



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 second week of August traded firmed by 4.97% from last week. Prices are currently hovering at Rs.2880-2885 /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 1121 steam is in Delhi Market is Rs.5200-5350/quintal while 1121 sella rice is about 4100-4150/quintal. At JNPT port, price of Sona Masuri is hover in the range of Rs.3200-3300/quintal.

The total sown area as on 12th August, 2016 as per reports received from States, stands at 954.18 lakh hectare as compared to 895.91 lakh hectare at this time last year. It is reported that rice has been sown/transplanted in 326.08 lakh hectares ,which is up by 7% from last year area of 304.71 lakh hectare.

Total Rice exported from India in the first week of August was 12818.19 tons out of which basmati rice contribute 28%, and non-basmati rice is 71.86% in this period with quantity of around 36065.59 tons and 92118.6 tons respectively as per latest data extract from IBIS.

As per Punjab Rice Millers and Export Association, basmati crop in Punjab will go down by 25-30 per cent this season. Punjab is expecting basmati area of about 5 lakh hectares in current Kharif season, which is about 35 per cent lower than what the state saw in last sowing season. Area under Basmati in Punjab stood at 7.63 lakh hectares and 8.62 lakh hectares in 2015-16 and 2014-15, respectively. Punjab's major basmati growing areas including Amritsar, Gurdaspur have seen sharp dip in sowing of basmati paddy this year. Out of the 1.73 lakh hectares of total paddy last year in Gurdaspur district, 60 per cent of area was under basmati. But this year, area under basmati has shrunk to 30 per cent of total sowing area and rest is with other varieties. In Amritsar, area under basmati went down by 25,000 hectares out of total area of 1.80 lakh hectares.

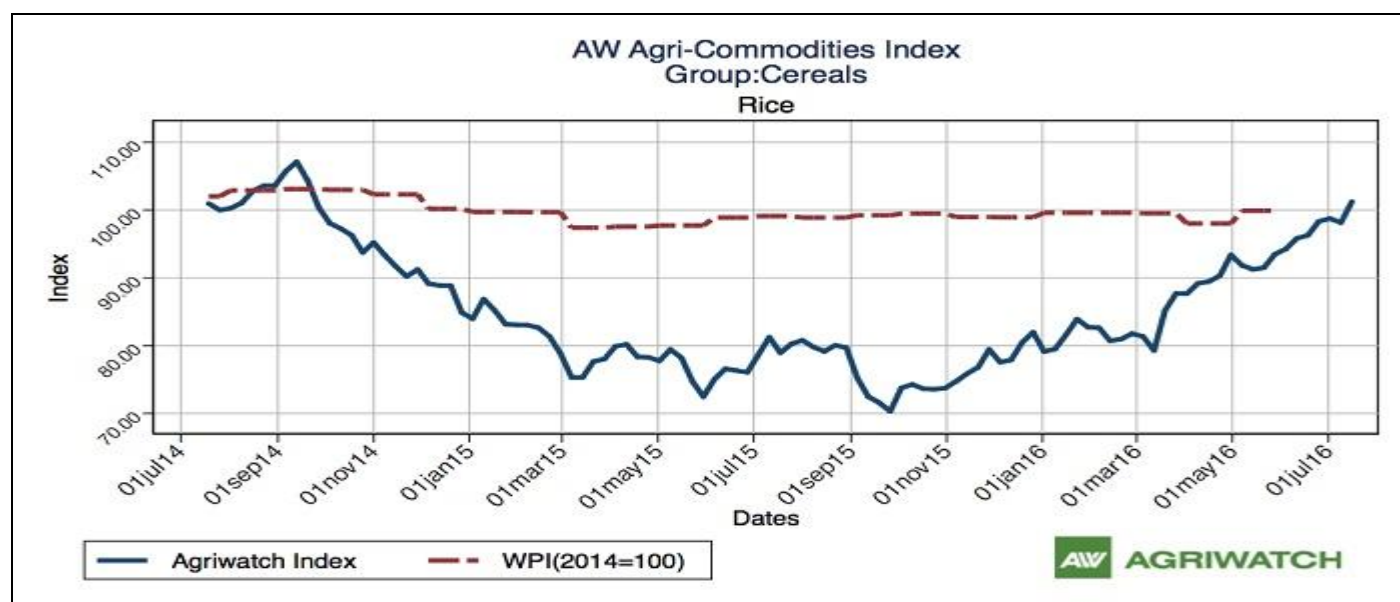
Among the food grains, the inflation for Cereals has increased to 6.32% from the previous month's level of 4.60%, Rice to 3.37% from the previous month's level of 2.22% and Wheat 6.83% from the previous month's level of 3.85%. The inflation for Pulses has decreased to 26.61% from the previous month's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

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 02nd Week of Aug-2016

Source agmarknet

State	Prices 09-15 Aug 2016	Prices 01-08 Aug 2016	Prices 09-15 Aug 2015	% Change(Over Previous Week)	% Change(Over Previous Year)
Andhra Pradesh	3714.09	2621.58	2789.91	41.67	33.13
Assam	3182.71	3168.32	3126.24	0.45	1.81
Bihar			2003.03	—	—
Gujarat	3462.14	3223.01	2673.21	7.42	29.51
Jharkhand	2567.55	2609.35	2574.94	-1.6	-0.29
Karnataka	3470.95	3541.94	3580.69	-2	-3.06
Kerala	3251.5	3239.27	2967.42	0.38	9.57
Maharashtra	2717.19	2638.33	2819.6	2.99	-3.63

Manipur		3032.19	2998.7	—	—
Meghalaya	3411.35	3381.43	3227.45	0.88	5.7
Delhi		2000		—	—
Orissa	2338.24	2329.05	2357.55	0.39	-0.82
Telangana			3000	—	—
Tripura	2774.63	2739.38	2565.34	1.29	8.16
Uttar Pradesh	2196.07	2205.68	2101.94	-0.44	4.48
Uttarakhand	2055.36	2114.35	1837.9	-2.79	11.83
West Bengal	2386.72	2407.53	2223.89	-0.86	7.32
Average	2886.81	2750.09	2677.99		

Price Projection for Aug 03rd Week in Domestic Market

Duration	Trend	Average Price Range	Reason
03 rd 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	13-Aug-2016)	08-Aug- 2016)	Month Ago(13- July- 2016)	% ch. From last week	% Change from last Month
1121 Steam	5350	5400	5700	-0.93	-6.14
1121 Sella	4150	4250	4600	-2.35	-9.78
1121 Raw	5400	5500	5800	-1.82	-6.90

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

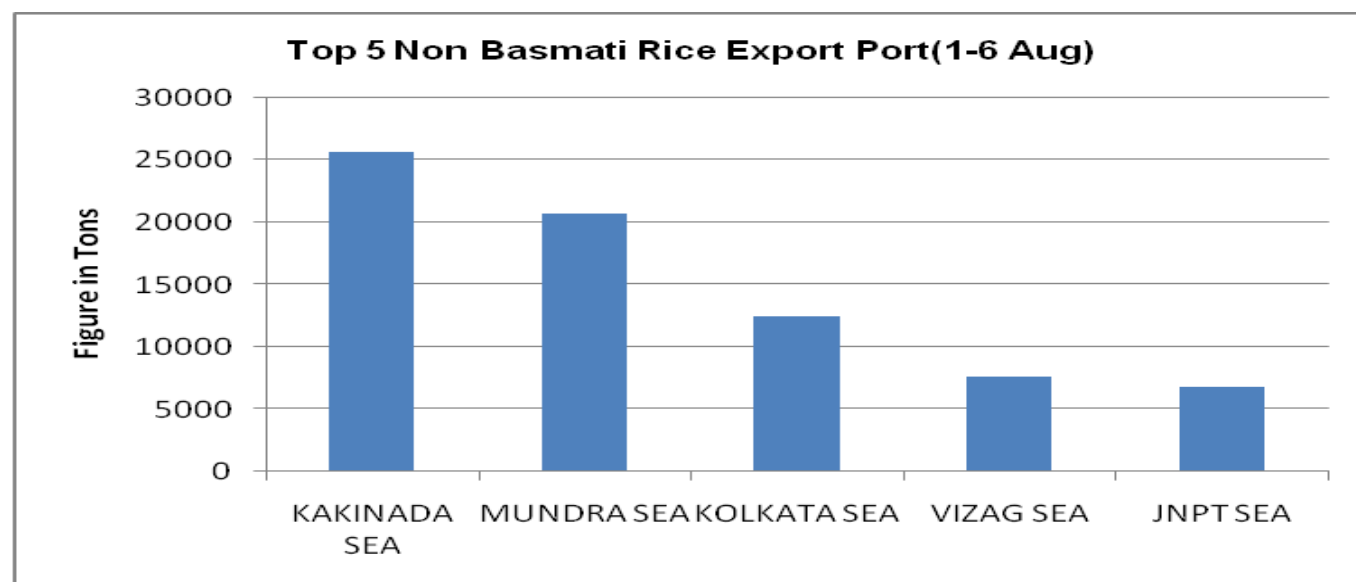
Indian White Rice 5%, 25% High Quality, Long grain parboiled 5%					
Variety	08-Aug-2016)	08-Aug- 2016)	Month Ago(13- July-2016)	% ch. From last week	% Change from last Month
White Rice 5%	375	375	375	0.00	0.00
White Rice 25%	340	335	345	1.49	-1.45
Parboiled 5%	350	350	355	0.00	-1.41

Major Importers of Basmati & Non Basmati Rice in 1st Week of Aug (1-6Aug)-2016

Non-Basmati Rice			Basmati Rice		
Country	Quantity(Tons)	Average of FOB \$/Ton	Country	Quantity(Tons)	Average of FOB \$/Ton
SENEGAL	17280.55	318.12	SAUDI	5893.85	842.27
BENIN	15941.17	380.46	IRAQ	5755.48	752.18
GUINEA	10158.00	389.38	U A E	5271.20	815.83
DJIBOUTI	5725.50	354.06	YEMEN	2382.00	815.74
EGYPT	5352.00	423.00	QATAR	1869.00	905.78
U A E	3960.53	535.86	U S A	1649.79	585.78
SOMAALIA	3500.00	346.68	IRAN	1469.17	750.34
SOMALIA	2982.00	364.31	TURKEY	1330.35	793.24
BERBERA	2563.00	375.02	CANADA	1191.11	798.79
IRAQ	1928.03	621.18	BAHRAIN	1115.79	837.06
Others	22727.82	441.53	Others	8137.85	740.32
Grand Total	92118.60	468.10	Grand Total	36065.59	827.75

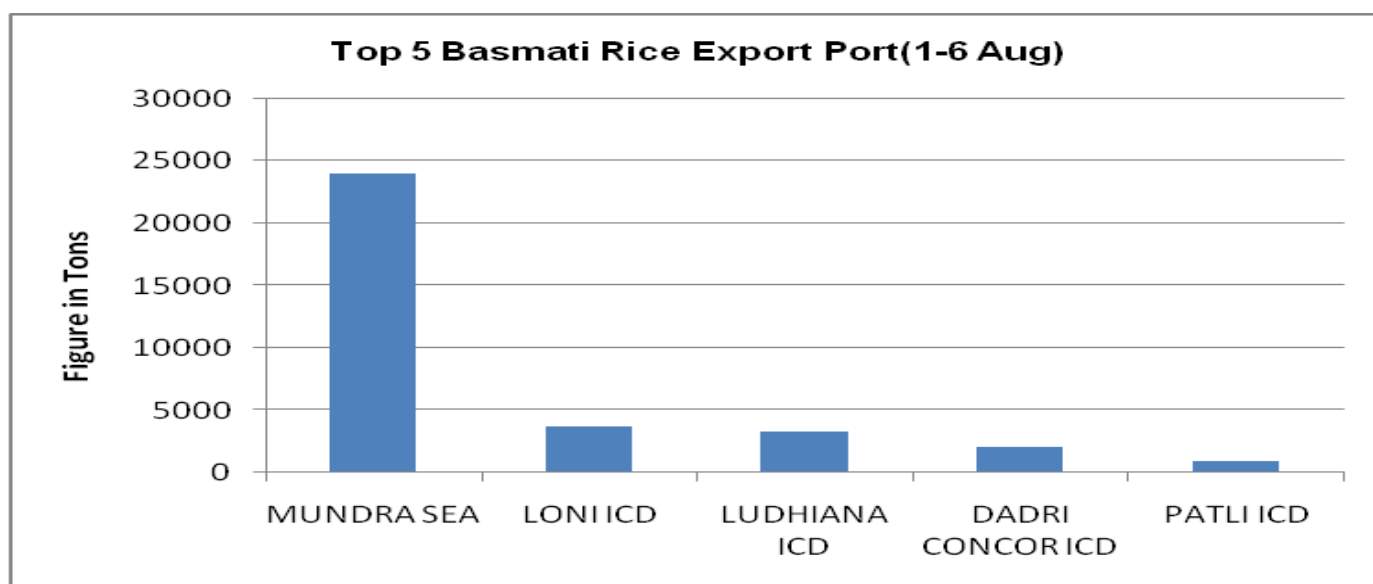
Total Rice exported from India in the first week of August was 12818.19 tons out of which basmati rice contribute 28%, and non-basmati rice is 71.86% in this period with quantity of around 36065.59 tons and 92118.6 tons respectively as per latest data extract from IBIS. Major importers of Indian Basmati rice in this period were Saudi, Iraq 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 Senegal, Benin and Guinea.

Major Non-Basmati Export Sourcing Center



Total non-basmati Rice export in the 01st week of Aug was 92118.60 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 80% of total export in this period.

Major Basmati Export Sourcing Center



Total basmati Rice export in the 01st week of Aug was 36065.58 tons. Mundra Sea, Loni ICD and LudhiyanalCD 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.

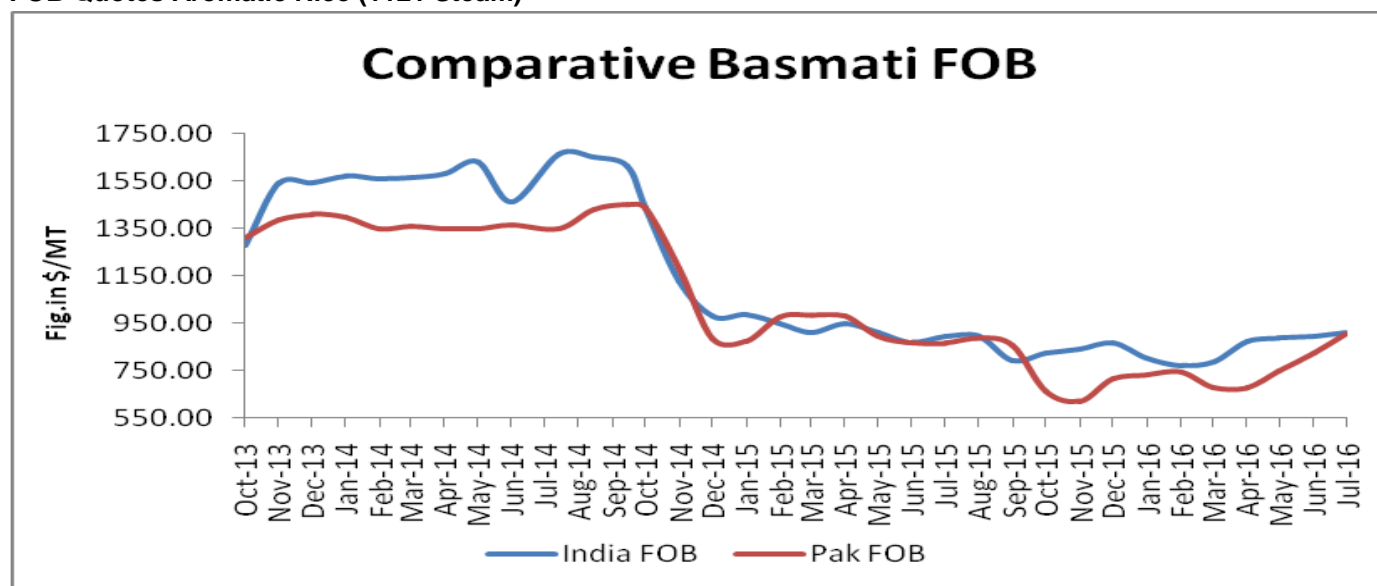
State wise Progressive Procurement

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

Data from the Vietnam Food Association (VFA) showed rice exports in July fell to their lowest point in 2016 at 270,000 tons, down 118 percent against the same month last year. The slowdown started in April when orders from big markets like China, Indonesia and Philippines dried up. Other importers have shifted their attention to Thai products, which are of medium quality but competitively priced. The country will export a total of 5.7 million tons in 2016, falling by 14 percent on-year following the worst drought and salinity to hit the Mekong Delta in a century, which accounts for 50 percent of Vietnam's rice exports every year.

Australia rice production for 2016/17 is forecast at 0.625 million metric tons (mmt) on a paddy basis, up 0.069 mmt from last month and up 0.375 mmt or 60 percent from last season. Area is forecast at 0.060 million hectares (mha), up 0.01 mha from last month and up 0.037 mha from last season. Yield is forecast at 10.42 metric tons per hectare, down 6.3 percent from last month, and down 4.1 percent from last year, and 2.7 percent above the 5-year average.

Bangladesh rice production in 2016-17 is forecast marginally lower at 34.51 million metric tons (MMT) on estimated lower planting (11.7 million hectares). Based on the latest customs data, MY 2015/16 rice imports are lowered to 0.22 MMT. MY 2016/17 rice imports are also revised lower to 0.15 MMT on sufficient domestic supplies and uncompetitive imports due to the government decision to raise import duty to 25 percent.

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.

Paddy transplantation in Nepal has progressed faster this year raising the prospect of a bumper harvest which will boost farm income, rev up overall economic growth and help Nepal regain the status of a food surplus country. The above-average monsoon this year, transplantation across the country as of August 7 stood at 94.36 percent of 1.42 million hectares compared to 75 percent in the same period last year. The transplantation rate is similar to 2011 when the country witnessed a bumper paddy harvest of 5.07 million tons.

IGC Rice Balance Sheet

(Fig. In Million Tonnes)

Attributes (Fig in Million Tons)	2013-14	2014-15 Estimate	Projection 01.07.16	Projection(20 16-17) 28.07.16
Production	478	480	486	487
Trade	42	43	42	42
Consumption	478	481	488	489
Carryover stocks	114	112	99	100
Y-O-Y change	0	-2	-	-2
Major Exporters	38	32	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 9.30-10.00 hundred weights in coming sessions.

Price Projection (International-CBOT)

Duration	Trend	Price Range
03 rd Week of Aug,2016	Steady	USD/ Hundred Weight 9.30-10.00

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.