

Price Projection (International-CBOT)

Duration	Trend	Price Range
02nd Week of May, 2016	Slightly Firm	USD/ Hundred Weight 11.20-11.50

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