



Rice Weekly Research Report

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 fourth week of July traded firmed by 0.35% from last week. Prices are currently hovering at Rs.2810-2815/quintal and 4.59% up from price of Rs.2690/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 1st week in Aug on sluggish demand from retailers against supply from producing regions.

The total Kharif crops sown area as on 05th Aug, 2016 as per reports received from States, stands at 885.29 lakh hectare as compared to 841.65 lakh hectare at this time last year. It is reported that rice has been sown/transplanted in 281.95 lakh ha which is up by 2.11% from last year area of 276.10 lakh hectare 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 month of July was 8.26 lakh tons out of which basmati rice contribute 36.43%, and non-basmati rice is 63.56% in this period with quantity of around 3 lakh tons and 5.25 tons respectively as per latest data extract from IBIS.

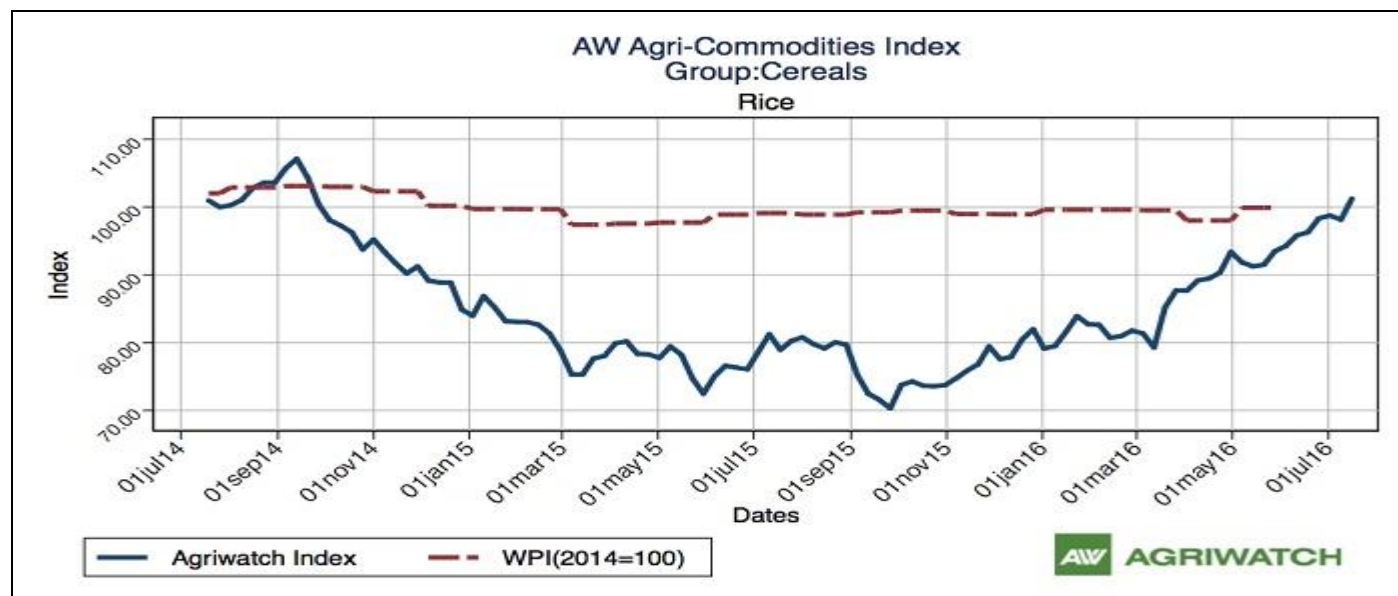
Among the food grains, the inflation for Cereals has increased to 6.32% from the previous month's level of 4.60%, Rice to 3.37% from the previous month's level of 2.22% and Wheat 6.83% from the previous month's level of 3.85%. The inflation for Pulses has decreased to 26.61% from the previous month's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

The Indian Metrological Department continues to forecast near normal or above normal rainfall over most of the country through first week of August. On June 2, 2016, the India Meteorological Department (IMD) in its long range forecast update on 2016 monsoon said the overall precipitation likely to be 104 percent of LPA during August

With the forecast of sufficient 2016 monsoon rains through August, planting of most Kharif crop is likely to conclude on time by mid-August. However, planting of rice in northern (mostly long grain Basmati) will continue through August and in some parts of south India through early September.

Planting is currently in full swing in most states and is likely to be over on schedule by mid-August. Planting of long-grain Basmati rice in Punjab, Haryana and western Uttar Pradesh, as well as rice in coastal Andhra Pradesh and Tamil Nadu will continue through the end of August-early September. Basmati area is likely to reduce this year due to relatively weak prices last year that affected farmer earnings in 2014. A clear picture for India's MY 2016/17 rice production prospects will emerge by end of August after planting is over in most states.

Agriwatch Cereals Commodity Indices – Aug-01, 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 01st Week of Aug-2016

Source agmarknet

State	Prices 01-08 Aug 2016	Prices 24-31 Jul 2016	Prices 01-08 Aug 2015	% Change(Over Previous Week)	% Change(Over Previous Year)
Andhra Pradesh	2610.79	3038.71	2819.8	-14.08	-7.41
Assam	3169.04	3221.11	2885.92	-1.62	9.81
Gujarat	3339.39	3252.67	2667.6	2.67	25.18
Jharkhand	2604.38	2594.66	2559.56	0.37	1.75
Karnataka	3566.58	3339.8	3607.22	6.79	-1.13
Kerala	3239.62	3260.48	3168.73	-0.64	2.24
Maharashtra	2638.01	3251.05	2674.43	-18.86	-1.36
Manipur	3038.46	3035.71	3003.62	0.09	1.16

Meghalaya	3381.43	3357.12	3457.47	0.72	-2.2
Delhi		2000		—	—
Orissa	2325.02	2293.51	2341.7	1.37	-0.71
Tripura	2735.87	2687.81	2594.29	1.79	5.46
Uttar Pradesh	2205.47	2208.16	2102.36	-0.12	4.9
Uttarakhand	2133.46	2164.16	1799.85	-1.42	18.54
West Bengal	2408.09	2355.37	2255.19	2.24	6.78
Average	2813.97	2804.02	2690.22		

Price Projection for Aug 02nd Week in Domestic Market

Duration	Trend	Average Price Range	Reason
02 nd 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	08-Aug-2016)	30-July- 2016)	Month Ago(08- July-2016)	% ch. From last week	% Change from last Month
1121 Steam	5700	5800	6000	-1.72	-5.00
1121 Sella	4500	4600	4700	-2.17	-4.26
1121 Raw	5900	5900	5900	0.00	0.00

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

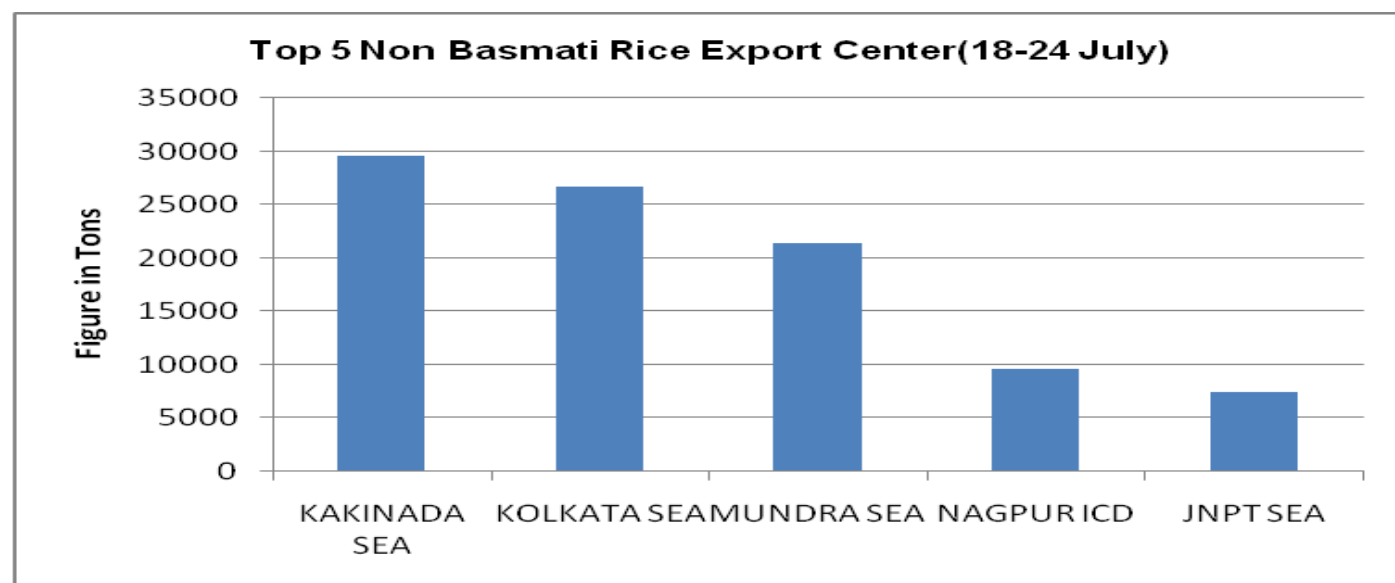
Indian White Rice 5%, 25% High Quality, Long grain parboiled 5%					
Variety	08-Aug-2016)	30-July-2016)	Month Ago(08- July-2016)	% ch. From last week	% Change from last Month
White Rice 5%	375	375	375	0.00	0.00
White Rice 25%	335	335	345	0.00	-2.90
Parboiled 5%	350	350	355	0.00	-1.41

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

Non-Basmati Rice			Basmati Rice		
Country	Quantity(Tons)	Average of FOB \$/Ton	Country	Quantity(Tons)	Average of FOB \$/Ton
BENIN	85363.90	374.08	SAUDI	54902.23	828.71
GUINEA	74137.94	486.01	U A E	49082.58	816.15
TURKEY	47148.05	381.22	IRAN	43763.40	727.17
IVORY COAST	35506.77	362.83	IRAQ	30107.82	748.83
S.AFRICA	33821.87	375.88	KOREA	24264.92	824.07
SENEGAL	24818.00	315.77	KUWAIT	21433.87	980.02
DJIBOUTI	23613.40	356.75	TURKEY	10802.55	746.33
U A E	20212.44	548.96	U K	10534.97	790.25
IRAQ	17064.50	533.11	U S A	8087.77	829.30
INDONESIA	14760.90	310.18	QATAR	5484.24	876.24
Others	148725.19	494.88	Others	42523.64	769.98
Grand Total	525172.96	461.07	Grand Total	300987.99	810.31

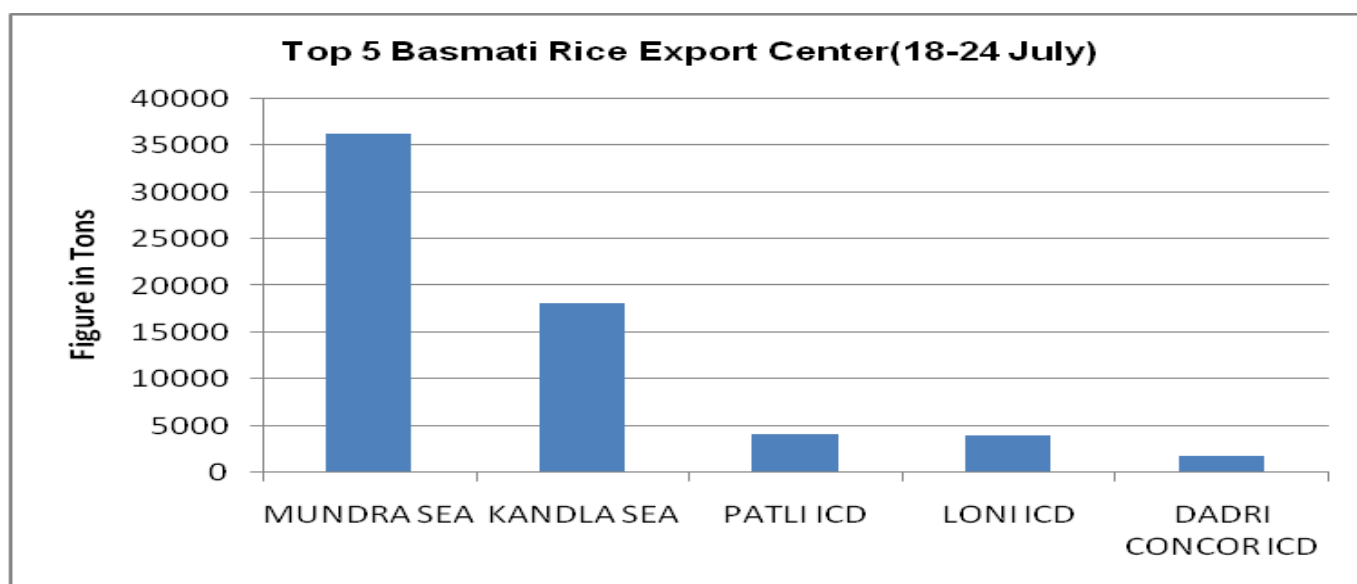
Total Rice exported from India in the month of July was 8.26 lakh tons out of which basmati rice contribute 36.43%, and non-basmati rice is 63.56% in this period with quantity of around 3 lakh tons and 5.25 lakh tons respectively as per latest data extract from IBIS..Major importers of Indian Basmati rice in this period were Saudi, UAE and Iran. 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, Guinea and Turkey. Monthly rice export were down by around 22.38% from last week export of 10.63 lakh tons

Major Non-Basmati Export Sourcing Center



Total non-basmati Rice export in the 3rd 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.

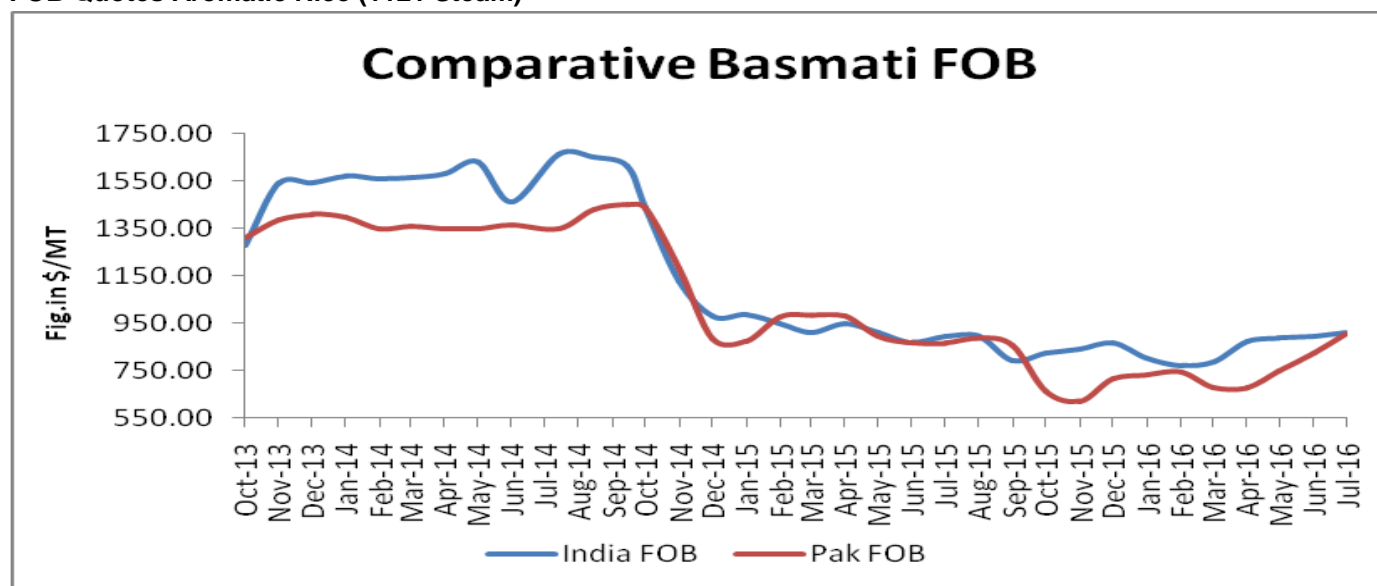
State wise Progressive Procurement

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 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 July moved up from last month and currently is in the range of USD 909-910/MT which is up by around 1.24% 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 825/MT to 907\$/MT, according to the UN's Food and Agriculture Organization (FAO). Currently Pakistani basmati FOB is hovering in the range of USD 907-908/MT which is up by 9.93% 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 01.07.16	Projection (2016-17) 28.07.16
Production	478	480	473	486	487
Trade	42	43	42	42	42
Consumption	478	481	483	488	489
Carryover stocks	114	112	101	99	100
Y-O-Y change	0	-2	-10	-	-2
Major Exporters	38	32	20	18	18

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

IGC Rice Balance sheet Highlights

At a record of 487mt, the outlook for global rice output in 2016/17 is raised slightly from last month to reflect adjustments for some Asian producers. The upward revision is channeled to higher figures for consumption, pegged at a peak of 489mt, and carryovers, placed at 100m, albeit still down slightly y/y. The projection for trade in 2017 is maintained at an above-average volume of 42mt, underpinned by anticipated firm demand from buyers in Africa and Asia.

After the previous year's fall, the world rice outturn is projected to recover strongly in 2016/17, rising by 3%, to an all-time peak of 487m t, on gains in Asian producers, including China, India and Thailand. However, given reduced carry-in stocks, total supplies are expected to increase only modestly and, with consumption set to expand further, end-season inventories are seen contracting slightly. Within the total, major exporters' carryovers could fall by 13% y/y. Trade in 2017 is expected to be underpinned by deliveries to Africa and Asia, with Thailand comfortably the biggest exporter, its shipments likely to exceed 11m 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 1.24% to around 489 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 9.35-10.00 hundred weights in coming sessions.

Price Projection (International-CBOT)

Duration	Trend	Price Range
02 nd Week of Aug,2016	Steady to Weak	USD/ Hundred Weight 9.35-10.00

Disclaimer

The information and opinions contained in the document have been compiled from sources believed to be reliable. The company does not warrant its accuracy, completeness and correctness. Use of data and information contained in this report is at your own risk. This document is not, and should not be construed as, an offer to sell or solicitation to buy any commodities. This document may not be reproduced, distributed or published, in whole or in part, by any recipient hereof for any purpose without prior permission from the Company. IASL and its affiliates and/or their officers, directors and employees may have positions in any commodities mentioned in this document (or in any related investment) and may from time to time add to or dispose of any such commodities (or investment). Please see the detailed disclaimer at <http://www.agriwatch.com/Disclaimer.asp> © 2016 Indian Agribusiness Systems Pvt Ltd.