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# Rice Weekly Research Report

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## 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 first week of July traded firmed by 2.6% from last week. Prices are currently hovering at Rs.2750-2755/quintal and 3.34% up from price of Rs.2662/Quintal during corresponding period last year. Agriwatch expects non-basmati rice market to move range bound with firm tone in coming week.**

**Prices of Basmati rice remained weak for the fourth week of June on sluggish demand from retailers against supply from producing regions.**

**Preliminary reports of crop coverage in the Kharif season have started coming in. The total sown area as on 08<sup>th</sup> July, as per reports received from States, stands at 406.27 lakh hectare compared to 431.82 lakh hectare at the corresponding time last year. It is reported that rice has been sown/transplanted in 81.93 lakh ha which is 6% higher than last year area of 77.31 lakh hectare till date.**

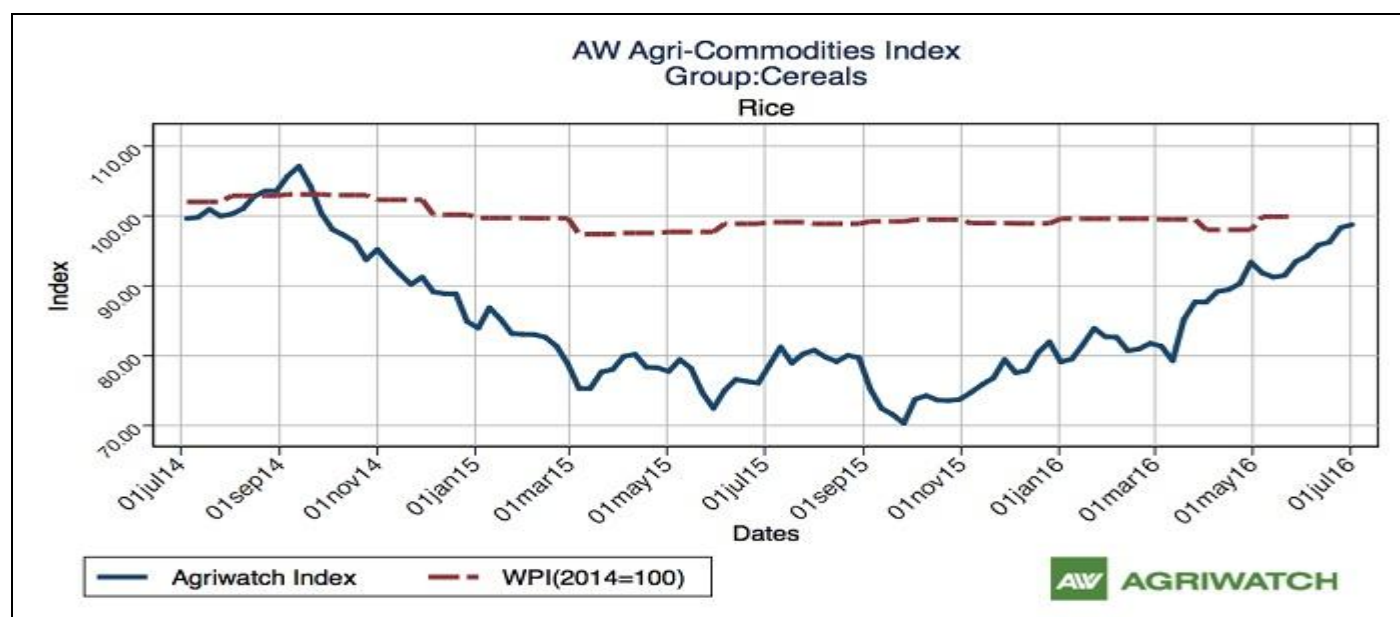
**Till July 08, higher area coverage under rice, compared to normal area coverage of corresponding week (average of 2011-12 to 2015-16), was reported from Punjab 21.96 lakh hectare up by around 22% from same period corresponding year followed by Chhattisgarh(11.89 lakh Ha,) Odisha(7.13 lakh Ha,) Haryana (6 lakh Ha,) and U.P( 5.85 lakh Ha,).**

**All-India progressive procurement of Rice as on 01.07.2016 for the marketing season 2015-16 was 340.54 lakh tonnes against the procurement of 312.53 lakh tonnes upto the corresponding period of last year.**

**Government rice procurement in MY 2015/16 has been strongly supported by relatively steady domestic production despite below normal monsoon and weak export demand. Government rice procurement through June 28, 2016 is estimated at 34.1 MMT, nearly 12 percent higher than last year.**

**Total Rice exported from India in the month of June was 10.63 lakh tons out of which basmati rice contributes 37.16%, and non-basmati rice is 62.83% in this month with quantity of around 3.95 lakh tons and 6.68 lakh tons respectively as per latest data extract from IBIS.**

**In the monsoon season, weekly Rainfall for the country as a whole during the week 23rd June, 2016 to 29th June, 2016 has been 1% 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 43% in South Peninsula, 11% in Central India and lower by 33% in East & North East India, 9% in North West India.**

**Agriwatch Cereals Commodity Indices – July-03, 2016**


The Agriwatch Agri Commodities Index rose 0.91% to 118.11 during the week ended July 2, 2016, its 5th straight weekly gain, led by higher price of pulses. The base for the Index and all sub-Indices is 2014 (= 100). Among pulses, chana was the prime mover with the Chana Index posting a weekly gain of 10.63% while other pulses saw more modest increases of 0.2 to 3.0%. The sub-Index values and their weekly changes are as follows: Cereals Index: 107.08 (+0.45%), Pulses Index: 212.28 (+6.79%), Vegetables Index: 81.07 (0.92%), Edible Oils Index: 112.63 (+0.29%), Oilseeds Index: 113.55 (-0.11%), Sweeteners Index: 118.54 (+0.06%), Spices Index: 134.1 (-1.11%), Fibres Index: 110.91 (-2.0%) and Other Non-Food Articles Index: 89.32 (+3.55%).

"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](http://www.agriwatch.com). The daily indices are available on subscription. Please contact for more details."

**State wise Wholesale Prices weekly for 01<sup>st</sup> Week of July-2016**

Source agmarknet

State	Prices 01-08 Jul 2016	Prices 24-30 Jun 2016	Prices 01-08 Jul 2015	% Change(Over Previous Week)	% Change(Over Previous Year)
Andhra Pradesh	2591.47	3368.75	2710.21	-23.07	-4.38
Assam	3091.49	3143.59	3095.58	-1.66	-0.13
Bihar		2400	2092.62	—	—
Gujarat	3105.35	2957.61	2646.89	5	17.32
Jharkhand	2568.83	2593.6	2528.77	-0.96	1.58
Karnataka	3342.12	3340.78	3399.82	0.04	-1.7
Kerala	3088.71	3064.19	3122.78	0.8	-1.09
Maharashtra	3101.71	2336.07	2955.68	32.77	4.94

Manipur	3062.26	3059.62	2865.53	0.09	6.87
Meghalaya	3462.54	3428.99	3456.11	0.98	0.19
Delhi	2100	1700		23.53	—
Orissa	2403.9	2202.81	2256.28	9.13	6.54
Tripura	2568.21	2565.78	2546.92	0.09	0.84
Uttar Pradesh	2208.52	2237.26	2058.75	-1.28	7.27
Uttarakhand	2184.82	2128.83	1963.45	2.63	11.27
West Bengal	2386.81	2366.2	2229.04	0.87	7.08
<b>Average</b>	<b>2751.12</b>	<b>2680.88</b>	<b>2662</b>		

### Price Projection for July 02<sup>nd</sup> Week in Domestic Market

Duration	Trend	Average Price Range	Reason
02 <sup>nd</sup> Week of July, 2016	Steady	Rs.2650-2750/Q	Non basmati rice market likely to move steady sentiments due to expectation of good sowing and above average rainfall. However rice price is not likely to move in downtrend in coming months due to lower carryover stocks.

### 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	09-July-2016)	30-June 2016)	Month Ago(09-June-2016)	% ch. From last week	% Change from last Month
1121 Steam	6000	5850	5800	2.56	3.45
1121 Sella	4700	4750	4700	-1.05	0.00
1121 Raw	5900	5950	6000	-0.84	-1.67

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

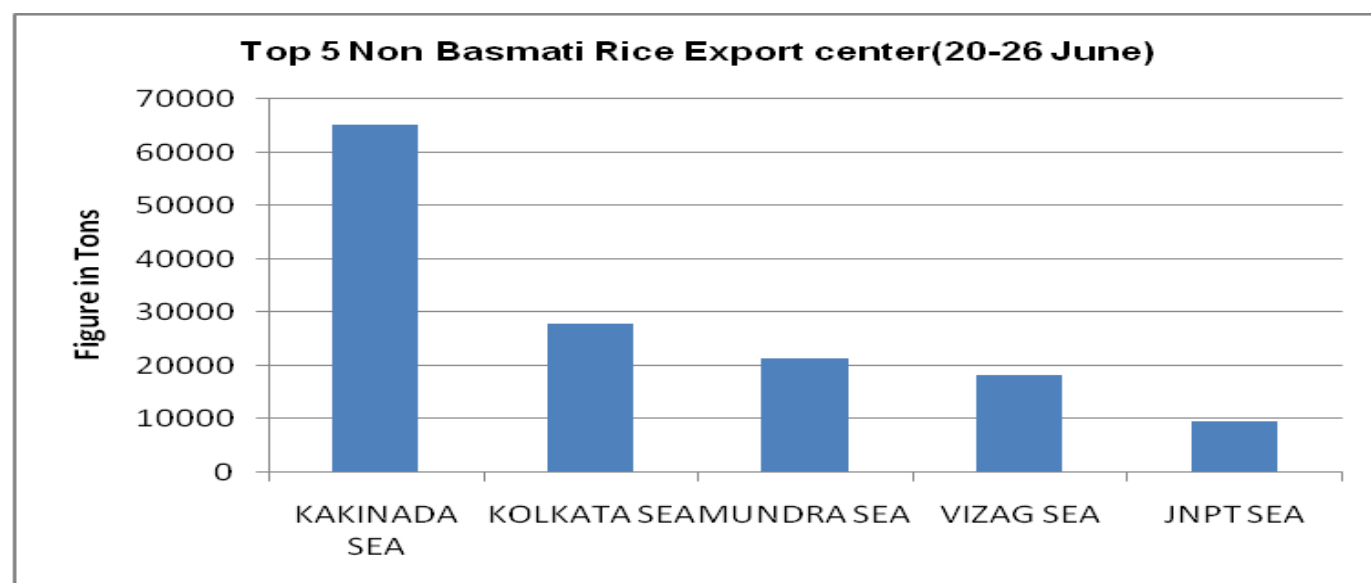
Indian White Rice 5%, 25% High Quality, Long grain parboiled 5%					
Variety	09-July-2016)	30-June 2016)	Month Ago(09-June-2016)	% ch. From last week	% Change from last Month
White Rice 5%	375	375	375	0.00	0.00
White Rice 25%	350	355	345	-1.41	1.45
Parboiled 5%	350	350	355	0.00	-1.41

### Major Importers of Basmati & Non Basmati Rice in June-2016

Non-Basmati Rice			Basmati Rice		
Country	Quantity(Tons)	Average of FOB \$/Ton	Country	Quantity(Tons)	Average of FOB \$/Ton
BENIN	161360.75	358.98	IRAN	126897.99	784.14
IVORY COAST	104152.00	338.70	U A E	61024.92	790.93
SENEGAL	54938.55	316.00	KOREA	38207.00	752.05
S.AFRICA	37116.58	341.65	IRAQ	38064.02	690.66
GUINEA	35042.00	353.82	SAUDI	37844.78	813.33
TURKEY	33075.65	379.51	U K	10802.03	734.76
U A E	26458.34	610.27	YEMEN	10568.04	789.41
DJIBOUTI	22509.70	359.09	U S A	10035.04	837.00
IRAQ	19884.49	502.75	TURKEY	5634.36	684.55
SOMALIA	18977.93	345.98	OMAN	5399.76	849.44
Others	154772.05	515.75	Others	50836.50	819.81
<b>Grand Total</b>	<b>668288.03</b>	<b>486.38</b>	<b>Grand Total</b>	<b>395314.43</b>	<b>791.18</b>

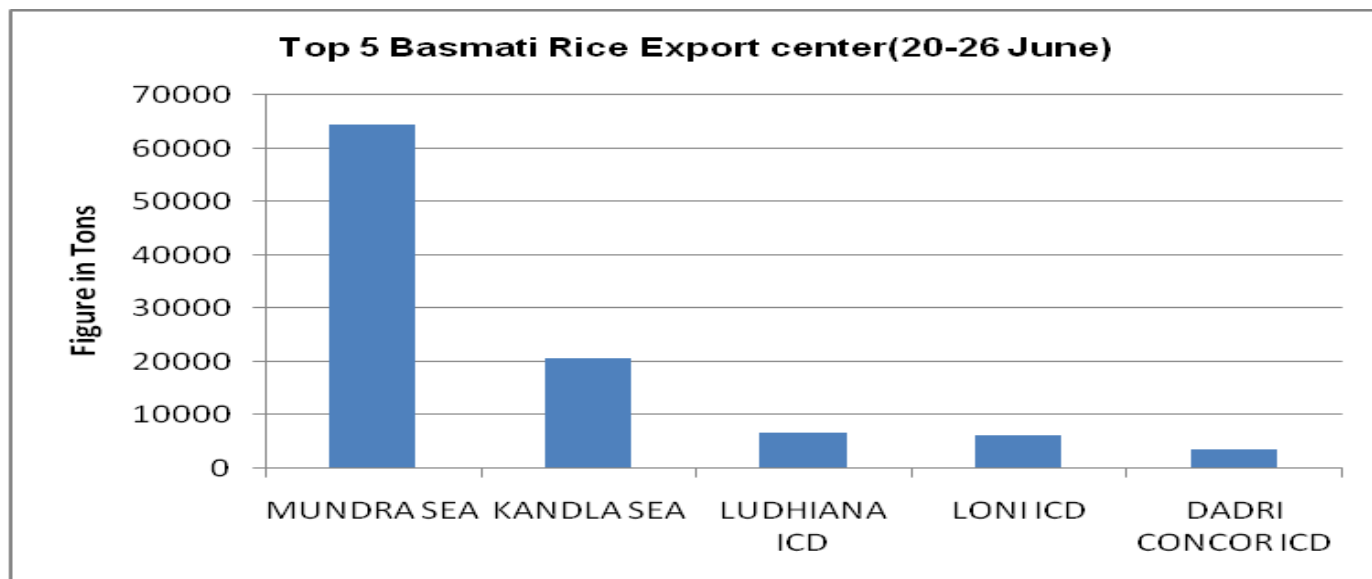
Total Rice exported from India in the month of June was 10.63 lakh tons out of which basmati rice contributes 37%, and non-basmati rice is 62.83% in this month with quantity of around 3.95 lakh tons and 6.68 lakh tons respectively as per latest data extract from IBIS. Major importers of Indian Basmati 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 Benin, Ivory Coast and Senegal. Rice exports in this month were 30% higher than the export of 8.18 lakh tons during last month. Rice export in MY-2015-16 starts from Oct-2015 till June-2016 was down by 12.77% from corresponding period last year export of 93 lakh tons (Oct-2014-June-2015).

### Major Non-Basmati Export Sourcing Center



Total non-basmati Rice export in the 03<sup>rd</sup> week of June was 171445.91 tons. Kakinada Sea, Kolkata Sea and Mundra Sea were the major ports for non-basmati rice export during this period. These five ports cover approx 83% of total export in this period.

### Major Basmati Export Sourcing Center



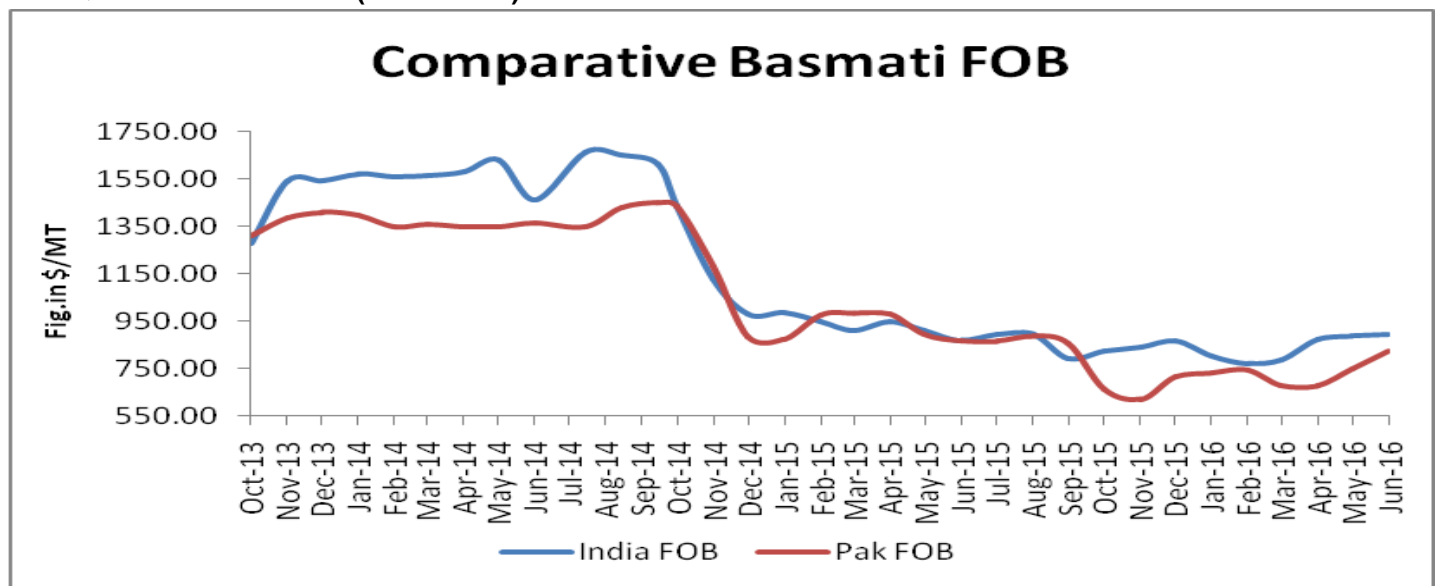
Total basmati Rice export in the 03<sup>rd</sup> week of June was 106871.95 tons. Mundra Sea, Kandla Sea and Ludhiana ICD, were the major port for basmati rice export center during this period. These three ports cover more than 85% of total export in this period.

### State wise Progressive Procurement

State/UTs (in Lakh T)	Total procurement in marketing season 2014-15 (Oct. – Sept.)	Progressive Procurement as on 24.06.2016	
		In Marketing season 2015- 2016	In Marketing season 2014- 2015
AP	35.96	43.05	34.59
Telangana	35.04	15.79	32.72
Bihar	16.14	12.25	16.14
Chhattisgarh	34.23	34.42	33.55
Haryana	20.15	28.61	20.15
Kerala	3.74	3.82	3.74
M.P	8.07	8.49	8.07
Maharashtra	1.99	2.22	1.78
Odessa	33.57	33.51	26.53
Punjab	77.86	93.5	77.86
Tamilnadu	10.51	10.90	9.37
U.P	16.98	29.10	16.77
Uttrakhand	4.65	5.97	4.65
West Bengal	20.32	15.65	16.91
Others	17.33	0.53	4.4
<b>Total</b>	<b>320.4</b>	<b>340.40</b>	<b>303.91</b>

Government's rice procurement has increased around 12.54% to 33.69 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 29.94 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 42.77 lakh tons from 33.77 lakh tons in 2014. Rice purchase in Telangana and Bihar was lagging behind at 15.66 lakh tons and 12.25 lakh tons so far this year as against 30.84 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 June moved up from last month and currently is in the range of USD 895.897/MT which is up by around 1.02% 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 also moved up from USD 750/MT to 825\$/MT, according to the UN's Food and Agriculture Organization (FAO). Currently Pakistani basmati FOB is hovering in the range of USD 825-826/MT which is up by 10.00% from last month FOB of USD 750/MT.

## Global Updates

**Pakistan Farmers are engaged in transplanting rice with better than average irrigation water supplies. The Meteorological Department** has forecasted that summer monsoon rainfall is likely to be 10-20% above normal over the country. The glacier melt rate will also be more than normal, which means that overall availability of water for the Kharif (summer) crops should be satisfactory.

**Based on preliminary official data, Pakistan is maintaining a steady momentum of rice exports and has so far exported around 3.1 MMT** during the current marketing year (Table 2). Hence, Pakistan's export forecast for MY 2015/16 is estimated at 4.4 MMT. Export volumes tend to fade as harvest approaches, but stocks are adequate to push exports higher if demand materializes. Long grain rather than Basmati rice has accounted for the bulk of exports thus far.

**The Thai Government announced that it will issue two new tenders for 2.6 million metric tons of its rice stocks on July 25, 2016. The first tender** for 2.2 million metric tons will be contingent for export only as eligible bidders are required to have export orders from their foreign buyers. These tenders will mainly consist of 5% grade white rice and broken rice (A1 Super) from carry-over stocks under the MY2012/13 and MY2013/14 rice pledging programs. Meanwhile, the second tender for 0.4 million metric tons will be industrial uses.

**Unofficial preliminary rice exports (excluding premium white and fragrant rice) for June 27 – July 3, 2016 totaled 57,933 metric tons**, down 11,813 metric tons from the previous week and down 6,874 metric tons from the four-week moving average of 64,807 metric tons (Table 2). Rice exports from January 1 – July 3, 2016 totaled 1,830,342 metric tons, down 6 percent from the same period last year.

**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

**Iran will ban rice imports from July 21, the main aim is to protect domestic farmers during their harvest. Iran has imported 191,000 tonnes** of rice this year, noting imports are already down from previous years.

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) 26.05.16	Projection 01.07.16
Production	478	479	473	486	486
Trade	42	42	42	42	42
Consumption	478	481	483	488	488



Carryover stocks	114	112	101	99	99
Y-O-Y change	0	-2	-10		-2
Major Exporters	38	32	21	18	18

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

### IGC Rice Balance sheet Highlights

The Council's estimate for rice output in 2015/16 is broadly unchanged from last month's report, the y/y decline of 7m t due to disappointing crop outcomes in Asia. Predictions for 2016/17 are especially tentative but, assuming improved outturns in that region, notably in India, output could rise by 3%, to a new peak of 486m t. However, with total use likely to climb further, stocks could tighten again. The outlook for trade in calendar 2017 is maintained at about 42m t.

### 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 weak movement in last couple of days; overall market is in weak tone. We expect market to hover in the range of USD 10.45-11.00 hundred weights in coming sessions.

**Price Projection (International-CBOT)**

Duration	Trend	Price Range
02 <sup>nd</sup> Week of July, 2016	Steady	USD/ Hundred Weight 10.45-11.00

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