



Rice Weekly Research Report

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Outlook and Review:**Domestic Front**

Wholesale Prices for India as an average for 02nd week of September traded firmed by 4.19% from last week. Prices are currently hovering at Rs.2950-2955 /quintal and 11.46% down from price of Rs.2650Quintal 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.

The total sown area as on 16th September, 2016 as per reports received from States, stands at 1059.48lakh hectare as compared to 1022.61 lakh hectare at this time last year. It is reported that rice has been sown/transplanted in 382.00 lakh ha which is up by 2.75% from last year sowing area of 371.4 lakh hectares.

Total Rice exported from India in between 05th to 11th September was 138696.19 tons out of which basmati rice contribute 45.84%, and non-basmati rice is 54.15% in this period with quantity of around 63587.9 tons and 75108.29 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 (01st – 07th September, 2016) has been 16% lower than the Long Period Average (LPA). Rainfall in the four broad geographical divisions of the country during the above period has been higher than LPA by 58% in East & North East India but lower than LPA by 50% in North West India, 38% in Central India and 30% in South Peninsula.

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 – Sept-18, 2016


The Agriwatch Agri Commodities Index dipped 1.32% to 115.24 during the week ended Sept 17, 2016 from 116.78 during the previous week with vegetables and edible oils leading the decline. The base for the Index and all sub-Indices is 2014 (= 100).

Eight of the nine commodity group sub-Indices and 23 of the 29 individual commodity sub-Indices that constitute the main Index fell during the week, indicating a broad-based decline. The commodity group sub-Index values and their weekly changes are as follows: Cereals: 103.14 (-0.32%), Pulses: 192.36 (-2.44%), Vegetables: 65.65 (-11.64%), Edible Oils: 116.06 (-1.70%), Oilseeds: 109.81 (-1.28%), Sweeteners (Sugar, Gur & Khandsari): 122.83 (+1.12%), Spices: 134.18 (-3.22%), Fibres: 103.63 (-4.04%) and Other Non-Food Articles: 74.72 (-3.16%).

"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 Sept-2016

Source agmarknet

State	Prices 09-15 Sep 2016	Prices 01-08 Sep 2016	Prices 09-15 Sep 2015	% Change(Over Previous Week)	% Change(Over Previous Year)
Andhra Pradesh	5810.29	4461.15	2798.31	30.24	107.64
Assam	3300.16	3165.01	3097.03	4.27	6.56
Bihar			1957.45	—	—
Gujarat	3367.07	3210.28	2672.3	4.88	26
Jharkhand	2639.01	2661.77	2587.29	-0.86	2
Karnataka	3304.58	3312.99	3329.6	-0.25	-0.75
Kerala	3246.05	3259.93	3048.65	-0.43	6.47
Maharashtra	2916.21	2654.86	2916.45	9.84	-0.01
Manipur	3007.33	3037.73	3052.38	-1	-1.48
Meghalaya	2838.24	3030	3087.18	-6.33	-8.06

Delhi	2100	2000		5	—
Orissa	2316.15	2297.3	2242.89	0.82	3.27
Tripura	2791.38	2773.97	2631.45	0.63	6.08
Uttar Pradesh	2209.45	2224.49	2099.2	-0.68	5.25
Uttarakhand	2058.04	2020.78	1993.91	1.84	3.22
West Bengal	2416.54	2426.08	2249.21	-0.39	7.44
Average	2954.7	2835.76	2650.89		

Price Projection for Sept 03rd Week in Domestic Market

Duration	Trend	Average Price Range	Reason
03 rd 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	09-Sept-2016)	03-Sept- 2016)	Month Ago(09 Aug-2016)	% ch. From last week	% Change from last Month
1121 Steam	4950	5250	5700	-5.71	-13.16
1121 Sella	3950	4250	4500	-7.06	-12.22
1121 Raw	5100	5300	5900	-3.77	-13.56

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

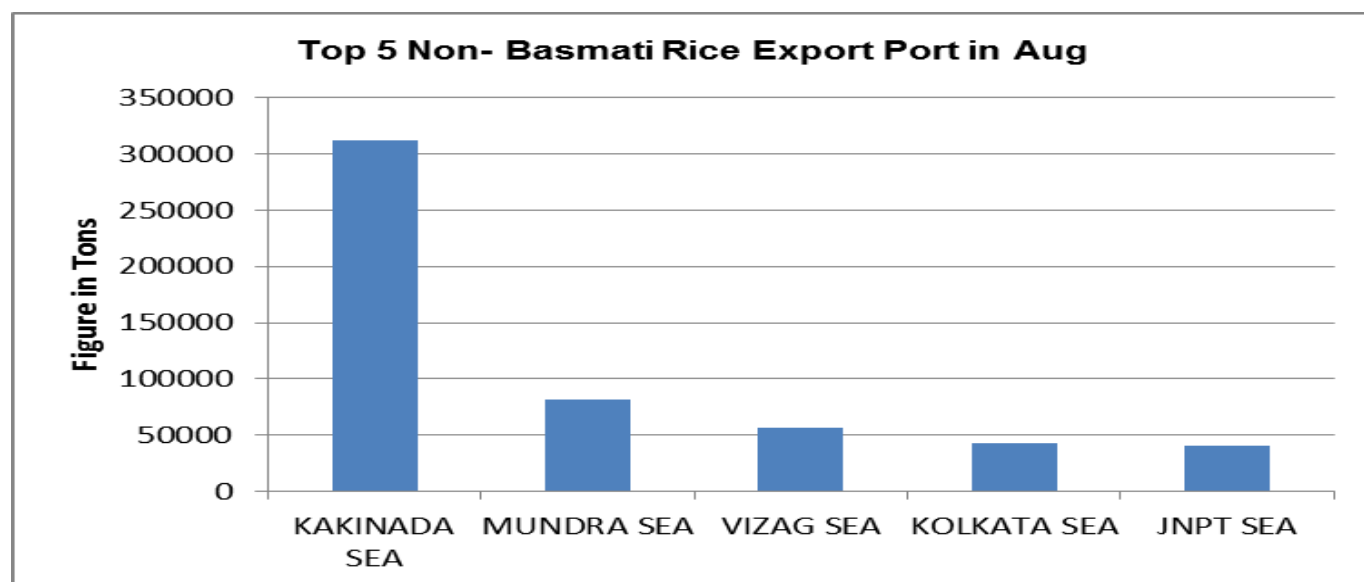
Indian White Rice 5%, 25% High Quality, Long grain parboiled 5%					
Variety	09-Sept-2016)	03-Sept-2016)	Month Ago(09 Aug-2016)	% ch. From last week	% Change from last Month
White Rice 5%	375	370	370	1.35	1.35
White Rice 25%	340	335	335	1.49	1.49
Parboiled 5%	370	365	365	1.37	1.37

Major Importers of Basmati & Non-Basmati Rice in Sept (between 5-11) -2016

Non-Basmati Rice			Basmati Rice		
Country	Quantity(Tons)	Average of FOB \$/Ton	Country	Quantity(Tons)	Average of FOB \$/Ton
LIBERIA	12836.00	388.99	SAUDI	13138.86	854.52
BENIN	11705.35	370.34	U A E	9136.82	770.76
IVORY COAST	6332.97	385.87	KUWAIT	8859.80	903.55
MADAGASCAR	5923.00	343.19	YEMEN	5245.57	848.26
DJIBOUTI	4795.50	352.28	IRAQ	4242.36	736.31
U A E	3880.61	525.09	TURKEY	3565.45	706.35
S.AFRICA	3055.00	375.34	BAHRAIN	2775.61	834.90
BERBERA	3040.00	360.36	IRAN	2449.40	764.14
GHANA	2345.00	387.25	QATAR	1792.17	774.95
SINGAPORE	1781.58	520.38	AUSTRALIA	1468.98	1057.83
Others	19413.28	486.80	Others	10912.88	810.58
Grand Total	75108.29	475.91	Grand Total	63587.90	838.37

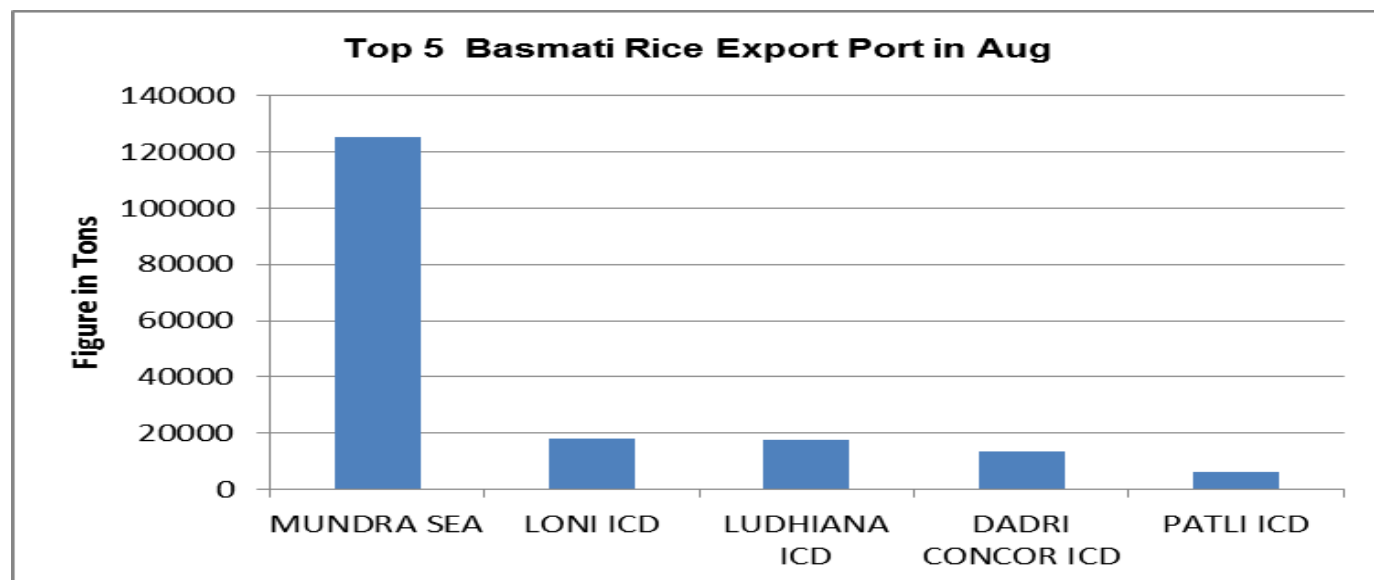
Total Rice exported from India in between 05th to 11th September was 138696.19 tons out of which basmati rice contribute 45.84%, and non-basmati rice is 54.15% in this period with quantity of around 63587.9 tons and 75108.29 tons respectively as per latest data extract from IBIS. Major importers of Indian Basmati rice in this period were Saudi, UAE and Kuwait. 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 Ivory Coast.

Major Non-Basmati Export Sourcing Center



Total non-basmati Rice export in the month of Aug was 6.37 lakh 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 1.95 lakh 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
Uttarakhand	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

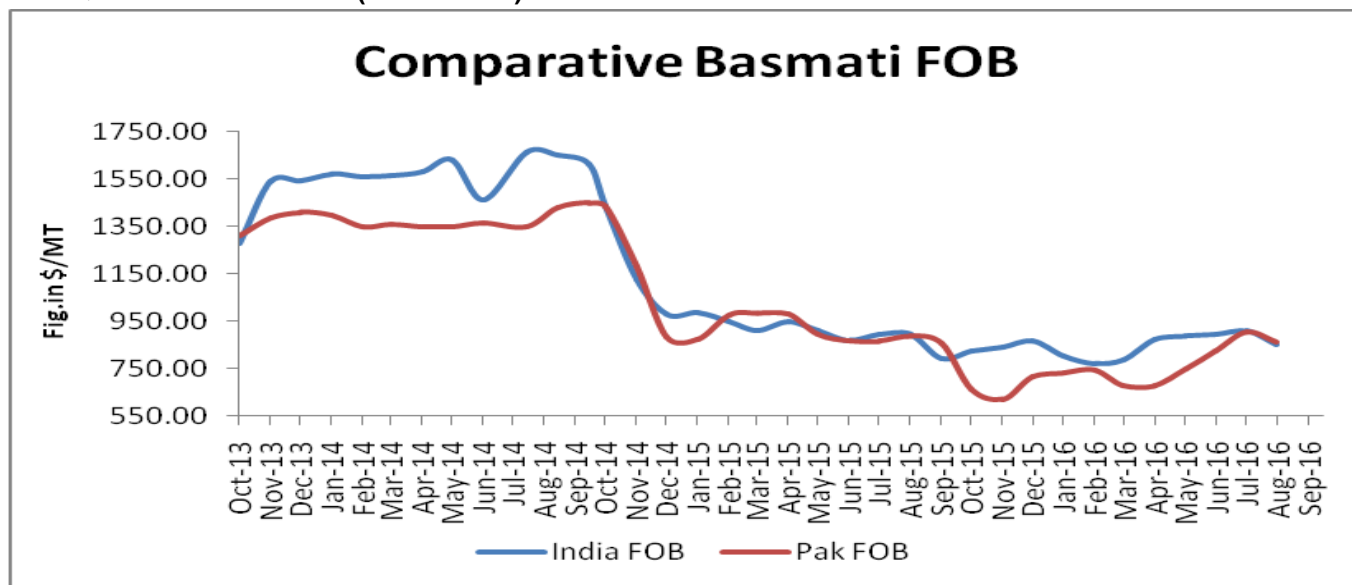
The Thai government recently approved the sale of 755,000 tons of rice stocks to 11 winning bidders for a combined 7.2 billion baht. Of the 755,000 tons approved, 702,615 are for human consumption and 52,397 are for industrial use. Thailand will vie to sell more rice to the Philippines and to Indonesia after winning a bid last month to supply 100,000 tons of 25% white rice to the Philippines at US\$424.85 a tons. The Philippine delivery is scheduled for September and October. Vietnam also won a bid to supply 150,000 tons at the same price. The government currently controls less than 9 million tons in state stocks, a sharp drop from 18.7 million tons accumulated through various rice-pledging schemes during 2011-14. The government remains confident about disposing of all state rice stocks next year.

Unofficial preliminary rice exports (excluding premium white and fragrant rice) for August 22-28, 2016 totaled 120,462 metric tons, up 42,051 metric tons from the previous week and up 45,476 metric tons from the four-week moving average of 74,986 metric tons. Rice exports from January 1 – August 28, 2016 totaled 2,361,578 metric tons, down 13 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 August moved down from last month and currently is in the range of USD 850-855/MT which is down by around 6.30% from last month price of 910USD/T. Average basmati rice price decreased due to fall in buying interest which push the price in southward direction. Pakistani basmati price has also moved down from USD 907/MT to 862\$/MT, according to the UN's Food and Agriculture Organization (FAO). Currently Pakistani basmati FOB is hovering in the range of USD 860-862/MT which is down by 5% from last month FOB of USD 907/MT.

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) 28.07.16	Projection 25.08.16
Production	478	480	473	487	484
Trade	42	43	42	42	40
Consumption	478	481	483	489	482
Carryover stocks	114	112	101	100	116
Y-O-Y change	0	-2	-10		2
Major Exporters	38	32	20	18	26

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

IGC Rice Balance sheet Highlights

Reflecting marginally reduced prospects for some producers, the 2016/17 global rice outturn is placed 3m t lower than previously, at 484m. Nevertheless, this would still be an increase of 2% y/y and an all-time peak. Despite being

lowered slightly, total use is pegged at a fresh record of 482m t, while aggregate end-season inventories are seen edging up to 116m. However, owing to historic adjustments for Asian countries, the stocks figure is placed significantly higher than in July. Trade in 2017 is forecast lower than before but, at around 40m t, would be broadly in line with average volumes.

Assuming conditions are much improved for rice cultivation in Asia, global output is predicted to expand by 11m t y/y, to a record of 484m. While continued population growth is set to boost consumption to a new high, aggregate carryovers are projected to post a marginal annual increase, to 116m t. Within the total, major exporters' inventories could retreat slightly, but this should be more than offset by accumulation elsewhere, notably in China. Traded volumes in 2017 are seen broadly unchanged y/y and in line with prior five-year average, underpinned by demand from key Asian and African buyers.

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 weak movement in last couple of days; overall market is in steady to weak 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
03 rd Week of Sept,2016	Steady	USD/ Hundred Weight 9.50-10.00

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