
Rice Weekly Research Report

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Outlook and Review:

Domestic Front

Wholesale Prices for India as an average for first week of June traded firmed by 5% from last week. Prices are currently hovering at Rs.2870-2880/quintal and 6.79% up from price of Rs.2733/Quintal during corresponding period last year. Agriwatch expects non-basmati rice market to move range bound in coming week.

The Cabinet Committee on Economic Affairs, chaired by the Prime Minister Shri Narendra Modi, has given its approval for the increase in the Minimum Support Prices (MSPs) for all Kharif Crops of 2016-17 Seasons. The Minimum Support Prices (MSPs) for PADDY of 2016-17 seasons have been increased by Rs. 60/quintal for both common grade paddy and Grade-A Paddy to Rs. 1470/quintal and Rs. 1510/quintal respectively. This is around 4% increases in both paddy from last year price of Rs.1410/Quintal (common grade) and Rs.1450/quintal (Grade-A).

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.

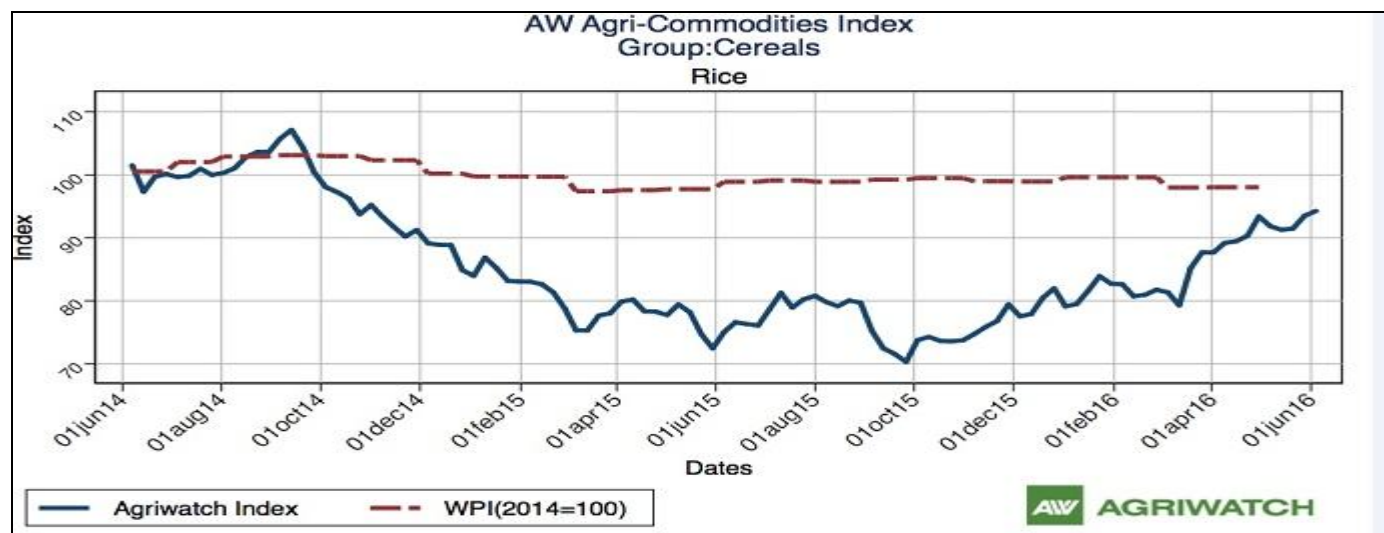
All-India progressive procurement of Rice as on 26.05.2016 for the marketing season 2015-16 was 331.74 lakh tonnes against the procurement of 292.57 lakh tonnes upto the corresponding period of last year.

Total Rice exported from India in the fourth week of May (23-29 May) was 237950.55 tons out of which basmati rice contribute 40.54%, and non-basmati rice is 59.45% in this period with quantity of around 96483.87 tons and 141466.68 tons respectively as per latest data extract from IBIS.

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 19th May, 2016 to 25th May, 2016 was 27% higher 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 42% in South Peninsula, 31% in North West India, 30% in Central India and 15% in East & North East India.

India could sign a deal as early as this week to supply one million ton of non-basmati rice to Indonesia to help it tide over a local shortage. Once the memorandum of understanding is signed, this would be the highest export of rice from state-run Food Corporation of India's (FCI's) reserves since 2003-04 when it had shipped out 2.78 million tones. For Indonesia, it will be a rare occasion when it sources rice from outside the ASEAN trading bloc, barring the exception of its recent deal with Pakistan.

Agriwatch Cereals Commodity Indices – June-05, 2016


Higher cereals, vegetables and cotton prices led the Agriwatch Agri Commodities Index higher by 0.83% to 111.57 during the week ended June 4, 2016 from 110.64 during the previous week. The base for the Index and all sub-Indices is 2014 (= 100).

Six of the nine commodity group sub-Indices that comprise the main Index closed higher during the week; the only exceptions being pulses, oilseeds and other non-food articles. The sub-Index values and their weekly changes are as follows: Cereals Index: 101.14 (+1.38%), Pulses Index: 183.62 (-0.65%), Vegetables Index: 76.02 (+5.47%), Edible Oils Index: 110.09 (+0.69%), Oilseeds Index: 111.51 (-0.74%), Spices Index: 118.29 (+0.54%), Sweeteners Index: 115.71 (+0.13%), Fibres Index: 102.49 (+4.21%) and Other Non-Food Articles Index: 83.17 (-0.34%).

"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 June-2016

Source agmarknet

| State | Prices 01-08 Jun 2016 | Prices 24-31 May 2016 | Prices 01-08 Jun 2015 | % Change(Over Previous Week) | % Change(Over Previous Year) |
|----------------|-----------------------|-----------------------|-----------------------|------------------------------|------------------------------|
| Andhra Pradesh | 3490 | 2361.05 | 2637.47 | 47.82 | 32.32 |
| Assam | 3187.02 | 2996.61 | 3122.07 | 6.35 | 2.08 |
| Gujarat | 2945.46 | 2759.47 | 2680.85 | 6.74 | 9.87 |
| Jharkhand | 2697.89 | 2408.54 | 2546.64 | 12.01 | 5.94 |
| Karnataka | 3125.4 | 3243.45 | 2984.87 | -3.64 | 4.71 |

| | | | | | |
|----------------|----------------|----------------|----------------|--------|-------|
| Kerala | 2969.46 | 2997.32 | 3195.71 | -0.93 | -7.08 |
| Maharashtra | 3546.41 | 3403.57 | 3053.77 | 4.2 | 16.13 |
| Manipur | 2957.14 | 3035.79 | 2856.53 | -2.59 | 3.52 |
| Meghalaya | 3500 | 3423.12 | 3465.12 | 2.25 | 1.01 |
| Orissa | 2655.29 | 2243.79 | 2429.59 | 18.34 | 9.29 |
| Tripura | 2562.2 | 2559.21 | 2529.63 | 0.12 | 1.29 |
| Uttar Pradesh | 2180.33 | 2159.84 | 2047.17 | 0.95 | 6.5 |
| Uttarakhand | 2022.87 | 2365.1 | 1873.92 | -14.47 | 7.95 |
| West Bengal | 2350.68 | 2309.03 | 2208.95 | 1.8 | 6.42 |
| Average | 2870.72 | 2733.27 | 2688.02 | | |

Price Projection for June 02nd Week in Domestic Market

| Duration | Trend | Average Price Range | Reason |
|-------------------------------------|-------------------------|---------------------|--|
| 02 nd Week of June, 2016 | Steady to slightly firm | Rs.2750-2900/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 | 30-May 2016) | 22-May 2016) | Month Ago(30-Apr-2016) | % ch. From last week | % Change from last Month |
| 1121 Steam | 5800 | 5800 | 5600 | 0.00 | 3.57 |
| 1121 Sella | 4900 | 4800 | 4700 | 2.08 | 4.26 |
| 1121 Raw | 5950 | 5800 | 5700 | 2.59 | 4.39 |

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

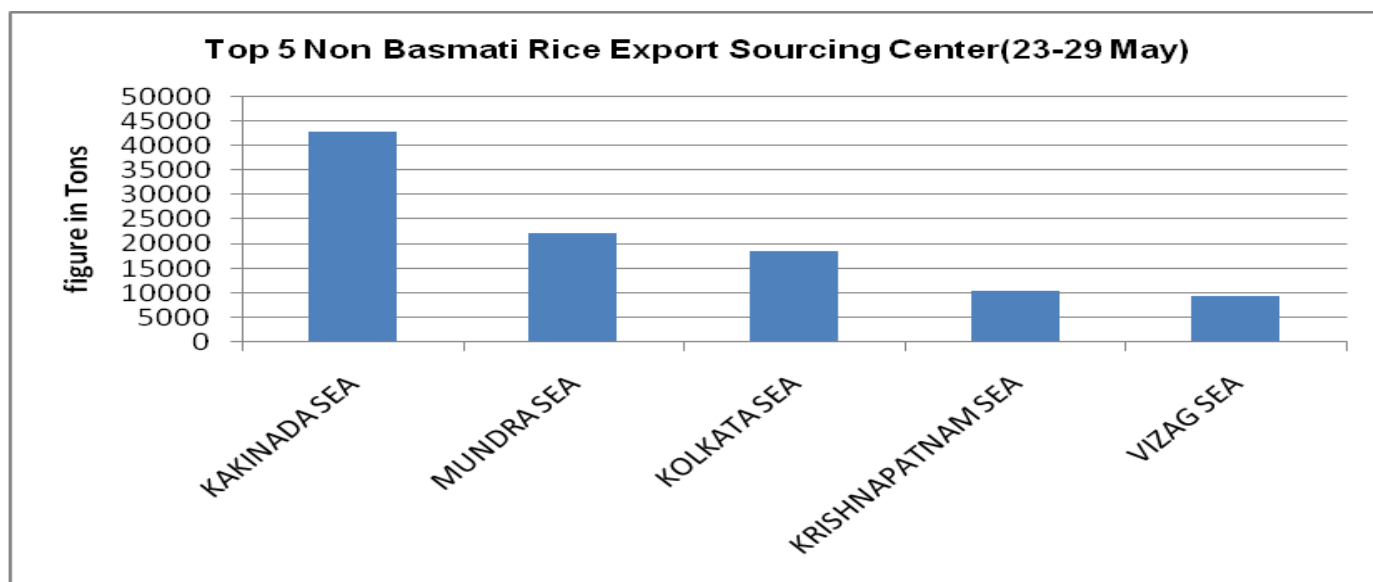
| Indian White Rice 5%, 25% High Quality, Long grain parboiled 5% | | | | | |
|---|--------------|--------------|------------------------|----------------------|--------------------------|
| Variety | 30-May 2016) | 22-May 2016) | Month Ago(30-Apr-2016) | % ch. From last week | % Change from last Month |
| White Rice 5% | 375 | 375 | 365 | 0.00 | 2.74 |
| 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 in second Week of May (23-29 May)-2016

| Non-Basmati Rice | | | Basmati Rice | | |
|--------------------|------------------|-----------------------|--------------------|-----------------|-----------------------|
| Country | Quantity(Tons) | Average of FOB \$/Ton | Country | Quantity(Tons) | Average of FOB \$/Ton |
| BENIN | 29644.41 | 348.93 | IRAN | 34610.77 | 769.32 |
| SENEGAL | 18040.00 | 301.08 | KOREA | 14665.00 | 757.46 |
| CAMBODIA | 11280.00 | 322.31 | SAUDI | 10901.32 | 777.78 |
| SIERRA LEONE | 10000.00 | 267.97 | U A E | 10120.28 | 867.42 |
| S.AFRICA | 9105.61 | 359.00 | IRAQ | 6579.89 | 719.33 |
| SOMAALIA | 6100.00 | 321.58 | U S A | 2034.53 | 675.85 |
| IRAQ | 5978.77 | 533.02 | U K | 1735.00 | 790.60 |
| U A E | 5621.15 | 582.53 | TURKEY | 1374.50 | 684.34 |
| SOMALIA | 3823.00 | 342.40 | BAHRAIN | 1143.52 | 827.65 |
| DJIBOUTI | 3746.58 | 382.55 | QATAR | 1083.45 | 746.45 |
| Others | 38127.16 | 501.61 | Others | 12235.60 | 771.23 |
| Grand Total | 141466.68 | 465.08 | Grand Total | 96483.87 | 807.01 |

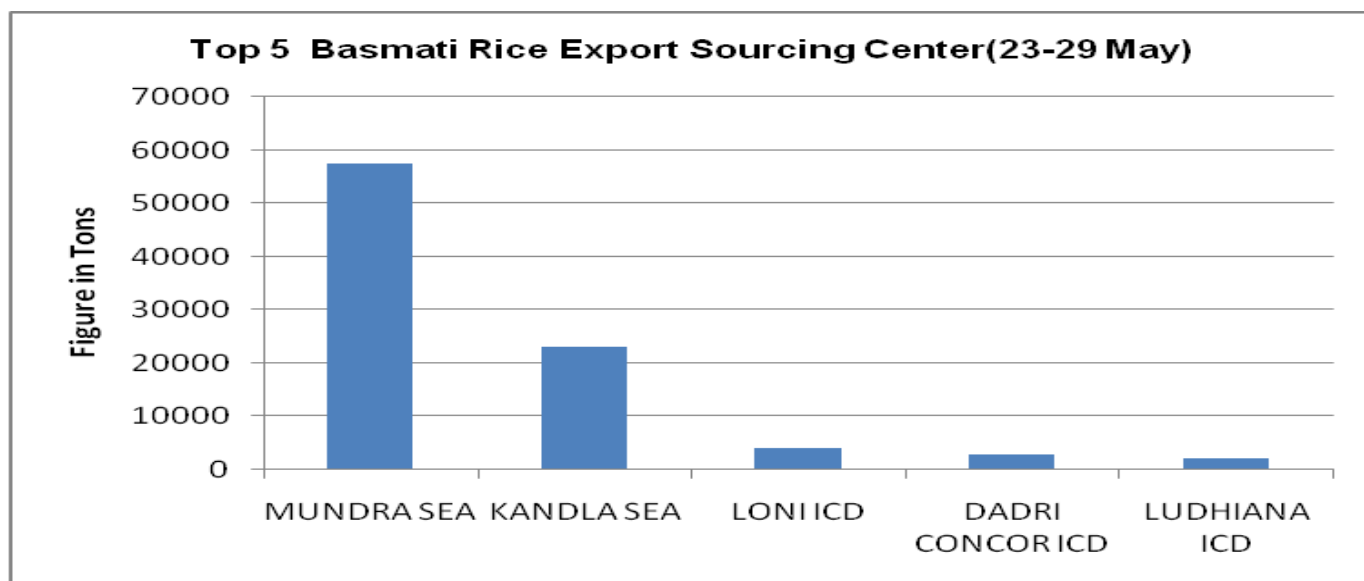
Total Rice exported from India in the fourth week of May (23-29 May) was 237950.55 tons out of which basmati rice contribute 40.54%, and non-basmati rice is 59.45% in this period with quantity of around 96483.87 tons and 141466.68 tons respectively as per latest data extract from IBIS. Major importers of Indian Basmati rice in this period were Iran, Korea and Saudi. 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 Cambodia. Weekly rice export were up by 33% from last week total rice export of 179132.98 tons

Major Non-Basmati Export Sourcing Center



Total non-basmati Rice export in the fourth week of May was 141466.68 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 fourth week of May was 96483.86 tons. Mundra Sea, Kandla Sea and Loni ICD, were the major port for basmati rice export center during this period. These three ports cover more than 87% of total export in this period.

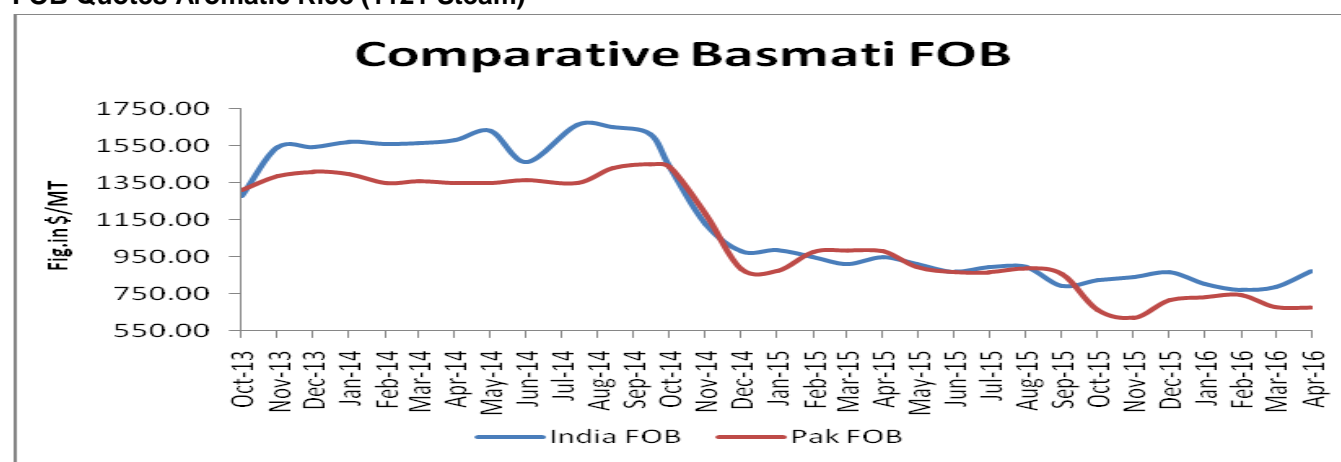
State wise Progressive Procurement

| State/UTs (in Lakh T) | Total procurement in marketing season 2014-15 (Oct. – Sept.) | Progressive Procurement as on 27.05.2016 | |
|--------------------------|--|--|-----------------------------------|
| | | In Marketing season 2015- 2016 | In Marketing season 2014- 2015 |
| AP | 35.96 | 41.37 | 31.98 |

| | | | |
|--------------|--------------|---------------|---------------|
| Telangana | 35.04 | 15.28 | 27.28 |
| Bihar | 16.14 | 12.25 | 16.14 |
| Chhattisgarh | 34.23 | 34.42 | 33.55 |
| Haryana | 20.15 | 28.61 | 20.15 |
| Kerala | 3.74 | 3.78 | 3.71 |
| M.P | 8.07 | 8.49 | 8.07 |
| Maharashtra | 1.99 | 1.70 | 1.43 |
| Odessa | 33.57 | 28.37 | 26.53 |
| Punjab | 77.86 | 93.5 | 77.86 |
| Tamilnadu | 10.51 | 10.53 | 8.97 |
| U.P | 16.98 | 29.10 | 16.45 |
| Uttarakhand | 4.65 | 5.97 | 4.61 |
| West Bengal | 20.32 | 15.30 | 14.75 |
| Others | 17.33 | 0.53 | 4.4 |
| Total | 320.4 | 331.74 | 292.57 |

Government's rice procurement has increased around 13.38% 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 29.25 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 41.37 lakh tons from 31.98 lakh tons in 2014. Rice purchase in Telangana and Bihar was lagging behind at 15.28 lakh tons and 12.25 lakh tons so far this year as against 27.28 lakh tons and 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 rest 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) 28.04.16 | Projection 26.05.16 |
|--------------------------------------|---------|---------------------|---------------------------------|-------------------------------------|------------------------|
| Production | 478 | 479 | 473 | 485 | 486 |
| Trade | 42 | 42 | 42 | 42 | 42 |
| Consumption | 478 | 481 | 483 | 489 | 488 |
| Carryover stocks | 114 | 112 | 101 | 94 | 99 |

| | | | | | |
|-----------------|----|----|-----|----|----|
| Y-O-Y change | 0 | -2 | -10 | - | -2 |
| Major Exporters | 38 | 32 | 21 | 19 | 18 |

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

IGC Rice Balance sheet Highlights

Reflecting steep declines in the leading exporters, namely India and Thailand, global rice reserves in 2015/16 are seen 9% smaller y/y. Assuming a larger area for harvesting and improved growing conditions, 2016/17 production is projected to rise by 3%, to a record of 486m t. But with total use likely to expand further, albeit more slowly than in past years, together with smaller carry-ins, ending inventories could retreat to a seven-year low of 99m t. Trade in 2016 is predicted to be underpinned by demand from Asian buyers, in part due to disappointing local crop outcomes, with volumes expected to remain high in 2017.

IGC Forecast the World Rice Production Up in 2016-17

In its May 2016 Grain Market Report (GMR), the International Grains Council (IGC) forecasts 2016-17 global rice production at around 486 million tons, up about 2.73% 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 1.03% to around 488 million tons from an estimated 483 million tons in 2015-16.

Global Ending Stock of Rice Decline Sharply 2016-17

The IGC forecasts global rice ending stocks at around 99 million tons in 2016/17, down about 2% from an estimated 101 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 firm in last week; overall market too is in firm tone. We expect market to hover in the range of USD 11.00-11.95 hundred weights in coming sessions.

Price Projection (International-CBOT)

| Duration | Trend | Price Range |
|------------------------------------|----------------|------------------------------------|
| 02 nd Week of June,2016 | Steady to firm | USD/ Hundred Weight 11.00-11.95 |

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