
Rice Weekly Research Report

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Outlook and Review:
Domestic Front

Wholesale Prices for India as an average for 01st week of February traded fired by 2.53% from last week. Prices are currently hovering at Rs.2960-2965/quintal and 2.90% up from price of Rs.2876/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, total area sown under Rabi crops in the country as on 27.01.2017 has been reported to be 637.34 lakh hectares as compared to 600.02 lakh hectares in the corresponding period of last year. This year's area coverage so far is higher by 37.3 lakh ha. than the last year and 21.2 lakh ha. than normal area coverage during the same period., Rice sowing in the period up to January 27th declined to 21.77 lakh hectares. Chhattisgarh was the only State to report a jump in acreage, while all other rice growing States including Tamil Nadu reported a fall in sowing.

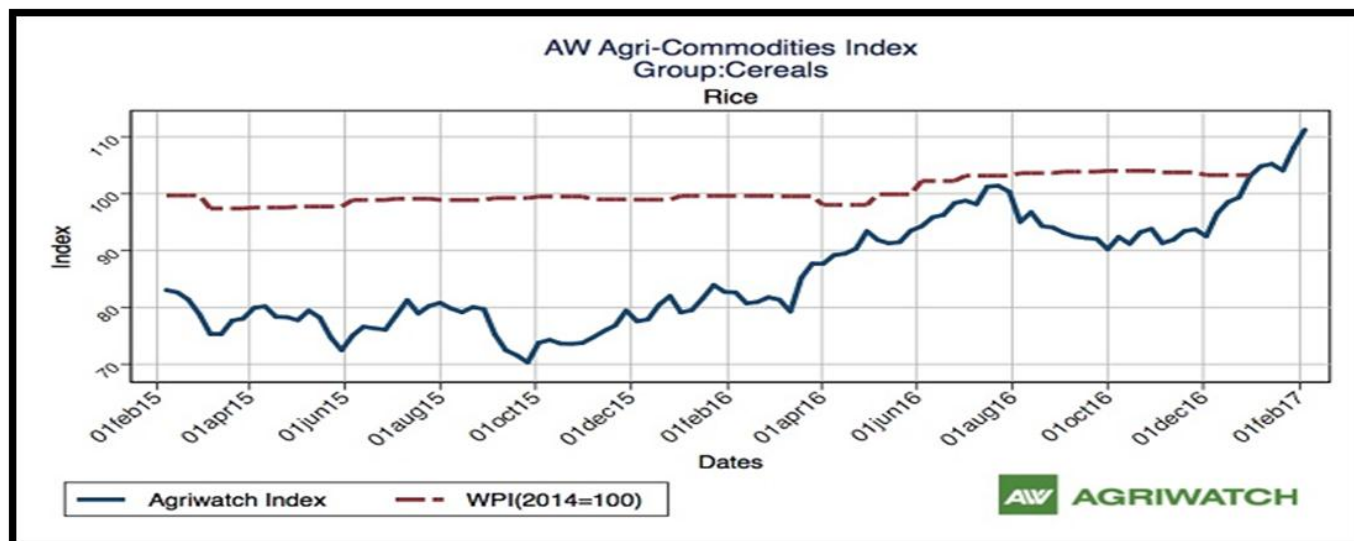
All-India progressive procurement of Rice as on 27.01.2017 for the Kharif marketing season 2016-17 was 265.74 lakh tons against the procurement of 235.21 lakh tons in the corresponding period of last year.

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 January- 1, 2017 stood at around 29.69 million tons up by about 14.10% from around 26.02 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 up about 10.16% from around 26.95 million tons recorded on December-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 – Feb-05, 2017

Agri Commodities Index rises 0.49% as Cereals gain

The Agriwatch Agri Commodities Index dipped 0.32% to 114.85 during the week ended Feb 4, 2017 from 115.21 during the previous week. The base for the Index and all sub-Indices is 2014 (= 100).

Commodity price trends were mixed with 4 of the 9 commodity group sub-Indices gaining during the week. Gains in cereals and non-food articles were offset by declines in pulses and edible oils. The commodity group sub-Index values and their weekly changes are as follows: Cereals Index: 116.96 (+1.49%), Pulses Index: 153.32 (-3.75%), Vegetables Index: 41.73 (+0.40%), Edible Oils Index: 111.13 (-1.38%), Oilseeds Index: 93.99 (-2.39%), Spices Index: 113.60 (-3.27%), Sweeteners Index: 125.57 (-0.35%), Fibres Index: 115.01 (+1.33%) and Other Non-Food Articles Index: 98.94 (+4.86%).

"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 01st Week of Feb-2017

Source Agmarknet

State	Prices 01-08 Feb 2017	Prices 24-31 Jan 2017	Prices 01-08 Feb 2016	% Change(Over Previous Week)	% Change(Over Previous Year)
Andhra Pradesh	3868.06	3832.22	4656.58	0.94	-16.93
Assam	3388.47	3291.7	3141.61	2.94	7.86
Gujarat	3241.75	3185.68	2754.61	1.76	17.68
Jharkhand	2697.18	2763.91	2582.36	-2.41	4.45
Karnataka	3297.96	3655.04	3924.49	-9.77	-15.96

Kerala	3330.43	3306.41	3097.42	0.73	7.52
Maharashtra	3407.24	3392.41	3177.83	0.44	7.22
Manipur	2750.48	2813.55	2611.88	-2.24	5.31
Meghalaya	3650	2737.84	3341.05	33.32	9.25
Orissa	2379.38	2311.06	2186.37	2.96	8.83
Tripura	2688.97	2730.18	2448.12	-1.51	9.84
Uttar Pradesh	2215.13	2184.27	2107.54	1.41	5.11
Uttarakhand	2178.46	2251.2	2057.27	-3.23	5.89
West Bengal	2352.36	2353.44	2190.79	-0.05	7.37
Average	2960.42	2887.26	2876.71		

Price Projection for February 02nd Week in Domestic Market

Duration	Trend	Average Price Range	Reason
02 nd 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	04 Feb(2017)	28 Jan- 2017)	Month Ago(04 Jan- 2016)	% ch. From last week	% Change from last Month
1121 Steam	7000	6800	6400	4.00	6.56
1121 Sella	5600	5450	5350	8.74	12.00
1121 Raw	7150	6800	6650	7.09	7.09

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

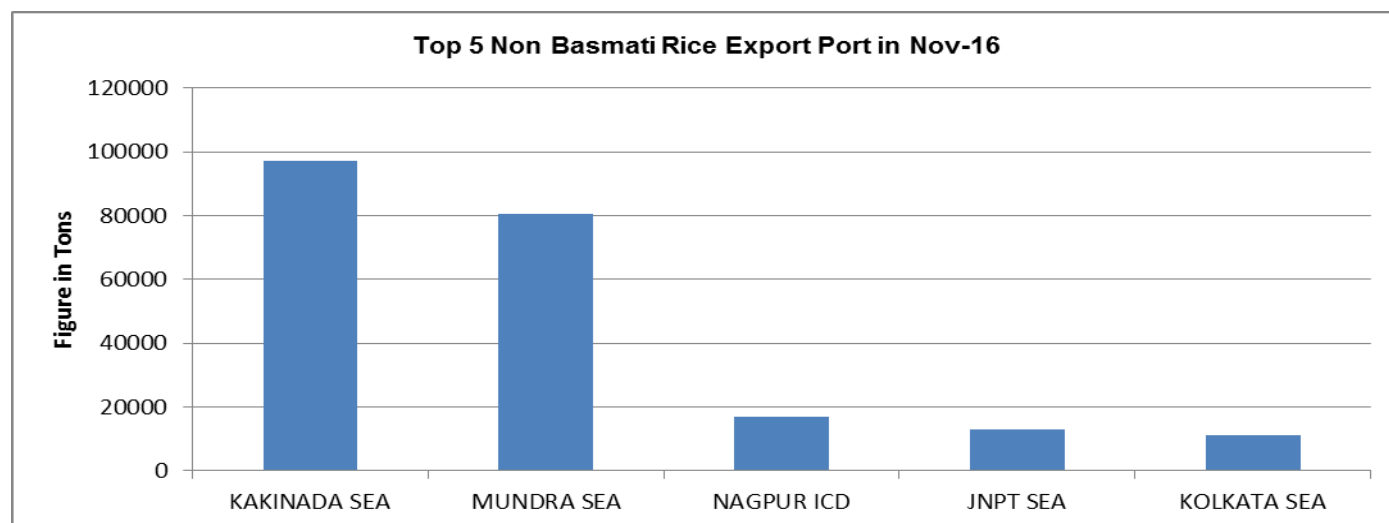
Indian White Rice 5%, 25% High Quality, Long grain parboiled 5%					
Variety	04 Feb(2017)	28 Jan- 2017)	Month Ago(04 Jan- 2016)	% ch. From last week	% Change from last Month
White Rice 5%	370	365	375	1.37	-1.33
White Rice 25%	355	350	360	1.43	-1.39
Parboiled 5%	360	357	365	0.84	-1.37

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

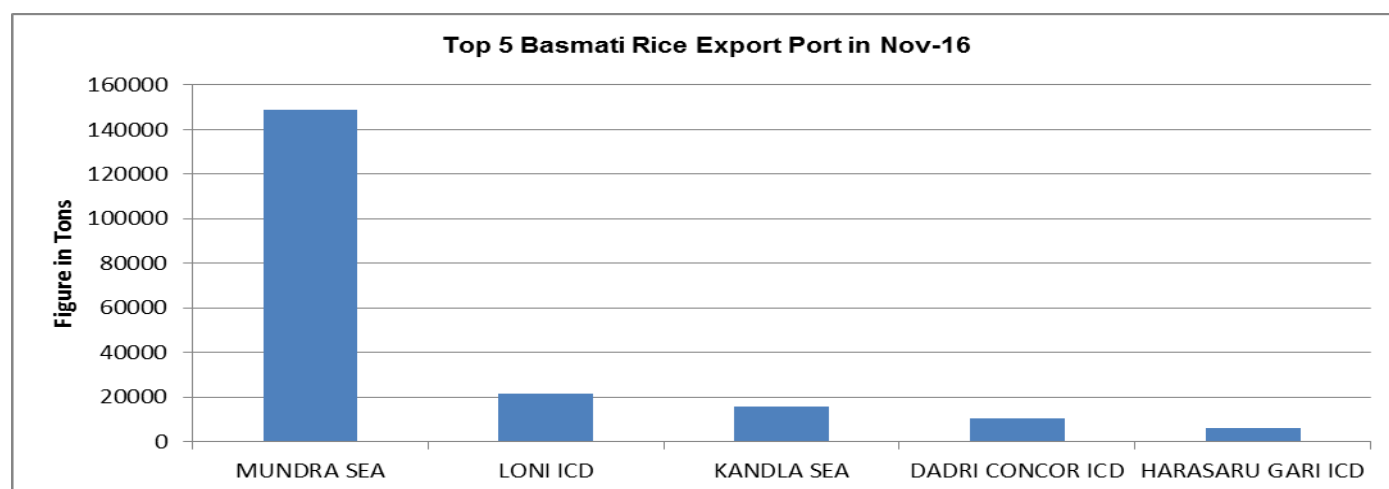
Total Rice exported from India in November was 4.86 lakh tons out of which basmati rice contribute 44.45%, and non-basmati rice is 55.54% in this period with quantity of around 2.16 lakh tons and 2.70 lakh tons respectively as per latest data extract from IBIS. Major importers of Indian Basmati rice 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 27.01.2017	
		In Marketing season 2016-17	In Marketing season 2015-16
AP	43.36	16.58	17.58
Telangana	15.79	10.85	9.84
Chhattisgarh	34.42	42.81	37.87
Haryana	28.61	35.7	28.61
Kerala	3.82	1.28	1.13
M.P	8.49	12.21	7.6
Maharashtra	2.3	1.74	1.02
Odessa	33.69	13.09	12.33
Punjab	93.5	110.44	93.49
Tamilnadu	11.92	0.09	0.9
U.P	29.1	12.75	17.39
Uttarakhand	5.98	5	5.18
West Bengal	15.68	1.14	1.7
Others	1.81	0	3.76
Total	342.18	265.74	235.21

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

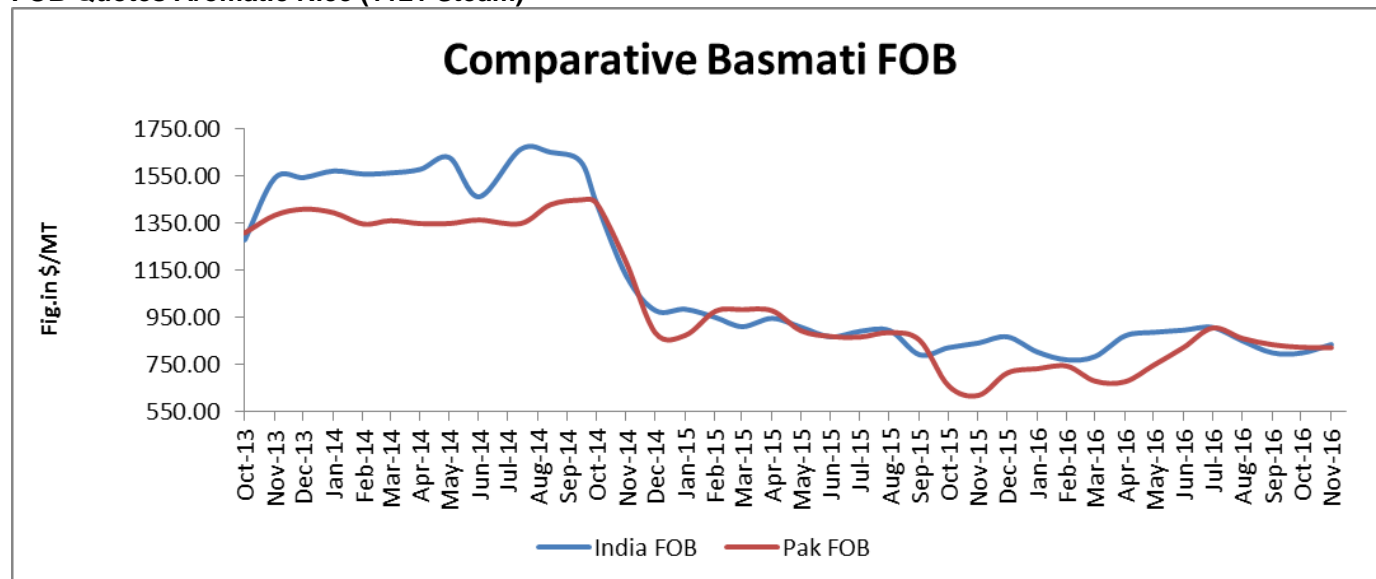
Unofficial preliminary Thailand rice exports (excluding premium white and fragrant rice) for January 16-22, 2017 totaled 90,329 metric tons, down 44,018 metric tons from the previous week. Rice exports from January 1-22, 2017, totaled 307,571 metric tons. Presently, the government is holding around 8 million metric tons of rice stocks which consist of around 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 is still useable as animal feed and 1.85 million metric tons of deteriorated rice which still can be used to produce ethanol.

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.

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 24.11.16	Projection (2016-17) 19.01.2017
Production	478	480	473	485	482
Trade	42	43	42	41	41
Consumption	478	477	473	483	482
Carryover stocks	114	112	101	118	118
Y-O-Y change	0	-2	-10	2	0
Major Exporters	38	32	20	30	29

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

IGC Rice Balance sheet Highlights

The Council's outlook for world rice production in 2016/17 is lowered on account of diminished prospects in South Asia, notably in Sri Lanka. Nevertheless, it is still expected to post a 10m t y/y increase, to a record of 482m. With total uptake cut fractionally, world ending stocks are forecast unchanged from previously and steady y/y, at 118m t. The prediction for trade is kept at 41m t (+5%), in line with average. After a season in which harvests in Asian producers were negatively affected by dryness, world rice output could recover in 2016/17, by 2% y/y, to a peak of

482m t, under improved conditions. Larger availabilities are expected to be absorbed by a population-driven expansion in food use across Africa and Asia, resulting in little change in the world carryover, placed at 118m t. However, major exporters' inventories may retreat for the fourth consecutive year, especially on efforts by the Thai government to offload state reserves. Trade is predicted to rise by 5%, to 41m t, in 2017, as depressed world market values stimulate bigger purchases by some importers.

IGC Forecast the World Rice Production Up in 2016-17

In its January 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
02 nd Week of Februray,2017	Steady	USD/ Hundred Weight 9.35-10.00

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