

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

World Market Price Value Factors	This week 09/21/16	Last week 09/14/16	1 Year Ago 09/23/15	LDP	2016 Loan Factors	WMP and Loan Rates		
						'16 crop	L/G	M/G
Long Grain	To be	13.77	14.53	00.00	9.98	Yield	55.67/13.17	61.16/9.21
Medium Grain	released	13.40	14.04	00.00	9.55	WMP	8.76	8.96
Short Grain	Sept. 21	13.40	14.04	00.00	9.55	Loan	6.50	6.50
Brokens	8:30am ET	8.31	8.76	-	7.16	Difference	(2.26)	(2.46)

## US Prices: (Shipment: October-November) 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%	\$475.00	per MT sacked, F.O.B. U.S. Gulf
U.S. #2 Long Grain, max. 4% Broken, Hard Milled	#2/4%	\$435.00	per MT, BULK, F.O.B. Vessel US Gulf
U.S. #2 Long Grain, max. 4% Broken, Hard Milled	#2/4%	\$20.50	per cwt. Sacked F.A.S. US Gulf
U.S. #2 Long Grain, max. 4% Broken, Hard Milled	#2/4%	\$21.50	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	\$19.50	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	\$250.00	per mt bulk F.O.B. vessel NOLA
Long Grain, max. 20% broken, Hard milled (Ghana specs)	#4/20/hm	\$18.75	per cwt. sacked, F.A.S. U.S. Gulf
U.S. #5 L/G, max. 20% broken, WELL MILLED	#5/20/wm	\$18.50	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	\$625.00	per mt sacked 25kg containerized FOB Mill
U.S. #1 Medium Grain, max. 4% Broken (Korea Specs, add \$20 for 10kg)	#1/4	\$665.00	per mt sacked 20kg, container CIP Oakland
U.S. #1 Medium Grain milled rice, except max. 7% Broken (Japan Specs)	#1/7%	\$630.00	per mt sacked in 1mt tote bags FOB vessel
U.S. #3 Medium Grain Brown rice, max. 8% broken (Korea Specs)	#3 Brown	\$560.00	per mt in 40kg bags containerized Oakland
U.S. #2 Medium Grain Paddy, 58/69 yield	#2 58/69	\$355.00	per mt bulk ex-spout Stockton, 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	14.00/15.00	per cwt. bulk, F.O.B. mill
Pet Food Quality, #4 Brewers	spot mkt	12.50	per cwt. bulk, F.O.B. mill

# Far East Report

## SOUTHEAST ASIAN MARKETS

In **Thailand**, the market conditions are basically unchanged, as prices continue to trend softer.



100% B is quoted down \$2 at \$378 per MT FOB Bangkok; 5% is \$368, 15% is around \$363, and 25% is \$358 (which is what was sold to NFA three weeks ago); and, local exporters are indicating a willingness to cut prices further.

Parboil is also down at \$376 following a relatively short and inconsequential rally in sympathy out of a perceived increase in demand from **Nigeria**. This really never gained traction, as the import ban remains in place.

Our latest vessel report reflects a total of 110,300 MT of various qualities destined for several different West African ports...decent numbers, but certainly nothing to write home about.

Of particular note: Last week on RiceOnline we reported 580,000 cwt. was sold at the intervention auction of Aug. 29...which is rice fit for human consumption.

On Tuesday Riceonline.com had an article that stated the Thai government now owes Baht 510 Billion to the Bank of Agricultural and Agricultural Cooperatives (BAAC). And, it is interesting to note that the government has announced they have postponed any new auctions indefinitely, so as to not compete with the new crop. The government estimates it will take 16 years to pay off the balance of this huge debt, brought about by a reckless bureaucracy under the tutelage of the Yingluck administration.

The Thai main season crop is currently under cultivation as early estimates bode well for an average to bumper main season crop...23.55 MMT basis milled.

There is still no sign of **Indonesia** being in the market, although we still maintain that they are a demand center for 1.5 MMT under G to G negotiations most any time.

The undertone of the market is soft going forward, in view of the pending arrival of their main season crop.

In **Vietnam**, the market remains bearish amid steady to slightly lower prices. There really is no substantive fresh business to speak of...thus the soft underbelly!



Viet quotes are down another \$5.00 this week as white rice 5% is quoted at \$330; 15% is \$326 and 25% around \$323 per MT FOB HCMC.

Viet 2015/2016 total rice production has been revised down 1MMT, whilst exports down as well, now reflecting 5.7MMT.

I apologize for the brevity of this segment, but the fact is that there is just no substantive market activity to report.

The undertone is bearish, however one slices and dices the numbers.

### Thailand Exports

Preliminary unofficial rice exports (excluding premium white and fragrant rice) from January 1–September 11, 2016 totaled 2,598,866 mt, down 11 percent from the same period last year.  
Dollar to Thai Baht exchange 1 : 34.8465

## INDIA and PAKISTAN

In **India**, the market is also extremely quiet. There has been some broken rice covered at \$325 FOB for **Senegal**, as well as PB 5% against the last of the old **Iraq** sales. Otherwise, fresh demand is virtually non-existent.



However, there is some loading activity at the port of Kakinada with a total of 122,000 MT loaded or to be loaded for **Iraq** and West Africa.

IR-64 5% is quoted at \$365 per MT FOB Kakinada; 25% is \$325-330, and parboil \$355-360.

As regards the monsoon, seasonal rains have increased water levels in the reservoirs approximately 20% compared to the same period last year. This bodes well for a bumper crop...perhaps record Kharif crop.

In **Pakistan**, markets were closed last week in observation of the EID pilgrimage to MECCA.



Prices are flat, amid a soft undertone. IRR1-6 5% is quoted at \$345 per MT FOB Karachi; 25% is \$317-320.

The market trend is downwards in view of the thin demand in concert with regional new crop harvest rapidly approaching.

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

Thailand		Vietnam		India		Pakistan		Uru.	Arg.	Para.
100%B	\$378.00		S/A	5%	\$365.00			New Crop	New Crop	New Crop
100B Containers	\$390.00	5%	\$330.00	10%	N/A	5%	\$345.00*	\$480.00	\$480.00	\$480.00
5%	\$368.00	15%	\$326.00	15%	N/A	10%	N/A	\$470.00	\$470.00	\$470.00
10%	-	25%	\$323.00	25%	\$330.00	15%	N/A	\$460.00	\$460.00	\$460.00
15%	\$363.00	Brokens	\$320.00	Brokens	\$325.00	25%	\$315.00			containers
25%	\$358.00			IR64 PB 5%	\$360.00	Parb 5%	N/A	N/A		Asuncion
Brokens	\$350.00			1121 parboil	\$825	Parb 15%**	N/A	Uru Parb		
Parb. 100B sorted	\$376.00			Pusa parboil	\$800	Brokens	\$300.00	Brown 5%		
Thai Hom Mali	\$650.00			Traditional	\$1025	Basmati		N/A		
Frag. Brokens	\$380.00	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 09/22/15	
'16 Nov	\$9.895	Up	0.135	Up	0.280	'15 Nov	\$12.745
'17 Jan	\$10.135	Up	0.130	Up	0.275	'16 Jan	\$13.030
'17 Mar	\$10.380	Up	0.130	Up	0.275	'16 Mar	\$13.245
'17 May	\$10.585	Up	0.125	Up	0.285	'16 May	\$13.435
'17 July	\$10.785	Up	0.125	Up	0.285	'16 July	\$13.590
'17 Sep	\$10.785	Up	0.125	--	--	'16 Sep	\$12.845

## U.S. Paddy Market Report

**Texas** - Bids for long grain on public sales are ranging \$2.75- \$3.25 per cwt over loan.

**Louisiana** - Long grain bids are slightly lower at \$9.85 per cwt FOB country. No volume of trading reported. Medium grain is quiet.

**Mid South** - The bid/asked prices on L/G barges are \$10.25-10.50/11.00 per cwt CIF NOLA. Medium grain is quiet. Early reports of yields are that they will be down from previous years. University of Arkansas Rice Update last week projected the state-wide average yield to be 160bu/acre (2014 - 168.0 and 2015 - 163.1).

**California** - Limited quantities of old crop paddy continues to trade at \$4.50 per cwt over loan. Growers' ideas for new crop paddy start at \$6.50 per cwt over loan. There are very limited offers and no interest from buyers at \$6.50.

Reflective Prices (all basis per cwt FOB country 2016 crop)				
	Texas	Louisiana	Mid-South	California
Long grain	9.25-9.75	\$9.85	\$8.75/\$9.50	*
Med Grain	*	no bid	\$9.25	\$11.00 old

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

There is just no way to 'sugar coat' it...premium long grain markets in the west are collectively bearish. This is not to say they are in a downward spiral...they are not. There just seems to be nothing that could notable drive prices up in view of the limited demand and relatively large harvest...in the case of the U.S.

True enough, there have been issues with the crops throughout the 5-state region in the mid-South. We understand that in addition to losses incurred in Louisiana due to 1000 year record rainfall, that there are reduced yields (both milling and field) in Arkansas. Recent reports have mentioned a variety of causes: flooding, sprouting, blanking, as well as some disease pressure. Some locations have reported yields being off as much as 100 bushels per acre. However, we wish to point out that the University of Arkansas, Arkansas Rice Update of Sept. 16 reported their estimate on the state-wide 2016 average yield to be "no higher than 160bu/acre". The 2015 yield in the report was shown as 163.1 and the 2014 yield as 168.0.

Meanwhile, prices are static to off slightly in the U.S. with #2-4% quoted at \$475 per MT bagged FOB, or \$435 basis bulk...suffice it to say, these levels are biddable.

Futures for the past two weeks have been on a relatively steady (but mild) upward trend. Contracts are up \$0.275- \$0.285 per cwt from a week ago.

Mercosur 5% is quoted at \$480 bagged FOB port of origin or around \$440 basis delivered border **Brazil**.

What the markets in North and South America need most is pretty clear...**IRAQ** purchases.

Now that the holiday is over, I anticipate an IGB tender will be floated soon.

### CALIFORNIA, AUSTRALIA, and the "MED"

The market in California seems to have bounced off the bottom. Prices offered on the **Japanese** tender late last week were \$15-\$20 per mt higher than the previous tender. Japan turned down all the medium grain offers and will retender. The long grain was confirmed as Thai rice. We also have seen less in the way of old crop paddy being offered locally. Prices are unchanged at \$4.50 per cwt over loan, but very limited volume. There is not much 2016 crop paddy being offered for sale either; and, that which is being offered, is at higher prices (\$6.50) but there are no interested buyers at this level. Most buyers are comfortable with the amount of inventory of carryover stocks and the amount of paddy they have pledged to their pools for the 2016 crop. We reference our CRMR of July 27 wherein we mentioned that "paddy pool sign-ups have been heavy this year with about 75% of the forth coming crop pledged to some kind of pool, which were closed in April." As we mentioned earlier, growers are preoccupied with harvesting their new crop so they are not making many offers, consequently there is no real pressure on the market at this time.

Another factor in the market is the news of slightly lower yields in the mid-south as we mentioned in the previous segment. Southern medium grain yields have been affected as well as the long grain, so we expect there to be less production than previously thought. Old crop inventories of Southern medium grain have been cleaned up and with the reduction in new crop production, the undertone of the market has transitioned from weak, to steady, to slightly stronger.

**Korea** held a series of tenders Tuesday but the results are still pending. See page 4 for tender details.



## Upcoming Tenders:

**Sept. 20 KCCO (inv. 2000004306)** tender to buy 3770mt of rice, for inland plant shipment Oct. 16 - 31, Nov. 1 - 15, 2016.

## Tenders Results:

**Sep. 16 Japan** tender: 3 cargoes global M/G (39,000mt), 1 Thai long grain and 3 global long grain (28,000mt). **All Medium grain offers turned down, no re-tender announced yet. All of the long grain was confirmed as Thai.**

## Sep. 19 Korea tenders:

AT1620-BRI-16(488) Non-Glutinous Brown Rice Medium Grain U.S.No.3 22,000  
16.11.01~17.01.31 GUNSAN bulk  
AT1621-BRI-16(489) Non-Glutinous Brown Rice Medium Grain U.S.No.3 10,000  
16.10.01~16.12.31 BUSAN container  
AT1622-BRI-16(490) Non-Glutinous Brown Rice Medium Grain U.S.No.3 5,000  
16.11.01~17.01.31 BUSAN container  
AT1623-BRI-16(491) Non-Glutinous Brown Rice Medium Grain U.S.No.3 10,000  
16.12.01~17.02.28 BUSAN container  
AT1624-BRI-16(492) Non-Glutinous Brown Rice Medium Grain U.S.No.3 8,378  
16.12.01~17.02.28 GWANGYANG container  
AT1625-BRI-16(493) Non-Glutinous Brown Rice Medium Grain U.S.No.3 5,027  
17.01.01~17.03.31 BUSAN container

**Results pending.**

**Aug. 29 Thai govt** auction of 753,000mt of rice for human consumption. **Reportedly sold 702,615 mt for a total of Bt 6.91 billion. Quantity formally confirmed by the Thai Govt so far is only 580,000mt.**

**Aug. 30 Thai govt** auction of 255,000mt of rice for human consumption and industrial use. **Reportedly sold 52,397mt for a total of Bt 287 million.**

## USDA Export Sales Highlights (September 2-8, 2016)

### Sales

Net sales of 49,500 MT for 2016/2017--a marketing-year low--were down 29 percent from the previous week and 38 percent from the prior 4-week average. Increases were reported for:

Haiti	(19,300 MT)
Mexico	(11,100 MT)
Libya (10,800 MT)	
Japan	(3,300 MT)
Saudi Arabia	(1,500 MT)
Reductions were reported for:	
Honduras	(500 MT)

### Exports

Exports of 61,600 MT were up 5 percent from the previous week, but down 1 percent from the prior 4-week average. The primary destinations were:

Mexico	(27,600 MT)
Haiti	(20,900 MT)
Turkey	(2,700 MT)
Canada	(2,400 MT)
Jordan	(2,200 MT)
Source: USDA	

## USDA Crop Progress: Rice *Harvested*- Week Ending Sept. 18, 2016

State	Selected States, Week Ending			
	Sept. 18, 2015	Sept. 11, 2016	Sept. 18, 2016	2011-2015 Average
	(percent)			
Arkansas	52	52	73	48
California	14	4	7	8
Louisiana	95	84	92	94
Mississippi	55	42	63	53
Missouri	17	40	53	26
Texas	96	96	99	96
6 States	52	50	64	49
				Previous Week
				Previous Year

## Rice Condition - Selected States: Week Ending Sept. 11, 2016

	(percent)				
	Very Poor	Poor	Fair	Good	Excellent
Arkansas	12	16	32	29	11
California	-	-	20	75	5
Louisiana	6	11	30	50	3
Mississippi	-	2	21	49	28
Missouri	1	3	25	50	21
Texas	3	4	25	55	13
6 States	7	10	28	45	10
	6	9	27	46	12
	2	5	31	46	16

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

	Texas	Louisiana	Arkansas	California
<b>Bran:</b>	\$100	\$135	\$80-90	\$100
<b>Mill Feed:</b>	\$40	\$45-50	\$30-40	-
<b>Ground Hulls:</b>	\$5	\$7-10	\$10	-
<b>Unground Hulls:</b>	\$5	\$7-10	\$10	\$15

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