



Rice Weekly Research Report

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Outlook and Review:**Domestic Front**

Wholesale Prices for India as an average for fourth week of July traded firmed by 2.03% from last week. Prices are currently hovering at Rs.2860-2865/quintal and 8.9% up from price of Rs.2628/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 mixed for the fourth week of July on sluggish demand from retailers against supply from producing regions.

The total Kharif crops sown area as on 29th July, 2016 as per reports received from States, stands at 799.51 lakh hectare as compared to 752.29 lakh hectare at this time last year. It is reported that rice has been sown/transplanted in 231.92 lakh ha which is up by 2.76% from last year area of 225.68 lakh hectare till date.

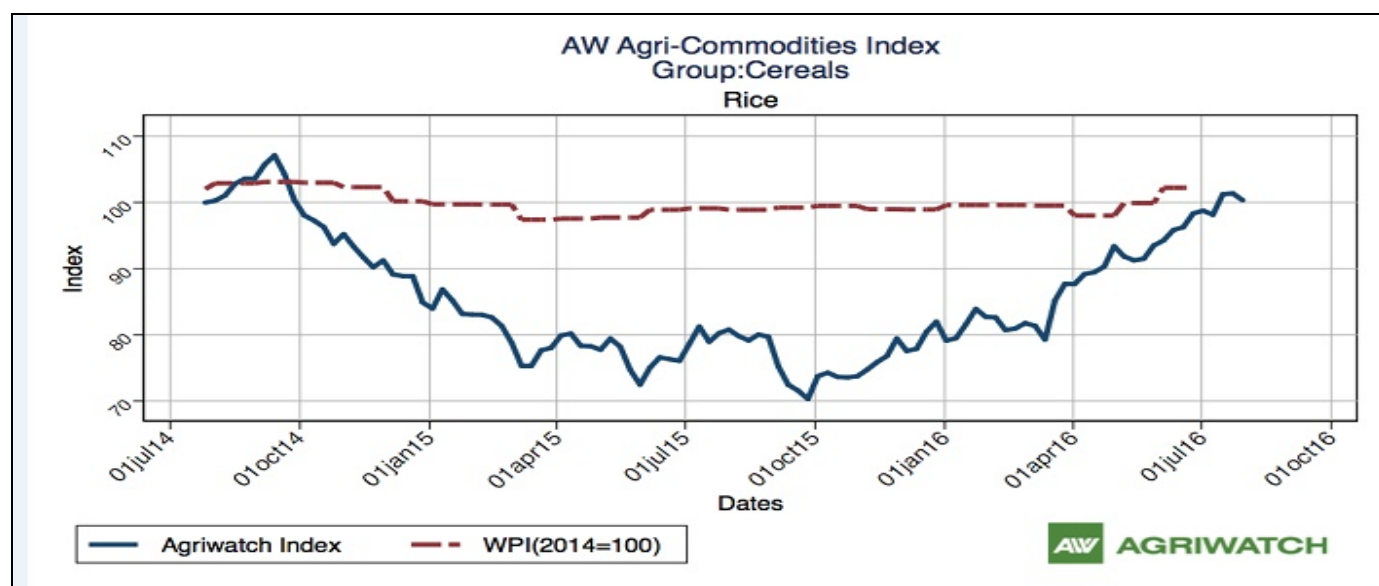
Till July 29, higher area coverage under rice, compared to normal area coverage of corresponding week (average of 2011-12 to 2015-16), was reported from A.P 4.48 lakh hectare up by around 17.58% from same period corresponding year followed by Karnataka 2.84 lakh hectare up by 20% from last year, M.P 13.81 lakh hectare up by 35% , Punjab 29.71 lakh hectare up by 1.40% and Telangana 1.91 lakh hectare up by 60% from last year till date.

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 third week of July (18-24 July) was 184519.63 tons out of which basmati rice contribute 37.91%, and non-basmati rice is 62.08% in this period with quantity of around 69954.19 tons and 114565.44 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%.

India's rice stocks in the central pool as on July 1, 2016 stood at around 13.62 million tons down by about 44% from around 24.52 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 50% from around 27.21 million tons recorded on June1, 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.

Agriwatch Cereals Commodity Indices – July-17, 2016


The Agriwatch Agri Commodities Index dipped 0.64% to 120.70 during the week ended July 30, 2016 from 121.47 during the previous week, led by easing in prices of pulses, cereals and cotton. The base for the Index and all sub-Indices is 2014 (= 100). Six of the nine commodity group sub-Indices constituting the Index declined during the week. The declining sub-Indices and their values and weekly changes are as follows: Cereals Index: 107.67 (-0.70%), Pulses Index: 214.04 (-3.41%), Fibres Index: 112.75 (-3.58%), Edible Oils Index: 115.79 (-0.15%), Oilseeds Index: 114.87 (-0.73%) and Spices Index: 142.28 (-0.82%). The weekly gainers were: Vegetables Index: 84.94 (+1.64%), Sweeteners Index: 123.63 (+1.65%) and Other Non-Food Articles Index: 92.77 (+0.95%).

"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 04th Week of July-2016

Source agmarknet

State	Prices 24-31 Jul 2016	Prices 16-23 Jul 2016	Prices 24-31 Jul 2015	% Change(Over Previous Week)	% Change(Over Previous Year)
Andhra Pradesh	3051.29	3931.94	2815.26	-22.4	8.38
Assam	3223.64	3007.73	3140.93	7.18	2.63
Bihar			2047.7	—	—
Gujarat	3253.84	3192.83	2676.82	1.91	21.56
Jharkhand	2587.76	2549.7	2506.94	1.49	3.22
Karnataka	3409.84	3227.3	3502.35	5.66	-2.64
Kerala	3265.01	3203.34	3173.1	1.93	2.9
Maharashtra	3232.03	3090.35	2780.6	4.58	16.23
Manipur	3041.18	3046.54	3006.15	-0.18	1.17

Meghalaya	3357.12	3423.51	3440	-1.94	-2.41
Delhi		2000	1800	—	—
Orissa	2278.61	2274.71	2138.25	0.17	6.56
Telangana			3000	—	—
Tripura	2675.05	2637.59	2532.5	1.42	5.63
Uttar Pradesh	2200.77	2182.88	2105.09	0.82	4.55
Uttarakhand	2164.16	1976.98	1795.75	9.47	20.52
West Bengal	2371.6	2373.59	2226.48	-0.08	6.52
Average	2865.14	2807.93	2628.7		

Price Projection for Aug 01st Week in Domestic Market

Duration	Trend	Average Price Range	Reason
01 st Week of Aug, 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	30-July-2016)	22-July- 2016)	Month Ago(30- June-2016)	% ch. From last week	% Change from last Month
1121 Steam	5800	5900	5850	-1.69	-0.85
1121 Sella	4600	4600	4750	0.00	-3.16
1121 Raw	5900	5800	5950	1.72	-0.84

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

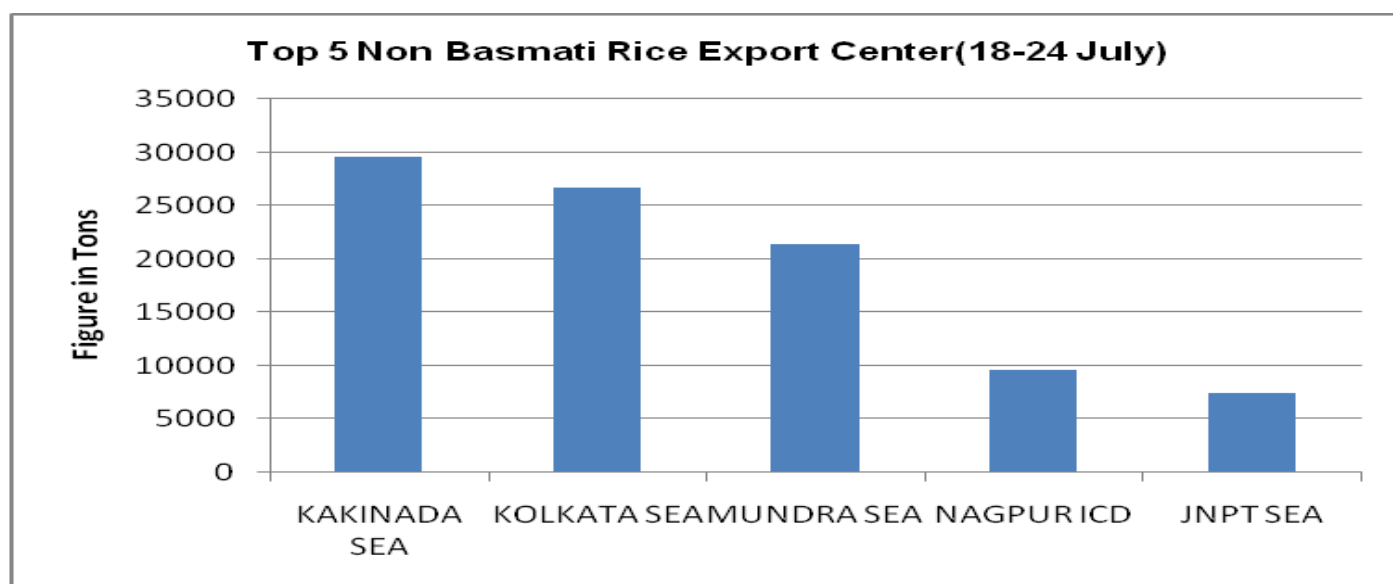
Indian White Rice 5%, 25% High Quality, Long grain parboiled 5%					
Variety	30-July-2016)	22-July- 2016)	Month Ago(30-June-2016)	% ch. From last week	% Change from last Month
White Rice 5%	375	375	375	0.00	0.00
White Rice 25%	335	335	345	0.00	-2.90
Parboiled 5%	350	350	355	0.00	-1.41

Major Importers of Basmati & Non Basmati Rice in 03rd Week of July-2016

Non-Basmati Rice			Basmati Rice		
Country	Quantity(Tons)	Average of FOB \$/Ton	Country	Quantity(Tons)	Average of FOB \$/Ton
GUINEA	24363.00	355.11	SAUDI	12891.24	825.46
BENIN	18529.54	379.23	KUWAIT	12583.08	986.88
TURKEY	10304.78	375.31	U A E	9724.41	862.22
CAMBODIA	7500.00	346.36	KOREA	7638.00	884.78
U A E	5850.52	545.66	IRAQ	6048.64	771.98
S.AFRICA	5182.28	343.59	IRAN	3076.87	737.38
DJIBOUTI	4751.25	378.02	U K	2817.00	739.88
SOMALIA	4733.00	349.70	TURKEY	2593.49	989.85
IRAQ	3032.00	606.86	U S A	2039.03	848.56
RUSSIA	2400.00	400.95	QATAR	2038.33	758.43
Others	27919.07	408.95	Others	8504.12	787.58
Grand Total	114565.44	1002.72	Grand Total	69954.19	823.21

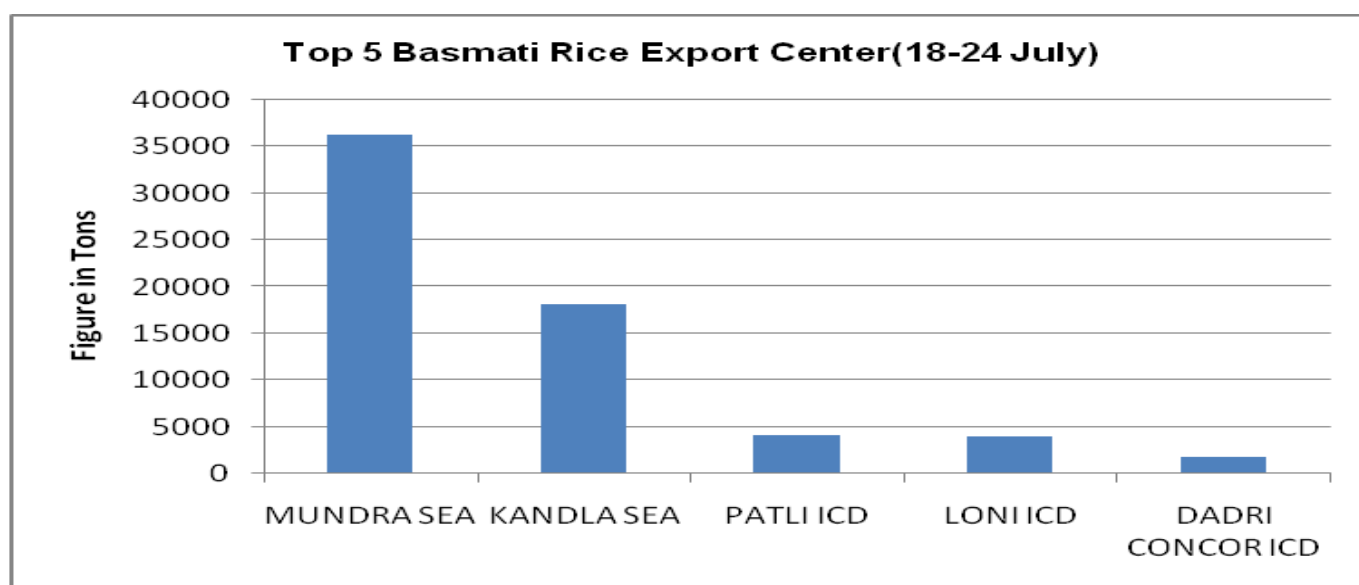
Total Rice exported from India in the third week of July (18-24 July) was 184519.63 tons out of which basmati rice contribute 37.91%, and non-basmati rice is 62.08% in this period with quantity of around 69954.19 tons and 114565.44 tons respectively as per latest data extract from IBIS. Major importers of Indian Basmati rice in this period were Saudi, Kuwait 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 Turkey. Weekly rice export were down by around 21% from last week export of 234991.84 tons

Major Non-Basmati Export Sourcing Center



Total non-basmati Rice export in the 03rd week of July was 114565.43 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



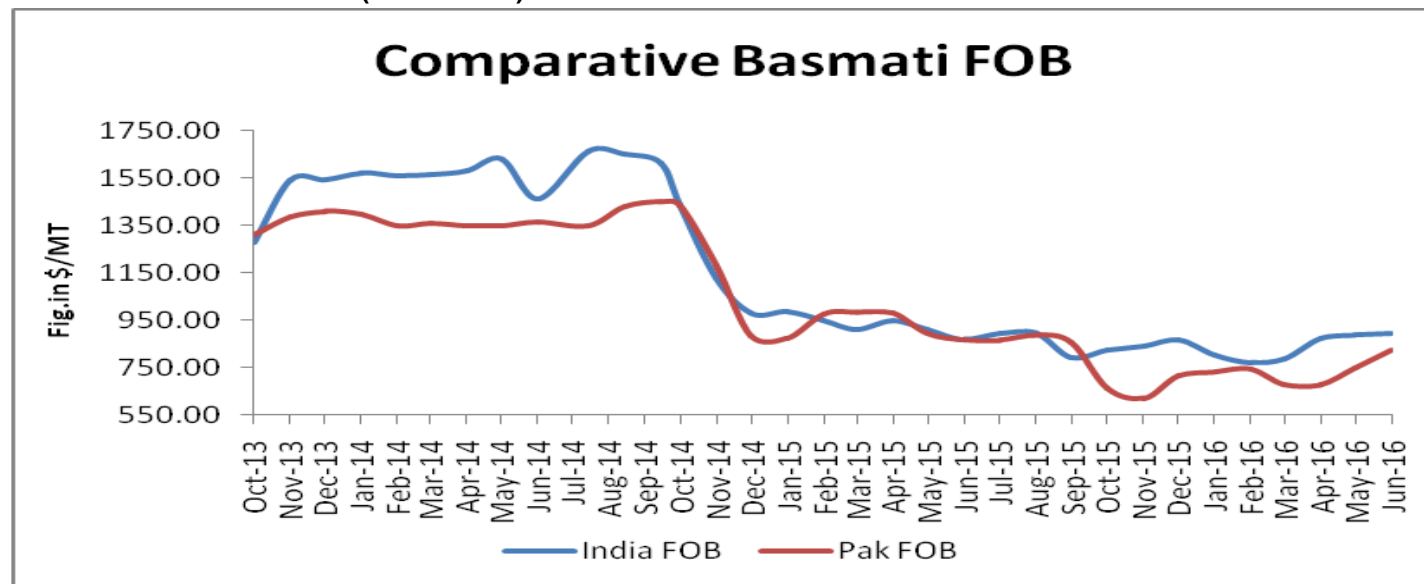
Total basmati Rice export in the 03rd week of July was 69954.19 tons. Mundra Sea, Kandla Sea and Patli ICD were the major port for basmati rice export center during this period. These three ports cover more than 90% of total export in this period.

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
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

Unofficial preliminary rice exports (excluding premium white and fragrant rice) for July 4-10, 2016 totaled 39,776 metric tons, down 18,156 metric tons from the previous week and down 19,120 metric tons from the four-week moving average of 58,896 metric tons. Rice exports from January 1 – July 10, 2016 totaled 1,870,118 metric tons, down 8 percent from the same period last year.

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.

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.

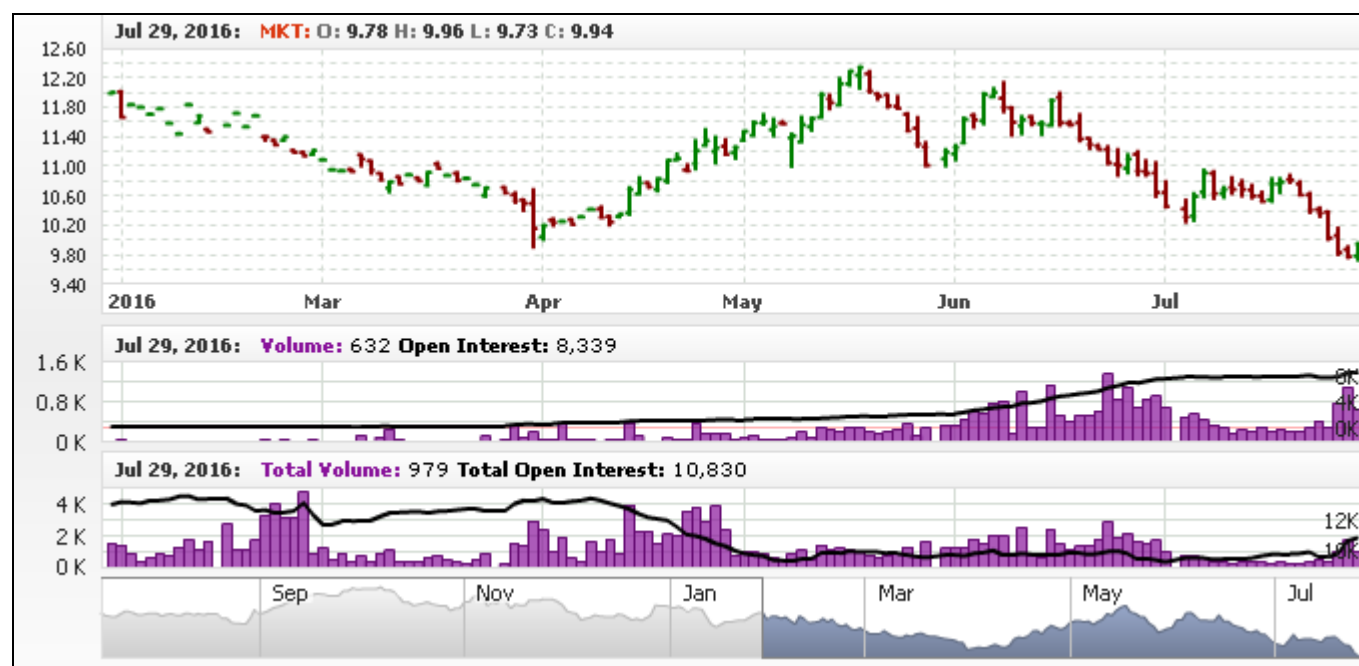
Global Consumption of Rice Increases in 2016-17

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 9.70-10.25 hundred weights in coming sessions.

Price Projection (International-CBOT)

Duration	Trend	Price Range
01 st Week of Aug,2016	Steady to Weak	USD/ Hundred Weight 9.70-10.25

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