



Rice Weekly Research Report

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Outlook and Review:**Domestic Front**

Wholesale Prices for India as an average for second week of July traded firmed by 8% from last week. Prices are currently hovering at Rs.2970-2975/quintal and 12.58% 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 15th July, as per reports received from States, stands at 559.76 lakh hectare compared to 548.38 lakh hectare at the corresponding time last year. It is reported that rice has been sown/transplanted in 123.93 lakh ha which is 0.76% higher than last year area of 122.99 lakh hectare till date.

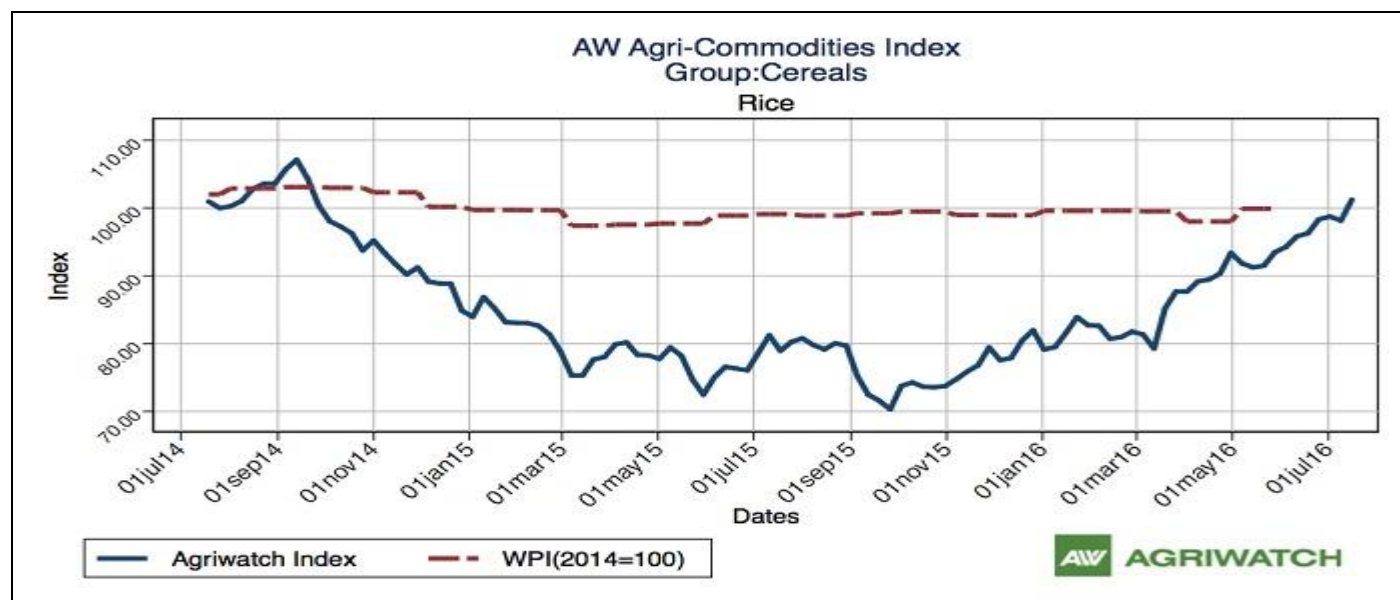
Till July 15, higher area coverage under rice, compared to normal area coverage of corresponding week (average of 2011-12 to 2015-16), was reported from Punjab 26.90 lakh hectare up by around 11% from same period corresponding year followed by Chhattisgarh(18.27 lakh Ha,) Odisha(10.28 lakh Ha,) Haryana (7.01 lakh Ha,) and U.P(15.14 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 up to the corresponding period of last year.

Total Rice exported from India in the first week of July was 196115.95 tons out of which basmati rice contribute 36.17%, and non-basmati rice is 63.82% in this period with quantity of around 70940.22 tons and 125175.72 tons respectively as per latest data extract from IBIS.

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-17, 2016


The Agriwatch Agri Commodities Index jumped 2.13% to 121.71 during the week ended July 16, 2016 from 119.17 during the previous week. The base for the Index and all sub-Indices is 2014 (= 100). Pulses led by chana and vegetables led by onion were the big weekly gainers with cereals and fibres also posting significant weekly gains. Only three of the nine sub-Indices within the main Index declined. The sub-Index values and their weekly changes are as follows: Cereals Index: 108.04 (+1.66%), Pulses Index: 227.08 (+6.13%), Vegetables Index: 89.37 (+11.45%), Edible Oils Index: 114.45 (+0.10%), Spices Index: 142.67 (+4.91%), Fibres Index: 121.86 (+5.98%), Sweeteners Index: 120.82 (-0.14%), Oilseeds Index: 114.18 (-0.04%) and Other Non-Food Articles Index: 90.89 (-0.35%).

"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 02nd Week of July-2016

Source agmarknet

State	Prices 09-15 Jul 2016	Prices 01-08 Jul 2016	Prices 09-15 Jul 2015	% Change(Over Previous Week)	% Change(Over Previous Year)
Andhra Pradesh	4235.98	2601.02	2893.77	62.86	46.38
Assam	3151.23	3086.62	3157.88	2.09	-0.21
Gujarat	3167.35	3101.85	2670.07	2.11	18.62
Jharkhand	2467.81	2568.83	2498.83	-3.93	-1.24
Karnataka	3512.63	3338.55	3643.28	5.21	-3.59
Kerala	3176.3	3088.71	3129.67	2.84	1.49

Maharashtra	3166.67	3099.51	2936.35	2.17	7.84
Manipur	3047.4	3058.3		-0.36	—
Meghalaya	3500	3462.54	3202	1.08	9.31
Delhi		2100	1800	—	—
Orissa	2229.02	2403.9	2351.34	-7.27	-5.2
Telangana			3142.08	—	—
Tripura	2567.27	2568.21	2554.39	-0.04	0.5
Uttar Pradesh	2195.06	2197.5	2082.67	-0.11	5.4
Uttarakhand	2758.89	2177.91	1941.83	26.68	42.08
West Bengal	2429.69	2385.81	2226.83	1.84	9.11
Average	2971.81	2749.28	2639.5		

Price Projection for July 03rd Week in Domestic Market

Duration	Trend	Average Price Range	Reason
03 rd Week of July, 2016	Steady to Firm	Rs.2850-2950/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	16-July-2016)	09-July- 2016)	Month Ago(16- June-2016)	% ch. From last week	% Change from last Month
1121 Steam	5800	6000	5800	-3.33	0.00
1121 Sella	4600	4700	4700	-2.13	-2.13
1121 Raw	6000	5900	5900	1.69	1.69

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

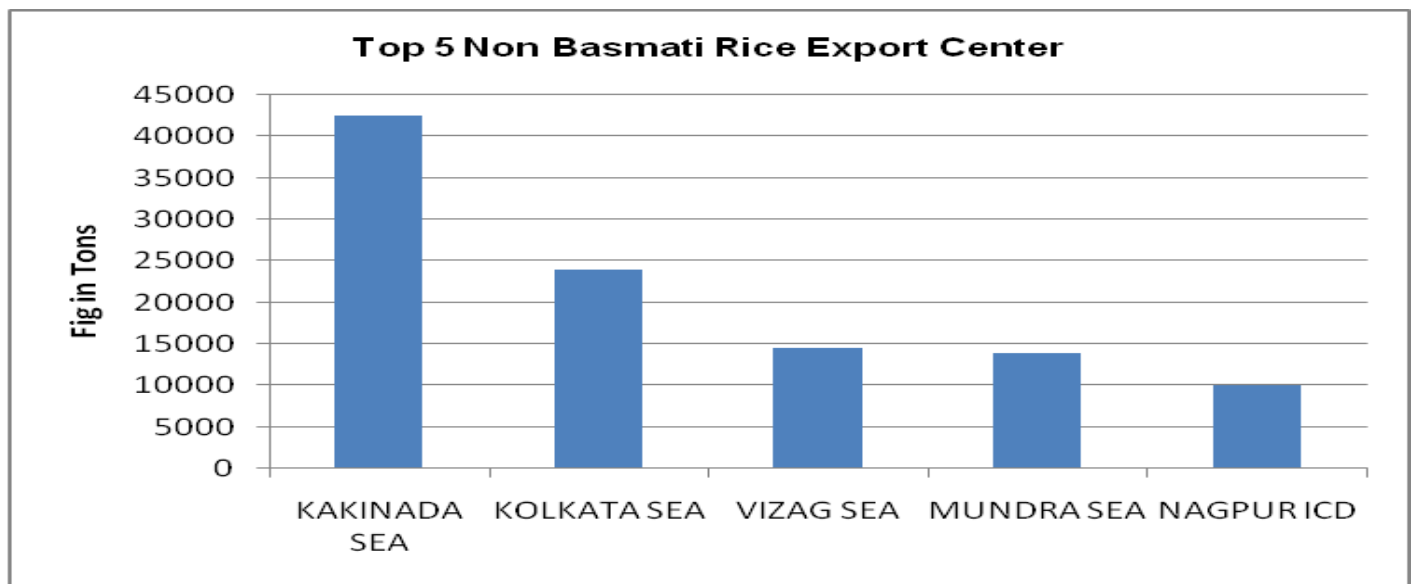
Indian White Rice 5%, 25% High Quality, Long grain parboiled 5%					
Variety	16-July-2016)	09-July-2016)	Month Ago(16-June-2016)	% ch. From last week	% Change from last Month
White Rice 5%	365	375	375	-2.67	-2.67
White Rice 25%	345	350	345	-1.43	0.00
Parboiled 5%	365	350	355	4.29	2.82

Major Importers of Basmati & Non Basmati Rice in First Week of July-2016

Non-Basmati Rice			Basmati Rice		
Country	Quantity(Tons)	Average of FOB \$/Ton	Country	Quantity(Tons)	Average of FOB \$/Ton
BENIN	22898.66	368.44	IRAN	13884.74	757.00
IVORY COAST	17830.00	335.59	U A E	13613.91	799.76
GUINEA	12767.90	364.88	SAUDI	9472.85	825.57
S.AFRICA	10030.94	343.42	IRAQ	8322.60	701.87
TURKEY	8979.50	365.03	KOREA	7282.00	817.55
LIBERIA	7124.97	345.56	U K	2585.12	785.57
SENEGAL	5130.00	332.99	KUWAIT	2263.19	900.25
DJIBOUTI	5073.00	339.55	TURKEY	1464.89	662.31
IRAQ	4723.88	480.61	AUSTRALIA	1424.72	900.17
INDONESIA	4575.90	311.12	U S A	1387.23	764.66
Others	26040.97	480.28	Others	9238.98	836.40
Grand Total	125175.72	461.21	Grand Total	70940.22	800.13

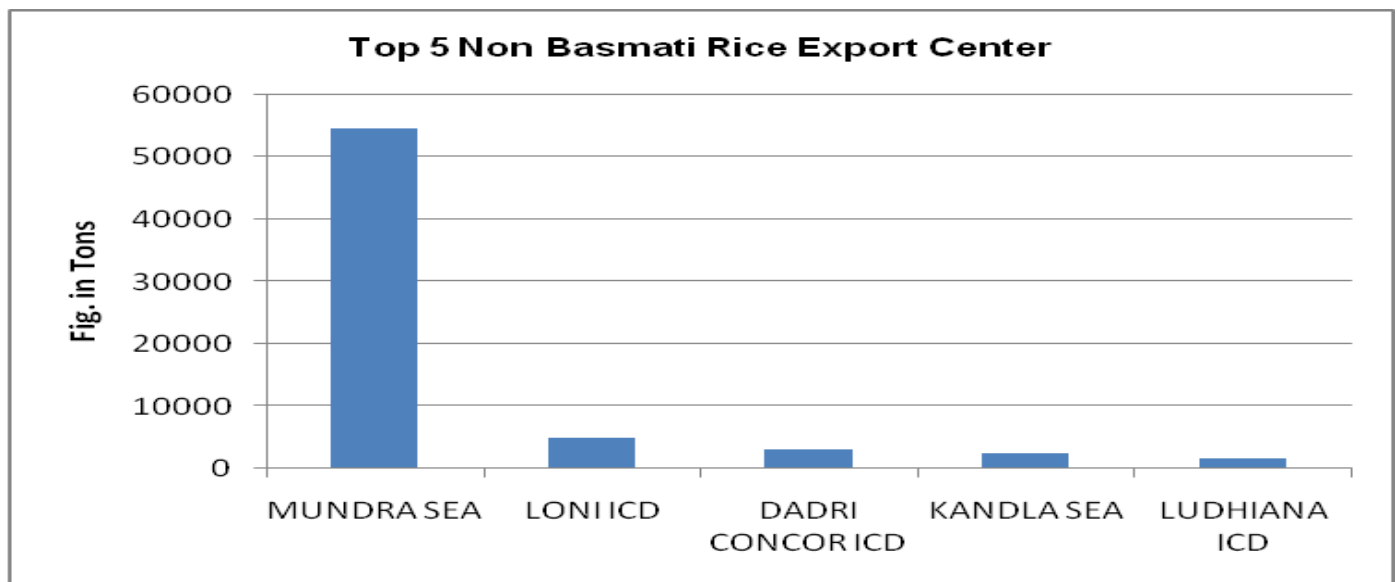
Total Rice exported from India in the first week of July was 196115.95 tons out of which basmati rice contribute 36.17%, and non-basmati rice is 63.82% in this period with quantity of around 70940.22 tons and 125175.72 tons respectively as per latest data extract from IBIS. Major importers of Indian Basmati rice in this period were Iran, UAE 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, Ivory Coast and Guinea.

Major Non-Basmati Export Sourcing Center



Total non-basmati Rice export in the 01st week of July was 125175.72 tons. Kakinada Sea, Kolkata Sea and Vizag 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



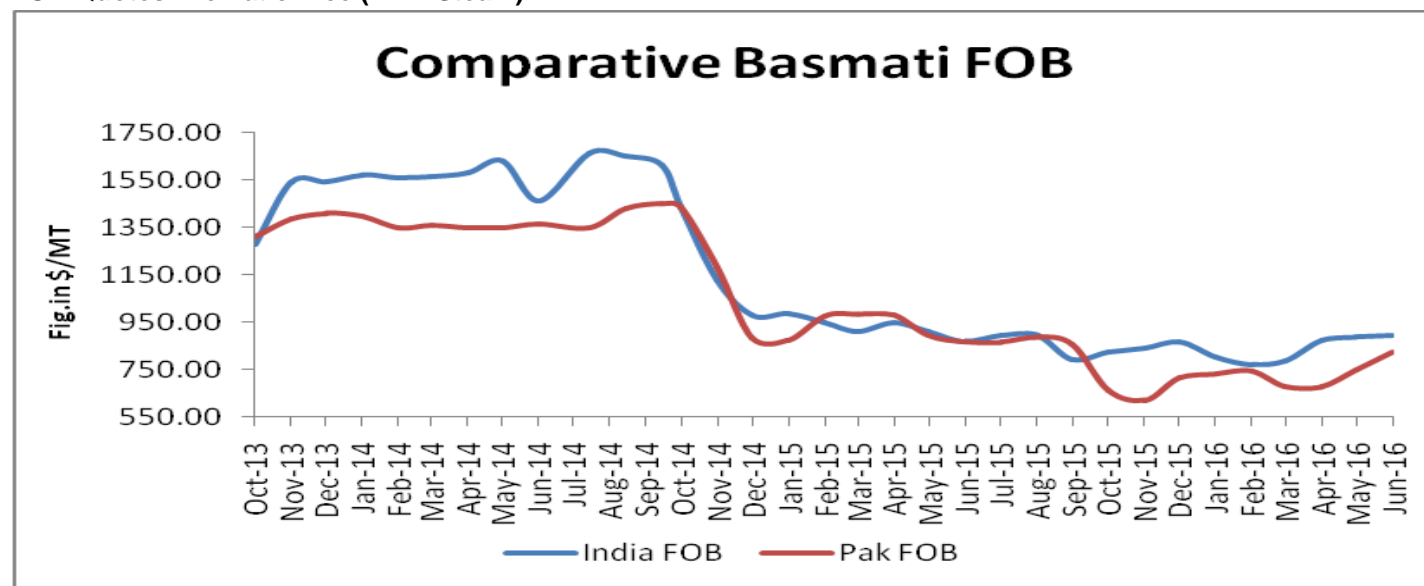
Total basmati Rice export in the 01st week of July was 70940.22 tons. Mundra Sea, Loni ICD and Dadri ICD were the major port for basmati rice export center during this period. These three ports cover more than 88% of total export in this period.

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
Total	320.4	340.40	303.91

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 Uttrakhand 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

Cambodia exported 268,190 tons of milled rice in the first half of 2016, down 5.8 percent from the 283,825 tons in the same period last year. The Southeast Asian country has exported its milled rice to 57 countries and regions around the world. Three top buyers are China, France and Poland, adding that China imported some 47,024 tons of milled rice from Cambodia during the January-June period this year, France imported 37,463 tons and Poland purchased 36,164 tons. Cambodia produced over 9 million tons of paddy rice a year. With this amount, country has over 3 million tons of milled rice left over for annual export.

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.

Unofficial Thailand 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. Rice exports from January 1 – July 3, 2016 totaled 1,830,342 metric tons, down 6 percent from the same period last year.

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 nd Week of July, 2016	Steady	USD/ Hundred Weight 10.45-11.00

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