



Rice Weekly Research Report

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Outlook and Review:**Domestic Front**

Wholesale Prices for India as an average for 02nd week of November traded firmed by 3.53% from last week. Prices are currently hovering at Rs.2890-2895/quintal and 9.53% up from price of Rs.2640Quintal during corresponding period last year. Agriwatch expects rice market to move in firm tone as cash crunch in the market and thus arrival is lower than previous week.

Total Rice exported from India in the month of October was 5.98 lakh tons out of which basmati rice contribute 36.54%, and non-basmati rice is 63.45% in this period with quantity of around 2.18 lakh tons and 3.80 lakh tons respectively as per latest data extract from IBIS.

The total sown area as on 23th September, 2016 as per reports received from States, stands at 1067.53lakh hectare as compared to 1030.89 lakh hectare at this time last year and total normal area of 1062.50 lakh hectare. It is reported that rice has been sown/transplanted in 387.04 lakh hectare, up by 2.56% from last year till date acreage of 377.35 lakh hectares.

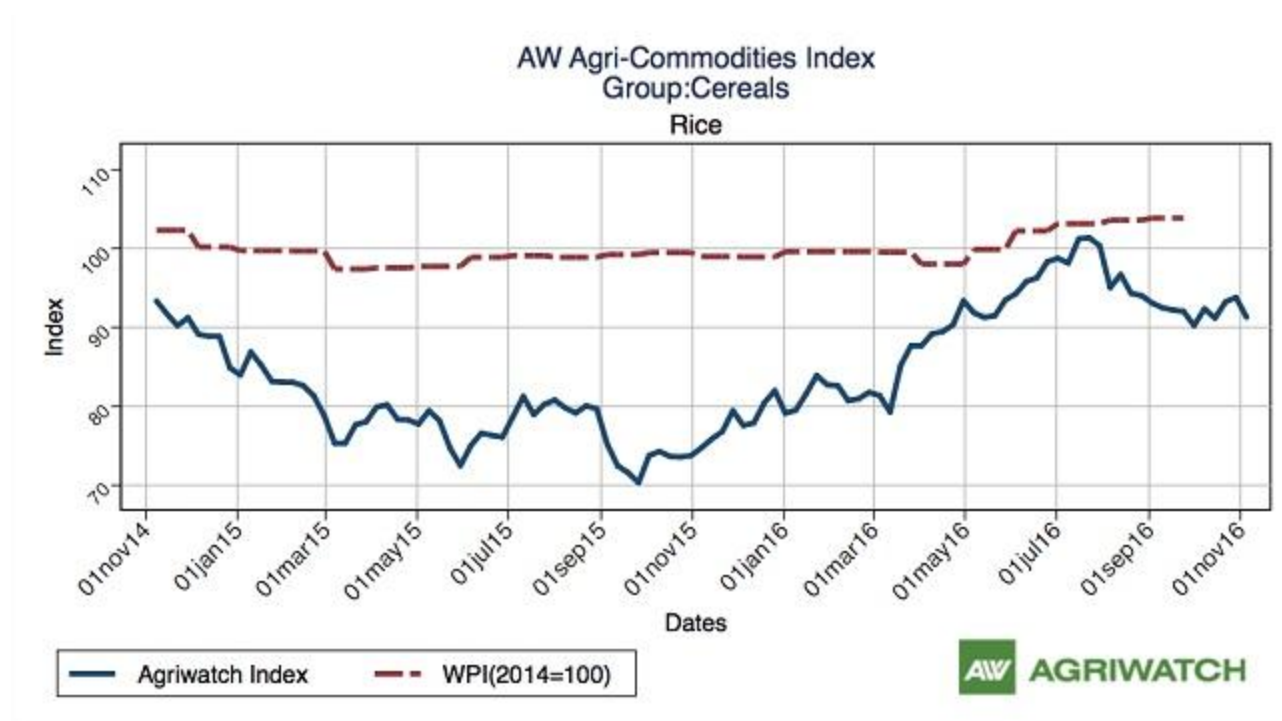
As per 01st Advance Estimate released by Union Agriculture Minister, Total production of Kharif rice is estimated at 93.88 million tons which is a new record. This year rice production is higher by 1.1 million tons than previous record production of 92.78 million tons achieved during 2011-12. Production of Kharif rice is also higher by 4.16 million tons and 2.57 million tons over the average production of the last five years and the last year's Kharif rice production respectively.

Punjab is likely to procure 160 lakh metric tonnes (LMT) of paddy this year. Of this, different procuring agencies like Pungrain would procure 24%, Punsup 23%, Mark fed 23%, Agro 10%, FCI 12%, state's warehousing corporation 08% in all the 1,830 purchase centres set up across the state.

Among the food grains, the inflation for Cereals has increased to 7.23% from the previous month's level of 7.03%, Rice to 7.76% from the previous month's level of 4.08% and Wheat 7.27% from the previous month's level of 6.90%. The inflation for Pulses has decreased to 34.55% from the previous month's level of 35.76%.

India's rice stocks in the central pool as on October 1, 2016 stood at around 15.91 million tons up by about 6.56% from around 14.93 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 19% from around 19.73 million tons recorded on September-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.

The cumulative rainfall in the country during the post monsoon season i.e. 01st October to 12th October, 2016 has been 1% higher 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 87% in Central India but lower than LPA by 52% in South Peninsula, 24% in North West India and 8% in East & North East India.

Agriwatch Cereals Commodity Indices – Nov-06, 2016


The Agriwatch Agri Commodities Index eased for the fourth straight week, declining 0.81% to 114.30 during the week ended Nov 5, 2016 from 115.24 during the previous week. The base for the Index and all sub-Indices is 2014 (= 100). The Index is now at its lowest since the week ending June 11, 2016 when it had closed at 113.62.

Lower pulses, sugar and edible oils offset gains in cereals and vegetables this week. The commodity group sub-Index values and their weekly changes are as follows: Cereals: 104.83 (+0.64%), Pulses: 221.71 (-4.20%), Edible Oils: 107.81 (-1.26%), Oilseeds: 102.30 (+0.82%), Vegetables: 67.71 (+6.18%), Spices: 128.95 (-1.85%), Sweeteners: 118.44 (-2.77%), Fibres: 96.83 (+4.86%) and Other Non-Food Articles: 74.11 (+0.01%).

"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 Nov-2016

Source Agmarknet

State	Prices 09-15 Nov 2016	Prices 01-08 Nov 2016	Prices 09-15 Nov 2015	% Change(Over Previous Week)	% Change(Over Previous Year)
Andhra Pradesh	3922	2957.7	3830.83	32.6	2.38
Assam	3134.23	3191.46	3035.94	-1.79	3.24
Bihar			2079.53	—	—
Gujarat	3286.95	2586.19	2854.28	27.1	15.16
Jharkhand	2746.29	2711.62	2609.67	1.28	5.24
Karnataka	3879.42	3866.82	3289.13	0.33	17.95

Kerala	3298.7	3248.94	3090.96	1.53	6.72
Maharashtra	2855.67	2685.12	2984.84	6.35	-4.33
Manipur	3070.33	3051.29	2884.25	0.62	6.45
Meghalaya	2803.57	2726.29	3451.71	2.83	-18.78
Orissa	2567.59	2511.66	2295.99	2.23	11.83
Punjab	2205.85		1733.21	—	27.27
Tripura	2862.12	2855.94	2678.27	0.22	6.86
Uttar Pradesh	2233.5	2231.74	2121.77	0.08	5.27
Uttarakhand	2077.7	2044.15	1861.27	1.64	11.63
West Bengal	2434.29	2433.96	2281.09	0.01	6.72
Average	2891.88	2793.06	2640.16		

Price Projection for Nov 03rd Week in Domestic Market

Duration	Trend	Average Price Range	Reason
03 rd Week of Nov, 2016	Steady to Firm	Rs.2750-2950/Q	Non-basmati rice market likely to move steady to firm note in coming weeks due to lower arrival as cash crunch in the market.

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	14-Nov-2016)	07-Nov- 2016)	Month Ago(14-Oct-2016)	% ch. From last week	% Change from last Month
1121 Steam	5500	4900	5150	12.24	6.80
1121 Sella	4450	4050	3900	9.88	14.10
1121 Raw	5600	5500	5200	1.82	7.69

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

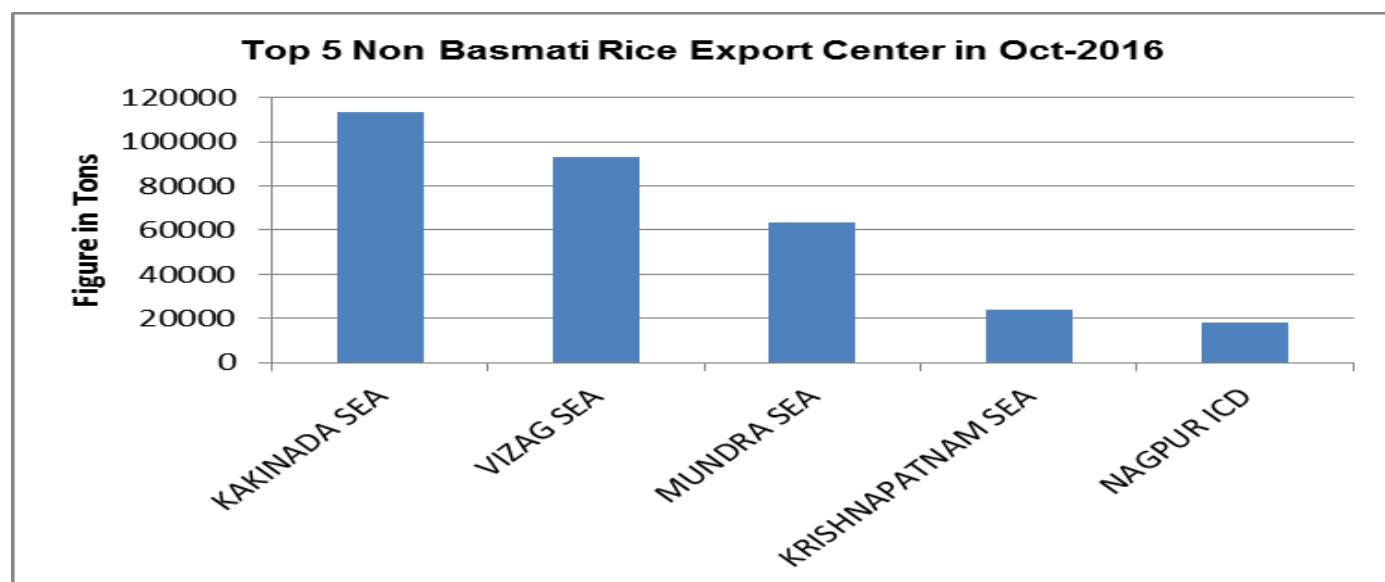
Indian White Rice 5%, 25% High Quality, Long grain parboiled 5%					
Variety	14-Nov-2016)	07-Nov-2016)	Month Ago(14-Oct-2016)	% ch. From last week	% Change from last Month
White Rice 5%	365	375	380	-2.67	-3.95
White Rice 25%	345	350	355	-1.43	-2.82
Parboiled 5%	360	365	365	-1.37	-1.37

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

Non-Basmati Rice			Basmati Rice		
Country	Quantity(Tons)	Average of FOB \$/Ton	Country	Quantity(Tons)	Average of FOB \$/Ton
INDONESIA	73425.83	452.95	SAUDI	51599.91	843.67
IRAQ	54412.50	539.89	U A E	45250.70	755.14
GUINEA	42910.00	367.24	IRAQ	24456.02	704.52
BENIN	29237.94	361.27	IRAN	13874.19	705.74
GHANA	16602.13	335.25	U S A	8761.71	759.82
S.AFRICA	15906.46	360.98	QATAR	7956.05	716.64
U A E	15459.21	572.67	BAHRAIN	7267.39	791.35
DJIBOUTI	9259.93	347.68	TURKEY	5723.51	700.65
SAUDI	8365.50	576.38	KUWAIT	4482.60	810.39
SINGAPORE	7308.34	526.34	U K	4240.95	926.07
Others	107177.97	508.78	Others	45244.76	823.42
Grand Total	380065.78	526.56	Grand Total	218857.79	806.87

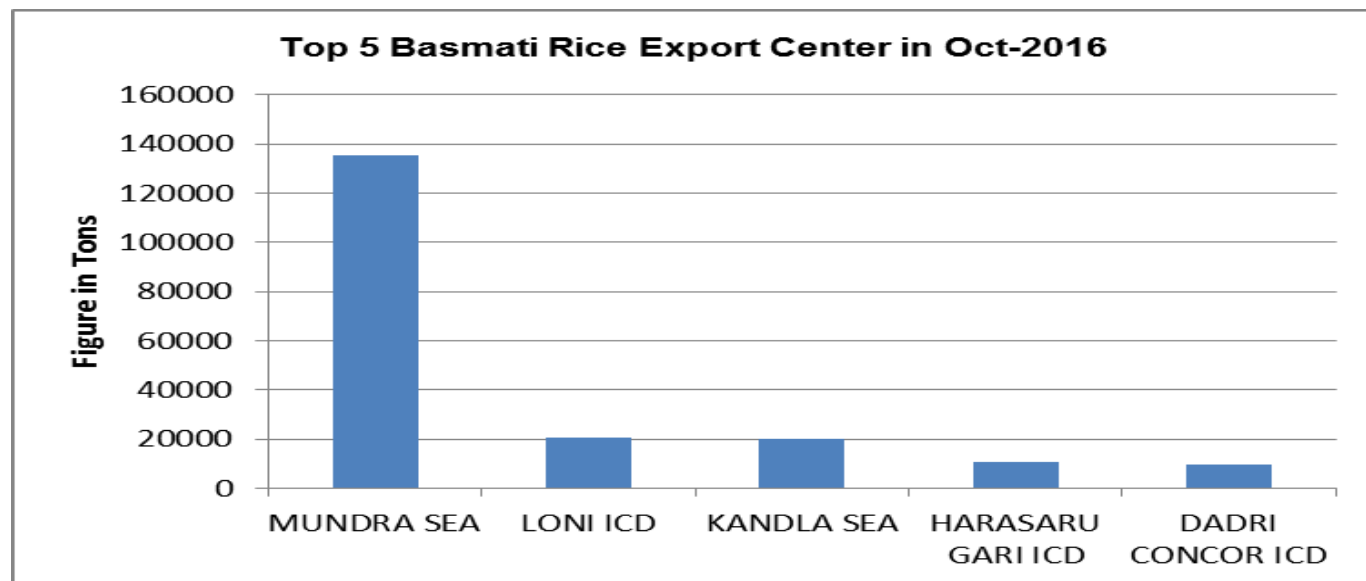
Total Rice exported from India in the month of October was 5.98 lakh tons out of which basmati rice contribute 36.54%, and non-basmati rice is 63.45% in this period with quantity of around 2.18 lakh tons and 3.80 lakh tons respectively as per latest data extract from IBIS. Major importers of Indian Basmati rice in this period were Saudi, UAE and Iraq. 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 Indonesia, Iraq and Guinea. Monthly rice exports were down by 6.82% from last month export of 6.35 lakh tons.

Major Non-Basmati Export Sourcing Center



Total non-basmati Rice export in the month of Oct was 3.80 lakh tons. Kakinada Sea, Vizag Sea and Mundra port 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 month of Oct was 2.18 lakh tons. Mundra Sea, Kandla ICD and Loni 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.

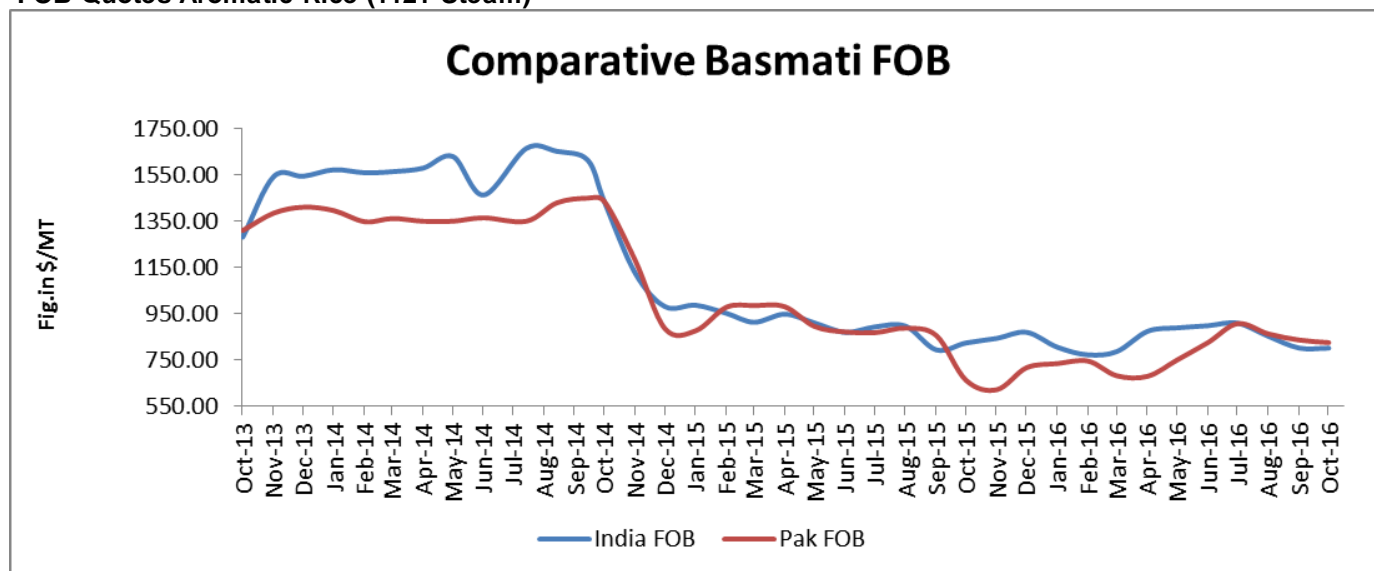
Global Updates

Thai rice export prices hovered around 13-month lows over the past week, attracting more African buyers and leading to dull trade in Vietnam. Currently Thai benchmark 5 percent broken rice prices hovered in between \$345-\$348 /Ton, free-on-board (FOB) basis, from \$345-\$350 /Ton a week ago when they hit their lowest in 13 months. As per market sources, the rainy season may also have an impact on rice prices, The recent rain will prompt farmers to harvest more rice as they fear that their rice will get spoiled and this might have an effect on rice prices. The fall in Thai rice prices has raised concerns among Vietnamese exporters of the grain, as their quotations for the 5 percent broken rice stood at \$350/Ton, FOB basis, against \$350-\$355 last week. Thai rice prices are falling and that could attract African buyers while Vietnam could not do anything because their rice stock has been built at an already high cost. As per trade sources, last week African buyers had already switched to rice offered by Thailand and Pakistan.

Myanmar is due to sign a memorandum of understanding (MoU) with Indonesia to export 500,000 tons of rice a year until 2019. About 90 percent of rice exports currently go overland to China, but the Myanmar Rice Federation is looking to increase sales to Indonesia, the Philippines and Japan. The Indonesian government initiated a plan to import rice from Myanmar in December 2015, saying that importing rice from Myanmar would serve as backup in case rice imports from Vietnam and Thailand were not adequate to stabilize local prices.

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.

Rice exports by Pakistan this year are poised to exceed the 2015 level by 7 per cent to reach 4.4 million tonnes, according to the Food and Agriculture Organization (FAO) of the United Nations. Harvesting of the 2016 monsoon season crops, including rice and maize, is currently under way and will continue until early December. The FAO forecasts the 2016 paddy and maize outputs will remain close to their 2015 levels -- 10.3m tonnes and 4.9m tonnes, respectively.

FOB Quotes Aromatic Rice (1121 Steam)


Source-FAO& Agriwatch

Indian FOB for 1121 steam in the month of October moved steady from last month and currently is in the range of USD 800-801/MT which is almost same from last month price of 802USD/T. Average basmati rice price steady even with arrival pressure as aromatic rice production estimates is 25-30% lower than last year . Pakistani basmati price has also moved steady USD 862.5/MT to 936\$/MT, according to the UN's Food and Agriculture Organization (FAO). Currently Pakistani basmati FOB is hovering in the range of USD 820-825/MT which is down by 1.31% from last month FOB of USD 836/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 29.09.16	Projection (2016-17) 27.10.16
Production	478	480	473	482	484
Trade	42	43	42	40	41
Consumption	478	477	473	482	482
Carryover stocks	114	112	101	114	117
Y-O-Y change	0	-2	-10	0	3
Major Exporters	38	32	20	25	29

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

IGC Rice Balance sheet Highlights

Reflecting upgraded outlooks for some Asian producers, including India, world rice output in 2016/17 is increased by 2m t, to a record of 484m, up by 3% y/y. And with anticipated total use unchanged m/m, the increase is mostly absorbed through a higher figure for stocks; at about 117m t, global inventories are predicted to climb by 2% y/y as a

fall in the major exporters is more than offset by accumulation elsewhere. The prediction of trade in 2017 is lifted slightly, to around 41mt, but is little changed from the previous year.

Should weather patterns be mostly favorable in the coming months, especially in Asia, the 2016/17 world rice outturn could be 3% larger y/y and the biggest on record. Against the backdrop of heavy supplies, consumption is seen at a new peak, while inventories are expected to expand by 2% y/y, to 117m t. Within the total, major exporters' stocks could diminish marginally on another fall in Thailand's reserves, but increases in other countries, including China, are anticipated. Global trade is projected broadly steady y/y in 2017 on solid buying interest from importers in Asia and Africa. India is expected to remain the world's top exporter of rice for the sixth successive year.

IGC Forecast the World Rice Production Up in 2016-17

In its October 2016 Grain Market Report (GMR), the International Grains Council (IGC) forecasts 2016-17 global rice production at around 484 million tons, up about 2 % from an estimated 473 million tons in 2015-16 on improved Asian production.

Global Trade of Rice Unchanged from Last Month

The IGC forecasts 2016-17 global rice trades at around 41 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 Decreases in 2016-17

The IGC forecasts 2016-17 global rice consumption to up about 1.90% to around 482 million tons from an estimated 473 million tons in 2015-16.

Rice Price Trend @ CBOT November- 16, Rough Rice) (Prices in US\$/hundredweight)





Market Analysis

The CBOT November month rough chart for rice indicates range bound with some weak movement in last couple of weeks; overall market is in steady to weak tone. We expect market to hover in the range of USD 9.10-10.00 hundred weights in coming sessions.

Price Projection (International-CBOT)

Duration	Trend	Price Range
03 rd Week of Nov,2016	Steady	USD/ Hundred Weight 9.100-10.00

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