



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.

Preliminary reports of crop coverage in the Kharif season have started coming in. The total sown area as on 10th June, as per reports received from States, stands at 71.24 lakh hectare compared to 76.65 lakh hectare at this time last year. It is reported that rice has been sown/transplanted in 5.75 lakh ha which is 10.43% down from last year area of 6.42 lakh hectare till date.

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 1.25 million tons for this time of the year, according to the FCI.

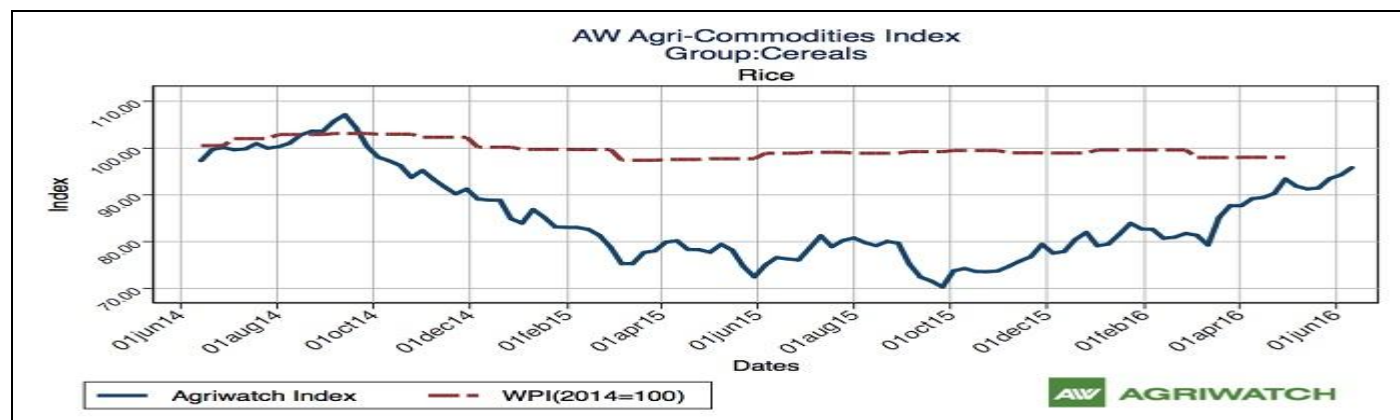
All-India progressive procurement of Rice as on 03.06.2016 for the marketing season 2015-16 was 334.91 lakh tonnes against the procurement of 295.01 lakh tonnes upto the corresponding period of last year.

Total Rice exported from India in the first week of June (30-May to 05 June) was 252766.51 tons out of which basmati rice contribute 35.90%, and non-basmati rice is 64.09% in this period with quantity of around 90765 tons and 162001 tons respectively as per latest data extract from IBIS.

Among the food grains, 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 26th May, 2016 to 01 June, 2016 was 7% 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 32% in North West India, 8% in South Peninsula and lower by 45% in Central India, 13% 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 tonnes. 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-11, 2016


The Agriwatch Agri Commodities Index hit a new 52-week high of 113.62 during the week ended June 11, 2016, up 1.84% from 111.57 during the previous week. The base for the Index and all sub-Indices is 2014 (= 100).

All nine of the commodity group sub-Indices and 22 of the 29 individual commodity Indices that comprise the overall Index ended higher during the week. The commodity group sub-Index values and their weekly changes are as follows: Cereals Index: 102.72 (+1.56%), Pulses Index: 190.89 (+3.96%), Vegetables Index: 79.29 (+4.29%), Edible Oils Index: 111.27 (+1.06%), Oilseeds Index: 112.61 (+0.99%), Spices Index: 118.30 (+0.01%), Sweeteners (Sugar, Khandsari & Jaggery) Index: 117.36 (+1.43%), Fibres Index: 106.11 (+3.53%) and Other Non-Food Articles Index: 85.36 (+2.63%).

"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	11-June 2016)	30-May 2016)	Month Ago(11-May-2016)	% ch. From last week	% Change from last Month
1121 Steam	5500	5800	5600	-5.17	-1.79
1121 Sella	4500	4900	4600	-8.16	-2.17
1121 Raw	5700	5950	5600	-4.20	1.79

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

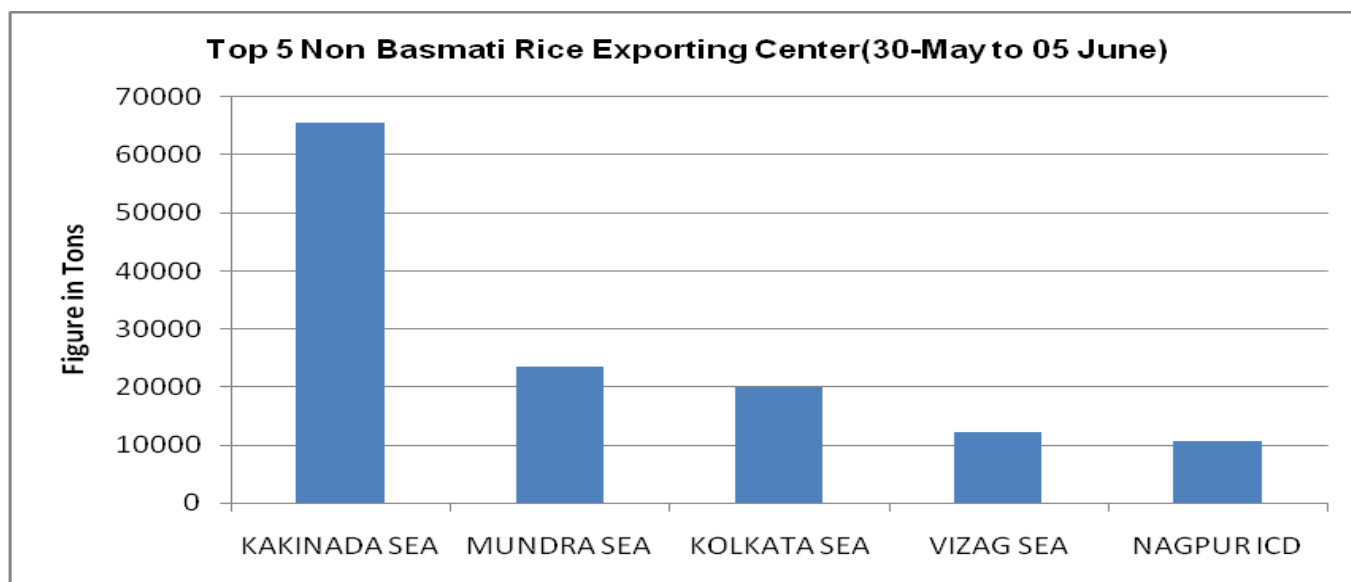
Indian White Rice 5%, 25% High Quality, Long grain parboiled 5%					
Variety	11-June 2016)	30-May 2016)	Month Ago(11-May-2016)	% ch. From last week	% Change from last Month
White Rice 5%	375	375	365	0.00	2.74
White Rice 25%	345	345	345	0.00	0.00
Parboiled 5%	355	355	355	0.00	0.00

Major Importers of Basmati & Non Basmati Rice in first Week of June (30-May to 05 June)-2016

Non-Basmati Rice			Basmati Rice		
Country	Quantity(Tons)	Average of FOB \$/Ton	Country	Quantity(Tons)	Average of FOB \$/Ton
IVORY COAST	40532.5	314.7431579	IRAN	27962.01	802.3027451
BENIN	28280.29	347.4847305	U A E	15551.632	805.7620253
SENEGAL	15500	334.3858333	KOREA	9910	790.3236364
GUINEA	13725	349.6338462	SAUDI	7584.91	807.8870667
DJIBOUTI	8220	349.43	IRAQ	5889.134	756.3963636
S.AFRICA	5935.597	339.0883871	U K	5458.92	699.0324
TURKEY	4554.5	361.072069	YEMEN	2238.68	817.6122727
U A E	4268.172	604.4603226	U S A	2117.344	906.3608696
BERBERA	4056	333.6911111	KUWAIT	1214.804	875.875
SAUDI	3290.543	678.3101724	OMAN	1144.755	1035.297813
others	33638.76364	472.8	others	11692.962	836.47
Grand Total	162001.3656	444.1398157	Grand Total	90765.151	839.635276

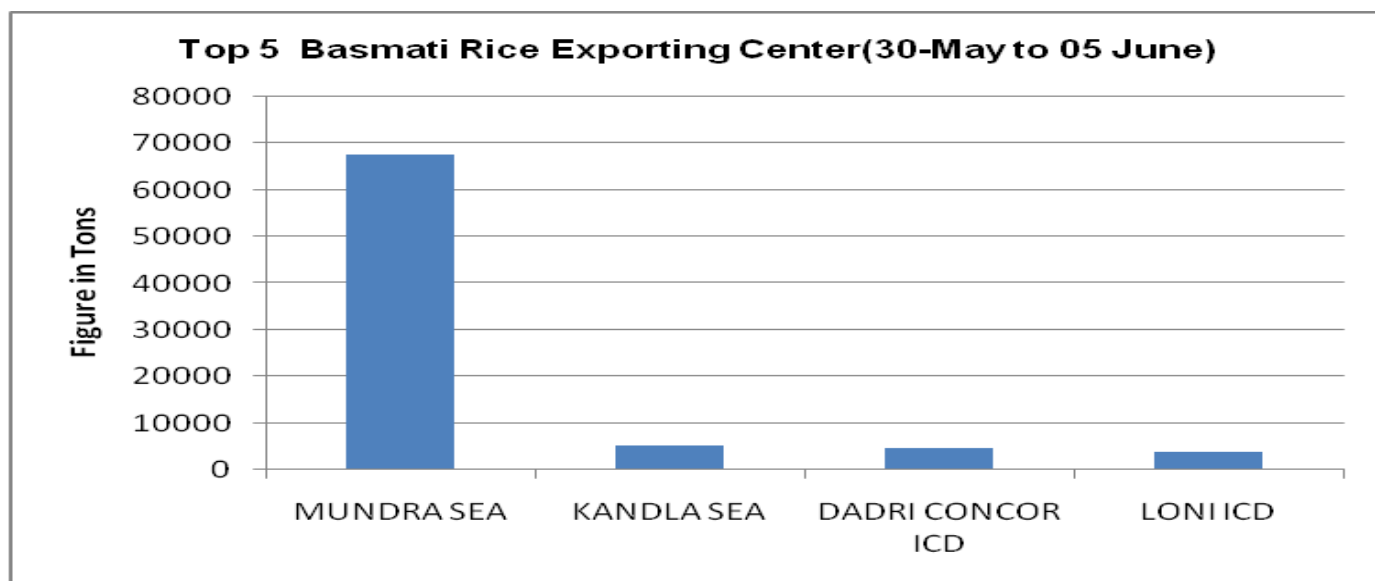
Total Rice exported from India in the first week of June (30-May to 05 June) was 252766.51 tons out of which basmati rice contribute 35.90%, and non-basmati rice is 64.09% in this period with quantity of around 90765 tons and 162001 tons respectively as per latest data extract from IBIS. Major importers of Indian Basmati rice in this period were Iran, UAE and Korea. 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 Ivory Cost, Benin and Senegal. Weekly rice export were up by 6.22% from last week total rice export of 237950.55 tons

Major Non-Basmati Export Sourcing Center



Total non-basmati Rice export in the first week of June was 162001.35 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 first week of June was 90765.15 tons. Mundra Sea, Kandla Sea and Dadri 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.

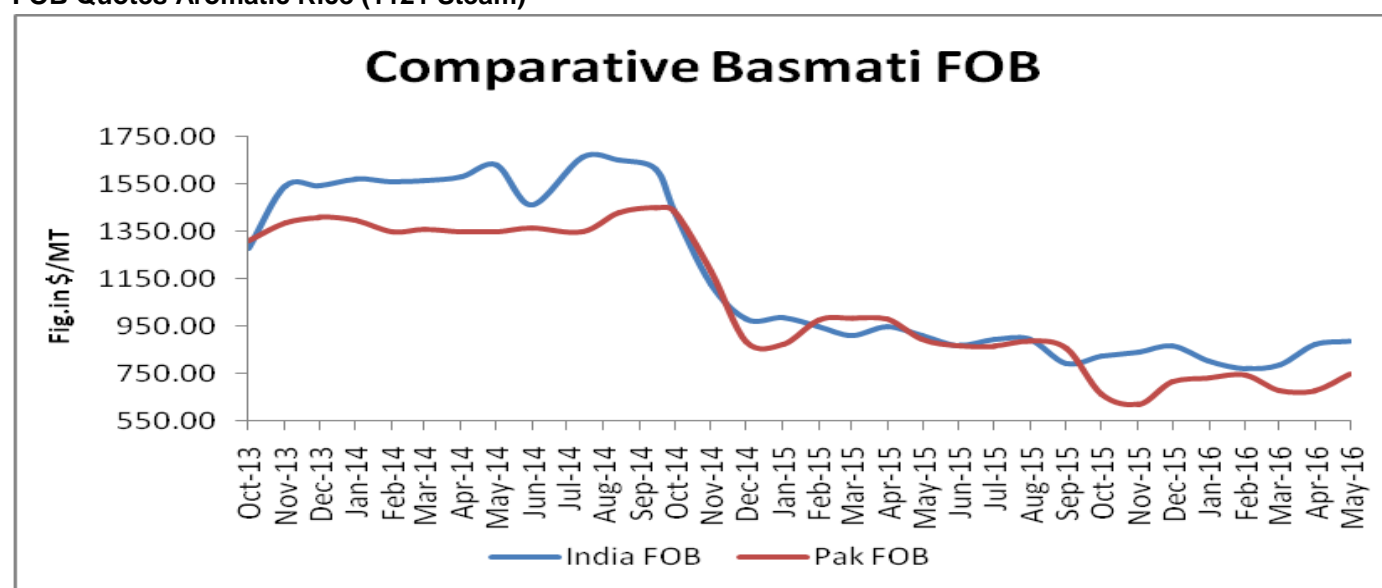
State wise Progressive Procurement

State/UTs (in Lakh T)	Total procurement in marketing season 2014-15 (Oct. – Sept.)	Progressive Procurement as on 03.06.2016	
		In Marketing season 2015- 2016	In Marketing season 2014- 2015
AP	35.96	42.12	33.04

Telangana	35.04	15.52	29.24
Bihar	16.14	12.25	16.14
Chhattisgarh	34.23	34.42	33.55
Haryana	20.15	28.61	20.15
Kerala	3.74	3.80	2.76
M.P	8.07	8.49	8.07
Maharashtra	1.99	1.70	1.47
Odessa	33.57	30.30	26.53
Punjab	77.86	93.5	77.86
Tamilnadu	10.51	10.62	9.01
U.P	16.98	29.10	16.49
Uttarakhand	4.65	5.97	4.65
West Bengal	20.32	15.43	14.98
Others	17.33	0.53	4.4
Total	320.4	334.91	295.01

Government's rice procurement has increased around 13.52% to 33.49 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 29.50 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 4.65 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 42.12 lakh tons from 33.04 lakh tons in 2014. Rice purchase in Telangana and Bihar was lagging behind at 15.52 lakh tons and 12.25 lakh tons so far this year as against 29.24 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 fall 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 May moved up from last month and currently is in the range of USD 885-888/MT which is up by around 1.73% from last month price. Average basmati rice price increased due to increased buying interest for stockpiling which push the price in northward direction. Pakistani basmati price has too increased from USD 679/MT to 750\$/MT, according to the UN's Food and Agriculture Organization (FAO). Currently Pakistani basmati FOB is hovering in the range of USD 750-751/MT which is up by 10.45% from last month FOB of USD 679/MT.

Global Updates

The Philippines, one of the world's biggest rice buyers, has no urgent need to import rice for now given ample domestic supply. The Philippines regularly imports more than a million tonnes of rice a year, mostly from Thailand and Vietnam, although President-elect Rodrigo Duterte is aiming to make the country self-sufficient within one to two years. Rice purchases by the Philippines could reach 2 million tonnes this year, the biggest in six years, following a damaging drought

Cambodian rice exports have dramatically declined over the past three months compared to the same period last year. The data detailed that rice exports had a monthly decrease of 14.5 per cent in March, 30.8 per cent in April, and 28.5 per cent in May. Rice exports in the first five months of this year totalled 234,328 tonnes, compared to the 243,025 tonnes exported in the same period last year, a year-on-year decrease of 3.7 per cent.

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.

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 downward movement in last couple of days; overall market is in firm tone. We expect market to hover in the range of USD 11.10-11.45 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 11.10-11.45

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