



Rice Weekly Research Report

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**Outlook and Review:
Domestic Front**

Wholesale Prices for India as an average for 03rd week of January traded fired by 0.98% from last week. Prices are currently hovering at Rs.2860-2870/quintal and 4.59% up from price of Rs.2746/Quintal during corresponding period last year. Agriwatch expects rice market to move in firm tone as demand is continuously strong from African countries in the market.

As per latest information available on sowing of crops, around 98% of the normal area under Rabi crops has been sown up-to 13.01.2017. Total area sown under Rabi crops in the country as on 13.01.2017 has been reported to be 616.21 lakh hectares as compared to 581.95 lakh hectares in the corresponding period of last year. This year's area coverage so far is higher by 34.3 lakh ha. than the last year and 16.0 lakh ha. than normal area coverage during the same period. Paddy area till date is 14.92 lakh hectares which is around 23.4% lower than last year area of 19.48 lakh hectares and around 22.6% lower than average area of 19.28 lakh hectares.

According to the report in the Economic Times, Iran has lifted its ban on imports of basmati rice from India that had been in place for five months. Basmati rice prices have started increasing as Iran has allowed imports from India. However formal notification is awaited, but exporters and companies have started getting queries from Iran and some have even started signing contracts. Iran has been one of the largest importers of Indian basmati rice in recent years. But in 2015-16, basmati rice exports from India to Iran almost halved to \$571 million from \$1.1 billion in the previous financial year.

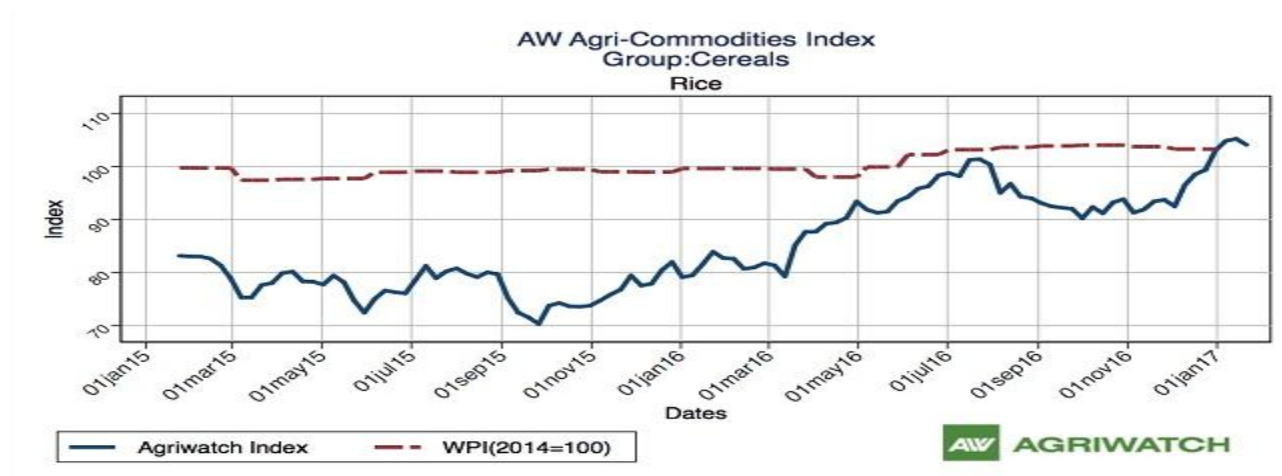
All-India progressive procurement of Rice as on 13.01.2017 for the Kharif marketing season 2016-17 was 245.24 lakh tons against the procurement of 215.59 lakh tons in the corresponding period of last year.

The Centre has approved the Odessa Government proposal for extension of Kharif paddy procurement deadline to April 30. Paddy procurement is in full swing in most of the districts except Kandhamal where the process will start from next week. Setting a target to procure 30 lakh tons of rice for the 2016-17 kharif marketing season (KMS), the state government started the procurement operation from Bargarh district on November 29 last year. Since post-harvest operation of paddy is still on in many parts of the state, the state government requested the Ministry of Agriculture to extend the paddy procurement deadline from March 30 to end of April, 2017. About 17.45 lakh tons of paddy (equivalent to 11.87 lakh tons of rice) worth Rs 2,562 crore has been procured till date.

Among the food-grains, the inflation for Cereals has increased to 7.32% from the previous month's level of 6.13%, Rice to 4.80% from the previous month's level of 4.57%, Wheat 10.71% from the previous month's level of 6.30%. The inflation for Pulses has decreased to 21.73% from the previous month's level of 21.80%.

India's rice stocks in the central pool as on December 1, 2016 stood at around 26.96 million tons down by about 11.20% from around 30.35 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 13.62% from around 31.2 million tons recorded on November-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 winter season, at All-India level, the rainfall during the week (05th January, 2017 - 11th January, 2017) has been 63% 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 172% in North West India and lower by 73% in Central India, 58% in East & North East India and 55% in South Peninsula.

Agriwatch Cereals Commodity Indices – Jan-23, 2017


The Agriwatch Agri Commodities Index gained 0.39% to 114.66 during the week ended Jan 21, 2017 from 114.21 during the previous week. The base for the Index and all sub-Indices is 2014 (= 100).

Higher cereals, sugar and cotton prices were partially offset by continued weakness in vegetable prices and moderately lower prices of pulses and spices. Oilseeds and edible oils remained nearly unchanged for the week. The commodity group sub-Index values and their weekly changes are as follows: Cereals Index: 113.47 (+0.73%), Pulses Index: 159.57 (-0.80%), Vegetables Index: 42.62 (-6.47%), Edible Oils Index: 112.39 (-0.05%), Oilseeds Index: 97.48 (+0.06%), Spices Index: 114.33 (-3.03%), Sweeteners Index: 125.97 (+1.52%), Fibres Index: 114.09 (+1.07%) and Other Non-Food Articles Index: 93.48 (+5.22%).

"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 03rd Week of Jan-2017

Source Agmarknet

State	Prices 16-23 Jan 2017	Prices 09-15 Jan 2017	% Change(Over Previous Week)	% Change(Over Previous Year)
Andhra Pradesh	3214.27	3799.18	3570.85	-9.99
Assam	3293.64	3315.14	2996.33	9.92
Gujarat	3218.03	3196.51	2780.89	15.72
Jharkhand	2744.07	2671.51	2494.21	10.02
Karnataka	3782.14	3657.77	3481.77	8.63
Kerala	3326.67	3301.38	3128.2	6.34
Maharashtra	3262.09	3279.9	3237.29	0.77
Manipur	2824.95	2821.67	2554.55	10.59
Meghalaya	2822.17	2787.16	3981.22	-29.11

Delhi		2000	1862.5	—
Orissa	2414.99	2512.49	2257.49	6.98
Tripura	2711.66	2732.37	2540.4	6.74
Uttar Pradesh	2216.09	2223.59	2128.14	4.13
Uttarakhand	2060.23	2022.55	1964.8	4.86
West Bengal	2320.08	2342.86	2212.43	4.87
Average	2872.22	2844.27	2746.07	

Price Projection for January 04th Week in Domestic Market

Duration	Trend	Average Price Range	Reason
04 th Week of Jan, 2017	Steady to Firm	Rs.2850-3050/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	21 Jan-2017)	14-Jan- 2017)	Month Ago(21-Dec-2016)	% ch. From last week	% Change from last Month
1121 Steam	6250	6100	6050	2.46	3.31
1121 Sella	5150	5050	4850	1.98	6.19
1121 Raw	6350	6350	5950	0.00	6.72

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	21 Jan-2017)	14-Jan- 2017)	Month Ago(21-Dec-2016)	% ch. From last week	% Change from last Month
White Rice 5%	365	355	375	2.82	-2.67
White Rice 25%	350	345	360	1.45	-2.78
Parboiled 5%	357	345	365	3.48	-2.19

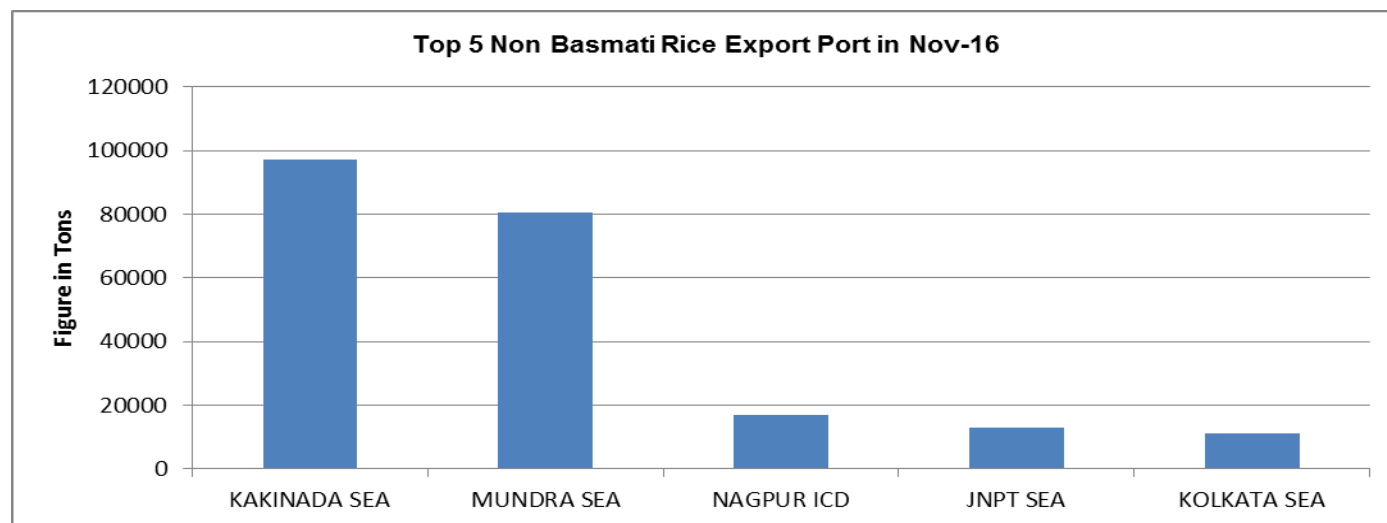
Major Importers of Basmati & Non-Basmati Rice in Nov -2016

Non-Basmati Rice			Basmati Rice		
Country	Quantity(Tons)	Average of FOB \$/Ton	Country	Quantity(Tons)	Average of FOB \$/Ton
IRAQ	49974.99	504.89	U A E	60739.35	806.22

GUINEA	30344.25	327.45	SAUDI	39866.78	804.06
CAMBODIA	17625.00	330.65	IRAN	19771.60	667.90
U A E	15889.90	543.21	IRAQ	16439.07	697.79
S.AFRICA	15292.85	413.30	KUWAIT	11780.05	878.37
BENIN	13435.98	358.01	U S A	7154.67	852.12
SAUDI	10640.35	497.27	U K	6217.02	756.40
DJIBOUTI	9671.81	340.26	BAHRAIN	6065.40	847.58
BAHRAIN	8629.19	561.09	QATAR	5063.89	802.87
SOMALIA	6384.50	375.31	NETHERLANDS	4969.43	774.42
Others	93000.87	425.14	Others	38739.91	788.77
Grand Total	270889.69	508.29	Grand Total	216807.16	812.59

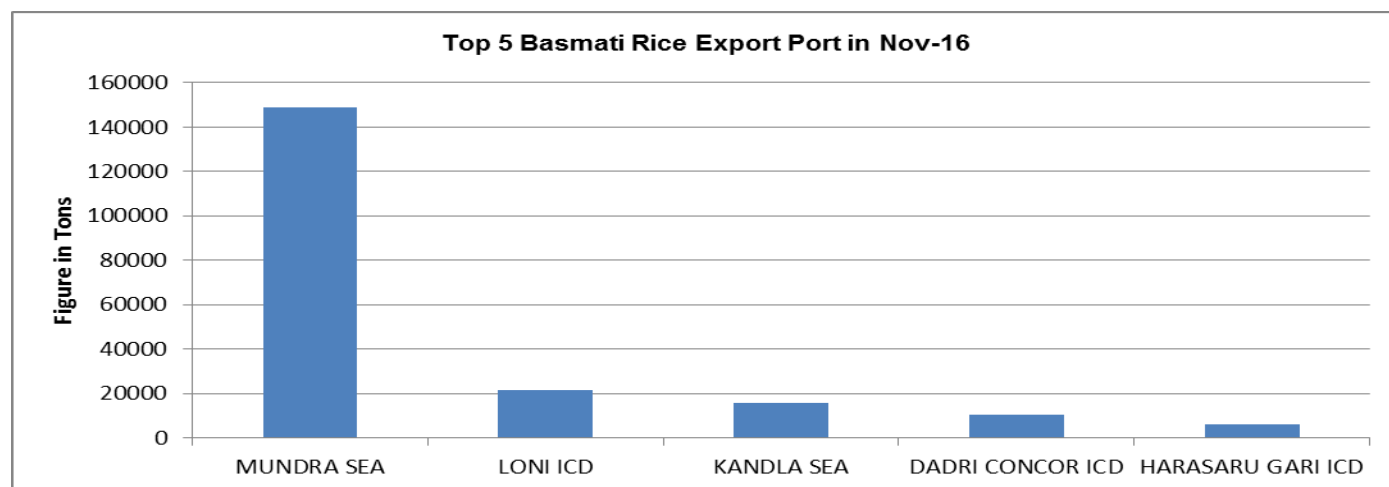
Total Rice exported from India in November was 4.86 lakh tons out of which basmati rice contribute 44.45%, and non-basmati rice is 55.54% in this period with quantity of around 2.16 lakh tons and 2.70 lakh tons respectively as per latest data extract from IBIS. Major importers of Indian Basmati rice in this period were Iraq, Guinea and Cambodia. 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 UAE, Saudi and Iran. Monthly rice exports in the month were down by around 19% from last month export of 5.98 lakh tons.

Major Non-Basmati Export Sourcing Center



Total non-basmati Rice export in the month of November was 2.70 lakh tons. Kakinada Sea, Mundra Sea and Nagpur ICD were the major ports for non-basmati rice export during this period. These five ports cover more than 80% of total export in this period.

Major Basmati Export Sourcing Center



Total basmati Rice export in the month of Nov was 2.16 lakh tons. Mundra Sea, Loni ICD and Kandla 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 2015-16 (Oct. – Sept.)	Progressive Procurement as on 13.01.2017	
		In Marketing season 2016-17	In Marketing season 2015-16
AP	43.36	13.86	14.26
Telangana	15.79	10.61	9.42
Chhattisgarh	34.42	38.22	32.88
Haryana	28.61	35.70	28.61
Kerala	3.82	1.27	1.09
M.P	8.49	11.58	7.30
Maharashtra	2.30	1.46	0.83
Odessa	33.69	7.71	9.44
Punjab	93.50	110.44	93.49
Tamilnadu	11.92	0.08	0.43
U.P	29.10	9.47	12.44
Uttarakhand	5.98	3.64	3.55
West Bengal	15.68	0.42	1.21
Others	1.81	0.00	3.76
Total	342.18	245.24	215.59

Demonetization has not adversely impacted the rice procurement drive by the Food Corporation of India (FCI) and affiliated state government agencies so far. The rice equivalent of paddy procurement from farmers, which began officially for the 2016-17 marketing season on October 1, has crossed 24 million tonne (mt) till date, which is 19% more than the purchase during same period last year. States such as Punjab, Haryana and Chhattisgarh, where procurement has been completed for the season, have reported purchase by the agencies more than last year. This is mainly because of normal monsoon rains and direct transfer of the minimum support price (MSP) to farmers' bank accounts. Last year procurement exceed from its target and this year also we expect government achieve target which would ensure sufficient rice stocks in the central pool.

Global Updates

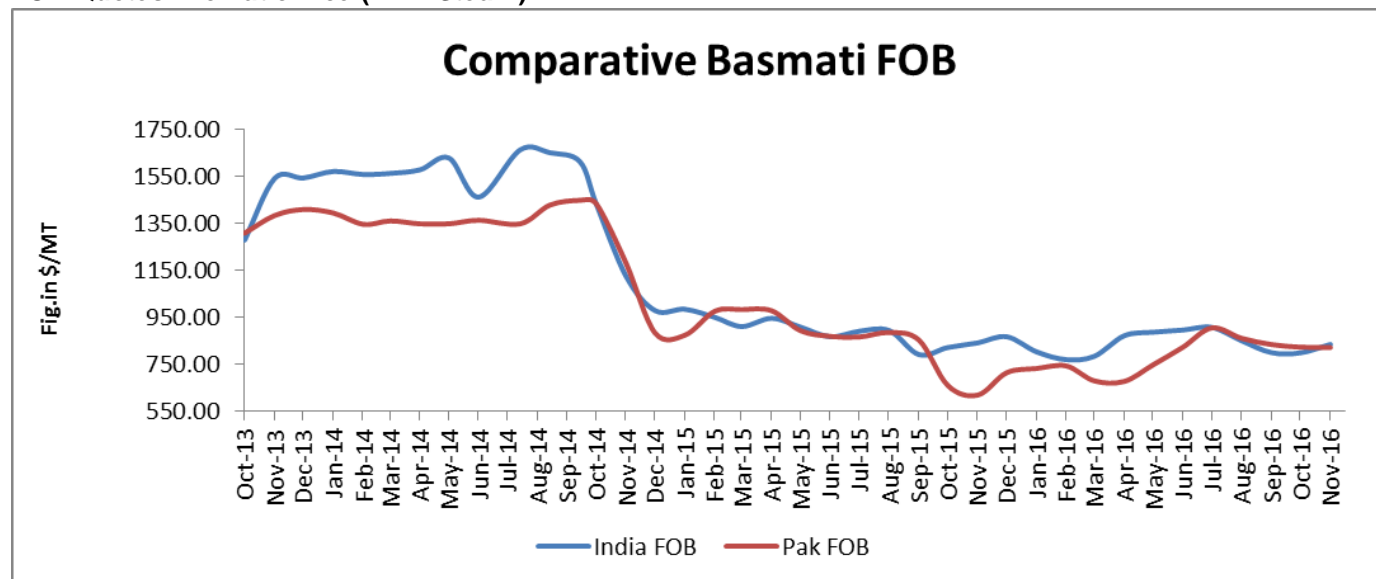
Export prices increased 1-2 percent from the previous week. Exporters are receiving more inquiries than before for old-crop white rice, particularly from African countries. Thai old-crop white rice, which mainly comes from government stocks, is currently 20-30 USD/MT cheaper than Vietnamese rice. Traders expect that the Thai government is likely to announce the details of a new tender for food-grade and non-food grade rice stocks by the end of January. Presently, the government is holding around 8 million metric tons of rice stocks which consist of 3 million metric tons of food-grade rice and 5 million metric tons of non-food grade rice. The non-food grade rice comprises of 3.15 million metric tons of sub-standard rice which can be used as animal feed and 1.85 million metric tons of deteriorated rice which still can be used to produce ethanol.

Unofficial preliminary Thailand rice exports (excluding premium white and fragrant rice) for January 9-15, 2017, totaled 80,169 metric tons, down 2,725 metric tons from the previous week. Rice exports from January 1-15, 2017, totaled 163,063 metric tons, up 70 percent from the same period last year.

Sri Lanka is to import over 250,000 tons of rice to maintain a buffer stock sufficient for one and half months owing to a possible shortage of rice during the first quarter of next year, due to drought. The Government has taken a decision to import rice through the private sector and provide bonded warehouse facilities for them as the country's rice production is expected to drop during the drought period. While the private sector will be allowed to freely import rice, there won't be any imports by the government unlike during the previous regime.

Mali produced a record 2.81 million tons of rice in its 2016-17 seasons, up 20 percent from last year and above an initial crop forecast. The West African country produced 2.33 million tons of unprocessed paddy rice last season and forecast 2.71 million tons for 2016-17. It now has a projected surplus of 565,000 tons. 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.

The Philippines' state grains agency has approved permits for local rice traders to import 641,080 tons of the staple grain from Thailand, Vietnam, Pakistan and India. The approved imports, which must be brought in by Feb. 28, 2017, account for 80 percent of the maximum volume of 805,200 tons that private traders are allowed to bring in under an annual country-specific quota scheme. Private traders will import 284,780 tons of rice from Thailand; 294,020 tons from Vietnam; 56,140 tons from Pakistan; and 6,140 tons from India. Fresh demand from the Philippines, one of the world's biggest rice buyers, could underpin export prices particularly in Vietnam and Thailand, traditionally its main suppliers. Rice export prices in India and Vietnam weakened last week on thin demand, but still failed to attract buyers, while prices rose slightly in Thailand amid a slowing harvest.

FOB Quotes Aromatic Rice (1121 Steam)


Source-FAO& Agriwatch

Indian FOB for 1121 steam in the month of November moved firm from last month and currently is in the range of USD 835-836/MT which is up by 4.47% from last month price of 812USD/T. Average basmati rice price too firm even with arrival pressure as aromatic rice production estimates is 25-30% lower than last year, according to the UN's Food and Agriculture Organization (FAO). Currently Pakistani basmati FOB is hovering in the range of USD 823-825/MT which is almost same from last month FOB of USD 825/MT.

IGC Rice Balance Sheet

(Fig. In Million Tons)

Attributes (Fig in Million Tons)	2013-14	2014-15 Estimate	2015-16 Forecast 25.02.16	Projection 27.10.2016	Projection (2016-17) 24.11.16
Production	478	480	473	484	485
Trade	42	43	42	41	41
Consumption	478	477	473	482	483
Carryover stocks	114	112	101	117	118
Y-O-Y change	0	-2	-10	3	2
Major Exporters	38	32	20	29	30

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

IGC Rice Balance sheet Highlights

The Council's projection for the 2016/17 global rice outturn is lifted fractionally, to a new peak of 485m t. The upward revision in total supplies is channelled to marginally upgraded figures for consumption and world ending stocks. At 118m t, aggregate inventories are predicted to expand by 2% y/y as a slight drawdown in reserves in leading exporters is more than offset by increases elsewhere. Projected broadly steady from October, trade is anticipated to expand by about 2% from the previous year. With many Asian producers likely to cut better crops against the

backdrop of improved growing conditions, world rice output in 2016/17 is projected to expand by 13m t, to a record of 485m. Population growth is expected to boost uptake to a fresh peak, while global ending stocks are predicted to edge up by 2% y/y, as inventory build in some nations more than offsets an anticipated reduction in the major exporters. This includes Thailand, where the government may offload more state reserves early next year. Trade is forecast to expand modestly, to around 41m t, on firm demand from African and Asian buyers. With an excellent kharif harvest boosting supplies for export, India's shipments could again exceed 10m t.

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 January- 17, Rough Rice) (Prices in US\$/hundredweight)



Market Analysis

The CBOT January month rough chart for rice indicates range bound with some firm movement in last couple of weeks; overall market is in steady tone. We expect market to hover in the range of USD 9.35-10.00 hundred weights in coming sessions.

Price Projection (International-CBOT)

Duration	Trend	Price Range
04 th Week of January, 2017	Steady	USD/ Hundred Weight 9.35-10.00

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