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# Rice Weekly Research Report

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**Outlook and Review:****Domestic Front**

**Wholesale Prices for India as an average for third week of July traded weak by -6.35% from last week. Prices are currently hovering at Rs.2700-2720/quintal and 0.62% up from price of Rs.2735.72/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 stable for the third week of July 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 22<sup>nd</sup> July, as per reports received from States, stands at 692.98 lakh hectare compared to 671.01 lakh hectare at the corresponding time last year. It is reported that rice has been sown/transplanted in 183.06 lakh ha which is 0.36% higher than last year area of 182.39 lakh hectare till date.**

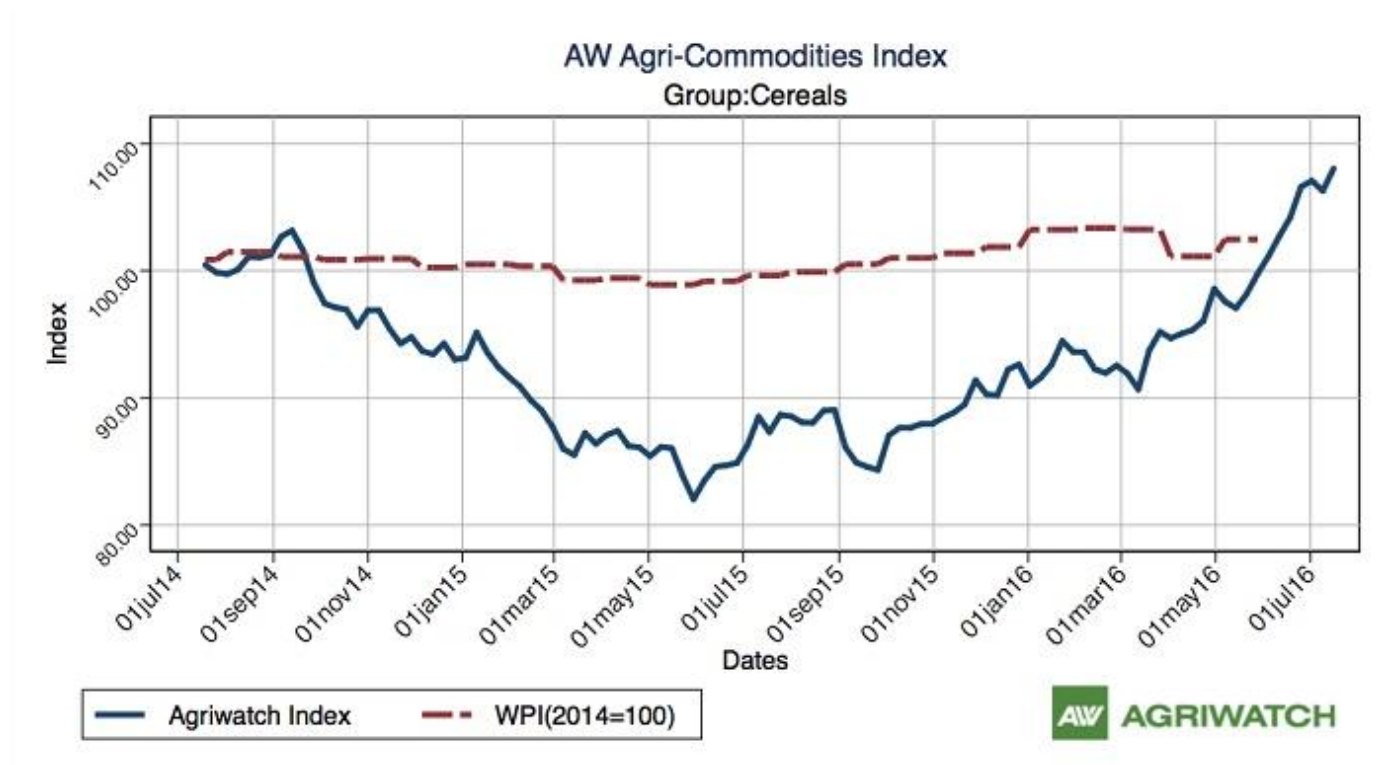
**Till July 22, maily lower area coverage under rice, compared to normal area coverage of corresponding week (average of 2011-12 to 2015-16), was reported from U.P 37.02 lakh hectare down by around 1.80% from same period corresponding year followed by Punjab(28.71 lakh Ha,) Odisha(14.84 lakh Ha,) Haryana (8.77 lakh Ha,) and Bihar ( 11.69 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 second week of July was 234991.85 tons out of which basmati rice contribute 35.64%, and non-basmati rice is 64.35% in this period with quantity of around 83772.01 tons and 151219.84 tons respectively as per latest data extract from IBIS.**

**Among the food grains, the inflation for Cereals has increased to 6.32% from the previous month's level of 4.60%, Rice to 3.37% from the previous month's level of 2.22% and Wheat 6.83% from the previous month's level of 3.85%. The inflation for Pulses has decreased to 26.61% from the previous month's level of 35.56%.**

**In the monsoon season, weekly Rainfall for the country as a whole during the week 07th July, 2016 to 13th July, 2016 has been 11% higher than Long Period Average (LPA). Rainfall (% departure from LPA) in the four broad geographical divisions of the country during the above period has been higher by 91% in Central India and lower by 47% in East & North East India, 39% in North West India, 14% in South Peninsula.**

**Agriwatch Cereals Commodity Indices – July-25, 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](http://www.agriwatch.com). The daily indices are available on subscription. Please contact for more details."

**State wise Wholesale Prices weekly for 03<sup>rd</sup> Week of July-2016**

Source agmarknet

State	Prices 16-23 Jul 2016	Prices 09-15 Jul 2016	Prices 16-23 Jul 2015	% Change(Over Previous Week)	% Change(Over Previous Year)
Andhra Pradesh	2966.95	4230.23	2890.02	-29.86	2.66
Assam	2702.35	3131.78	3133.03	-13.71	-13.75
Gujarat	3142.99	3167.35	2670.66	-0.77	17.69
Jharkhand	2549.19	2471.86	2546.3	3.13	0.11

Karnataka	3247.83	3512.63	3526.87	-7.54	-7.91
Kerala	3203.9	3176.3	3058.55	0.87	4.75
Maharashtra	3081.79	3159.26	2882.64	-2.45	6.91
Manipur	3045.38	3047.4	2942.57	-0.07	3.49
Meghalaya	3423.51	3500	3495.17	-2.19	-2.05
Delhi	2000	2000		0	—
Orissa	2266.3	2211.49	2277.99	2.48	-0.51
Tripura	2622.74	2567.27	2574.59	2.16	1.87
Uttar Pradesh	2181.74	2192.69	2084.74	-0.5	4.65
Uttarakhand	1974.64	2758.89	1985.79	-28.43	-0.56
West Bengal	2370.36	2421.75	2231.27	-2.12	6.23
<b>Average</b>	<b>2718.64</b>	<b>2903.26</b>	<b>2735.72</b>		

#### Price Projection for July 04<sup>th</sup> Week in Domestic Market

Duration	Trend	Average Price Range	Reason
04 <sup>th</sup> 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	22-July-2016)	16-July- 2016)	Month Ago(22-June-2016)	% ch. From last week	% Change from last Month
<b>1121 Steam</b>	5900	5800	5800	1.72	1.72
<b>1121 Sella</b>	4600	4600	4700	0.00	-2.13
<b>1121 Raw</b>	5800	6000	5900	-3.33	-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	22-July-2016)	16-July- 2016)	Month Ago(22-June-2016)	% ch. From last week	% Change from last Month

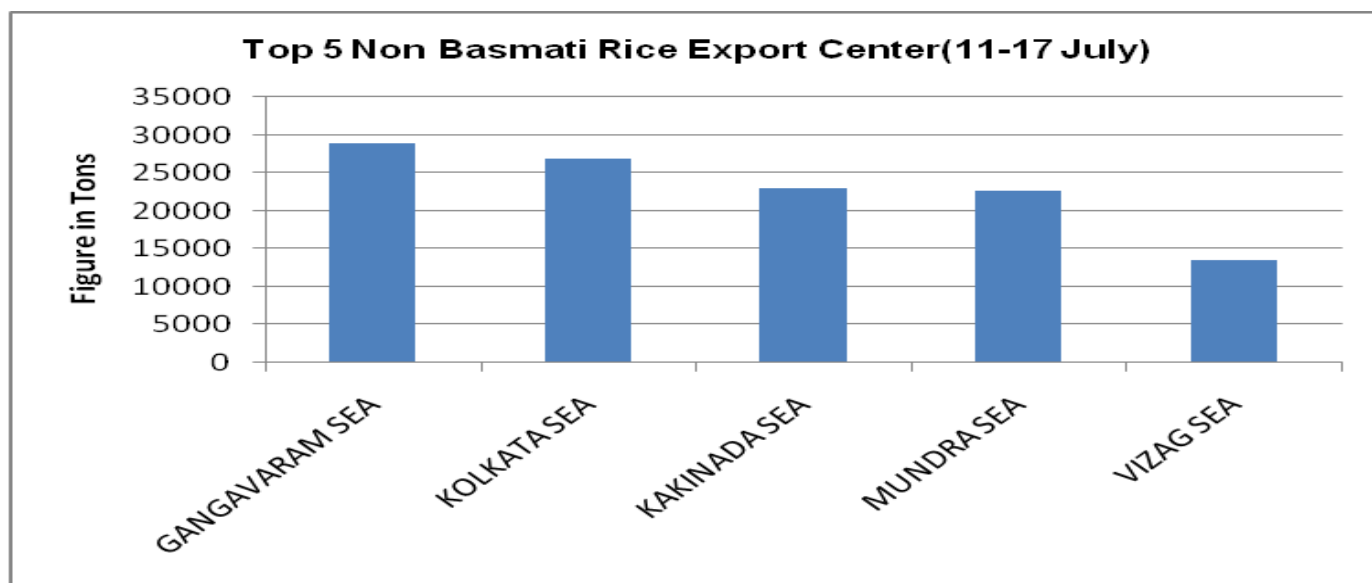
White Rice 5%	375	365	375	2.74	0.00
White Rice 25%	335	345	345	-2.90	-2.90
Parboiled 5%	350	365	355	-4.11	-1.41

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

Non-Basmati Rice			Basmati Rice		
Country	Quantity(Tons)	Average of FOB \$/Ton	Country	Quantity(Tons)	Average of FOB \$/Ton
GUINEA	21080.04	1010.79	IRAN	21059.72	743.63
BENIN	17922.70	373.38	SAUDI	17595.99	844.23
SENEGAL	15758.00	301.01	U A E	11662.33	852.64
IVORY COAST	13576.50	353.25	IRAQ	6876.96	769.59
TURKEY	11895.90	386.88	U K	3406.07	749.90
S.AFRICA	11482.91	370.12	KOREA	2875.00	764.84
DJIBOUTI	6853.25	349.15	TURKEY	2466.00	684.02
SOMAALIA	6300.00	346.43	KUWAIT	2456.39	1013.27
U A E	6116.73	579.25	U S A	1860.01	836.08
INDONESIA	5270.50	312.38	QATAR	1467.20	1268.30
Others	34963.32	520.74	Others	12046.34	689.25
<b>Grand Total</b>	<b>151219.84</b>	<b>467.97</b>	<b>Grand Total</b>	<b>83772.01</b>	<b>817.26</b>

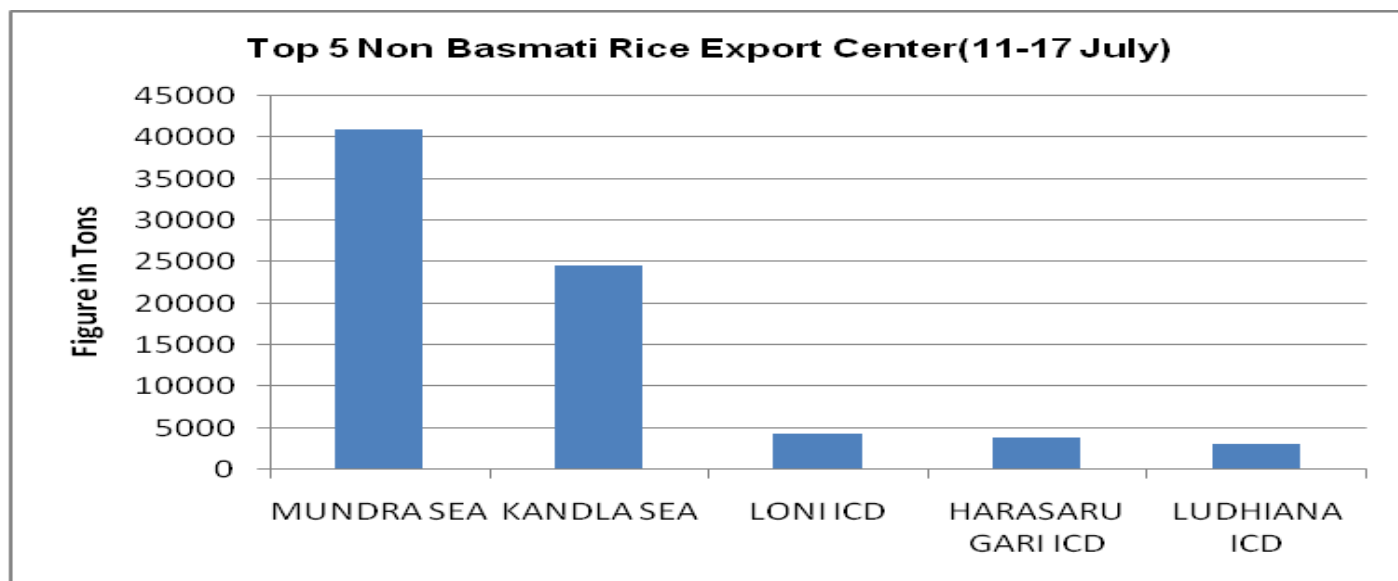
Total Rice exported from India in the second week of July was 234991.85 tons out of which basmati rice contribute 35.64%, and non-basmati rice is 64.35% in this period with quantity of around 83772.01 tons and 151219.84 tons respectively as per latest data extract from IBIS. Major importers of Indian Basmati rice in this period were Iran, Saudi and UAE. 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 Guinea, Benin and Senegal. Weekly rice export were up by around 20% from last week export of 196115.95 tons

#### Major Non-Basmati Export Sourcing Center



Total non-basmati Rice export in the 02<sup>nd</sup> week of July was 151219.83 tons. Gangavaram Sea, Kolkata Sea and Kakinada Sea were the major ports for non-basmati rice export during this period. These five ports cover approx 76% of total export in this period.

#### Major Basmati Export Sourcing Center



Total basmati Rice export in the 02<sup>nd</sup> week of July was 83772 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 90% of total export in this period.

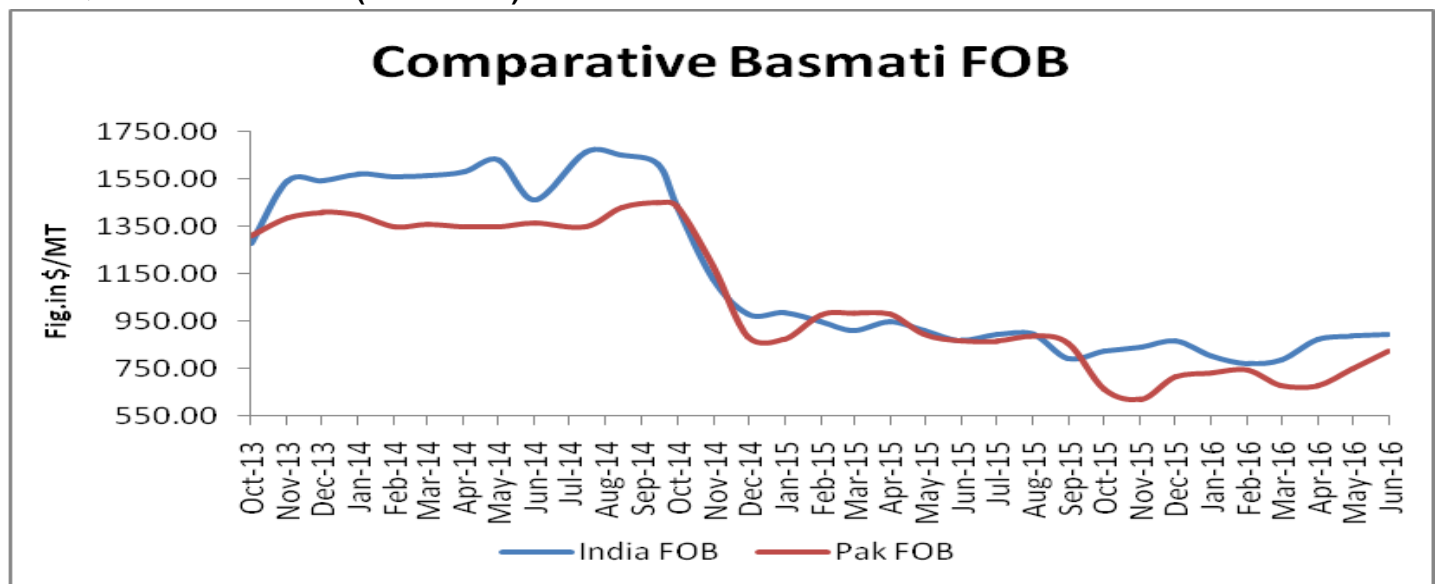
#### State wise Progressive Procurement

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

<b>Bihar</b>	16.14	12.25	16.14
<b>Chhattisgarh</b>	34.23	34.42	33.55
<b>Haryana</b>	20.15	28.61	20.15
<b>Kerala</b>	3.74	3.82	3.74
<b>M.P</b>	8.07	8.49	8.07
<b>Maharashtra</b>	1.99	2.22	1.78
<b>Odessa</b>	33.57	33.51	26.53
<b>Punjab</b>	77.86	93.5	77.86
<b>Tamilnadu</b>	10.51	10.90	9.37
<b>U.P</b>	16.98	29.10	16.77
<b>Uttarakhand</b>	4.65	5.97	4.65
<b>West Bengal</b>	20.32	15.65	16.91
<b>Others</b>	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

**Australian rice production for 2016/17 is forecast by Post to reach 450,000 MT on a milled basis, which is an upgrade on the official forecast** of 400,000 MT for a number of reasons. These include a significant carryover of untraded water entitlements from the previous season and a high guaranteed price for rice of A\$415/MT by the industry body Sun Rice. This forecast is relatively conservative as better water availability and seasonal conditions could result in higher yields. Water allocations for 2016/17 are expected to be well above the previous season due to improved rainfall and a pause in the federal government's environmental water entitlement purchases.

**Vietnam's rice export is estimated to drop to 5.65 million tonnes in 2016, down 14 percent against the previous year and 800,000 tonnes lower than initial forecast.** According to the Vietnam Food Association (VFA), this is the first time since 2009 Vietnam's rice export may fall below 6 million tonnes. At present, Vietnam's big rice importers like the Philippines and Indonesia are showing no intention of buying more rice. Meanwhile, the purchasing power of China, which accounts for nearly 35 percent of Vietnam's export volume, is declining. VFA statistics showed that Vietnam shipped abroad 2.65 million tonnes of rice in the first half of this year, earning 1.14 billion USD. China remained Vietnam's largest rice importer, accounting for 35 percent of the market share, followed by Africa and Indonesia. As of late 2016, there are about 1.27 million tonnes of rice in stock. However, the rice output of the summer-autumn crop is predicted to decrease due to long-lasting drought and saline intrusion.

**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.



## 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 September 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 10.32-10.75 hundred weights in coming sessions.

**Price Projection (International-CBOT)**

Duration	Trend	Price Range
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04 <sup>th</sup> Week of July,2016	Steady to Weak	USD/ Hundred Weight 10.32-10.75
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