



Rice Weekly Research Report

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Outlook and Review:

Domestic Front

Wholesale Prices for India as an average for fourth week of August traded firmed by 2.83% from last week. Prices are currently hovering at Rs.2890-2900 /quintal and 5.58% up from price of Rs.2668Quintal during corresponding period last year. Agriwatch expects non-basmati rice market to move range bound with some firm tone in coming week due to lean season against normal domestic and overseas demand.

Arrival of 1509 paddy starts in many parts of north Indian states like Haryana and U.P and as per market source, approx daily arrival of 1509 paddy in Safidon Mandi (Haryana) is 70-100 bags at Rs.1625/quintal, Whereas in Saharanpur(U.P) daily 1509 paddy arrival is 50-60 bags at Rs.1600/quintal. In Amritsar Mandi arrival of Govinda paddy is around 250 bags at Rs.1301/quintal.

The total sown area as on 2nd September, 2016 as per reports received from States, stands at 1033.99 lakh hectares as compared to 997.11 lakh hectares at this time last year. It is reported that rice has been sown/transplanted in 372.95 lakh ha which is 2.34% up from last year acreage of 364.43 lakh hectares.

Paddy sowing in top producing states are on its peak, paddy acreage as on 2 September in U.P was 59.55 lakh hectares which is up by 0.54% from last year this time area of 59.23 lakh hectares whereas in West Bengal and Odisha and is also up by 9.77%, 2.3% respectively.

Total Rice exported from India in the third week of August was 267584.14 tons out of which basmati rice contribute 15.39%, and non-basmati rice is 84.60% in this period with quantity of around 41192.07 tons and 226393.06 tons respectively as per latest data extract from IBIS.

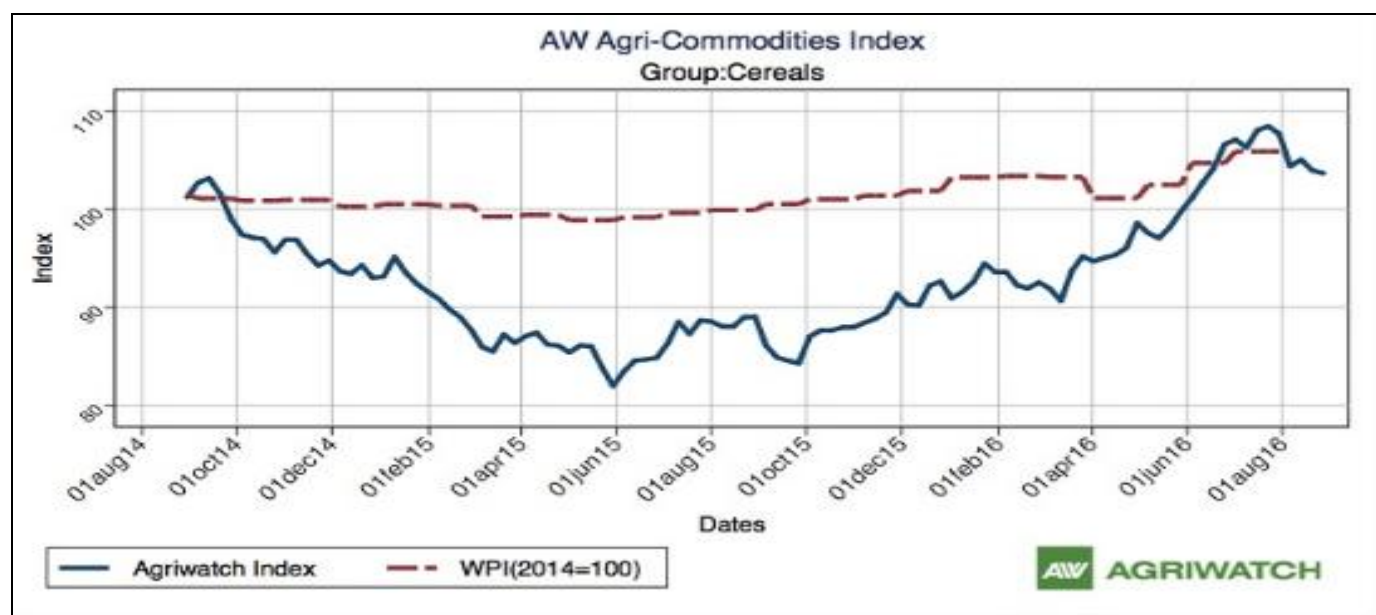
The central government is on an overdrive to promote newer high-yielding varieties of pulses and paddy across the country and slowly phase out older varieties. To that end, it is offering several incentives including discounts on seeds of the new varieties purchased from the government and subsidies 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.

Among the food grains, the inflation for Cereals has increased to 7.03% from the previous month's level of 6.32%, Rice to 4.08% from the previous month's level of 3.37%, Wheat 6.90% from the previous month's level of 6.83% and Pulses 35.76% from the previous month's level of 26.61%.

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, at all-India level, the rainfall during the week (18th - 24th August, 2016) has been 27% lower than the Long Period Average (LPA). Rainfall in the four broad geographical divisions of the country during the above period has been lower than LPA by 68% in South Peninsula, 22% in East & North-East India, 21% in North-West India and 17% in Central 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-27, 2016


The Agriwatch Agri Commodities Index fell 1.33% to 117.15 during the week ended August 27, 2016 from 118.73 during the previous week, led by sharply lower pulses prices. The base for the Index and all sub-Indices is 2014 (= 100). Seven of the nine commodity group sub-Indices and 21 of the 29 individual commodity sub-Indices that constitute the main Index declined during the week. The commodity group sub-Index values and their weekly changes are as follows:

Cereals Index: 103.67 (-0.28%), Pulses Index: 184.36 (-5.90%), Sweeteners (Sugar, Gur, Khandsari) Index: 120.82 (-1.06%), Fibres Index: 114.14 (-0.44%), Oilseeds Index: 113.21 (-1.65%), Spices Index: 136.60 (-4.57%), Other Non-Food Articles Index: 85.95 (-7.95%), Vegetables Index: 79.35 (+3.01%) and Edible Oils Index: 120.41 (+0.19%).

"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 Aug-2016

Source agmarknet

State	Prices 24-31 Aug 2016	Prices 16-23 Aug 2016	Prices 09-15 Aug 2016	% Change(Over Previous Week)	% Change(Over Previous Year)
Andhra Pradesh	3720	3038.59	4636.4	22.43	32.07
Assam	3521.84	3228.96	3220.01	9.07	10.35
Bihar				—	—
Gujarat	3166.67	3247.34	3255.45	-2.48	18.62
Jharkhand	2376.47	2665.9	2581.19	-10.86	-6.68
Karnataka	3334.71	3538.16	3365.31	-5.75	-3.73
Kerala	3247.17	3286.9	3236.83	-1.21	4.01
Maharashtra	2640.61	2938.23	2725.72	-10.13	-16.98
Manipur		3024.93	2950.85	—	—

Meghalaya	3500	3379.1	3411.35	3.58	0.77
Delhi		2000	2000	—	—
Orissa	2578.72	2486.62	2348.46	3.7	3.71
Tripura	2782.24	2734.51	2760.37	1.75	8.66
Uttar Pradesh	2211.24	2207	2199.82	0.19	6.51
Uttarakhand	2172.59	2070.86	2076.23	4.91	2.18
West Bengal	2413.47	2414.9	2391.97	-0.06	8.83
Average	2897.36	2817.47	2877.33		

Price Projection for Sept 01st Week in Domestic Market

Duration	Trend	Average Price Range	Reason
01 st Week of Sept, 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	03-Sept-2016)	27-Aug- 2016)	Month Ago(03 Aug-2016)	% ch. From last week	% Change from last Month
1121 Steam	5250	5150	5700	1.94	-7.89
1121 Sella	4250	4150	4550	2.41	-6.59
1121 Raw	5300	5200	5900	1.92	-10.17

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

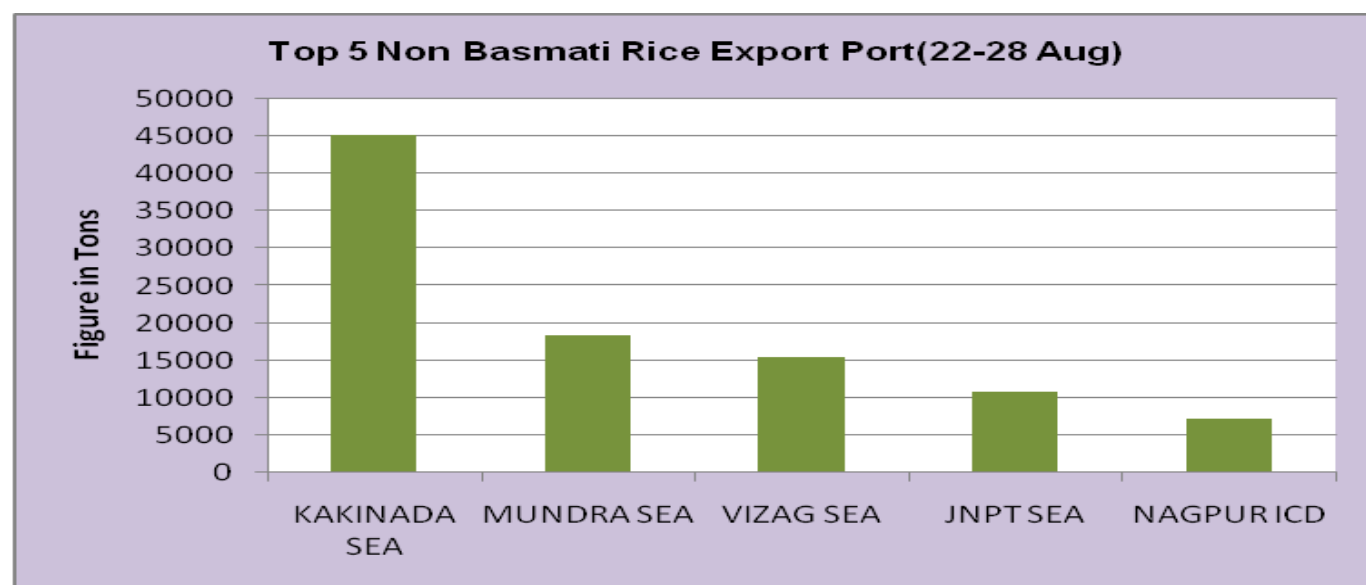
Indian White Rice 5%, 25% High Quality, Long grain parboiled 5%					
Variety	03-Sept-2016)	27-Aug- 2016)	Month Ago(03 Aug-2016)	% ch. From last week	% Change from last Month
White Rice 5%	370	375	375	-1.33	-1.33
White Rice 25%	335	340	345	-1.47	-2.90
Parboiled 5%	365	350	355	4.29	2.82

Major Importers of Basmati & Non Basmati Rice in 03rd Week of Aug (15-21 Aug)-2016

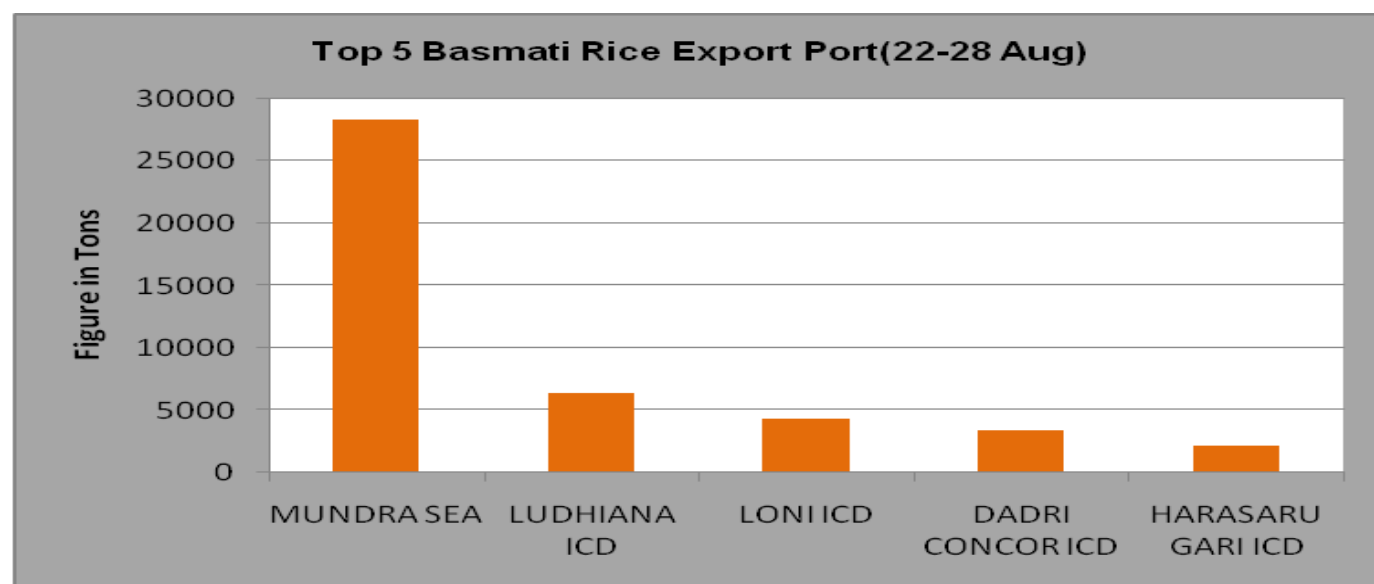
Non-Basmati Rice			Basmati Rice		
Country	Quantity(Tons)	Average of FOB \$/Ton	Country	Quantity(Tons)	Average of FOB \$/Ton
LIBERIA	26361.93	388.85	SAUDI	8652.17	847.16
BENIN	14852.93	376.21	IRAQ	6708.87	632.17
SENEGAL	14030.00	299.53	U A E	5493.68	739.57
TURKEY	5942.50	496.21	TURKEY	3668.51	722.93
EGYPT	5797.76	412.85	IRAN	3307.31	735.70
SIERRA LEONE	5161.20	262.49	YEMEN	2746.74	800.71
S.AFRICA	4821.50	375.62	U K	1979.23	859.90
DJIBOUTI	4613.00	351.09	BAHRAIN	1963.28	941.76
U A E	4491.09	595.90	QATAR	1773.84	927.85
IVORY COAST	2366.00	360.54	NETHERLANDS	1387.00	916.24
Others	33582.56	556.74	others	10203.90	877.01
Grand Total	122020.48	510.14	Grand Total	47884.54	809.15

Total Rice exported from India in the fourth week of August was 169905.01 tons out of which basmati rice contribute 28.18%, and non-basmati rice is 71.81% in this period with quantity of around 47884.54 tons and 122020.48 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 Liberia, Benin and Senegal. Weekly rice export was down by around 36% from last week export of 267584.14 tons.

Major Non-Basmati Export Sourcing Center



Total non-basmati Rice export in the 04th week of Aug was 122020.47 tons. Kakinada Sea, Mundra Sea and Vizag 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 04th week of Aug was 47884.53 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
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.

Global Updates

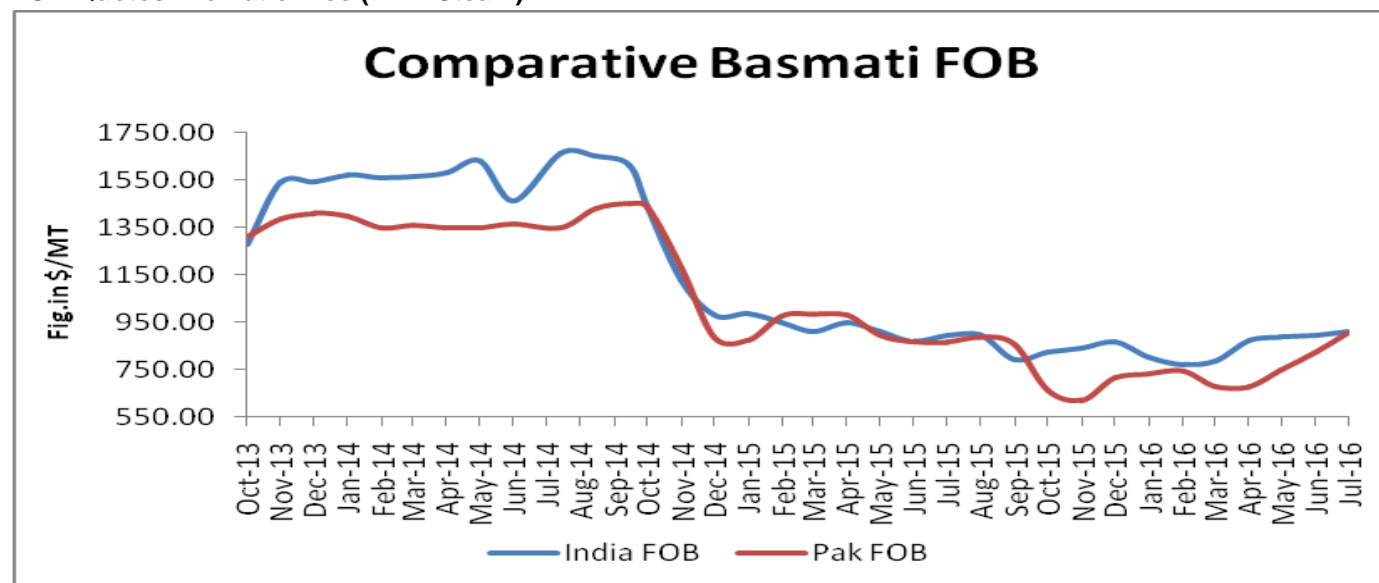
Philippines, one of the world's top rice buyers, is planning to import an additional 750,000 tons of rice to secure the country's supplies of the grain staple through 2017. The immediate volume to be purchased will be the 250,000 tons that the government announced earlier, followed by another tranche 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 9.50-10.00 hundred weights in coming sessions.

Price Projection (International-CBOT)

Duration	Trend	Price Range
02 nd Week of Sept,2016	Steady	USD/ Hundred Weight 9.50-10.00

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