



Rice Weekly Research Report

Contents

- ❖ Outlook and Review
- ❖ Weekly Price Change
- ❖ Weekly Rice Export
- ❖ Progressive Procurement
- ❖ FOB-1121 Steam
- ❖ International Rice Market Summary
- ❖ IGC Balance Sheet
- ❖ CBOT Trend

**Outlook and Review:
Domestic Front**

Wholesale Prices for India as an average for 01st week of April traded firmed by 3.74% from last week. Prices are currently hovering at Rs.3050-3055/quintal and 5.70% up from price of Rs.2891/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.

India's 5% broken parboiled rice prices rose by \$2 per tonne to \$373 to \$378 a tonne this week, as gains in the rupee led exporters to raise prices, as the rupee was near its highest level in about 18 months. While prices weakened in Vietnam as the country entered its peak harvest season. Vietnam has entered its main harvest season since late March, pushing down prices of the 5 percent broken rice to \$348-\$350 a tonne FOB Saigon from \$350-\$355 last week. However Thailand prices of the benchmark 5-percent broken rice rose to \$350-\$365 a tonne free-on-board (FOB) Bangkok from \$350-\$362 last week, as the baht appreciated against the U.S. dollar, but demand has been dull.

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).

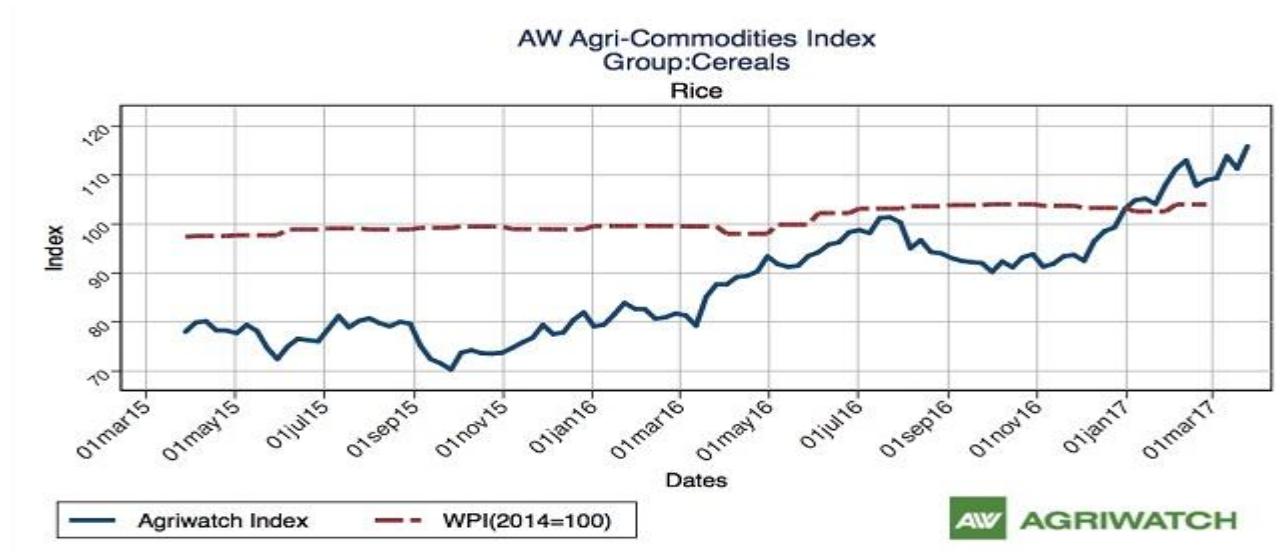
All-India progressive procurement of Rice as on 23.03.2017 for the Kharif marketing season 2016-17 was 320.82 lakh tonnes against the procurement of 300.73 lakh tonnes in the corresponding period of last year.

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.

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 (16th March, 2017 – 22nd March, 2017) has been 31% 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 295% in South Peninsula and lower by 76% in North West India, 18% in Central India, 9% in East & North East India.

Agriwatch Cereals Commodity Indices – Mar-26, 2017



Agri Commodities Index rises 0.74% as Cereals, Pulses gain

The Agriwatch Agri Commodities Index rose 0.74% to 110.34 during the week ended March 25, 2017 from 109.53 during the previous week led by higher cereals and pulses. The base for the Index and all sub-Indices is 2014 (= 100).

Seven of the 9 commodity group sub-Indices and 15 of the 29 individual commodity sub-Indices that constitute the main Index gained during the week. Spices and Sweeteners were the only declining groups this week. The commodity group sub-Index values and their weekly changes are as follows: Cereals: 113.47 (+1.16%), Pulses: 137.35 (+3.20%), Vegetables: 41.18 (+0.41%), Edible Oils: 104.47 (+0.60%), Oilseeds: 90.01 (+0.80%), Spices: 97.92 (-3.29%), Sweeteners: 125.31 (-0.44%), Fibres: 115.44 (+1.72%) and Other Non-Food Articles: 95.34 (+0.08%).

"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 1st Week of April-2017

Source Agmarknet

State	Prices 01-08 Apr 2017	Prices 24-31 Mar 2017	Prices 01-08 Apr 2016	% Change(Over Previous Week)	% Change(Over Previous Year)
Andhra Pradesh	3950	3713.21	4336.83	6.38	-8.92
Assam	2750.64	2965.1	2922.92	-7.23	-5.89
Gujarat	4200	3519.29	3647.05	19.34	15.16
Jharkhand	2766.67	2760.94	2443.1	0.21	13.24
Karnataka	3527.45	3718.14	3481.2	-5.13	1.33
Kerala	3743.28	3712.13	2970.55	0.84	26.01
Maharashtra	3577.46	3557.92	3048.06	0.55	17.37
Manipur	2919.1	2918.18	2887.76	0.03	1.09
Meghalaya		2811.96	3450.14	—	—
Orissa	2812.5	2283.14	2182.95	23.19	28.84

Tripura	2801.39	2420.33	2523.39	15.74	11.02
Uttar Pradesh	2218.82	2165.14	2085.25	2.48	6.41
Uttarakhand	2100	2253.67	2250.91	-6.82	-6.7
West Bengal	2362.13	2441.17	2246.89	-3.24	5.13
Average	3056.11	2945.73	2891.21		

Price Projection for April 02nd Week in Domestic Market

Duration	Trend	Average Price Range	Reason
02 nd Week of April, 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	01-Apr-2017)	25-Mar-2017)	Month Ago(01-Mar-2017)	% ch. From last week	% Change from last Month
1121 Steam	7800	7050	7350	10.64	6.12
1121 Sella	6700	6150	5900	8.94	13.56
1121 Raw	7700	7150	6950	7.69	10.79

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	01-Apr-2017)	25-Mar-2017)	Month Ago(01-Mar-2017)	% ch. From last week	% Change from last Month
White Rice 5%	378	373	370	1.34	2.16
White Rice 25%	370	368	357	0.54	3.64
Parboiled 5%	375	372	365	0.81	2.74

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 (in Lakh T)	Total procurement in marketing season 2015-16 (Oct. – Sept.)	Progressive Procurement as on 23.03.2017	
		In Marketing season 2016-17	In Marketing season 2015-16
AP	43.36	25.55	28.74
Telangana	15.79	11.02	10.16
Chhattisgarh	34.42	46.62	39.72
Haryana	28.61	35.7	28.61
Kerala	3.82	1.82	2.14
M.P	8.49	13.14	8.41
Maharashtra	2.3	2.38	1.52
Odessa	33.69	22.92	23.63
Punjab	93.5	110.47	93.5
Tamilnadu	11.92	1.32	8.43
U.P	29.1	23.54	29.10
Uttrakhand	5.98	7.06	5.97
West Bengal	15.68	8.63	9.90
Others	1.81	0	3.76
Total	342.18	320.82	300.73

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 30 million tonne (mt) till date, which is 6.68% 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

Unofficial preliminary Thailand rice exports (excluding premium white and fragrant rice) for March 6-12, 2017, totaled 77,188 metric tons, down 77,926 metric tons from the previous week, and down 60,267 metric tons from the four-week moving average of 137,455 metric ton. Rice exports from January 1 – March 12, 2017, totaled 1,474,169 metric tons.

In the 2017/18 MY, South Africa's rice imports are expected to decrease by four percent to 1.0 million tons on decreased demand. In the 2016/17 MY post estimates South Africa will import about 1.04 million tons of rice as consumption increased by seven percent, mainly due to last year's extreme drought that increased the prices of corn products. For the 2017/18 MY, post forecasts a seven percent decrease in South Africa's rice consumption to 820,000 million tons, due to an increase in corn production on favorable weather conditions and thus relatively lower prices for corn products.

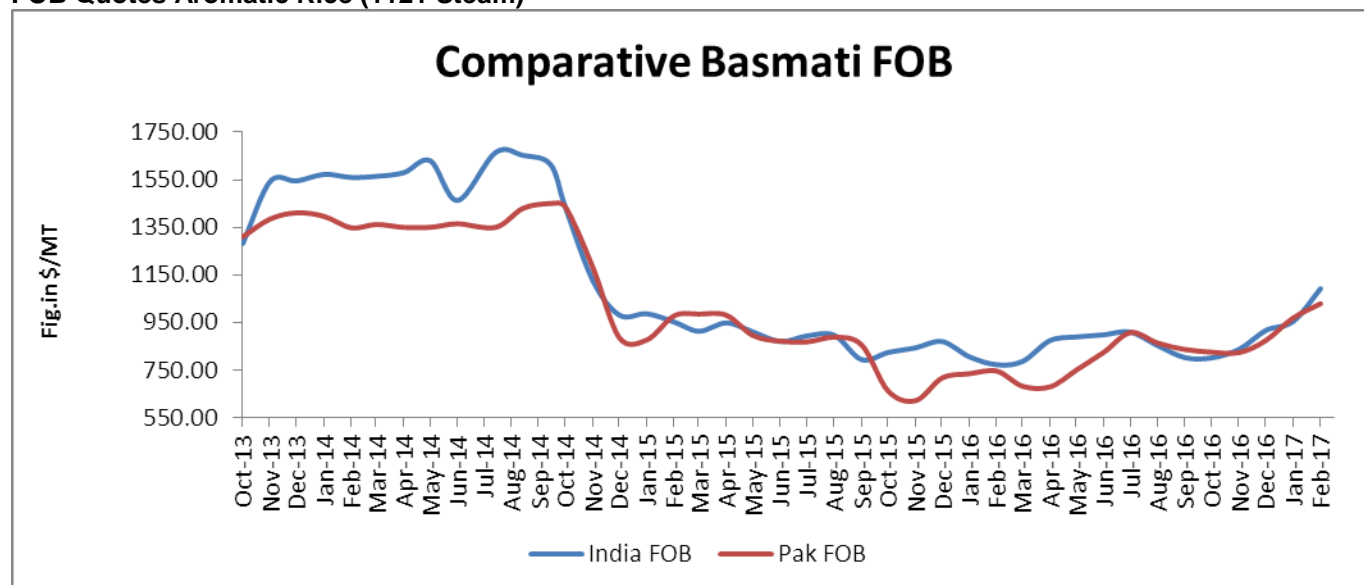
As per USDA latest report, china rice imports for MY-2016-17 is unchanged at 5 million tons. Vietnam and Thailand remain leading exporters of rice to China due to their competitive prices and freight advantage. Rice imports will continue to be profitable if South East Asian countries offer the prices below China's floor price of renminbi 2,660 per ton (\$389). The average CIF rice price from South East Asia to China is renminbi 2,432 per ton (\$350).

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.

According to the Thai Custom Department, rice exports totaled 9.9 million metric tons in 2016, up around 1 percent from 2015 (Figure 1.3). This is due to a surge in fragrant rice exports which increased 19 percent from last year to reach 2.4 million metric tons. Meanwhile, parboiled rice exports declined to 2.1 million metric tons, down 10 percent from last year due to tight supplies caused by reduced 2016 off-season rice production. Also, white rice exports declined slightly to 5.4 million metric tons as the government suspended sales of rice stocks from September to December in 2016.

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 self-sufficiency, at times through restrictive trade measures.

Rice Trade for Major Countries in 2017: Brazil imports lowered 100,000 tons to 600,000 on a larger crop. Egypt imports cut 150,000 tons to 150,000 on reduced government purchases from abroad, as domestic procurement has improved. Guinea imports are raised 100,000 tons to 600,000 on large purchases of parboiled rice. Indonesia imports are trimmed 200,000 tons to 800,000 on indications of sufficient domestic supply. China exports are boosted 225,000 tons to 500,000 on higher volumes to East Asia and West Africa. India exports are lowered 300,000 tons to 10.0 million on slower pace and stronger competition in West Africa. Vietnam exports are lowered 200,000 tons to 5.6 million on reduced trade to Southeast Asia and Africa

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)	2014-15 Estimate	2015-16 Estimate	2016-17 F'cast (23.02.17)	(2016-17) 30.3.2017	2017-18 Proj. 30.03.2017
Production	480	473	482	483	487
Trade	42	39	41	41	41
Consumption	476	475	482	482	486
Carryover stocks	120	118	119	118	119
Y-O-Y change	4	-2	-	0	1
Major Exporters	37	32	31	30	28

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

IGC Rice Balance sheet Highlights

Global rice supply and demand figures for 2016/17 are broadly unchanged from February. In 2017/18, world output is predicted at a new record, but y/y gains are likely to be slim as low international prices potentially serve as a disincentive to some producers. Population growth is set to lead food consumption higher, while carryover stocks are expected to remain comfortable. Trade could edge up slightly in 2018 on bigger shipments to African buyers in

particular. Underpinned by higher plantings and improved growing conditions in Asia, world rice output in 2016/17 is seen rising by 2% y/y, to a record of 483m t. With the annual increase in supplies absorbed by a comparable rise in total use, global ending stocks are forecast steady y/y. However, major exporters' inventories could fall slightly as the Thai government looks to offload old crop reserves. Prospects for 2017/18 are tentative, but output may climb to a new peak. However, continued low prices may discourage area gains in some exporters. Although record uptake is anticipated, carryovers are predicted to stay high as a further drawdown in key exporters is more than offset by accumulation elsewhere. As always, trade will be shaped by import needs in Asia and Africa.

IGC Forecast the World Rice Production Up in 2017-18

In its March 2017 Grain Market Report (GMR), the International Grains Council (IGC) projection for 2017-18 global rice production at around 487 million tons, up about 0.82% from an estimated 483 million tons in 2016-17 on improved Asian production.

Global Trade of Rice Unchanged from Last Month

The IGC forecasts 2017-18 global rice trades at around 41 million tons, unchanged from its estimates for 2016-17. It expects world rice trade in 2017 to remain same on normal demand from buyers in Africa and Asia.

Global Consumption of Rice Increases in 2016-17

The IGC forecasts 2017-18 global rice consumption to up about 0.8% to around 486 million tons from an estimated 482 million tons in 2016-17

Rice Price Trend @ CBOT May- 17, Rough Rice) (Prices in US\$/hundredweight)



Market Analysis

The CBOT May month rough chart for rice indicates steady to firm movement in last weeks; overall market is in firm tone. We expect market to hover in the range of USD 9.30-10.35 hundred weights in coming sessions.

**Price Projection (International-CBOT)**

Duration	Trend	Price Range
02 nd Week of April,2017	Steady to firm	USD/ Hundred Weight 9.30-10.35

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