Rice Weekly Research Report

Contents

Outlook and Review:
Domestic Front

***Wholesale Prices for India as an average for 03rd week of March traded firmed by 0.77% from last week. Prices are currently** hovering at Rs.3012-3015/quintal and 6.38% up from price of Rs.2832/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 Bihar Cooperative Minister, adequate outlets for procurement of paddy had been opened across the state to enable the** farmers to sell their produce and get reasonable price. Also state government had made arrangement for procurement of paddy through 7,500 Primary Agriculture Credit Cooperative Society (PACS) to enable farmers to sell their produce at Minimum Support Price (MSP).*

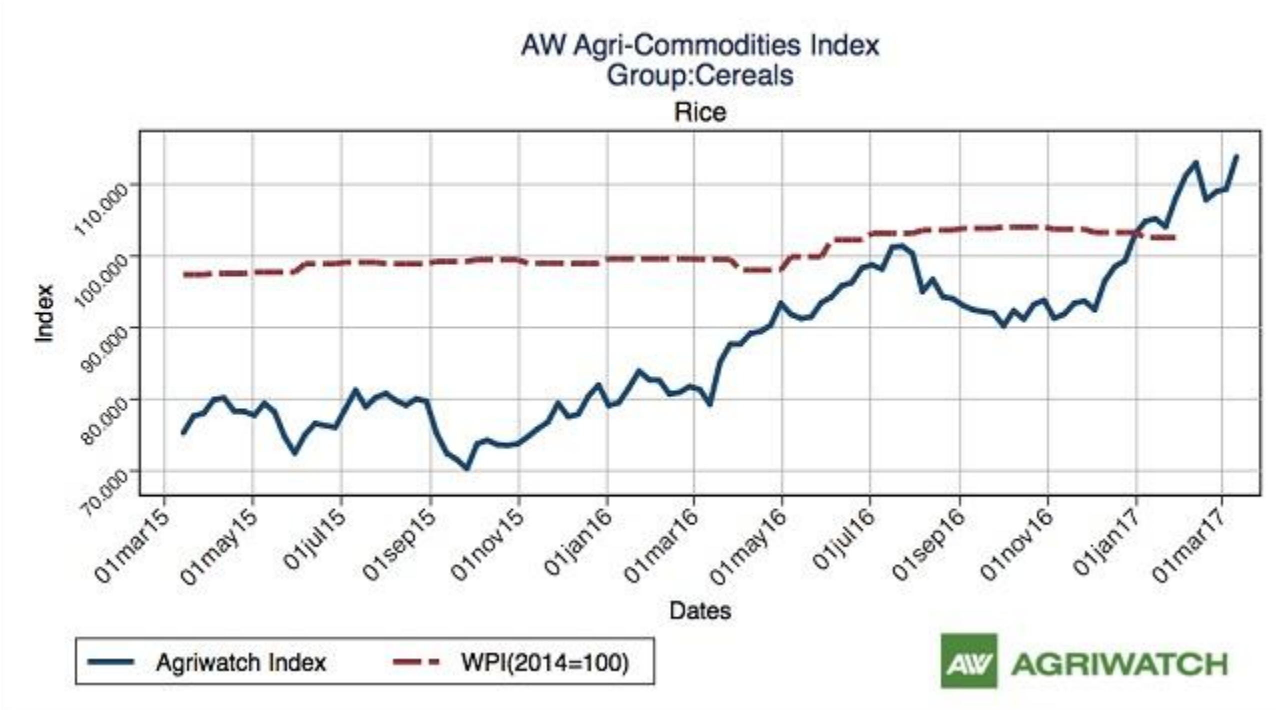
***As per latest update, rice export in terms of value is up by around 41% from last year to USD 56.09 Crore in February -2017 which was only USD 39.66 crore in 2016. In first ten months of FY 2016-17(Apr-Jan) total rice export is 84, 66,304** tons in which basmati rice is 32, 51,801 tons and non –basmati rice is 52,14, 503 tons, where as in FY-2015-16 total rice export rice in first ten months were 87,85,606 tons out of which basmati rice was 34,31,391 tons and 53,54,2016 tons was non-basmati rice.*

***All-India progressive procurement of Rice as on 10.03.2017 for the Kharif marketing season 2016-17 was 312.51 lakh tonnes against** the procurement of 289.92 lakh tonnes in the corresponding period of last year.*

***India's rice stocks in the central pool as on March- 1, 2017 stood at around 31.43 million tons down by about 7.72% from around** 34.06 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 7.30% from around 29.29 million tons recorded on February-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 Pre Monsoon season, at All-India level, the rainfall during the week (02nd March, 2017 – 08th March, 2017) has been 3**% lower than the Long Period Average (LPA). Rainfall in the four broad geographical divisions of the country during the above period have been higher by 142% in South Peninsula, 45% in East & North East India and lower by 53% in North West India, 17% in Central India.*

Agriwatch Cereals Commodity Indices – Mar-13, 2017



Agri Commodities Index gains 0.98% as Cereals, Pulses rise

The Agriwatch Agri Commodities Index gained 0.98% to 110.22 during the week ended March 11, 2017 from 109.15 during the previous week, to end a 5-week falling streak. Cereals and pulses led the Index higher. The base for the Index and all sub-Indices is 2014 (= 100).

The Pulses Index broke an even longer 11-week losing streak, during which it fell nearly 40%, on expectations of the government levying import duties on pulses. The commodity group sub-Index values and their weekly changes are as follows: Cereals: 113.31 (+2.29%), Pulses: 129.85 (+4.02%), Vegetables: 37.75 (-4.23%), Edible Oils: 105.22 (+0.47%), Oilseeds: 89.90 (+0.40%), Spices: 104.27 (-0.77%), Sweeteners: 126.48 (-0.48%), Fibres: 115.05 (+0.11%) and Other Non-Food Articles: 97.35 (-0.77%).

"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

State wise Wholesale Prices weekly for 03rd Week of March-2017

Source Agmarknet

State	Prices 16-23 Mar 2017	Prices 09-15 Mar 2017	Prices 16-23 Mar 2016	% Change(Over Previous Week)	% Change(Over Previous Year)
Andhra Pradesh	3996.87	3645.45	3909.43	2.39	2.24
Assam	3224.64	3384.62	3022.23	-6.9	6.7
Gujarat	3535.46	3684.7	3593.02	-4.05	-1.6
Jharkhand	2755.44	2722.36	2490.03	1.22	10.66

Karnataka	3930.55	3345.47	3315.53	9.9	18.55
Kerala	3707.86	3705.37	3010.39	0.07	23.17
Maharashtra	3532.64	3332.73	3195.57	6	10.55
Manipur	2900.56	2890.36	2868.34	0.35	1.12
Meghalaya	3040.91	3224.45	3036.62	-10.26	0.14
Orissa	2088.59	2467.56	2323.79	-15.36	-10.12
Tripura	2748.18	2721.04	2507.38	1	9.6
Uttar Pradesh	2211.38	2202.03	2114.86	-0.4	4.56
Uttrakhand	2089.5	2105.76	2057.02	-0.77	1.58
West Bengal	2409.01	2413.04	2195.8	-0.17	9.71
Average	3012.26	2988.95	2831.43		

Price Projection for March 04th Week in Domestic Market

Duration	Trend	Average Price Range	Reason
04th 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	**18-Mar-2017)**	**14-Mar-2017)**	**Month Ago(18-Feb-2017)**	**% ch. From last week**	**% Change from last Month**
1121 Steam	7300	7250	7100	0.69	2.82
1121 Sella	6100	5800	5800	5.17	5.17
1121 Raw	7200	6950	7150	3.60	0.70

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	**18-Mar-2017)**	**14-Mar-2017)**	**Month Ago(18-Feb-2017)**	**% ch. From last week**	**% Change from last Month**
White Rice 5%	358	355	365	0.85	-1.92
White Rice 25%	355	350	345	1.43	2.90
Parboiled 5%	348	345	365	0.87	-4.66

Non-Basmati Rice Imports from India Cumulative (Apr-Dec-16):

Qty in MT	April-April	April-May	April-June	April-July	April-August	April-September	April-October	April-November	April-December
Benin	75464	162301	301059.9	379044.4	453910.65	497859.65	523948.25	536496.25	555422.25
Nepal	50618.42	92089.21	122923.98	144915.78	175612.12	196399.83	311834.4	294051.35	369154.19
Guinea	71080	137400	180581	257723.4	284765.4	291565.4	321331.4	369478.55	390789.55
United Arab Emirates	20704.56	40660.47	66391.84	89047.14	108982.07	123602.21	139426.35	158176.85	185730.86
Iraq	3280	17548	38352	58580	109120	153462	208652	260126	271982
Senegal	81774	123040.15	180305.15	205487.15	328488.15	332728.15	340073.15	342356.15	348078.15
Somalia	31059	71110	102235	125980	151177	168037	178470	203855	249397
Cote D Ivoire	20375	31774.36	126296.36	165173.63	169801.63	209169.6	213838.6	219053.6	227497.6
South Africa	19508	39560.09	77357.42	109913.36	137905.66	154228.86	170539.16	188813.93	199527.33
Liberia	35650	36505	40851.2	51606.2	106713.2	145075.2	145882.2	148570.2	149685.55
Others	147861.36	306408.65	507186.33	721310.96	940421.18	1096450.09	1237742.13	1373960.34	1563796.05
Total	**5,57,374.34**	**10,58,396.93**	**17,43,540.18**	**23,08,782.02**	**29,66,897.06**	**33,68,577.99**	**37,91,737.64**	**40,94,938.22**	**45,11,060.53**

Basmati Rice Imports from India Cumulative (Apr-Dec-16):

Qty In MT-Basmati Rice	April-April	April-May	April-June	April-July	April-August	April-September	April-October	April-November	April-December
S.Arab	95084.96	176983.26	227184.76	291073.06	336223.06	395962.06	449715.86	496126.86	542113.86
Iran	66874	204127.04	375538.04	446883	453649	462274.77	472000.77	489663.77	522099.18
U A E	49230.58	92686.72	155632.99	217463.42	242379.15	293954.63	342011.44	415691.09	501090.82
Iraq	20234	50370.6	98269.95	144400.95	178416.95	214077.6	246032.6	274626.6	332740.64
Kuwait	10944.4	30585.8	36335.36	58115.48	61329.48	80064.46	84731.98	99960.26	114710.26
United States	6837.66	17182.19	26104.67	35009.05	42387.64	50229.73	58657.14	67569.22	77944.17
Yemen	9886	17280.24	27407.84	33457.84	47349.84	67577.24	76223.04	85272.32	97053.72
U.K	9097.64	24035.74	36589.04	54494.49	67616.54	78929.89	86734.39	98434.74	108904.72
Oman	8483.97	16831.61	25462.75	30401.15	39320.86	44201.88	48744.93	54863.23	60550.43
Qatar	3322.81	7776.31	11180.56	18187.92	26329.92	35905.53	43683.2	49915.05	58866.4
Others	56621.95	111408.68	165446.66	219047.63	280501.38	343748.62	395848.17	446795.09	506998.45
Total	3,36,617.97	7,49,268.19	11,85,152.62	15,48,533.99	17,75,503.82	20,66,926.41	23,04,383.52	25,78,918.23	29,23,072.65

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

Fig. in TonsMandi	Feb-17(Cumulative)	Jan-17(Cumulative)	Feb-16-(Cumulative)	% Change(Over Previous Month)	% Change(Over Previous year)
Burdwan	62306.93	52008.05	62432.88	**19.80**	**-0.20**
Midnapore	6194.79	5924.79	2893.87	**4.56**	**114.07**
Banaganapalli	6728.2	5744.5	14435.5	**17.12**	**-53.39**
Ramachandrapuram	2286.4	1600.4	1949.31	**42.86**	**17.29**
Devariya	12562.87	11319.04	16037.96	**10.99**	**-21.67**

Sitapur	4803.94	4532.42	14714.75	**5.99**	**-67.35**
Mysore	42633.02	37091.99	26444.96	**14.94**	**61.21**
Raichur	3561.92	3245	2471.09	**9.77**	**44.14**
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 10.03.2017**	
(in Lakh T)		**In Marketing season 2016-17**	**In Marketing season 2015-16**
AP	43.36	24.60	27.87
Telangana	15.79	11.02	10.16
Chhattisgarh	34.42	46.62	39.72
Haryana	28.61	35.7	28.61
Kerala	3.82	1.54	1.69
M.P	8.49	13.14	8.41
Maharashtra	2.3	2.29	1.43
Odessa	33.69	21.38	19.81
Punjab	93.5	110.44	93.49
Tamilnadu	11.92	1.12	7.52
U.P	29.1	20.63	29.10
Uttrakhand	5.98	7.06	5.97
West Bengal	15.68	8.56	7.95
Others	1.81	0	3.76
Total	**342.18**	**312.51**	**289.92**

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 18% more than the purchase during corresponding 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 bank accounts of farmers. Last year procurement exceeded its target and this year too we expect government to achieve target which would ensure sufficient rice stocks in the central pool.

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.*

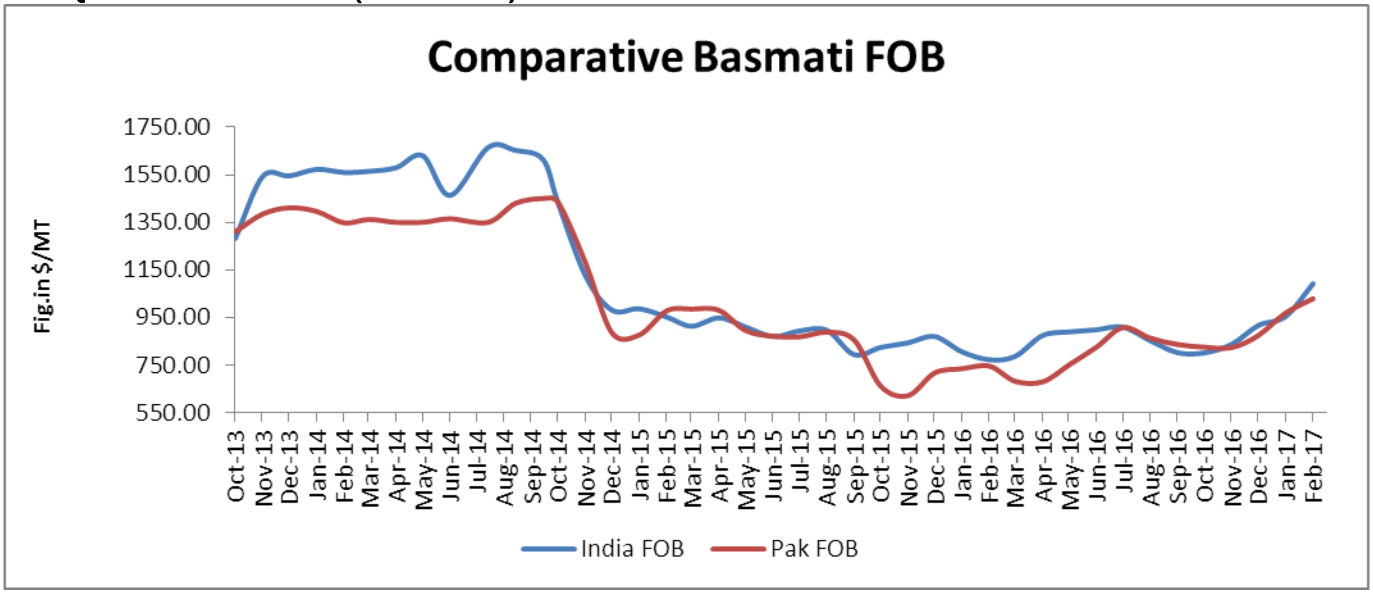
For 2016/17, global rice production, already at a record, is raised fractionally this month on revisions to the crops in Bangladesh *and Kazakhstan. Global trade is up, with larger imports for the United Arab Emirates and Brazil. Exports are raised for India, Thailand, and Burma. Global stocks are revised 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 firm movement in last weeks; overall market is in steady 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
04th Week of March,2017	Steady	USD/ Hundred Weight 9.10-10.00

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