Rice Weekly Research Report

Contents

Outlook and Review:
Domestic Front

***Wholesale Prices for India as an average for 01st week of March traded firmed by 7.08% from last week. Prices are currently** hovering at Rs.3030-3035/quintal and 3.05% up from price of Rs.2943/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 second advance estimate released by Agriculture Ministry, Total production of rice is estimated at record 108.86 million tonnes** which is also a new record. This year's Rice production is higher by 2.21 million tonnes than previous record production of 106.65 million tonnes achieved during 2013-14. It is also higher by 3.44 million tonnes than the five years' average Rice production of 105.42 million tonnes. Production of rice has increased significantly by 4.45 million tonnes than the production of 104.41 million tonnes during 2015-16. . As a result of very good rainfall during monsoon 2016, record rice production seen in the current year.*

***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 January27th 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.*

***Delay in resumption of imports by Iran is likely to hinder the recovery in Basmati exports from India, however, this as a temporary** delay, as Iran's insufficient domestic rice production and depleting inventory levels to meet its demand. Agriwatch expects that Iran may import Indian rice by mid-march.*

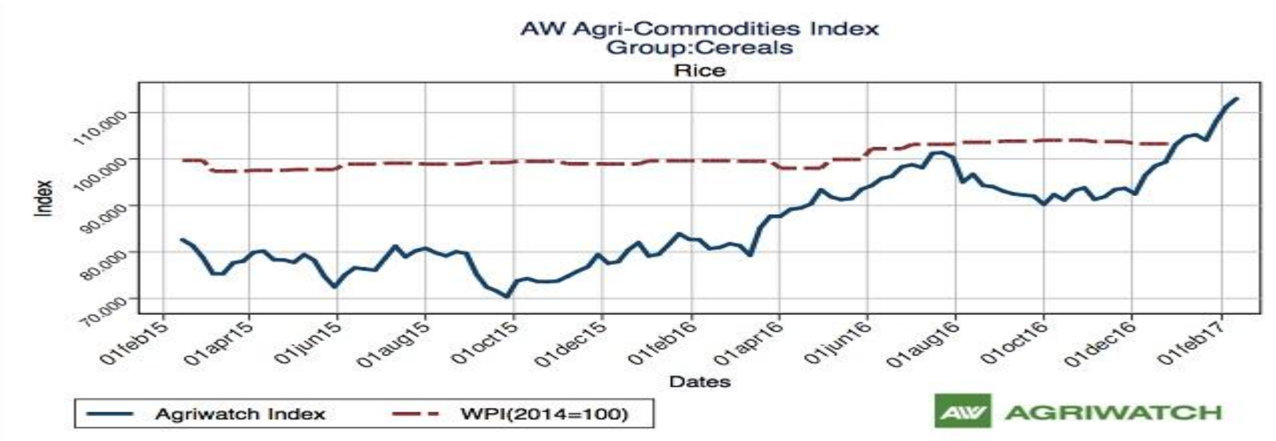
***All-India progressive procurement of Rice as on 22.02.2017 for the Kharif marketing season 2016-17 was 298.53 lakh tonnes** against the procurement of 270.36 lakh tonnes in the corresponding period of last year.*

***India's rice stocks in the central pool as on February- 1, 2017 stood at around 29.29 million tons up by about 1.20% from around 28**.94 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 1.34% from around 29.69 million tons recorded on January-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 (09 th February, 2017 – 15th February, 2017) has been 86%** lower than the Long Period Average (LPA). Rainfall in the four broad geographical divisions of the country during the above period have been lower by 98% in North West India, 85% in South Peninsula, 76% in East & North East India and 40% in Central India.*

Agriwatch Cereals Commodity Indices – Feb-13, 2017

Agri Commodities Index rises 0.49% as Cereals gain



The Agriwatch Agri Commodities Index fell 0.50% to 114.27 during the week ended Feb 11, 2017 from 114.85 during the previous week. The base for the Index and all sub-Indices is 2014 (= 100). Pulses fell sharply led by a 10.5% slump in the Chana Index due to the harvest around the corner, while Tur and Urad Indices fell over 4% each. Higher sugar cushioned the Index's fall. The commodity group sub-Index values and their weekly changes are as follows: Cereals Index: 116.91 (-0.04%), Pulses Index: 140.70 (-8.23%), Vegetables Index: 40.20 (-3.67%), Edible Oils Index: 110.59 (-0.49%), Oilseeds Index: 94.31 (+0.34%), Spices Index: 111.16 (-2.15%), Sweeteners Index: 127.89 (+1.85%), Fibres Index: 117.24 (+1.94%) and Other Non-Food Articles Index: 98.39 (-0.55%).

"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 wwwagriwatch.com. The daily indices are available on subscription. Please contact for more details."

State wise Wholesale Prices weekly for 01st Week of March-2017

Source Agmarknet

State	Prices 01-08 Mar 2017	Prices 24-28 Feb 2017	Prices 01-08 Mar 2016	% Change(Over Previous Week)	% Change(Over Previous Year)
Andhra Pradesh	4051.38	4006.36	6227.59	1.12	-34.94
Assam	3046.76	2995.26	3078.91	1.72	-1.04
Gujarat	3657.89	3102.74	3561.69	17.89	2.7
Jharkhand	2733.33	2749.69	2556.54	-0.59	6.92
Karnataka	3482.31	3576.65	3380.14	-2.64	3.02
Kerala	3742.68	3604.24	2996.94	3.84	24.88
Maharashtra	3698.82	3576.88	3182.05	3.41	16.24
Manipur	2832.42	2814.5	2815.62	0.64	0.6
Meghalaya	3329.33	2676.83	3316.26	24.38	0.39
Delhi		1820	2200	__	__
Orissa	2458.92	2516.63	2045.82	-2.29	20.19
Tripura	2702.98	2271.36	2426.19	19	11.41

Uttar Pradesh	2246.88	2204.19	2116.39	1.94	6.17
Uttrakhand	2057.65	2180.47	2075.04	-5.63	-0.84
West Bengal	2417.65	2384.35	2165.84	1.4	11.63
Average	**3032.79**	**2832.01**	**2943.01**		

Price Projection for March 02nd Week in Domestic Market

Duration	Trend	Average Price Range	Reason
02nd Week of Mar , 2017	Steady to Firm	Rs.3050-3150/Q	Non-basmati rice market likely to move steady to firm note in coming weeks due to lower arrival and good domestic as well overseas demand.

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	**03-Mar-2017)**	**25-Feb-2017)**	**Month Ago(03-Feb-2017)**	**% ch. From last week**	**% Change from last Month**
1121 Steam	7300	6900	6900	**5.80**	**5.80**
1121 Sella	5900	5800	5700	**1.72**	**3.51**
1121 Raw	7200	6900	6900	**4.35**	**4.35**

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	**03-Mar-2017)**	**25-Feb-2017)**	**Month Ago(03-Feb-2017)**	**% ch. From last week**	**% Change from last Month**
White Rice 5%	378	375	365	**0.80**	**3.56**
White Rice 25%	356	355	330	**0.28**	**7.88**
Parboiled 5%	375	375	365	**0.00**	**2.74**

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 Mandi Rice Prices in January -2016 **Figure in Rs/Quintal**

in Rs./QtlMandi	Prices Jan-2017	Prices Dec-2016	Prices Jan-2016	% Change(Over Previous Month)	% Change(Over Previous year)
Burdwan	2038.82	2030.52	1934.6	0.41	5.39
Midnapore	2417.68	2532.7	2350	-4.54	2.88
Banaganapalli	2550	2650	3333	-3.77	-23.49
Ramachandrapuram	4150	4150	3925	0.00	5.73
Devariya	2084	2071	2081	0.63	0.14
Sitapur	2223	2352	2216	-5.48	0.32
Mysore	3243	2998	2548	8.17	27.28
Raichur	2667	2475	2860	7.76	-6.75
Villupuram	NR	NR	NR	#VALUE!	#VALUE!
Thiruchirappalli	NR	NR	NR	#VALUE!	#VALUE!

Major Mandi Arrival in January-2017 **Figure in Tons**

Fig. in Tons Mandi	Arrival Jan-17 (Cumulative)	Arrival Dec-2016(Cumulative)	Arrival Jan-2016(Cumulative)	% Change(Over Previous Month)	% Change(Over Previous year)
Burdwan	52008.05	40440.05	49807.96	28.61	4.42

Midnapore	5924.79	5533.79	2607.87	7.07	127.19
Banaganapalli	5744.5	944.5	13550.5	508.21	-57.61
Ramachandrapuram	1600.4	1428.4	1299.31	12.04	23.17
Devariya	11319.04	9977.04	13947.98	13.45	-18.85
Sitapur	4532.42	4196.42	11374.92	8.01	-60.15
Mysore	37091.99	31961.99	23525.99	16.05	57.66
Raichur	3245	2667	2226.04	21.67	45.77
Villupuram	NA	NA	NA	#VALUE!	#VALUE!
Thiruchirappalli	NA	NA	NA	#VALUE!	#VALUE!

State wise Progressive Procurement

State/UTs	**Total procurement in marketing season 2015-16 (Oct. – Sept.)**	**Progressive Procurement as on 27.02.2017**	
(in Lakh T)		**In Marketing season 2016-17**	**In Marketing season 2015-16**
AP	43.36	22.38	24.68
Telangana	15.79	10.99	10.12
Chhattisgarh	34.42	46.62	39.72
Haryana	28.61	35.7	28.61
Kerala	3.82	1.38	1.33
M.P	8.49	13.14	8.41
Maharashtra	2.3	2.09	1.25
Odessa	33.69	18.68	16.08
Punjab	93.5	110.44	93.49
Tamilnadu	11.92	0.40	4.31
U.P	29.1	18.67	24.56
Uttrakhand	5.98	6.48	5.97
West Bengal	15.68	3.33	2.86
Others	1.81	0	3.76
Total	**342.18**	**294.75**	**265.42**

Global Updates

Ghana Government has set an ambitious target to increase rice production by an enormous 49% just this year as an extent to *reduce rice imports to save the economy foreign exchange. As at the end of 2016, Ghana's rice production stands at 687,680 metric tonnes and 1,025,180 metric tonnes to be produced in 2017. Production in the country is to increase by 337,500 metric tonnes this year which may impact the import from different nation include Indian non-basmati rice.*

Unofficial preliminary Thailand rice exports (excluding premium white and fragrant rice) for February 6-12, 2017, totaled 83,850 *metric tons, down 102,043 metric tons from the previous week, and down 70,829 metric tons from the four-week moving average of 154,679 metric tons. Rice exports from January 1 – February 12, 2017, totaled 835,957 metric tons.*

During the period from July-January, 2016-17 rice exports from Pakistan reduced by 14.62 percent as compared to the same period *of last year. Meanwhile, in last seven months about 1,844,048 metric tons of rice other then basmati rice exported and earned $670.737 million as compared to 2,023,778 metric tons valuing $785.141 million of same period of last year. On month on month basis, rice exports grew by 3.85 percent in month of January, 2017 as compared to exports of same period of last year.*

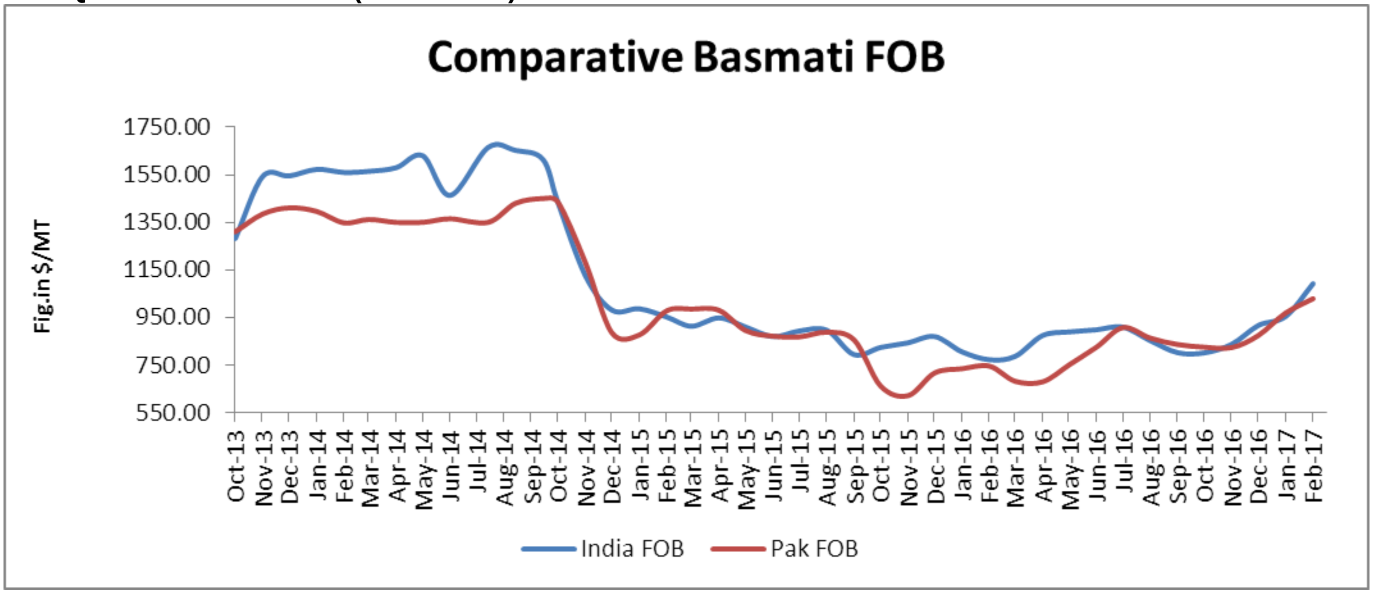
For 2016/17, global rice production, already at a record, is raised fractionally this month on revisions to the crops in Bangladesh *and Kazakhstan. Global trade is up, with larger imports for the United Arab Emirates and Brazil. Exports are raised for India, Thailand, and Burma. Global stocks are revised slightly lower, but are still the highest in 15 years.*

Global rice trade is forecast to rise in 2017, on larger imports by Asian and Middle Eastern countries. Trade is projected *up 3 percent from the prior year to the third-largest on record. This reverses the recent 2-year contraction that occurred as countries sought to increase domestic production and selfsufficiency, at times through restrictive trade measures.*

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.*

Indonesia plans to export rice, after national production reached 79.17 million tons in 2016, which is above the target set at 72 *million tons. Indonesia has already exported organic rice to five countries, including Belgium.*

FOB Quotes Aromatic Rice (1121 Steam)



Source-FAO& Agriwatch

Indian FOB for 1121 steam in the month of February moved firm from last month and currently is in the range of USD 1090-1092/MT which is up by 15% from last month price of 954USD/T. Average basmati rice price too firm with lower aromatic rice production estimates which is around 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 1028-1030/MT which is also up by 6.19% from last month FOB of USD 969/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 (2016-17) 19.01.2017	Projection 23.02.17
Production	478	480	473	482	482
Trade	42	43	42	41	41
Consumption	478	477	473	482	482
Carryover stocks	114	112	101	118	119
Y-O-Y change	0	-2	-10	0	1
Major Exporters	38	32	20	29	31

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. World rice production in 2016/17 is forecast 2% higher y/y, at 482m t, narrowly eclipsing the record of two years earlier. Larger crops are expected in many Asian producers, with full-season output in India likely to reach a new high. Growing populations will underpin a further increase in food demand as consumption expands by 7m t, to 482m, while aggregate stocks are seen edging up to 119m. However, major exporters' inventories are forecast to contract, as the government of Thailand seeks to offload its old crop stockpile. Against the backdrop of ample availabilities and depressed international values, trade is predicted to climb by 4% on larger shipments to Africa and Asia. India should again be the world's biggest exporter.

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 482 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 steady to weak movement in last couple of weeks; overall market is in 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
02nd Week of March,2017	Steady to Weak	USD/ Hundred Weight 9.10-10.00

*****