
Rice Weekly Research Report

Contents

- ❖ Outlook and Review
- ❖ Weekly Price Change
- ❖ Weekly Rice Export
- ❖ Progressive Procurement
- ❖ FOB-1121 Steam
- ❖ International Rice Market Summary
- ❖ IGC Balance Sheet
- ❖ CBOT Trend

Outlook and Review:
Domestic Front

Wholesale Prices for India as an average for third week of May traded firmed by 1.85% from last week. Prices are currently hovering at Rs.2780-2785/quintal and about 1.95% down from price of Rs.2729/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 firmed from last week due to strong demand from retailers and 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.

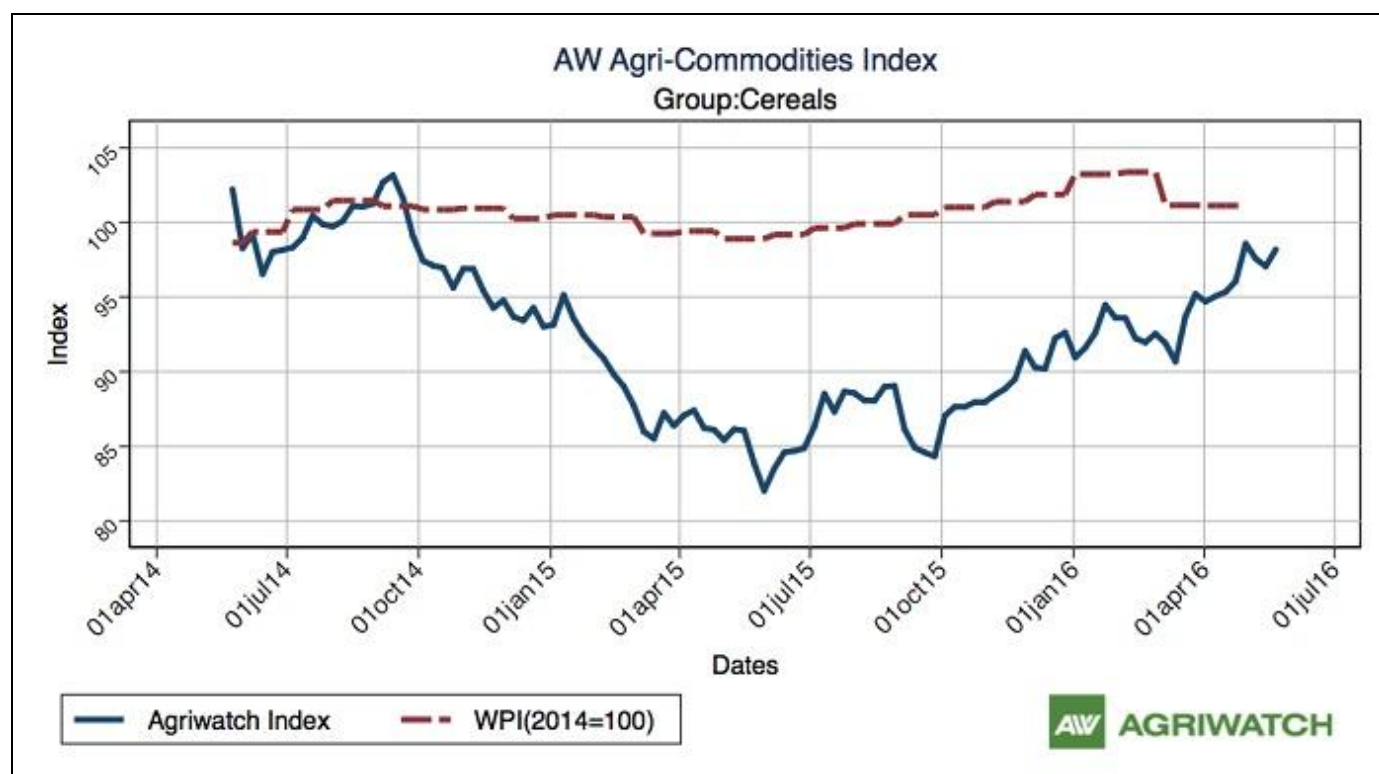
India's food grains production increased marginally to 252.23 million tonnes in the 2015-16 crop years, as per the third advance estimates, despite setback due to deficient rainfall and shortage of water in reservoirs. As per the 3rd advance estimates for 2015-16 total food grains production in the country has been higher than that in the last year. Total food grains production during 2015-16, estimated at 252.23 million tonnes, has been higher by 0.21 million tonnes over the production of 252.02 million tonnes during 2014-15. Rice production during 2015-16 is estimated at 103.36 million tonnes, which is lower by 2.12 million tonnes than its production of 105.48 million tonnes during 2014-15.

All-India progressive procurement of Wheat as on 13.05.2016 for the marketing season 2016-17 was 224.82 lakh tonnes against the procurement of 245.09 lakh tonnes upto the corresponding period of last year.

Total Rice exported from India in the second week of May (09-15 May) was 178007.19 tons out of which basmati rice contribute 41.36%, and non-basmati rice is 58.63% in this period with quantity of around 73628.68 tons and 104378.51 tons respectively as per latest data extract from IBIS.

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 05th May, 2016 to 11th May, 2016 was 3% 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 48% in East & North East India and higher by 74% in Central India, 62% in South Peninsula and 25% in North West India.

Agriwatch Cereals Commodity Indices – May-22, 2016


The Agriwatch Agri Commodities Index gained 0.47% to 110.99 during the week ended May 21, 2016 from 110.46 during the previous week. The base for the Index and all sub-Indices is 2014 (= 100). Four of the nine commodity group sub-Indices that constitute the Index gained during the week. The index values of the weekly gainers and their weekly changes are as follows: Cereals Index: 98.19 (+1.16%), Pulses Index: 187.67 (+2.70%), Edible Oils Index: 112.83 (+0.34%) and Sweeteners (Sugar, Gur & Khandsari) Index: 115.66 (+0.67%). The declining Indices were the Vegetables Index: 70.40 (-3.05%), Spices Index: 117.54 (-3.49%), Fibres Index: 97.21 (-0.49%), Oilseeds Index: 112.84 (-0.78%) and Other Non-food Articles Index: 84.82 (-3.73%).

"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."

Source agmarknet

State wise Wholesale Prices weekly for 03rd Week of May-2016

State	Prices 16-23 May 2016	Prices 09-15 May 2016	Prices 16-23 May 2015	% Change(Over Previous Week)	% Change(Over Previous Year)
Andhra Pradesh	3783.2	3092.17	2401.97	22.35	57.5
Assam	3083.91	3102.38	3048.05	-0.6	1.18
Gujarat	2848.43	2813.81	2731.13	1.23	4.29
Jharkhand	2409.88	2503.28	2523.66	-3.73	-4.51
Karnataka	3343.79	3273.47	3346.62	2.15	-0.08

Kerala	2980.76	2988.66	3097.09	-0.26	-3.76
Maharashtra	3770.92	3117.07	3219.49	20.98	17.13
Manipur	3020.33	2924.44	3169.97	3.28	-4.72
Meghalaya	3048.98	3484.13	3450	-12.49	-11.62
Delhi	2000	2000	2000	0	0
Orissa	2383.24	2602.33	2622.46	-8.42	-9.12
Tripura	2575.41	2534.09	2733.35	1.63	-5.78
Uttar Pradesh	2162.73	2197.75	2041.93	-1.59	5.92
Uttrakhand	2019.18	2065.78	1920.87	-2.26	5.12
West Bengal	2314.15	2286.86	2638.33	1.19	-12.29
Average	2782.99	2732.41	2729.66		

Price Projection for May 04th Week in Domestic Market

Duration	Trend	Average Price Range	Reason
04 th Week of May, 2016	Steady to Firm	Rs.2780-2900/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	20-May 2016)	14-May 2016)	Month Ago(20-Apr-2016)	% ch. From last week	% Change from last Month
1121 Steam	5800	5600	5700	3.57	1.75
1121 Sella	4800	4600	4550	4.35	5.49
1121 Raw	5800	5700	5700	1.75	1.75

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	20-May 2016)	14-May 2016)	Month Ago(20-Apr-2016)	% ch. From last week	% Change from last Month

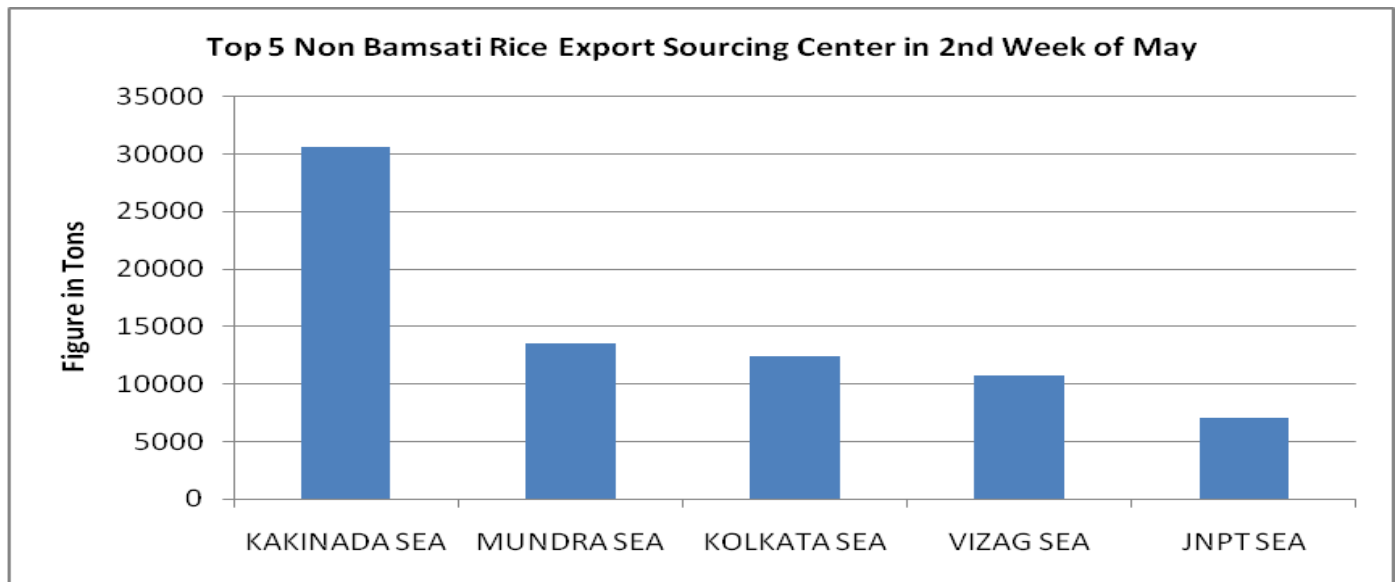
White Rice 5%	375	375	380	0.00	-1.32
White Rice 25%	345	345	340	0.00	1.47
Parboiled 5%	355	355	355	0.00	0.00

Major Importers of Basmati & Non Basmati Rice in second Week of May (09-15 May)-2016

Non-Basmati Rice			Basmati Rice		
Country	Quantity(Tons)	Average of FOB \$/Ton	Country	Quantity(Tons)	Average of FOB \$/Ton
BENIN	20297.73	344.99	KUWAIT	16381.10	883.48
GUINEA	19529.40	324.99	SAUDI	13733.65	775.63
SENEGAL	14810.00	293.67	IRAN	12481.64	735.75
U A E	4121.62	554.81	U A E	8151.48	805.65
SOMAALIA	3700.00	321.63	IRAQ	3914.81	666.14
IRAQ	2809.30	518.23	KOREA	2760.00	835.00
BERBERA	2730.00	346.09	YEMEN	1724.97	750.66
U S A	2638.36	726.60	U K	1398.13	639.00
SAUDI	2567.45	504.48	OMAN	1181.65	787.76
S.AFRICA	2524.91	323.01	AUSTRALIA	946.63	379.82
Others	28649.74	524.26	Others	10954.63	796.79
Grand Total	104378.51	502.75	Grand Total	73628.68	785.51

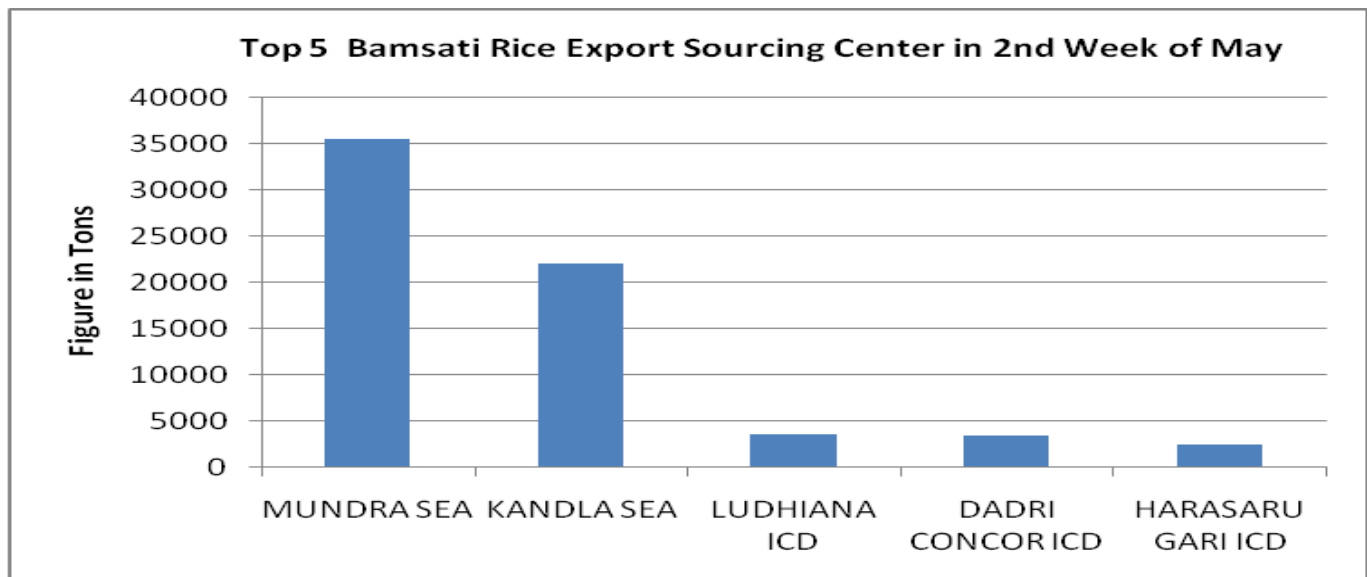
Total Rice exported from India in the second week of May (09-15 May) was 178007.19 tons out of which basmati rice contribute 41.36%, and non-basmati rice is 58.63% in this period with quantity of around 73628.68 tons and 104378.51 tons respectively as per latest data extract from IBIS. Major importers of Indian Basmati rice in this period were Kuwait, Saudi 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, Guinea and Senegal. Weekly rice export were up by 33.85% from last week total rice export of 132981.17 tons

Major Non-Basmati Export Sourcing Center



Total non-basmati Rice export in the second week of May was 104378.50 tons. Kakinada Sea, Mundra Sea, and Kolkata Sea were the major ports for non-basmati rice export during this period.

Major Basmati Export Sourcing Center



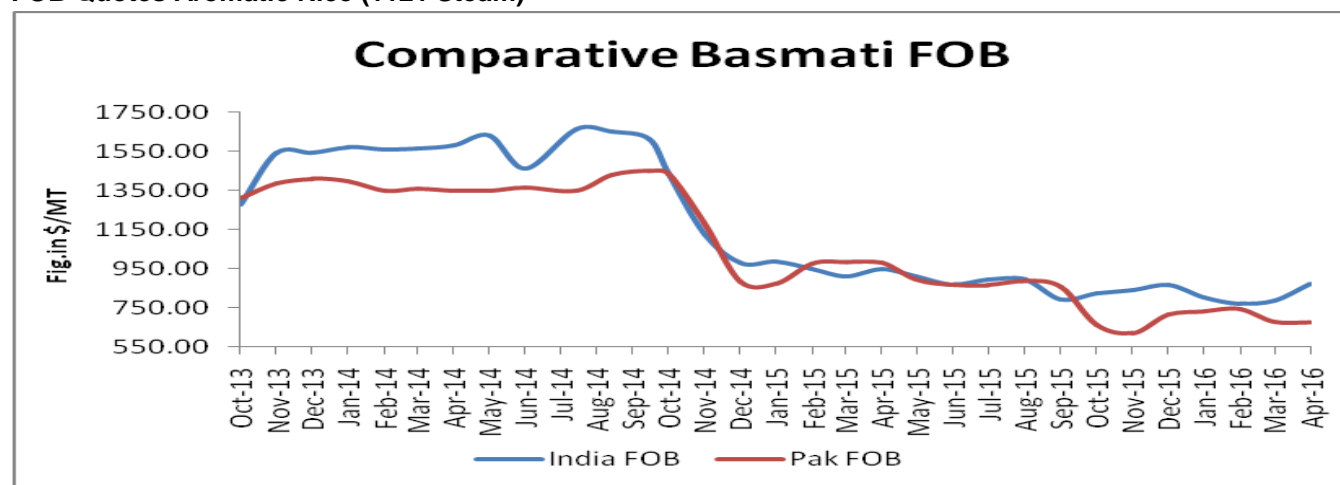
Total basmati Rice export in the second week of May was 73628.68 tons. Mundra Sea, Kandla Sea and Ludhiana ICD, were the major port for basmati rice export center during this period. These three ports cover more than 80% of total export in this period.

State wise Progressive Procurement

State/UTs (in Lakh T)	Total procurement in marketing season 2014-15 (Oct. – Sept.)	Progressive Procurement as on 13.05.2016	
		In Marketing season 2015- 2016	In Marketing season 2014- 2015
AP	35.96	39.67	28.14
Telangana	35.04	13.91	21.80
Bihar	16.14	12.25	16.14
Chhattisgarh	34.23	34.42	33.55
Haryana	20.15	28.61	20.15
Kerala	3.74	3.71	3.59
M.P	8.07	8.49	8.07
Maharashtra	1.99	1.61	1.38
Odessa	33.57	27.88	26.53
Punjab	77.86	93.5	77.86
Tamilnadu	10.51	10.33	10.51
U.P	16.98	29.10	16.40
Uttrakhand	4.65	5.97	4.61
West Bengal	20.32	14.07	13.95
Others	17.33	0.53	4.4
Total	320.4	326.59	283.76

Government's rice procurement has increased around 15.09% to 32.65 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 28.37 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 Uttrakhand has risen to 5.97 lakh tons so far this year as against 4.61 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 39.67 lakh tons from 28.14 lakh tons in 2014. Rice purchase in Telangana was lagging behind at 13.91 lakh tons so far this year as against 21.80 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)



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 rice exports (excluding premium white and fragrant rice) for May 9-15, 2016 totaled 55,224 metric tons, up 7,129 metric tons from the previous week and down 2,521 metric tons from the four-week moving average of 57,745 metric tons. Rice exports from January 1 – May 15, 2016 totaled 1,376,524 metric tons, up 2 percent from last year.

Export prices increased 2 to 3 percent as the planting of the new main-rice crop has been delayed and millers and traders speculated on domestic rice supplies. Exporters, however, expect that prices will be leveling off by next week as foreign buyers are not worried about the tight supplies. Foreign buyers reportedly stopped seeking large-volume shipments of new-crop white and parboiled rice as they are awaiting the result of the new public tender for 1.2 million metric tons of government stocks which will be issued on May 19, 2016. The tender will consist of 0.9 million metric ton of food-grade rice (mostly broken rice) and 0.3 million metric tons of industrial-grade rice for food/feed processing manufacturers.

Vietnam Export prices were unchanged over the week of April 30-May 6, 2016, compared to the previous week, the prices were high compared to those of other competitors. However, according to trader prices did not fall due to the anticipation of buying demand from the Philippines and Indonesia. And prices were firm at high levels possibly due to the support of the border trade demand from China.

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 July- 16, Rough Rice) (Prices in US\$/hundredweight)



Market Analysis

The CBOT July month rough chart for rice indicates firmness in last one month; overall market too is in firm tone. We expect market to hover in the range of USD 11.65-11.95 hundred weights in coming sessions.

Price Projection (International-CBOT)

Duration	Trend	Price Range
04 th Week of May,2016	Slightly Firm	USD/ Hundred Weight 11.65-11.95

Disclaimer

The information and opinions contained in the document have been compiled from sources believed to be reliable. The company does not warrant its accuracy, completeness and correctness. Use of data and information contained in this report is at your own risk. This document is not, and should not be construed as, an offer to sell or solicitation to buy any commodities. This document may not be reproduced, distributed or published, in whole or in part, by any recipient hereof for any purpose without prior permission from the Company. IASL and its affiliates and/or their officers, directors and employees may have positions in any commodities mentioned in this document (or in any related investment) and may from time to time add to or dispose of any such commodities (or investment). Please see the detailed disclaimer at <http://www.agriwatch.com/Disclaimer.asp> © 2016 Indian Agribusiness Systems Pvt Ltd.