



Rice Weekly Research Report

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**Outlook and Review:
Domestic Front**

Wholesale Prices for India as an average for fourth week of May traded weak by 2.4% from last week. Prices are currently hovering at Rs.2675-2680/quintal and about 6.69% down from price of Rs.2866/Quintal during corresponding period last year. Agriwatch expects non-basmati rice market to move range bound 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.

India's rice stocks in the central pool as on May 1, 2016 stood at around 21.32 million tons down by about 14.75% from around 25.01 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 down about 3.79% from around 22.16 million tons recorded on April 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.

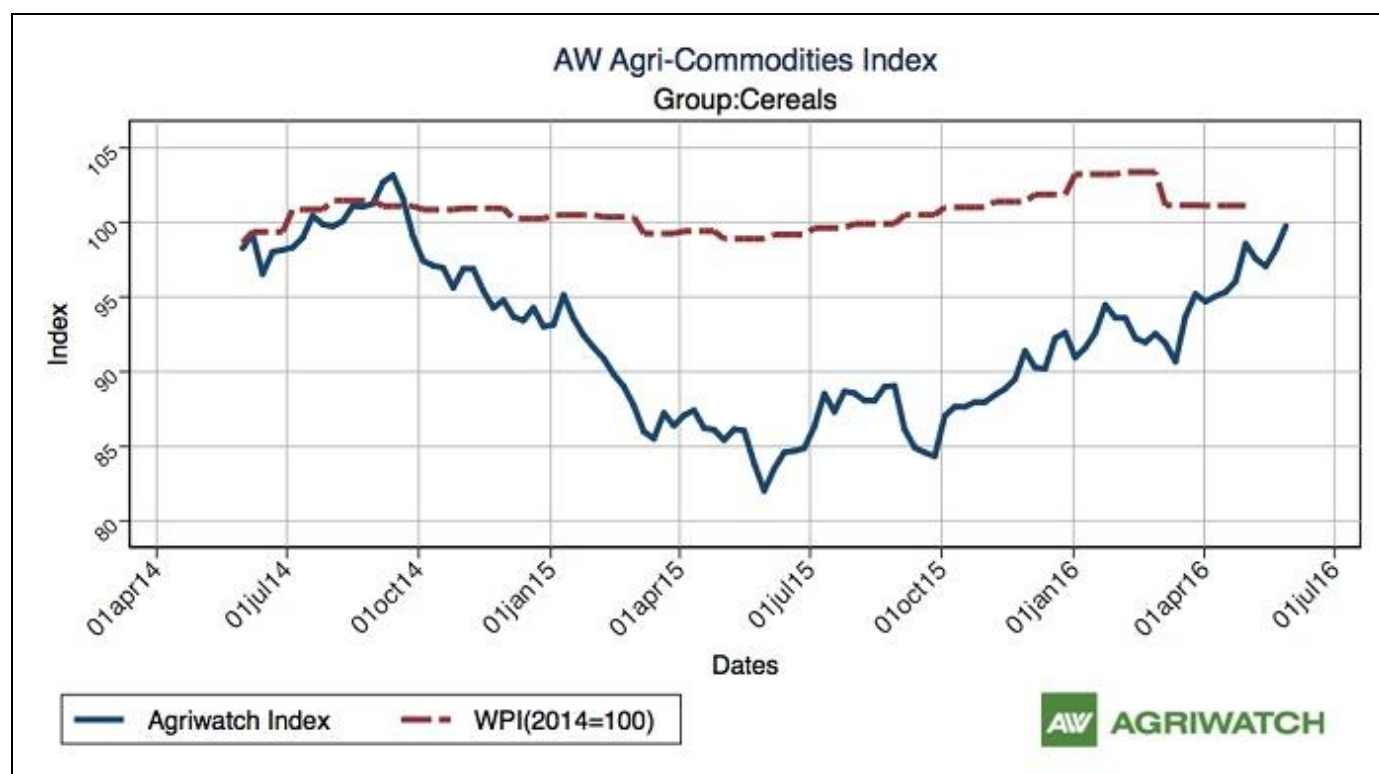
All-India progressive procurement of Rice as on 20.05.2016 for the marketing season 2015-16 was 328.63 lakh tonnes against the procurement of 289.64 lakh tonnes up to the corresponding period of last year

Total Rice exported from India in the third week of May (16-22 May) was 179132.98 tons out of which basmati rice contribute 53.44%, and non-basmati rice is 46.55% in this period with quantity of around 95737.18 tons and 83395.81 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.

Among the foodgrains, the inflation for Cereals has increased to 2.6% from the previous month's level of 2.5% and Pulses 36.4% from the previous month's level of 34.4%. The inflation for Rice has decreased to 0.5% from the previous month's level of 0.6% and Wheat 2.2% from the previous month's level of 3.0% and.

In the pre-monsoon season, weekly Rainfall for the country as a whole during the week 12th May, 2016 to 18th May, 2016 was 38% 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 51% in Central India, 41% in North West India and higher by 85% in East & North East India, 41% in South Peninsula.

Agriwatch Cereals Commodity Indices – May-30, 2016


The Agriwatch Agri Commodities Index dipped 0.31% to 110.64 during the week ended May 28, 2016 from 110.99 during the previous week. The base for the Index and all sub-Indices is 2014 (= 100). Gains in cereals and vegetables prices were offset by declines in edible oils and pulses prices. The index values of the weekly gainers and their weekly changes are as follows: Cereals Index: 99.76 (+1.60%), Vegetables Index: 72.08 (+2.38), Spices Index: 117.66 (+0.10%) and Fibres Index: 98.34 (+1.17%). The weekly decliners were the Edible Oils Index: 109.34 (-3.09%), Pulses Index: 184.81 (-1.52%), Sweeteners (Sugar, Gur & Khandsari) Index: 115.56 (-0.09%), Oilseeds Index: 112.34 (-0.45%) and Other Non-food Articles Index: 83.45 (-1.61%).

"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 04th Week of May-2016

State	Prices 24-31 May 2016	Prices 16-23 May 2016	Prices 24-31 May 2015	% Change(Over Previous Week)	% Change(Over Previous Year)
AP	2205.43	2975.94	3620.69	-25.89	-39.09
Assam	2850.8	3117.45	3117.41	-8.55	-8.55
Gujarat	2906.59	2857.92	2673.32	1.7	8.73
Jharkhand	2506.35	2434.85	2570.56	2.94	-2.5

Karnataka	3334.97	3338.12	3189.59	-0.09	4.56
Kerala	2996.06	2974.56	3206.04	0.72	-6.55
Maharashtra	3220.93	3739.37	3473.92	-13.86	-7.28
Manipur	3040.8	3019.61	2866.55	0.7	6.08
Meghalaya	3405.26	3437.57	3450	-0.94	-1.3
Delhi	1800	1912.5	2000	-5.88	-10
Orissa	2654.32	2175.54	2377.15	22.01	11.66
Tripura	2569.13	2584.48	2496.18	-0.59	2.92
Uttar Pradesh	2161.93	2161.18	2053.94	0.03	5.26
Uttarakhand	2198.67	2082.79	1777.99	5.56	23.66
West Bengal	2267.4	2328.27	2468.95	-2.61	-8.16
Average	2674.58	2742.68	2866.64		

Price Projection for June 01st Week in Domestic Market

Duration	Trend	Average Price Range	Reason
01 st Week of June, 2016	Steady	Rs.2680-2750/Q	Non basmati rice market likely to move steady to firm 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

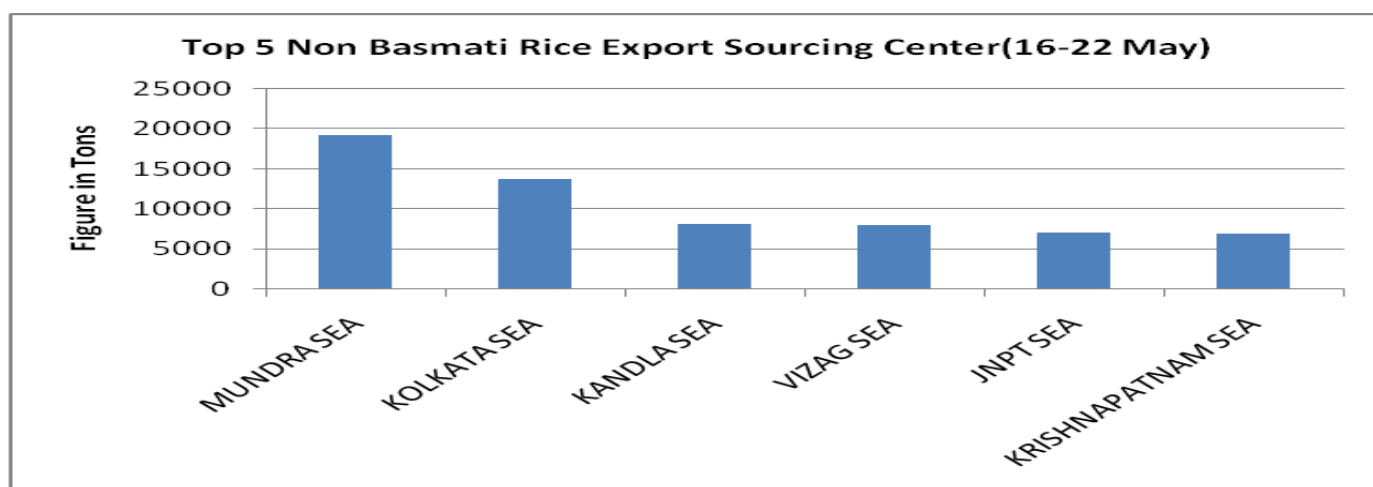
White Rice 5%	375	375	380	0.00	-1.32
White Rice 25%	345	345	340	0.00	1.47
Parboiled 5%	355	355	355	0.00	0.00

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	19787.53	348.65	IRAN	29164.84	770.73
SOMALIA	8000.00	320.97	SAUDI	21945.52	7771.30
IVORY COAST	5704.50	298.76	U A E	11601.55	944.75
S.AFRICA	5179.43	317.23	KOREA	7405.00	879.19
U A E	4734.65	564.36	IRAQ	6399.23	477.23
TURKEY	4461.00	352.34	U S A	3596.46	633.49
RUSSIA	3031.00	363.00	TURKEY	1808.48	639.86
IRAQ	2907.98	556.31	OMAN	1638.75	850.70
BERBERA	2303.00	348.68	YEMEN	1394.44	769.49
SAUDI	2002.23	433.77	U K	1310.20	865.51
Others	25284.49	427.20	Others	93118.94	929.80
Grand Total	83395.81	431.26	Grand Total	95737.18	1816.52

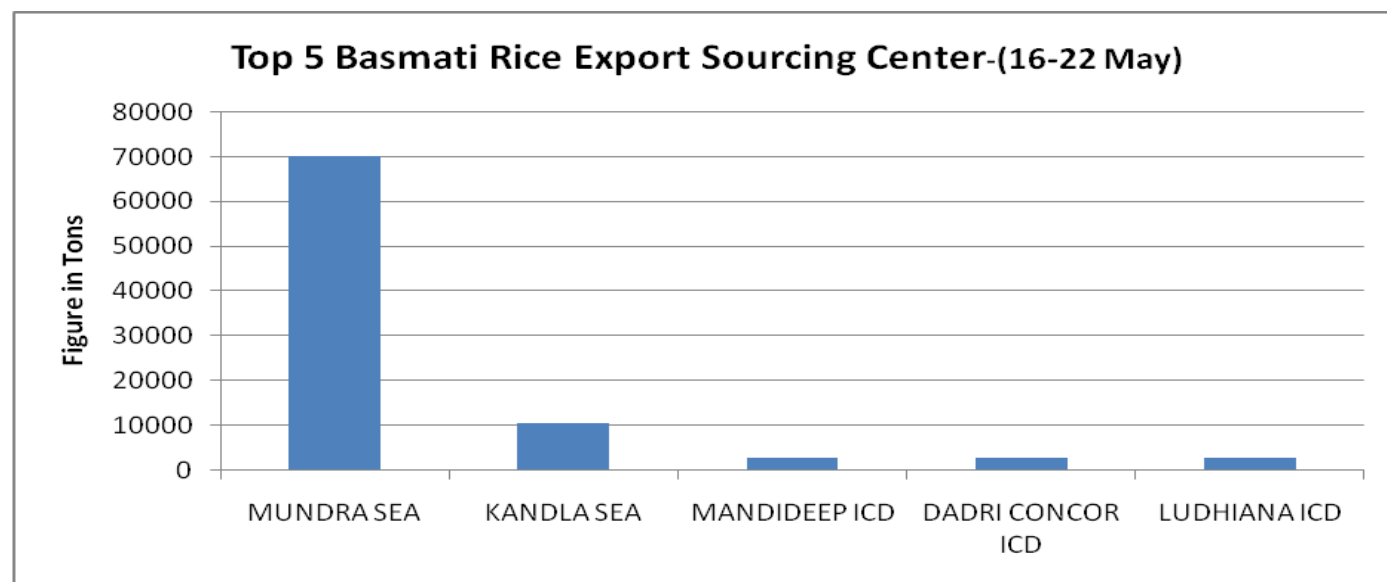
Total Rice exported from India in the third week of May (16-22 May) was 179132.98 tons out of which basmati rice contribute 53.44%, and non-basmati rice is 46.55% in this period with quantity of around 95737.18 tons and 83395.81 tons respectively as per latest data extract from IBIS. Major importers of Indian Basmati rice in this period were Iran, Saudi and U A E. 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 0.6% from last week total rice export of 178007.19 tons

Major Non-Basmati Export Sourcing Center



Total non-basmati Rice export in the third week of May was 83395.80 tons. Mundra Sea, Kolkata Sea and Kandla Sea were the major ports for non-basmati rice export during this period.

Major Basmati Export Sourcing Center



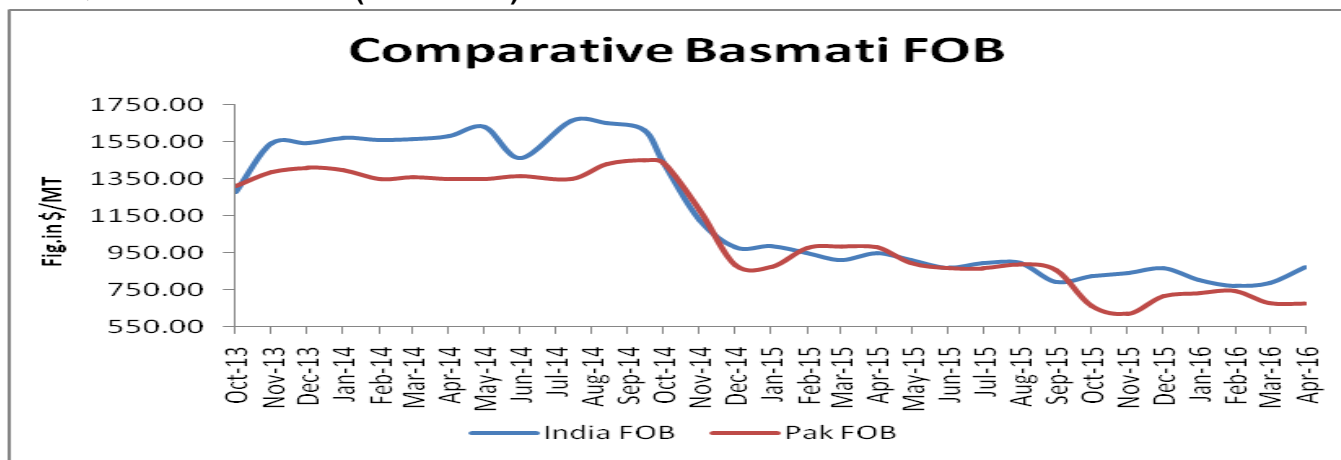
Total basmati Rice export in the third week of May was 95737.17 tons. Mundra Sea, Kandla Sea and Mandideep ICD, were the major port for basmati rice export center during this period. These three ports cover more than 85% of total export in this period.

State wise Progressive Procurement

State/UTs (in Lakh T)	Total procurement in marketing season 2014-15 (Oct. – Sept.)	Progressive Procurement as on 20.05.2016	
		In Marketing season 2015- 2016	In Marketing season 2014- 2015
AP	35.96	40.70	30.72
Telangana	35.04	14.73	24.95
Bihar	16.14	12.25	16.14
Chhattisgarh	34.23	34.42	33.55
Haryana	20.15	28.61	20.15
Kerala	3.74	3.75	3.68
M.P	8.07	8.49	8.07
Maharashtra	1.99	1.61	1.40
Odessa	33.57	27.88	26.53
Punjab	77.86	93.5	77.86
Tamilnadu	10.51	10.48	10.51
U.P	16.98	29.10	16.43
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	328.63	289.64

Government's rice procurement has increased around 13.46% to 32.86 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 28.96 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 4.61 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 40.70 lakh tons from 30.72 lakh tons in 2014. Rice purchase in Telangana and Bihar was lagging behind at 14.73 lakh tons so far this year as against 24.95 lakh tons and 12.25 lakh tons against 16.14 lakh tons respectively 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 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.

Thai rice prices are expected to climb steadily over the remainder of the year, mainly because of the impact of drought on rice production globally and at home. However, there are still factors that could suppress prices, including the world economy, financial woes in some countries and uncertainty over the oil price, as it affects the purchasing power of some nations that import rice.

The Ministry of Commerce of Myanmar will purchase 30,000 tons of reserved rice at the country's harvest season, The government's purchase of reserved rice can protect the local farmers against possible losses on the rice market. According to FAO (Food and Agriculture Organization), the rice harvested in April 2015, registered a record level of 1.8 million tons. However, the paddy production as of April 2016 was forecast at 29.2 million tons.

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 weak in last week; overall market too is in weak tone. We expect market to hover in the range of USD 10.85-11.55 hundred weights in coming sessions.

Price Projection (International-CBOT)

Duration	Trend	Price Range
01 st Week of June,2016	Steady	USD/ Hundred Weight 10.85-11.55

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