



Rice Weekly Research Report

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Outlook and Review:

Domestic Front

Wholesale Prices for India as an average for 04th week of November traded firmed by 0.36% from last week. Prices are currently hovering at Rs.2825-2830/quintal and 7.36% up from price of Rs.2635Quintal 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.

Rabi rice sowing is going on and as on 25 November, total area under rabi paddy is 6.82 lakh hectare which is 2.42% down from last year area of 9.10 lakh hectare and around 3% up from normal average area as on date of 9.23 lakh hectare.

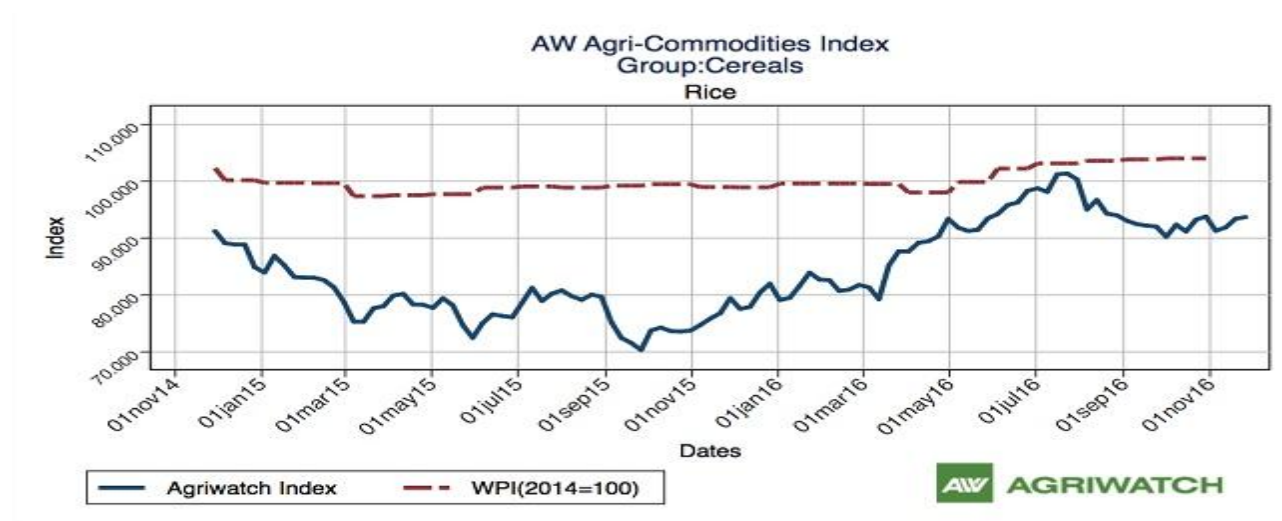
As per 01st Advance Estimate released by Union Agriculture Minister, Total production of Kharif rice is estimated at 93.88 million tons which is a new record. This year rice production is higher by 1.1 million tons than previous record production of 92.78 million tons achieved during 2011-12. Production 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.

Farmers in Bhatinda district of punjab, who are waiting for the procurement of their paddy at grain markets, have been left in the lurch as they have not received payment for their paddy due to demonetization of Rs 500 and 1,000 notes. The farmers are getting payment through arhtiyas or commission agents at a snail's pace due to the same. However according to mandi officer, procurement process is going on at a good pace and we have procured about 11.98 lakh metric tonnes of paddy, of which 11.75 lakh metric tonnes of paddy has been lifted. Today about 5,686 metric tonnes arrived, of which we have procured 3,613 metric tonnes of paddy. At some grain markets, especially at the Talwandi Sabo grain markets, the problem has been witnessed but this is for a short term. The whole paddy will be procured very soon.

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.

In the post monsoon season, at All-India level, the rainfall during the week (10th – 16th November, 2016) has been 87% 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 98% in East & North East India, 99% in North West India, 94% in Central India and 80% in South Peninsula and.

Agriwatch Cereals Commodity Indices – Nov-06, 2016


The Agriwatch Agri Commodities Index gained 1.54% to 115.72 during the week ended Nov 26, 2016 from 113.97 during the previous week. The base for the Index and all sub-Indices is 2014 (= 100).

Seven of the nine commoditygroup sub-Indices that constitute the main Index gained during the week, led by Cereals and Spices. Vegetables and Sweeteners were the only declining sub-Indices. The commoditygroup sub-Index values and their weekly changes are as follows: Cereals Index: 108.84 (+1.58%), Pulses Index: 209.60 (+0.67%), Vegetables Index: 59.75 (-0.97%), Edible Oils Index: 109.96 (+0.57%), Oilseeds Index: 103.54 (+2.03%), Spices Index: 127.44 (+5.05%), Sweeteners Index: 119.67 (-0.11%), Fibres Index: 103.83 (+8.76%) and Other Non-Food Articles Index: 81.52 (+5.78%).

"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 Nov-2016

Source Agmarknet

State	Prices 24-30 Nov 2016	Prices 16-23 Nov 2016	Prices 24-30 Nov 2015	% Change(Over Previous Week)	% Change(Over Previous Year)
Andhra Pradesh	3859.33	4613.56	2884.69	-16.35	33.79
Assam	2892.14	3195.18	3030.25	-9.48	-4.56
Bihar			2053.87	—	—
Gujarat	3172.23	2794.23	2782.23	13.53	14.02
Jharkhand	2696.64	2725.5	2539.45	-1.06	6.19
Karnataka	3996.68	3884.99	3560.45	2.87	12.25
Kerala	3228.55	3242.86	3075.52	-0.44	4.98

Maharashtra	2194.81	2543.49	3145.14	-13.71	-30.22
Manipur	3081.94	3079.55	2766.39	0.08	11.41
Meghalaya	3039.86	2840.42	3335.29	7.02	-8.86
Delhi	2000	2000	1800	0	11.11
Orissa	2300.28	2238.61	2502.69	2.75	-8.09
Punjab		2293.37	2392.19	—	—
Tripura	2853.52	2856.06	2621.66	-0.09	8.84
Uttar Pradesh	2230.34	2240.62	2129.97	-0.46	4.71
Uttrakhand	2480.77	2111.84	1896.66	17.47	30.8
West Bengal	2415.42	2448.17	2286.42	-1.34	5.64
Average	2829.5	2819.28	2635.46		

Price Projection for December 01st Week in Domestic Market

Duration	Trend	Average Price Range	Reason
01 st Week of Dec, 2016	Steady to Firm	Rs.2850-2950/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	26-Nov-2016)	19-Nov- 2016)	Month Ago(26-Oct-2016)	% ch. From last week	% Change from last Month
1121 Steam	5750	5500	5050	4.55	13.86
1121 Sella	4600	4450	3850	3.37	19.48
1121 Raw	5700	5600	5200	1.79	9.62

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

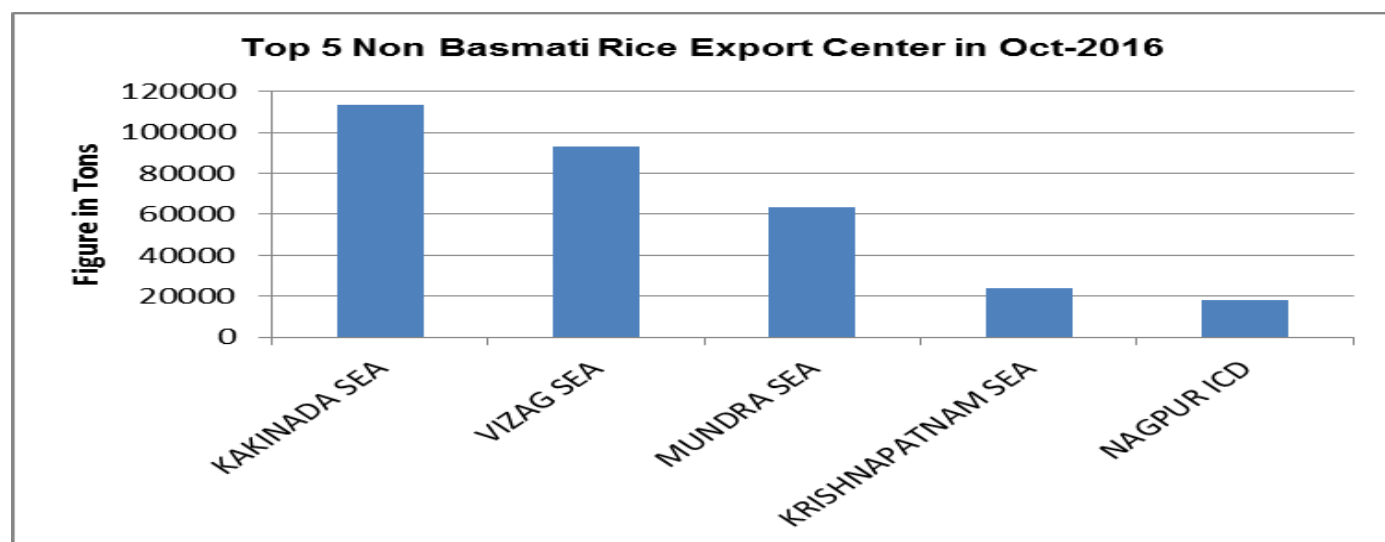
Indian White Rice 5%, 25% High Quality, Long grain parboiled 5%					
Variety	26-Nov-2016)	19-Nov-2016)	Month Ago(26-Oct-2016)	% ch. From last week	% Change from last Month
White Rice 5%	370	365	380	1.37	-2.63
White Rice 25%	350	345	355	1.45	-1.41
Parboiled 5%	368	360	365	2.22	0.82

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

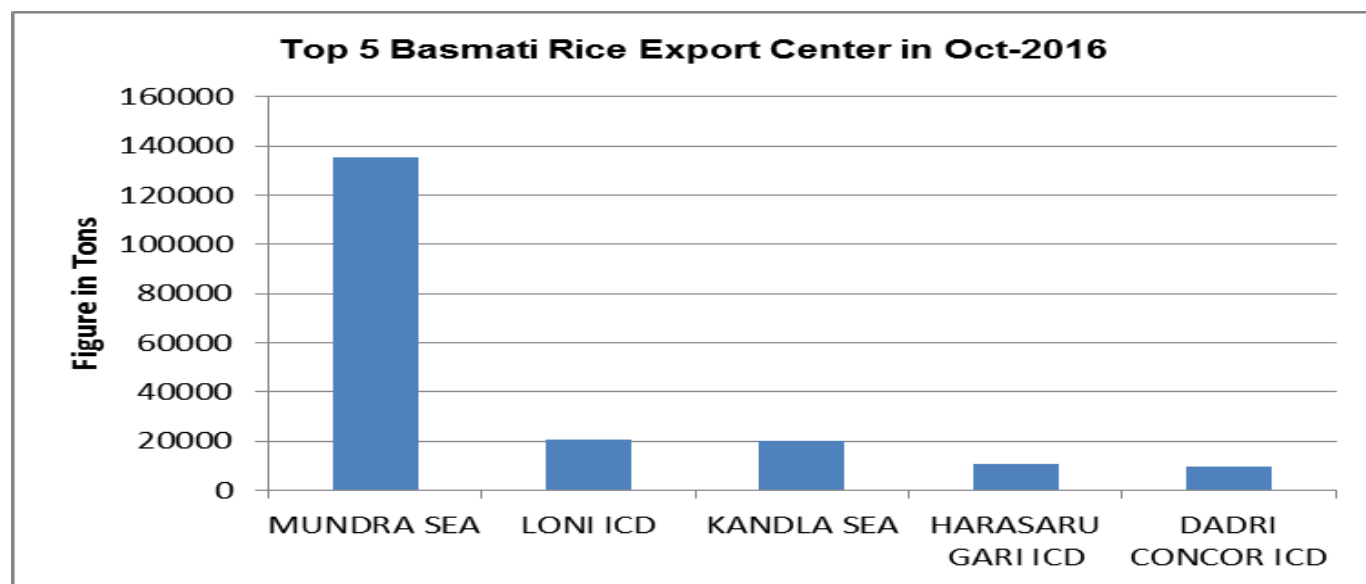
Total Rice exported from India in the month of October was 5.98 lakh tons out of which basmati rice contribute 36.54%, and non-basmati rice is 63.45% in this period with quantity of around 2.18 lakh tons and 3.80 lakh tons respectively as per latest data extract from IBIS. Major importers of Indian Basmati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

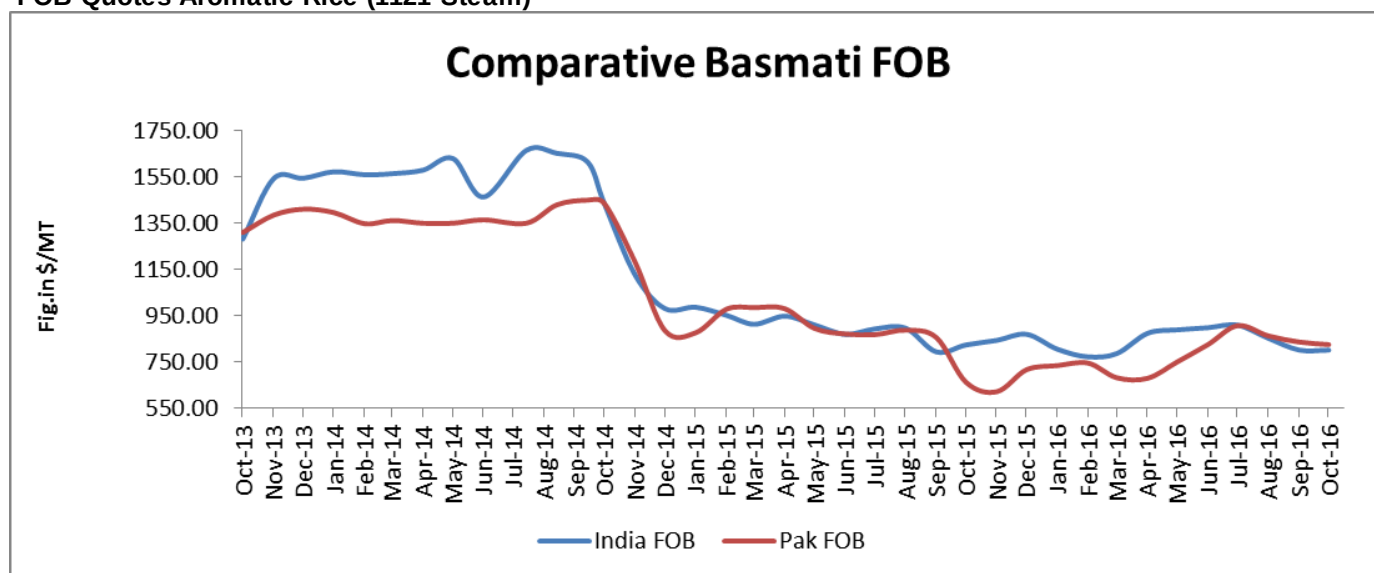
Global Updates

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.

Mali produced a record 2.81 million tonnes of rice in its 2016-17 season, up 20 percent from last year and above an initial crop forecast. The West African country produced 2.33 million tonnes of unprocessed paddy rice last season and forecast 2.71 million tonnes for 2016-17. It now has a projected surplus of 565,000 tonnes. The increase was due to good rainfall, an increase in cultivated areas, the modernization of farming equipment and fertilizer subsidies. Mali is Africa's second largest rice producer behind Nigeria. The rice season includes a production phase from May/June to September/October followed by a marketing phase from October/November to the end of March.

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.

The Philippines paddy rice output is now expected to hit 17.91 million tons in 2016, the lowest in three years and below a July forecast of 18.135 million tons, due to crop losses from an El Niño dry spell and typhoons. The Philippines, one of the world's biggest rice importers, could buy another 250,000 tons of rice in addition to the 250,000 tons purchased recently from Vietnam and Thailand, if it sees a need to boost state buffer stocks. The latest forecast from the Philippine Statistics Authority for output this year is 1.3% lower than a 2015 harvest of 18.15 million tons, which followed record production of 18.97 million tons in 2014.

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
01st Week of December,2016	Steady	USD/ Hundred Weight 9.100-10.00

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