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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 August traded weak by 2.29% from last week. Prices are currently hovering at Rs.2800-2810 /quintal and 5.48% up from price of Rs.2664/Quintal during corresponding period last year. Agriwatch expects non-basmati rice market to move range bound with some firm tone in coming week.**

**Prices of 1121 steam is in Delhi Market is Rs.5300-5350/quintal while 1121 sella rice is about 4250-4200/quintal. At JNPT port, price of Sona Masuri is hover in the range of Rs.3200-3300/quintal.**

**The total sown area as on 19<sup>th</sup> August, 2016 as per reports received from States, stands at 992.76 lakh hectare as compared to 938.57 lakh hectare at this time last year. It is reported that rice has been sown/transplanted in 34.63 million hectares, which is up by 3.6% from last year area of 33.42 lakh hectare.**

**With completion of the crop sowing in Punjab, area under paddy has grown to 30.10 lakh hectares in current Kharif season as against 29.75 lakh hectares last season. The target for current Kharif season for paddy was set at 27.10 lakh hectares. Farmers of Punjab, where a massive whitefly attack occurred last year, have opted for paddy this year and about 30.10-lakh hectare land have been sown during the ongoing Kharif season.**

**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.**

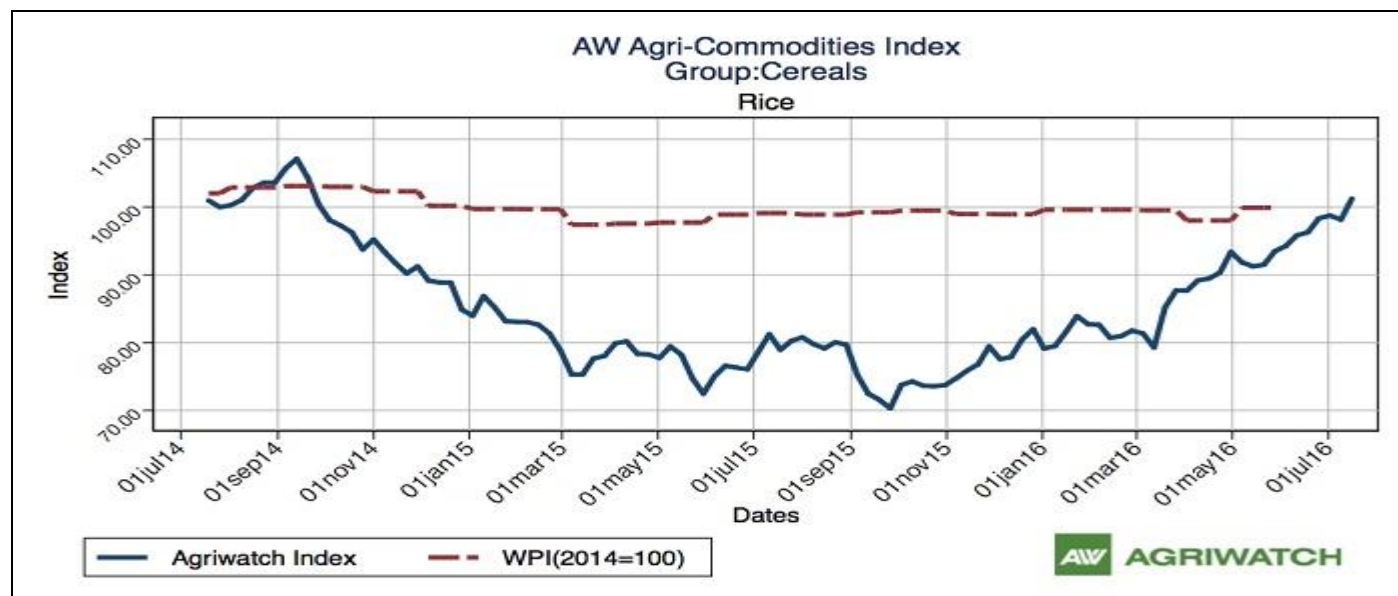
**The central government is on an overdrive to promote newer high-yielding varieties of pulses and paddy across the country and slowly phase out older varieties. To that end, it is offering several incentives including discounts on seeds of the new varieties purchased from the government and subsidies on every ton of crop produced. The government has announced a subsidy of Rs 8,000 per ton of paddy produced with seed varieties that are less than 10-years-old.**

**The index for this major group rose by 2.5 percent to 269.5 (provisional) from 262.8 (provisional) for the previous month. The groups and items which showed variations during the month are as follows:- The index for Food Articles group rose by 2.4 percent to 285.8 (provisional) from 279.0 (provisional) for the previous month due to higher price of gram (20%), fruits & vegetables (7%), egg (5%), maize (3%), barley (2%) and coffee, beef & buffalo meat, jowar, wheat, urad, rice, masur and pork (1% each).**

**India's rice stocks in the central pool as on August 1, 2016 stood at around 24.17 million tons up by about 19% from around 20.31 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 17% from around 29 million tons recorded on July-01, 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.**

**In the monsoon season, weekly Rainfall for the country as a whole during the week 04th August, • 2016 to 10th August, 2016 has been 15% 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 45% in Central India, 35% in North West India and lower by 46% in South Peninsula, 32% in East & North East India.**

**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.**

**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](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 Aug-2016**

Source agmarknet

State	Prices 16-23 Aug 2016	Prices 09-15 Aug 2016	Prices 16-23 Aug 2015	% Change(Over Previous Week)	% Change(Over Previous Year)
Andhra Pradesh	2910.83	4639.19	2822.46	-37.26	3.13
Assam	3188.27	3220.01	3158.79	-0.99	0.93
Bihar			1929.55	—	—
Gujarat	3264.51	3255.45	2660.38	0.28	22.71
Jharkhand	2649.02	2571.43	2505.84	3.02	5.71
Karnataka	3582.05	3365.31	3324.1	6.44	7.76

Kerala	3295.01	3236.83	3124.01	1.8	5.47
Maharashtra	3016.02	2725.63	3144.83	10.65	-4.1
Manipur	2994.7	2950.85	3005.33	1.49	-0.35
Meghalaya	3442.22	3411.35	3429.9	0.9	0.36
Delhi	2000	2000	1800	0	11.11
Orissa	2414.33	2348.46	2483.91	2.8	-2.8
Telangana			3150	—	—
Tripura	2779.07	2760.37	2572.94	0.68	8.01
Uttar Pradesh	2199.53	2198.65	2097.18	0.04	4.88
Uttarakhand	2003.27	2076.23	1858.95	-3.51	7.76
West Bengal	2422.65	2392.16	2232.02	1.27	8.54
<b>Average</b>	<b>2810.77</b>	<b>2876.79</b>	<b>2664.72</b>		

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

Duration	Trend	Average Price Range	Reason
04 <sup>th</sup> 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	20-Aug-2016)	13-Aug- 2016)	Month Ago(20- July-2016)	% ch. From last week	% Change from last Month
<b>1121 Steam</b>	5350	5350	6000	<b>0.00</b>	<b>-10.83</b>
<b>1121 Sella</b>	4250	4150	4700	<b>2.41</b>	<b>-9.57</b>
<b>1121 Raw</b>	5400	5400	5900	<b>0.00</b>	<b>-8.47</b>

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

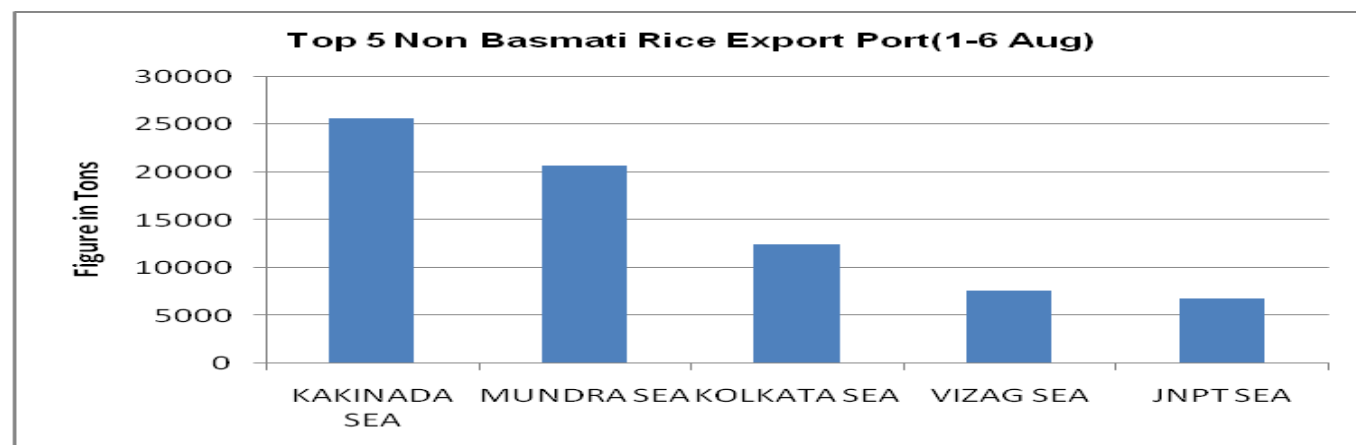
Indian White Rice 5%, 25% High Quality, Long grain parboiled 5%					
Variety	20-Aug-2016)	13-Aug- 2016)	Month Ago(20-July-2016)	% ch. From last week	% Change from last Month
White Rice 5%	380	375	375	1.33	1.33
White Rice 25%	345	340	345	1.47	0.00
Parboiled 5%	355	350	355	1.43	0.00

**Major Importers of Basmati & Non Basmati Rice in 1<sup>st</sup> 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
<b>Grand Total</b>	<b>92118.60</b>	<b>468.10</b>	<b>Grand Total</b>	<b>36065.59</b>	<b>827.75</b>

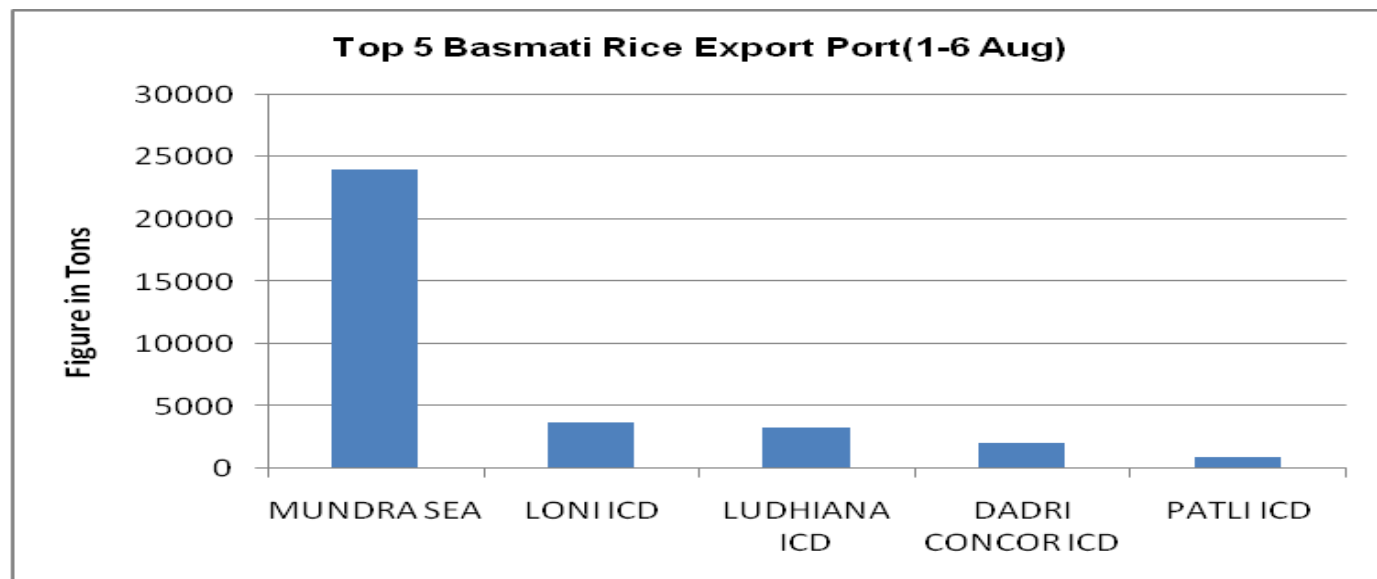
Total Rice exported from India in the first week of August was 12818.19 tons out of which basmati rice contribute 28%, and non-basmati rice is 71.86% in this period with quantity of around 36065.59 tons and 92118.6 tons respectively as per latest data extract from IBIS. Major importers of Indian Basmati 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 01<sup>st</sup> 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 01<sup>st</sup> week of Aug was 36065.58 tons. Mundra Sea, Loni ICD and Ludhiana 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
<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.

### Global Updates

**Philippines, one of the world's top rice buyers, is planning to import an additional 750,000 tons of rice to secure the country's supplies of the grain staple through 2017.** The immediate volume to be purchased will be the 250,000 tons that the government announced earlier, followed by another tranche of 250,000 tons.

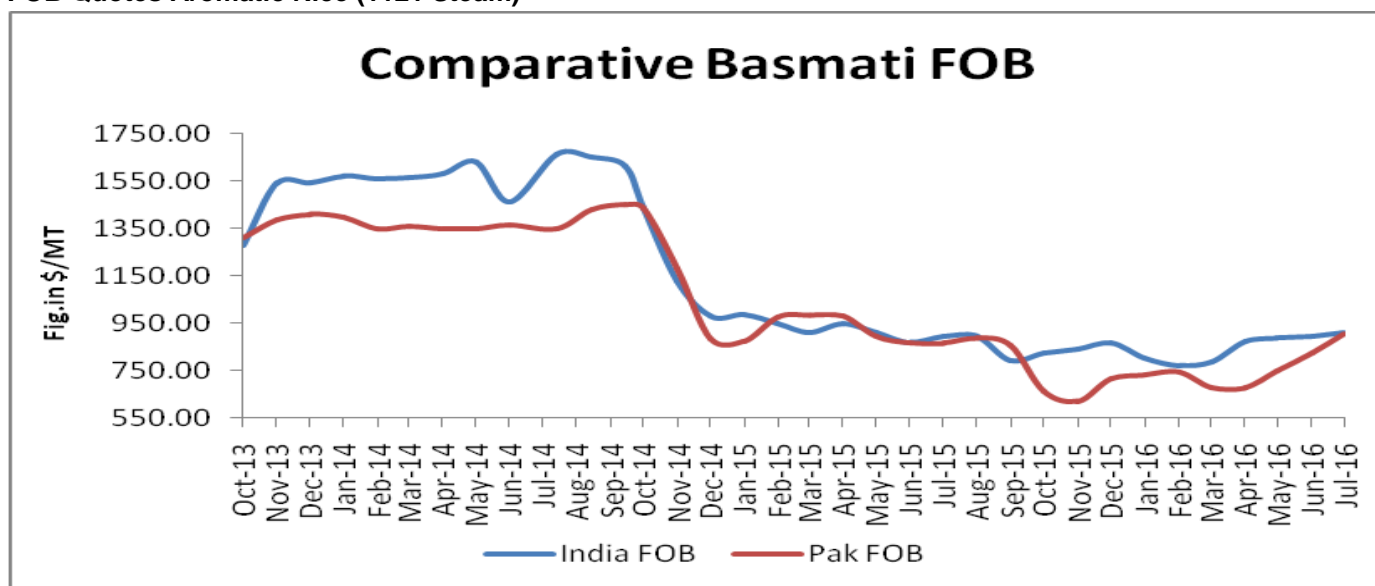
**Unofficial preliminary rice exports (excluding premium white and fragrant rice) for August 1-7, 2016 totaled 50,236 metric tons,** down 43,377 metric tons from the previous week and down 9,713 metric tons from the four-week moving average of 59,948 metric tons. Rice exports from January 1 – August 7, 2016 totaled 2,109,912 metric tons, down 11 percent from the same period last year.

**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.



**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.

**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 September- 16, Rough Rice) (Prices in US\$/hundredweight)



### Market Analysis

The CBOT September month rough chart for rice indicates firm movement in last couple of days; overall market is in steady to firm tone. We expect market to hover in the range of USD 10.15-10.85 hundred weights in coming sessions.

### Price Projection (International-CBOT)

Duration	Trend	Price Range
04 <sup>th</sup> Week of Aug,2016	Steady	USD/ Hundred Weight 10.15-10.85

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