



Rice Weekly Research Report

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**Outlook and Review:
Domestic Front**

Wholesale Prices for India as an average for 04th week of January traded fired by 3.96% from last week. Prices are currently hovering at Rs.2960-2970/quintal and 8.30% up from price of Rs.2737/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 20.01.2017. Total area sown under Rabi crops in the country as on 20.01.2017 has been reported to be 628.34 lakh hectares as compared to 592.36 lakh hectares in the corresponding period of last year. This year's area coverage so far is higher by 36.0 lakh ha. than the last year and 19.5 lakh ha. than normal area coverage during the same period. Paddy area till date is 19.36 lakh hectares which is around 13.8% lower than last year area of 22.45 lakh hectares and around 22.92% lower than average area of 19.36 lakh hectares.

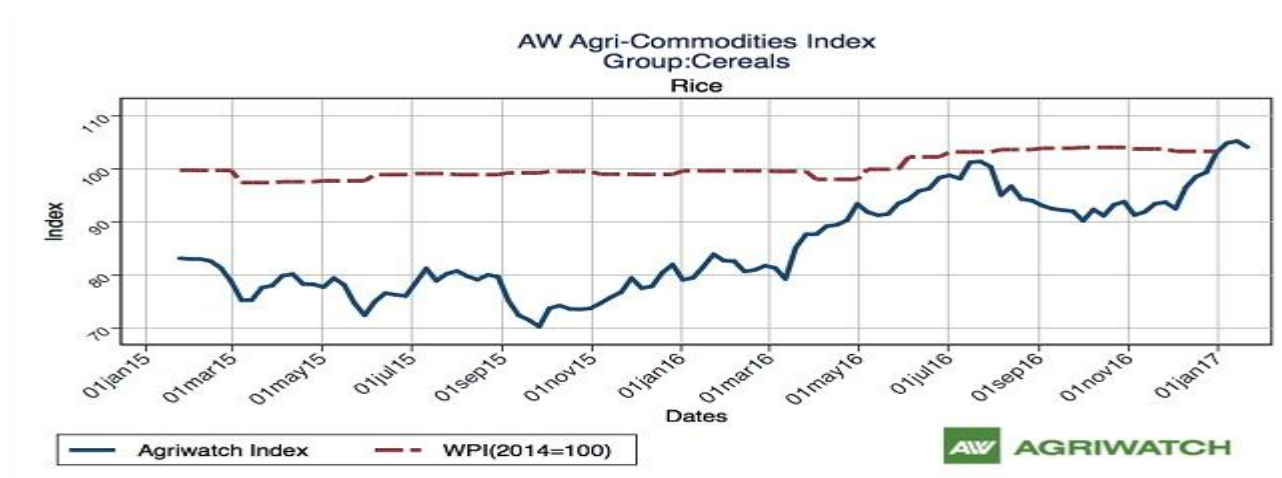
All-India progressive procurement of Rice as on 20.01.2017 for the Kharif marketing season 2016-17 was 254.58 lakh tonnes against the procurement of 224.18 lakh tonnes in the corresponding period of last year.

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 (12th January, 2017 - 18th January, 2017) has been 34% 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 16% in North West India and lower by equal to LPA in Central India, 96% in East & North East India and 92% in South Peninsula.

Agriwatch Cereals Commodity Indices – Jan-30, 2017

Agri Commodities Index rises 0.49% as Cereals gain

The Agriwatch Agri Commodities Index rose 0.49% to 115.21 during the week ended Jan 28, 2017 from 114.66 during the previous week led by gains in cereals prices (rice and maize). The base for the Index and all sub-Indices is 2014 (= 100). Five of the 9 commodity group sub-Indices and 16 of the 29 individual commodity sub-Indices gained during the week. The commodity group sub-Index values and their weekly changes are as follows: Cereals Index: 115.24 (+1.56%), Pulses Index: 159.30 (-0.17%), Vegetables Index: 41.56 (-2.48%), Edible Oils Index: 112.69 (+0.26%), Oilseeds Index: 96.29 (-1.22%), Spices Index: 117.44 (+2.72%), Sweeteners (Sugar, Gur & Khandsari) Index: 126.01 (+0.03%), Fibres Index: 113.51 (-0.51%) and Other Non-Food Articles Index: 94.35 (+0.93%).

"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 Jan-2017

Source Agmarknet

| State | Prices 24-31 Jan 2017 | Prices 16-23 Jan 2017 | Prices 24-31 Jan 2016 | % Change(Over Previous Week) | % Change(Over Previous Year) |
|----------------|-----------------------|-----------------------|-----------------------|------------------------------|------------------------------|
| Andhra Pradesh | 3836.33 | 3780.08 | 3178.51 | 1.49 | 20.7 |
| Assam | 3191.16 | 3333.77 | 3084.56 | -4.28 | 3.46 |
| Gujarat | 3192.04 | 3213.75 | 2768.9 | -0.68 | 15.28 |
| Jharkhand | 2760.11 | 2733.77 | 2536.21 | 0.96 | 8.83 |
| Karnataka | 3675.52 | 3781.91 | 3554.26 | -2.81 | 3.41 |
| Kerala | 3294.72 | 3322.76 | 3151.91 | -0.84 | 4.53 |
| Maharashtra | 3570.56 | 3347.31 | 2957.3 | 6.67 | 20.74 |
| Manipur | 2814.2 | 2823.73 | 2639.75 | -0.34 | 6.61 |
| Meghalaya | 3650 | 2863.22 | 3498.53 | 27.48 | 4.33 |

| | | | | | |
|---------------|---------|---------|---------|-------|-------|
| Delhi | 2500 | 1800 | | 38.89 | — |
| Orissa | 2347.1 | 2449.23 | 2092.91 | -4.17 | 12.15 |
| Tripura | 2735.65 | 2724.74 | 2479.95 | 0.4 | 10.31 |
| Uttar Pradesh | 2190.16 | 2213.73 | 2113.61 | -1.06 | 3.62 |
| Uttarakhand | 2369.25 | 2061.75 | 2051.68 | 14.91 | 15.48 |
| West Bengal | 2343.29 | 2322.52 | 2213.31 | 0.89 | 5.87 |
| Average | 2964.67 | 2851.48 | 2737.43 | | |

Price Projection for February 01st Week in Domestic Market

| Duration | Trend | Average Price Range | Reason |
|------------------------------------|----------------|---------------------|---|
| 01 st Week of Feb, 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) | 21 Jan- 2017) | Month Ago(30-Dec-2016) | % ch. From last week | % Change from last Month |
| 1121 Steam | 6500 | 6250 | 6100 | 4.00 | 6.56 |
| 1121 Sella | 5600 | 5150 | 5000 | 8.74 | 12.00 |
| 1121 Raw | 6800 | 6350 | 6350 | 7.09 | 7.09 |

Weekly Price (FOB) Change of Rice 5-25% broken high quality (Figure in USD/ MT):

| Indian White Rice 5%, 25% High Quality, Long grain parboiled 5% | | | | | |
|---|--------------|---------------|------------------------|----------------------|--------------------------|
| Variety | 21 Jan-2017) | 21 Jan- 2017) | Month Ago(30-Dec-2016) | % ch. From last week | % Change from last Month |
| White Rice 5% | 370 | 365 | 375 | 1.37 | -1.33 |
| White Rice 25% | 355 | 350 | 360 | 1.43 | -1.39 |
| Parboiled 5% | 360 | 357 | 365 | 0.84 | -1.37 |

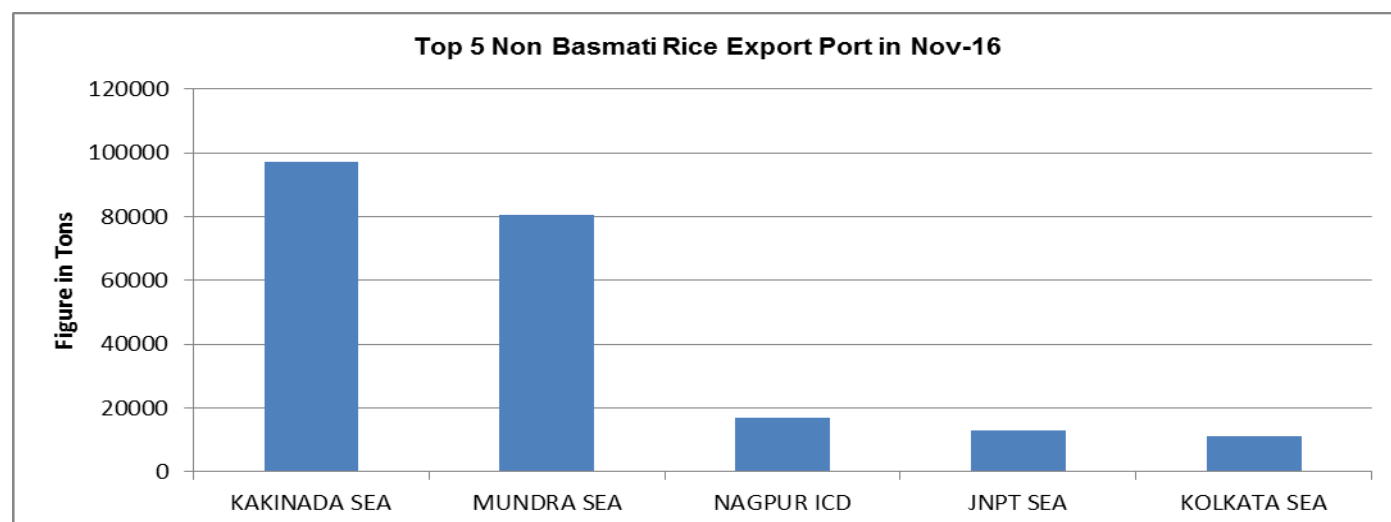
Major Importers of Basmati & Non-Basmati Rice in Nov -2016

| 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 |

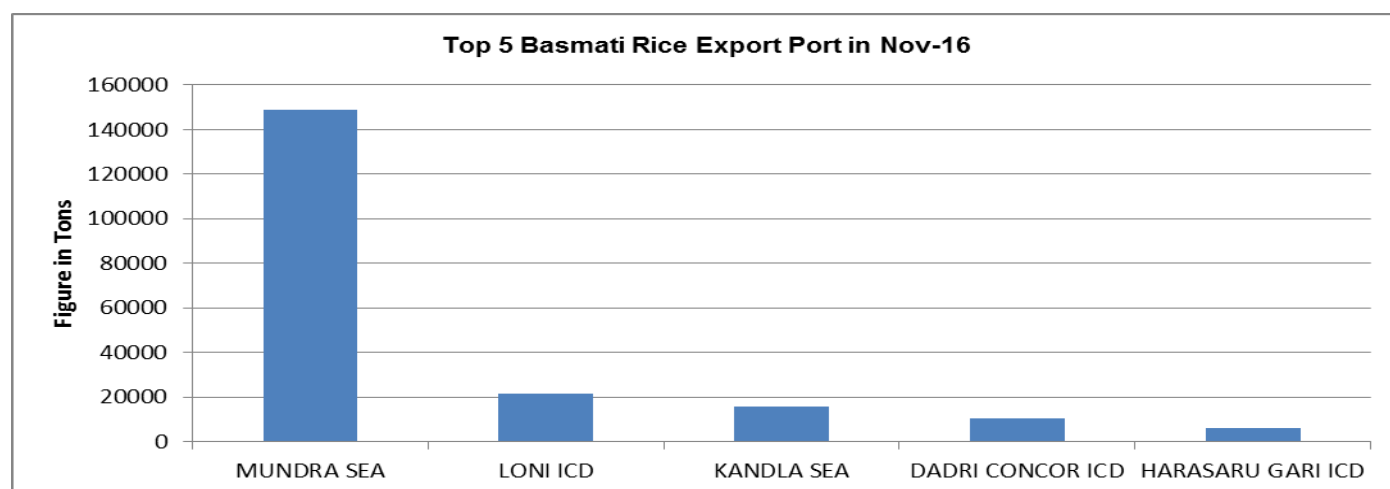
Total Rice exported from India in November was 4.86 lakh tons out of which basmati rice contribute 44.45%, and non-basmati rice is 55.54% in this period with quantity of around 2.16 lakh tons and 2.70 lakh tons respectively as per latest data extract from IBIS. Major importers of Indian Basmati rice 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 20.01.2017 | |
|--------------------------|--|--|--------------------------------|
| | | In Marketing season 2016-17 | In Marketing season 2015-16 |
| AP | 43.36 | 15.06 | 15.59 |
| Telangana | 15.79 | 10.80 | 9.67 |
| Chhattisgarh | 34.42 | 40.64 | 35.56 |
| Haryana | 28.61 | 35.70 | 28.61 |
| Kerala | 3.82 | 1.27 | 1.10 |
| M.P | 8.49 | 11.83 | 7.51 |
| Maharashtra | 2.30 | 1.60 | 0.94 |
| Odessa | 33.69 | 9.10 | 9.44 |
| Punjab | 93.50 | 110.44 | 93.49 |
| Tamilnadu | 11.92 | 0.08 | 0.48 |
| U.P | 29.10 | 11.39 | 15.06 |
| Uttrakhand | 5.98 | 4.41 | 4.25 |
| West Bengal | 15.68 | 0.71 | 1.48 |
| Others | 1.81 | 0.00 | 3.76 |
| Total | 342.18 | 254.58 | 224.18 |

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 exceeds from its target and this year also we expect government achieve target which would ensure sufficient rice stocks in the central pool.

Global Updates

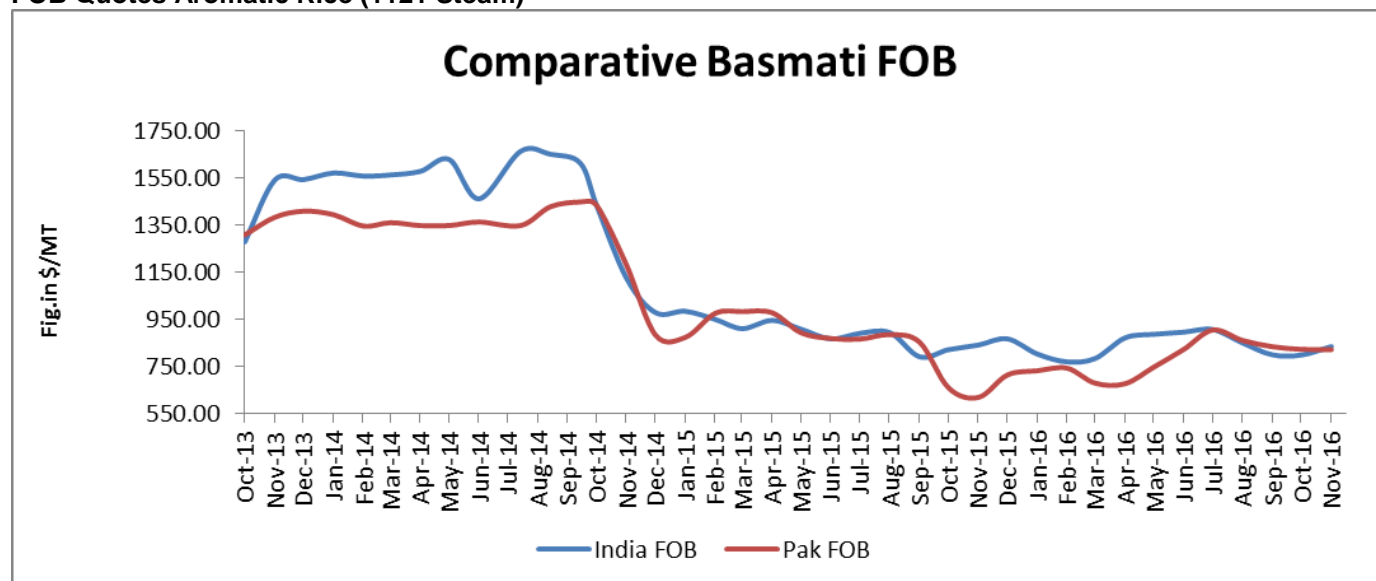
The Government of Indonesia will donate 10,000 metric tons (MT) of rice to Sri Lanka on a request made by President Maithripala Sirisena and it will arrive in Sri Lanka soon. Meanwhile, the Ministry of Rural Economic Affairs has taken steps to issue 90,958 MT of paddy of the Paddy Marketing Board at district level to private paddy mill owners and Lanka Sathosa to be processed into rice. Cabinet of ministers also paid attention to the need of importing rice from neighboring countries such as Indonesia, Vietnam unless the price of rice is reduced.

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.

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



Market Analysis

The CBOT March month rough chart for rice indicates range bound 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 |
|--|--------|-----------------------------------|
| 01 st Week of Februray,2017 | Steady | USD/ Hundred Weight 9.35-10.00 |



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