

U.S.D.A. World Market Price:

World Market Price Value Factors	This week 08/17/16	Last week 08/10/16	1 Year Ago 08/19/15	LDP	2016 Loan Factors	WMP and Loan Rates		
						'16 crop	L/G	M/G
Long Grain	To be	14.89	14.89	00.00	9.98	Yield	55.67/13.17	61.16/9.21
Medium Grain	released	14.51	14.40	00.00	9.55	WMP	9.47	9.70
Short Grain	Aug. 17	14.51	14.40	00.00	9.55	Loan	6.50	6.50
Brokens	8:30am ET	8.98	8.98	-	7.16	Difference	(2.97)	(3.20)

US Prices: (Shipment: August -September) Note: These are offers by prospective sellers, not bids by buyers.

Southern U.S. - Long Grain	Abbreviation	Quote	Basis
U.S. #2 Long Grain, max. 4% Broken, Hard Milled	#2/4%	\$480.00	per MT sacked, F.O.B. U.S. Gulf
U.S. #2 Long Grain, max. 4% Broken, Hard Milled	#2/4%	\$440.00	per MT, BULK, F.O.B. Vessel US Gulf
U.S. #2 Long Grain, max. 4% Broken, Hard Milled	#2/4%	\$21.00	per cwt. Sacked F.A.S. US Gulf
U.S. #2 Long Grain, max. 4% Broken, Hard Milled	#2/4%	\$22.00	per cwt. containerized FOB US Gulf
U.S. #2 Long Grain, max. 4% Broken, Hard Milled	#2/4%	\$480.00	per mt sacked delivered Laredo TX
U.S. #3 Long Grain, max. 15% Broken, Hard Milled	#3/15	\$20.50	per cwt. sacked, F.A.S. U.S. Gulf
U.S. #3 Long Grain, max. 15% Broken, Hard Milled	#3/15	\$465.00	per mt sacked delivered Laredo TX
U.S. #2 Long Grain Brown, max. 4% Broken, 75% yield	#2/4/75	\$415.00	per mt bulk FOB vessel NOLA
U.S. #1 Parboiled L/G Brown, max. 4% Broken, 88% yield	#1/4/88	\$440.00	per mt bulk FOB vessel NOLA
U.S. #1 Parboiled L/G MILLED, max. 4% Broken	#1/4 Parb	no quote	per mt sacked FOB vessel NOLA
U.S. #1 Parboiled L/G MILLED, max. 4% Broken	#1/4 Parb	\$465.00	per mt bulk FOB vessel NOLA
U.S. #2 Long Grain Paddy, 55/70 yield	#2 55/70	\$275.00	per mt bulk F.O.B. vessel NOLA
Long Grain, max. 20% broken, Hard milled (Ghana specs)	#4/20/hm	\$20.75	per cwt. sacked, F.A.S. U.S. Gulf
U.S. #5 L/G, max. 20% broken, WELL MILLED	#5/20/wm	\$20.50	per cwt. sacked, F.A.S. U.S. Gulf

Southern U.S. - Medium Grain

U.S. #2 Medium Grain, max. 4% broken, Hard Milled	#2/4%	\$455.00	per mt bulk FOB vessel NOLA
U.S. #2 Medium Grain Paddy, 58/69 yield	#2 58/69	\$255.00	per mt bulk FOB vessel NOLA

Southern U.S. - Package Quality

Package Quality Parboiled L/G, max. 4% broken	Pkg. Parb.	\$22.75	per cwt. bulk F.O.B. mill
Package Quality Long Grain Milled, max. 4% broken	Pkg. L/G	\$20.75	per cwt. bulk F.O.B. mill
Package Quality Long Grain Milled, max. 4% broken (select variety)	Pkg. L/G	\$24.25	per cwt. bulk F.O.B. mill
Package Quality Long Grain Brown Rice, max. 4% broken	Pkg. Br.	\$24.25	per cwt. bulk F.O.B. mill
Package Quality Medium Grain Milled, max. 4% broken	Pkg. M/G	\$22.00	per cwt. bulk F.O.B. mill

California - Medium Grain

U.S. #1 Medium Grain, max. 4% Broken (Med)	#1/4	\$610.00	per mt sacked 25kg containerized FOB Mill
U.S. #1 Medium Grain, max. 4% Broken (Korea Specs, add \$20 for 10kg)	#1/4	\$700.00	per mt sacked 20kg, container CIP Oakland
U.S. #1 Medium Grain milled rice, except max. 7% Broken (Japan Specs)	#1/7%	\$675.00	per mt sacked in 1mt tote bags FOB vessel
U.S. #3 Medium Grain Brown rice, max. 8% broken (Korea Specs)	#3 Brown	\$590.00	per mt in 40kg bags containerized Oakland
U.S. #2 Medium Grain Paddy, 58/69 yield	#2 58/69	\$315.00	per mt bulk ex-spout Sacramento CA

California - Package Quality

Package Rice for Industrial Use and Repackers	#1/4%	28.00-30.00	per cwt. bulk F.O.B. Mill
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U.S. South Brokens:

Flour Quality brokens	Flour Qlty	16.00-17.50	per cwt. bulk, F.O.B. rail
Pet Food Quality, #4 Brewers (milled)	pet food	\$15.00	per cwt. bulk, F.O.B. rail

U.S. California Brokens:

Flour Quality brokens	Flour Qlty	13.00/15.00	per cwt. bulk, F.O.B. mill
Pet Food Quality, #4 Brewers	spot mkt	12.00	per cwt. bulk, F.O.B. mill

Far East Report

SOUTHEAST ASIAN MARKETS

The market is absolutely “dead”. Prices continue to drift downwards, \$9-\$10 per MT FOB Bangkok, amid little or no fresh buying interest (with the exception of NFA).



NOTE: Current market values:

5% is now quoted at \$405-410, 15% is \$395, and 25% around \$385-390.

The big news is the announcement by NFA (**The Philippines**) last week to import 250,000 MT from **Vietnam, Thailand** or **Cambodia** via G to G negotiations for shipment in the 3rd quarter 2016. However, this is a “classic example” of calling for delivery in a time frame that is unrealistic; moreover, it will likely bring another new crop supply base into play...straight from the CRMR “playbook”!



Unfortunately, there is no change in the **Nigerian** import ban situation, as shipments to **Benin** have also come to a virtual screeching halt!

The summer/autumn crop is in and the local paddy prices are feeling the pressure...minus the demand.

Otherwise, the undertone of the market is soft. I am firmly convinced the temporary “bullish” trend back in May due to limited rainfall affecting the Thai and Viet crops is over.



In **Vietnam**, the situation is not a good one for the new Summer/Autumn crop, which did suffer damage and loss, particularly as regards chalk. Most African buyers would prefer to buy Thai old crop (\$335 intervention rice) with low moisture, low chalk, and better cooking characteristics overall than the new crop out of Vietnam, which is about \$10 higher.

The Asian market collectively is a “hodge-podge” of low prices, questionable quality in some cases, amid an overall lack of substantive offshore demand.

Thai “eternal” existence of Thai auctions of old crop intervention rice provides a supply base for core markets in Africa; especially since the NFA business will likely be split between origins.

One way to put it: “That business will be done and the market won't feel a thing”.

The undertone of the market is soft, with light support at around the levels exporters have long positions...5% around \$335-350, with a ceiling developing around \$400.

Thailand Exports

Preliminary unofficial rice exports (excluding premium white and fragrant rice) from Jan. 1 - July 10, 2016 totaled 1,870,118 mt, down 8 percent from the same period a year ago. Dollar to Thai Baht exchange 1 : 34.6470

INDIA and PAKISTAN

Pakistan should have ample new crop supplies by end October. In concert with **Indian** harvests in various producing provinces are in “full swing”.



India looks to have a bountiful supply from the Kharif crop harvest during October/November. We are still forecasting around 93-95 MMT basis milled.



No **Nigeria** is horrible for the Indian parboil market as that is their biggest buyer most years. They are not listed on the NFA announcement, and BULOG rarely buys Indian origin.

However, in sharp contrast to our recent reports, vessel loadings in Kakinada have been vigorous...340,300mt, of which 80,000mt is against the Iraq sales.



China has slowed their imports as COFCO is acting more like a vendor than a buyer. I don't anticipate anything either way in the near future, but that could change rather rapidly during first half of '17.

In “lock step” with the rest of Asia, the sort term outlook is grim at best.

OFFSHORE QUOTES Note: These are offers by prospective sellers, not bids by buyers.

Thailand		Vietnam		India		Pakistan		Uru.	Arg.	Para.
100%B	\$410.00		S/A	5%	\$390.00			New Crop	New Crop	New Crop
100B Containers	\$425.00	5%	\$350.00	10%	N/A	5%	\$365.00*	\$500.00	\$500.00	\$500.00
5%	\$400.00	15%	\$335.00	15%	N/A	10%	N/A	\$495.00	\$495.00	\$495.00
10%	\$398.00	25%	\$330.00	25%	\$355.00	15%	N/A	\$490.00	\$490.00	\$490.00
15%	\$395.00	Brokens	\$320.00	Brokens	\$325.00	25%	\$330.00			containers
25%	\$388.00			IR64 PB 5%	\$375.00	Parb 5%	\$400.00	N/A		Asuncion
Brokens	\$368.00			1121 parboil	\$825	Parb 15%**	N/A	Uru Parb		
Parb. 100B sorted	\$410.00			Pusa parboil	\$800	Brokens	\$310.00	Brown 5%		
Thai Hom Mali	\$692.00			Traditional	\$1025	Basmati		N/A		
Frag. Brokens	\$422.00	MEP-25%	\$340.00	Pusa	\$850	S. Kernal	\$775.00			
All prices basis U.S. dollars per metric ton, bagged FOB vessel, corresponding home port. * October shipment new crop **Bangladesh Specs.										

Contract Month	Tuesday's Settle Price	Net Change From				Prices	
		Monday		Last Report		One Year Ago 08/18/15	
'16 Sep	\$10.435	Up	0.190	Up	0.735	'15 Sep	\$11.840
'16 Nov	\$10.510	Up	0.170	Up	0.605	'15 Nov	\$12.115
'17 Jan	\$10.755	Up	0.165	Up	0.635	'16 Jan	\$12.410
'17 Mar	\$10.980	Up	0.170	Up	0.655	'16 Mar	\$12.640
'17 May	\$11.180	Up	0.170	Up	0.760	'16 May	\$12.870
'17 July	\$11.355	Up	0.170	Up	0.680	'16 July	\$12.890

U.S. Paddy Market Report

Texas - New crop harvesting is about 75% completed. Prices for long grain on public sales last week ranged \$3.75 - \$4.00 per cwt over loan. Harvesting has been interrupted by rain.

Louisiana - Torrential rains have inundated Southern Louisiana this past week dropping 20+ inches of rain. It is too early to have an accurate assessment of the damage, but about 60-65% of the crop had already been harvested. Consequently, the remaining 35-40% in Southern LA is in question. There are no current bids as the industry is preoccupied with the flooding. The last trades were \$10.00 per cwt FOB country.

Mid South - Futures prices have shot up the last three days account the heavy flooding in South Louisiana, up \$0.60-\$0.76 since our last report. In the cash market, we are calling the bid/asked on L/G barges \$11.50/12.00 per

cwt CIF NOLA. Medium grain old crop has traded recently at \$9.45 - \$9.75 per cwt delivered river.

California - The last Calrose 2015 crop traded at \$5.00-5.50 per cwt over loan FOB farm (end July). Buyers are withdrawn with price ideas below \$5.00. There have been 3 cargoes of paddy sold to Turkey at price reported to be about \$310.00 per mt FOB.

Reflective Prices (all basis per cwt FOB country 2016 crop)				
	Texas	Louisiana	Mid-South	California
Long grain	10.25-10.50	\$10.00/10.25	\$10.00/\$10.50	*
Med Grain	*	no bid	\$9.25	11.50-12.00

L/G is #2 55/70, M/G is #2 58/69 (California #1) New - new crop bid.

* - These areas do not have sufficient supplies of this type to quote.

U.S. Report



U.S. GULF, MERCOSUR, & FUTURES

The big news in the market is the torrential rainfall in Louisiana over the few days...20 inches +/-.

About 65% of the main crop has been harvested; however, at least half of the remaining 35% is subject to major damage or total loss. The jury is still out as to the details. Interstate Highway 10 was virtually closed on Tuesday between Beaumont, TX to Lafayette, LA (130 miles with some gaps in between).

Meanwhile, the futures market has reacted violently, soaring \$0.65-0.76 on all contracts, compared to our report last week... but a far cry from the contract highs back in May (\$12.33 Sept). It seems like the market reached a bottom last week, as it traded sideways until the "FLOOD".

The USDA numbers were "unremarkable"...see page 4 for details.

On the demand side of the equation, the market is quiet with very little in the way of offshore buying interest, with the exception of "core" markets (Central America/Mexico for paddy, and Haiti for milled rice). As is often the case, the \$64,000 question looms with Iraq...no news there yet.

Mercosur has stabilized and perhaps even dropped \$10 with offers for 5% at \$500 per MT bagged FOB vessel port of origin (Uruguay/Paraguay); whilst the last border trade with Brazil was around \$450. What was a very bullish scenario back in June, is now one that is seeking a trading range. Make no mistake about it, Iraq is a major element in the demand side equation for both Uruguay and, to a lesser extent Argentina; even though the crops were reduced from what the forecast was at planting.



The undertone of the market is mixed, primarily because Iraq plays such a vital role in all these venter countries, especially the U.S.

CALIFORNIA, AUSTRALIA, and the "MED"

Paddy sales to Turkey continue to be the big news in the market. Whereas we reported in our August 3rd report that a cargo of paddy had been done, now as many as three cargoes are rumored to have been sold out of California; however, the USDA Export Sales reports does not show any M/G paddy sales for Turkey yet. This will merit some additional monitoring to see what actually has been done. Prices are in the neighborhood of \$310.00 per mt FOB.

Otherwise, the market in California has been soft. We moved our milled rice prices down to reflect lower numbers being done on business headed to the Middle East - North Africa region, as well as the domestic market.

We still expect some word out of Japan but there is no official announcements yet. Our contacts tell us that SBS and/or MA tenders will soon be scheduled during the first half of September. Also, no new Korean tenders at this time.

Unlike the South, California is having good weather for the harvest which is expected to begin in about a month.



USDA Supply and Demand Highlights

RICE: Total U.S. rice supplies for 2016/17 are lowered 2.2 million cwt from last month to 307.7 million, still the highest on record. Carryin is lowered 1.5 million cwt to 39.4 million due to 2015/16 revisions. The 2016/17 U.S. rice production forecast is lowered 0.7 million cwt to a record 244.3 million based on the first survey-based yield forecast of the 2016/17 crop. At 7,659 pounds per acre, the 2016/17 yield is down 21 pounds from the previous projection. With no revisions to the use side of the 2016/17 rice balance sheet, the lower supply forecast reduces the 2016/17 U.S. ending stocks 2.2 million cwt to 54.7 million, still the highest since 1985/86. For 2015/16, total U.S. exports are raised 1.5 million cwt to 104.5 million, with long-grain accounting for all of the increase.

The only price revision for 2015/16 is a 20-cent reduction in the season-average farm price for California medium- and short-grain rice to \$18.00 per cwt. For 2016/17, the U.S. long-grain price is lowered 50 cents on both the high and low ends of the range to \$9.50 to \$10.50 per cwt. The California 2016/17 medium- and short-grain price is lowered \$1.00 on both ends to \$14.50 to \$15.50 per cwt. The other states medium- and short-grain 2016/17 price is lowered 50 cents on both ends to \$10.00 to \$11.00 per cwt.

The 2016/17 global production forecast is lowered fractionally to 481.1 million tons (milled basis), still the highest on record. Crop forecasts for 2016/17 are lowered for Afghanistan and Bolivia but raised for Iran. For 2015/16, the Indonesia crop estimate is increased, while Vietnam is lowered. Global consumption for 2016/17 is lowered 1.8 million tons to 478.8 million, mostly due to a reduction for India. The 2016/17 global export forecast is raised slightly to 40.6 million tons, with stronger shipments from India offsetting weaker exports from Vietnam. The 2016/17 global ending stocks forecast is increased 6.5 million tons to 113.8 million, 2 percent above the previous year's revised estimate. India accounts for most of the upward revision in the global ending stocks forecasts for both 2015/16 and 2016/17.

USDA Crop Progress: Rice *Harvested* - Week Ending Aug. 14, 2016

State	Aug. 14, 2016	Aug. 7, 2016	Aug. 14, 2016	2011-2015 Average
Arkansas	1	-	2	1
California	-	-	-	-
Louisiana	56	39	55	41
Mississippi	2	-	1	3
Missouri	-	-	-	-
Texas	31	43	67	38
6 States	12	9	13	9

USDA Crop Progress: Rice *Headed* - Week Ending Aug. 14, 2016

State	Selected States, Week Ending			2011-2015 Average
	Aug. 14, 2015	Aug. 7, 2016	Aug. 14, 2016	
	(percent)			
Arkansas	85	92	97	81
California	80	60	88	60
Louisiana	97	94	97	97
Mississippi	93	86	94	88
Missouri	76	78	85	66
Texas	96	97	98	98
6 States	86	86	94	80
				Previous Week
				Previous Year

USDA Export Sales Highlights (July 29-August 4, 2016)

Sales

Net sales of 76,200 MT were reported for 2016/2017, which began August 1. Increases were reported for :

Venezuela	(30,000 MT)
Panama	(29,600 MT)
Haiti	(7,300 MT)
Mexico	(5,100 MT)
Turkey	(2,800 MT)

A total of 244,900 MT in sales were outstanding on July 31 and carried over to 2016/2017. Accumulated exports in 2015/2016 totaled 3,359,600 MT up 3 percent from the prior year's total of 3,267,000 MT.

Exports

Exports for 2015/2016 totaled 59,100 MT and were primarily to:

Venezuela	(30,000 MT)
Haiti	(21,600 MT)
Mexico	(2,600 MT)
Japan	(1,100 MT)
Source: USDA	

Upcoming Tenders:

??? **Philippines** Govt has announced plans to import 250,000mt of rice from Vietnam, Thailand, or Cambodia via a G-to-G deal for delivery in the 3rd quarter.

Tenders Results:

None

Rice Condition - Selected States: Week Ending Aug. 14, 2016

State	Selected States, Week Ending				(percent)					
	Aug. 14, 2015	Aug. 7, 2016	Aug. 14, 2016	2011-2015 Average	Very Poor	Poor	Fair	Good	Excellent	
	(percent)									
Arkansas	85	92	97	81	3	8	27	43	19	
California	80	60	88	60	-	-	20	70	10	
Louisiana	97	94	97	97	-	8	35	50	7	
Mississippi	93	86	94	88	-	2	23	47	28	
Missouri	76	78	85	66	1	3	24	51	21	
Texas	96	97	98	98	3	4	25	55	13	
6 States	86	86	94	80	2	6	27	49	16	
					Previous Week	2	5	27	51	15
					Previous Year	2	3	27	49	19

Rice Co-Products - Spot market prices basis \$ per short ton bulk, FOB mill (spot prices, not deferred)

	Texas	Louisiana	Arkansas	California
Bran:	\$100	\$100-105	\$75-85	\$105-110
Mill Feed:	\$40	\$45-50	\$30-40	-
Ground Hulls:	\$5	\$7-10	\$10	-
Unground Hulls:	\$5	\$7-10	\$10	\$25

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Creed Rice Market Report

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