



Rice Monthly Research Report

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Outlook and Review (Domestic Front)-

Average monthly wholesale rice prices in India stood at around Rs.3015 per quintal in November- 2017, up by about 0.85% from around Rs.2990 per quintal in October- 2017, and up by about 5.4% from around Rs.28960 per quintal a year ago. Agriwatch expects non-basmati rice market to move range bound with firm tone in coming month due to overseas and local demand. Agriwatch expects non-basmati rice market to move range bound with some firm tone in coming month due to fresh demand from overseas markets.

Chhattisgarh government increases the bonus of RS.300/quintal on paddy which would result in the marginal hike of rice price in the state. The decision would help the farmers in Chhattisgarh to earn Rs 1,850 per quintal for common grade and Rs 1,890 for 'A' grade variety of paddy given the procurement at the MSP fixed by the union government at Rs 1,550 for common grade variety and Rs 1,590 for 'A' grade variety. Due to severe drought, paddy production has been affected in the State and the farmers will prefer to sell whatever yield they get to the government due to bonus which is likely to inflate the price of rice in open market.

The latest available official trade for MY 2016-17 rice exports through From October-2016 to September 2017 at 11.15 MMT, mostly non-Basmati coarse rice to Bangladesh and African continent. Agriwatch previously estimated total rice export for 11 MMT, of which about 4 MMT is long grain Basmati rice and 7 MMT is coarse rice.

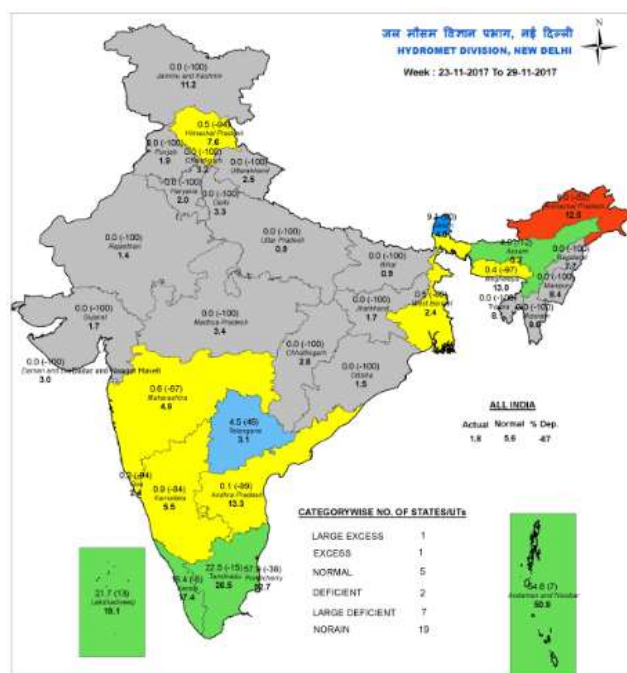
The lowest price offer received by Iraq's state grains buyer in a tender to purchase at least 30,000 tons of rice was \$305 a tons c&f free out for rice to be sourced from India. One offer was made for rice from Pakistan at \$445 a ton c&f free out. One offer was made for rice from the United States at \$667 a to c&f free out.

The rabi paddy sowing in whole of India, is increasing on weekly basis and as per latest data available area for MY-2017-18 is 10.56 lakh hectares which is up by 35% from last year area of 7.83 lakh hectares and up about 25% from normal area as on date of area of 9 lakh hectares. Sufficient moisture in soil and favourable weather are the main criteria for increase in acreage under rabi paddy. Highest area under paddy recorded in Tamilnadu with 9.07 lakh hectares which is up by 32% from last year area of 6.86 lakh hectares and then Andhra Pradesh which has 0.77 lakh hectares up by 92.5% from last year acreage of 0.40 lakh hectares.

All-India progressive procurement of Rice as on 01.12.2017 for 2017-18 was 176.95 lakh tonnes against the procurement of 159.16 lakh tons in the corresponding period of last year. The procurement of wheat for the rabi marketing season (RMS) 2017-18 was 308.25 lakh tons against the procurement of 229.62 lakh tonnes in the corresponding period of RMS 2016-17.

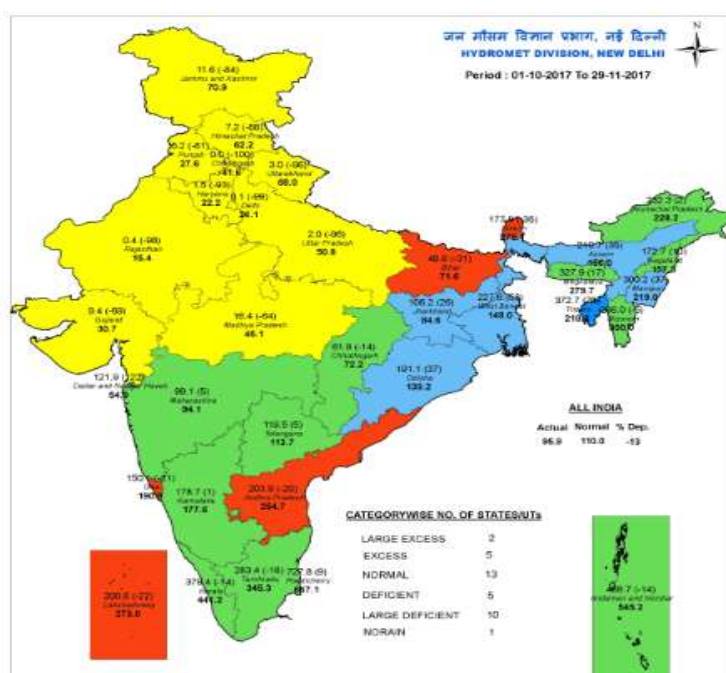
The cumulative rainfall in the country during the Post-monsoon season i.e. 01st October to 29th November, 2017 has been 13% lower than Long Period Average (LPA). Rainfall in the four broad geographical divisions of the country during the above period have been higher than LPA by 19% in East & North East India and lower than LPA by 90% in North West India, 12% in South Peninsula and 06% in Central India.

Weather Watch:



Legend:
Large Excess (≥ 80% or more) Excess (≥ 20% to 80%) Normal (-10% to 10%) Deficient (-40% to -20%) Large Deficient (≥ 80% to -40%) No Rain (-100%) NO DATA

NOTES:
a) Rainfall figures are based on operation data.
b) Small figures indicate actual rainfall (mm), while bold figures indicate Normal rainfall (mm).
c) Percentage Departures of rainfall are shown in brackets.



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b) Small figures indicate actual rainfall (mm), while bold figures indicate Normal rainfall (mm).
c) Percentage Departures of rainfall are shown in brackets.

The cumulative rainfall in the country during the Post-monsoon season i.e. 01st October to 15th November, 2017 has been 9% lower than Long Period Average (LPA). Rainfall in the four broad geographical divisions of the country during the above period have been higher than LPA by 21% in East & North East India and lower than LPA by 96% in North West India, 6% in South Peninsula and 4% in Central India.

Price Projection for Next Month (December) in Domestic Market

| Duration | Trend | Average Price Range | Reason |
|-----------------|----------------|---------------------|---|
| December - 2017 | Steady to Firm | Rs.3000-3200/Q | Average Rice price across India is likely to trade range bound with firm tone in coming month due to higher demand from overseas markets. |

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-Dec-2017) | 25-Nov-2017) | Month Ago(01-Nov-2017) | % ch. From last week | % Change from last Month |
| 1121 Steam | 7000 | 7000 | 7200 | 0.00 | -2.78 |
| 1121 Sella | 6300 | 6100 | 6100 | 3.28 | 3.28 |
| 1121 Raw | 7100 | 7050 | 7100 | 0.71 | 0.00 |

Weekly Price (FOB) Change of Rice 5% broken high quality (Figure in USD/ MT):

| Indian White Rice 5%, 25% High Quality, Long grain parboiled 5% | | | | | |
|---|--------------|--------------|------------------------|----------------------|--------------------------|
| Variety | 01-Dec-2017) | 25-Nov-2017) | Month Ago(01-Nov-2017) | % ch. From last week | % Change from last Month |
| White Rice 5% | 430 | 438 | 428 | -1.83 | 0.47 |
| White Rice 25% | 360 | 392 | 390 | -8.16 | -7.69 |
| Parboiled 5% | 405 | 405 | 405 | 0.00 | 0.00 |

Rice Supply & Demand

| Figure in MMT | 2013-14 | 2014-15 | 2015-16 | 2016-17 | 2017-18* | Oct-Dec | Jan-Mar | Apr-June | July-Sept |
|----------------------------|---------|---------|---------|---------|----------|---------|---------|----------|-----------|
| Carry in | 25.44 | 24.65 | 20.08 | 17.17 | 16.07 | 16.07 | 95.70 | 68.32 | 40.74 |
| Production | 106.60 | 105.40 | 104.00 | 107.00 | 106.80 | 106.80 | 0.00 | 0.00 | 0.00 |
| Imports | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Total Availability | 132.04 | 130.05 | 124.08 | 124.17 | 122.87 | 122.87 | 95.70 | 68.32 | 40.74 |
| Consumption | 96.50 | 98.00 | 96.50 | 97.00 | 97.50 | 24.38 | 24.38 | 24.38 | 24.38 |
| Exports | 10.89 | 11.97 | 10.41 | 11.10 | 11.20 | 2.80 | 3.00 | 3.20 | 2.19 |
| Total Usage | 107.39 | 109.97 | 106.91 | 108.10 | 108.70 | 27.18 | 27.38 | 27.58 | 26.57 |
| Carry out | 24.65 | 20.08 | 17.17 | 16.07 | 14.17 | 95.70 | 68.32 | 40.74 | 14.17 |
| Av Monthly Consumption | 8.04 | 8.17 | 8.04 | 8.08 | 8.13 | 2.03 | 2.03 | 2.03 | 2.03 |
| Stock to Month Use | 3.07 | 2.46 | 2.14 | 1.99 | 1.74 | 47.11 | 33.63 | 20.05 | 6.97 |
| Stock to Consumption Ratio | 0.08 | 0.08 | 0.08 | 0.08 | 0.08 | 0.08 | 0.08 | 0.08 | 0.08 |

Agriwatch revised the rice balance sheet in first week of November as 2016-17 marketing year ended and new session starts. As expected by Agriwatch, rice export till September-2017 was 11.01 MMT; rice exports increased in the MY-2016-17 as demand from importing countries like Africa, Bangladesh etc. were higher from last year.

Rice production for new MY-2017-18 is likely to reach 106.8 MMT, which is down from last year on lower than expected planting and yield due to prolonged dry conditions and floods during planting and crop growth stages in some rice growing states. Less than ideal weather conditions during planting and critical crop growth stages compared to last year are likely to result in lower MY 2017/18 yield, compared to last year's record yields.

Carry out for MY-2017-18 is likely to down in last three consecutive years due to increased demand from overseas markets, increasing domestic consumption and expected to remain 14.1 MMT which is 12% down from last year and this may push the rice price in northward direction in lean season.

All India Expected Rice Production w.r.t Rainfall in MY-2017-18

| State | Normal Yield(Kg/Hect) | Normal Area in Lakh Ha. | Rainfall Status | 5 Year Average Production | 2017-18(Normal Expected Production) | Rice Production @ Above Normal (Rain More than 5-10%) |
|----------------------------|-----------------------|-------------------------|-----------------|---------------------------|-------------------------------------|---|
| Andhra Pradesh & Telangana | 3020.6 | 16.48 | 45% | 5942.075 | 6060.9165 | 6239.17875 |
| Assam | 1958 | 0.9 | -11% | 4560.45 | 4651.659 | 4788.4725 |
| Bihar | 1811.2 | 30.82 | -43% | 6329 | 6455.58 | 6645.45 |
| Chhattisgarh | 1661.4 | 37.74 | -5% | 6566.775 | 6698.1105 | 6895.11375 |
| Gujarat | 2070 | 7.33 | -23% | 1638.225 | 1670.9895 | 1720.13625 |
| Haryana | 3106.6 | 12.42 | 97% | 4044.75 | 4125.645 | 4246.9875 |
| H.P | 1638.8 | 0.76 | 14% | 125.275 | 127.7805 | 131.53875 |
| Jharkhand | 2009 | 12.72 | -37% | 3191.525 | 3255.3555 | 3351.10125 |
| Karnataka | 2743.4 | 10.66 | 0% | 3201.65 | 3265.683 | 3361.7325 |
| Kerala | 2497.25 | 1.56 | -7% | 506.125 | 516.2475 | 531.43125 |
| M.P | 1381.2 | 18.46 | -6% | 3183.1 | 3246.762 | 3342.255 |
| Maharashtra | 1881.6 | 15.21 | 13% | 2834 | 2890.68 | 2975.7 |
| Odisha | 1567 | 38.39 | -3% | 7508.525 | 7658.6955 | 7883.95125 |
| Punjab | 3870.4 | 28.48 | 93% | 11235.5 | 11460.21 | 11797.275 |
| Rajasthan | 47.2 | 1.41 | 75.00% | 296.3 | 302.226 | 311.115 |
| Tamil Nadu | 3183.6 | 16.14 | 8% | 4760.95 | 4856.169 | 4998.9975 |
| Uttar Pradesh | 2347.2 | 58.5 | -42% | 13492.23 | 13762.0746 | 14166.8415 |
| Uttrakhand | 2165.2 | 2.55 | -11% | 574.63 | 586.1226 | 603.3615 |
| West Bengal | 2736.4 | 40.63 | -20% | 13107.55 | 13369.701 | 13762.9275 |
| Others | 2411 | 0.29 | -- | 12457.229 | 12706.37358 | 5420.436 |
| India | 2367.2 | 392.67 | 0% | 105555.86 | 107666.9813 | 108743.6511 |

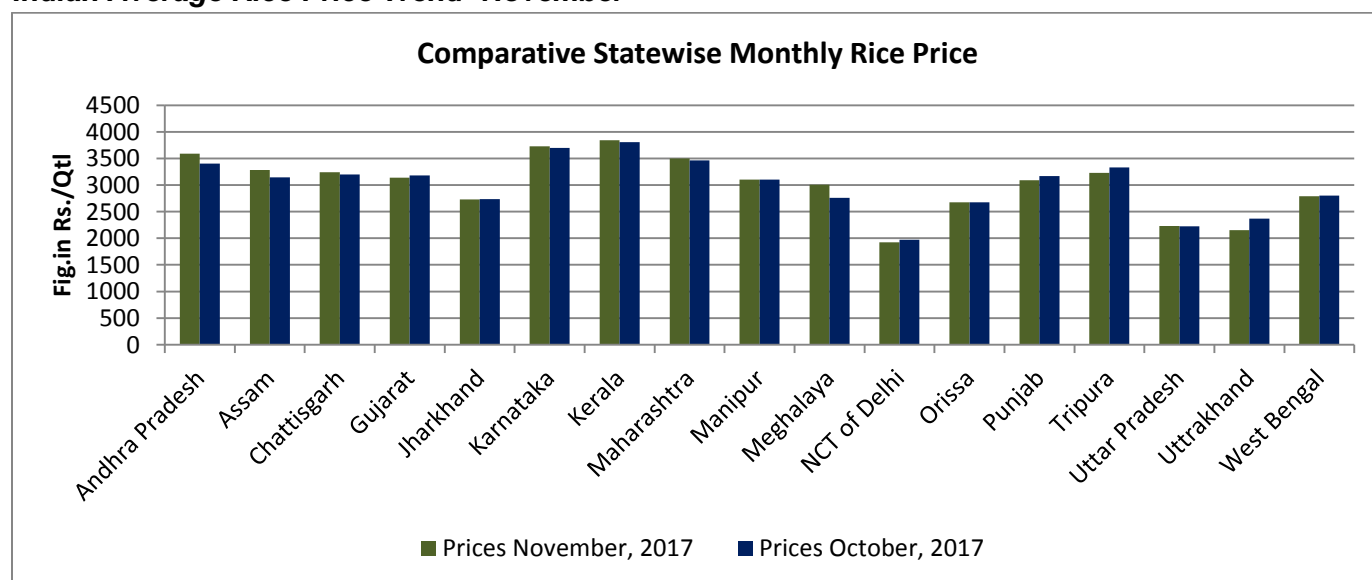
All India milled rice production in MY-2017-18 is expected to hover between 107-108 million tons as per Agriwatch preliminary estimate. Rainfall in major growing area is normal to good condition and thus paddy area and yield is expected to increase in coming crop year of 2017-18. Higher production is expected from major states like Andhra Pradesh, Haryana, Punjab, U.P and West Bengal. If rainfall will be 5-10% above than normal, record rice production is likely to happen and around 108 million tons rice will be produced for coming MY-2017-18.

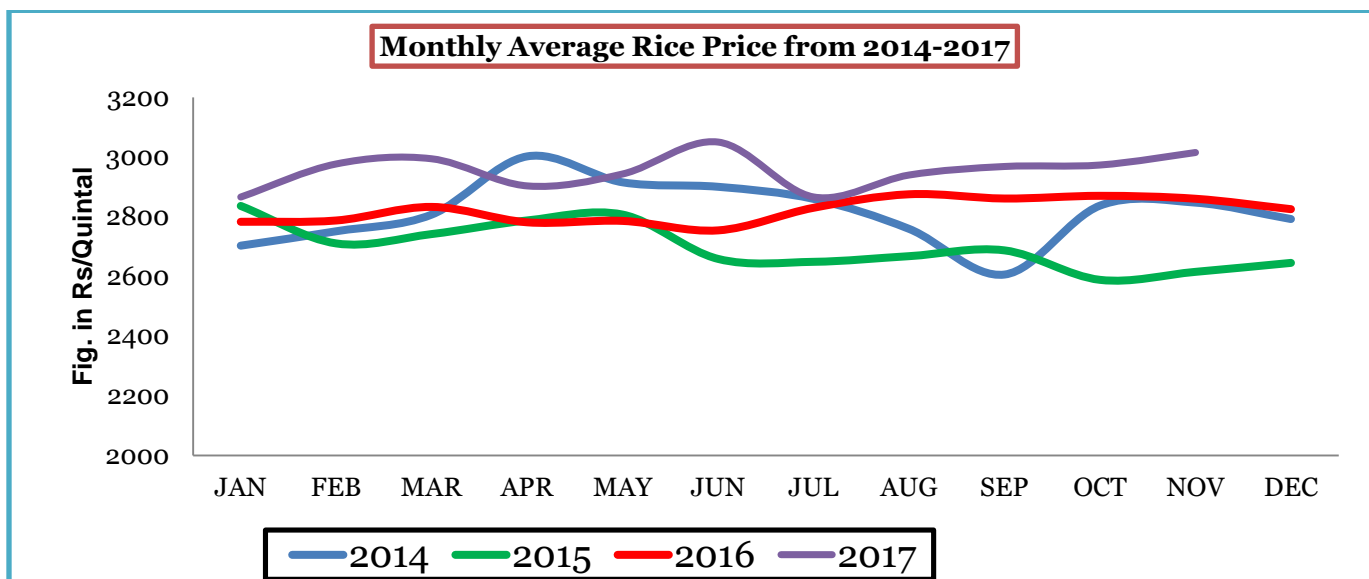
State wise Wholesale Price Monthly Analysis

| State | Prices November, 2017 | Prices October, 2017 | Prices November, 2016 | % Change(Over Previous Month) | % Change(Over Previous Year) |
|----------------|-----------------------|----------------------|-----------------------|-------------------------------|------------------------------|
| Andhra Pradesh | 3587.13 | 3401.72 | 4203.24 | 5.45 | -14.66 |
| Assam | 3280.89 | 3143.09 | 3184.48 | 4.38 | 3.03 |
| Chhattisgarh | 3240 | | | — | — |
| Gujarat | 3138.06 | 3178.54 | 2967.83 | -1.27 | 5.74 |
| Jharkhand | 2729.23 | 2733.76 | 2721.47 | -0.17 | 0.29 |
| Karnataka | 3729.98 | 3696.58 | 3842.04 | 0.9 | -2.92 |
| Kerala | 3845.02 | 3808.2 | 3242.46 | 0.97 | 18.58 |
| Maharashtra | 3497.21 | 3461.62 | 3555.97 | 1.03 | -1.65 |
| Manipur | 3102.05 | 3103.97 | 3059.78 | -0.06 | 1.38 |
| Meghalaya | 3008.81 | 2759.4 | 2688.63 | 9.04 | 11.91 |
| NCT of Delhi | 1922.03 | 1971.43 | 2000 | -2.51 | -3.9 |
| Orissa | 2675.63 | 2672.6 | 2313.48 | 0.11 | 15.65 |
| Punjab | 3091.1 | 3168.73 | 2256.56 | -2.45 | 36.98 |
| Tripura | 3227.1 | 3329.07 | 2858.88 | -3.06 | 12.88 |
| Uttar Pradesh | 2228.42 | 2226.65 | 2234.94 | 0.08 | -0.29 |
| Uttarakhand | 2153.96 | 2367.8 | 2199.88 | -9.03 | -2.09 |
| West Bengal | 2790.58 | 2801.15 | 2427.93 | -0.38 | 14.94 |
| Average | 3014.54 | 2989.02 | 2859.85 | | |

Source-Agmark

Average monthly wholesale rice prices in India stood at around Rs.3015 per quintal in November- 2017, up about 0.85% from around Rs.2990 per quintal in October- 2017, and up about 5.4% from around Rs.28960 per quintal a year ago. Agriwatch expects non-basmati rice market to move range bound with firm tone in coming month due to overseas and local demand.

Indian Average Rice Price Trend- November


Monthly Average Rice Price Trend


Source-Agmarknet

Month-wise Rice Stock in Central Pool

| Year | Jan | Feb | Mar | Apr | May | June | July | Aug | Sept | Oct | Nov | Dec |
|------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|
| 2014 | 38.01 | 38.99 | 37.93 | 35.61 | 32.72 | 32.01 | 27.66 | 27.4 | 23.98 | 20.21 | 27.94 | 27.49 |
| 2015 | 28.74 | 30.98 | 28.4 | 27.13 | 25.01 | 25.72 | 24.52 | 20.32 | 17.51 | 14.93 | 25.89 | 30.35 |
| 2016 | 26.02 | 28.94 | 34.06 | 22.16 | 21.32 | 27.21 | 29.00 | 24.17 | 19.73 | 16.56 | 31.2 | 26.95 |
| 2017 | 29.69 | 29.29 | 31.43 | 29.78 | 29.07 | 28.84 | 26.46 | 23.70 | 20.39 | 16.56 | 27.19 | |

Source-FCI

India's rice stocks in the central pool as on November- 1, 2017 stood at around 27.19 million tons down by about 12.85% from around 31.2 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 64% from around 16.56 million tons recorded on October-01, 2017. Highest stock could be seen in the state of Punjab(44.33 lakh tons) followed by Madhya Pradesh(52.43 lakh tons) and Andhra Pradesh(12.06 Lakh Tons).

State wise Progressive Procurement

| State/UTs | Total procurement in marketing season 2016-17 (Oct. – Sept.) | Progressive Procurement as on 01.12.2017 | |
|--------------|---|--|-----------------------------|
| | | In Marketing season 2017-18 | In Marketing season 2016-17 |
| (in Lakh T) | | | |
| AP | 37.24 | 1.85 | 1.44 |
| Telangana | 35.96 | 7.97 | 5.69 |
| Bihar | 12.34 | 0 | 0 |
| Chhattisgarh | 40.22 | 0 | 0 |
| Haryana | 35.83 | 39.67 | 35.68 |

| | | | |
|--------------|---------------|---------------|---------------|
| Kerala | 3.08 | 0.04 | 0.06 |
| M.P | 13.14 | 0.68 | 0.97 |
| Maharashtra | 3.09 | 0.88 | 0.84 |
| Odessa | 36.3 | 0 | 0 |
| Punjab | 110.52 | 117.62 | 110.08 |
| Tamilnadu | 1.44 | 0 | 0.08 |
| U.P | 23.54 | 7.45 | 1.99 |
| Uttarakhand | 7.06 | 0.26 | 1.75 |
| West Bengal | 19.23 | 0 | 0 |
| Others | 0 | 0 | 3.76 |
| Total | 381.07 | 176.95 | 159.16 |

Government procurement of MY 2017/18 rice under the minimum support price (MSP) is ahead of last year on timely harvest and good yield and production realization in the northern states. Rice procurement through December 01, 2017, is estimated at 17.69 MMT compared to 15.91 MMT during the corresponding period of MY 2016-17. Most of the procurement is from the northern states of Punjab (11.76 MMT vs 11 MMT last year) and Haryana (3.96 MMT vs 3.56 MMT last year), and in south Indian markets, Telangana procured highest of 0.79 MMT (0.56 MMT in MY-2016-17) followed by Andhra Pradesh procurement of 0.18 MMT.

Rice Export Statistics

| MY-2016-17 | Non-Basmati | Basmati | Total Export 2016-17 | MY-2017-18 | Non-Basmati | Basmati | Total Export 2017-18 |
|--------------|--------------|-------------|----------------------|--------------|-------------|---------|----------------------|
| October-16 | 4.23 | 2.37 | 6.6 | October-17 | 7.27 | 2.34 | 9.61 |
| November-16 | 3.03 | 2.74 | 5.77 | November-17 | | | |
| December-16 | 4.16 | 3.44 | 7.6 | December-17 | | | |
| January-17 | 5.21 | 3.25 | 7.6 | January-18 | | | |
| February-17 | 7.39 | 3.39 | 10.78 | February-18 | | | |
| March-17 | 6.17 | 4.1 | 10.27 | March-18 | | | |
| April-17 | 4.75 | 3.89 | 8.64 | April-18 | | | |
| May-17 | 5.5 | 4.06 | 9.56 | May-18 | | | |
| June-17 | 6.74 | 4.6 | 11.34 | June-18 | | | |
| July-17 | 7.24 | 3.02 | 10.26 | July-18 | | | |
| August-17 | 8.52 | 2.89 | 11.41 | August-18 | | | |
| September-17 | 8.85 | 2.85 | 11.7 | September-18 | | | |
| Total | 71.79 | 40.6 | 111.53 | Total | | | 9.61 |

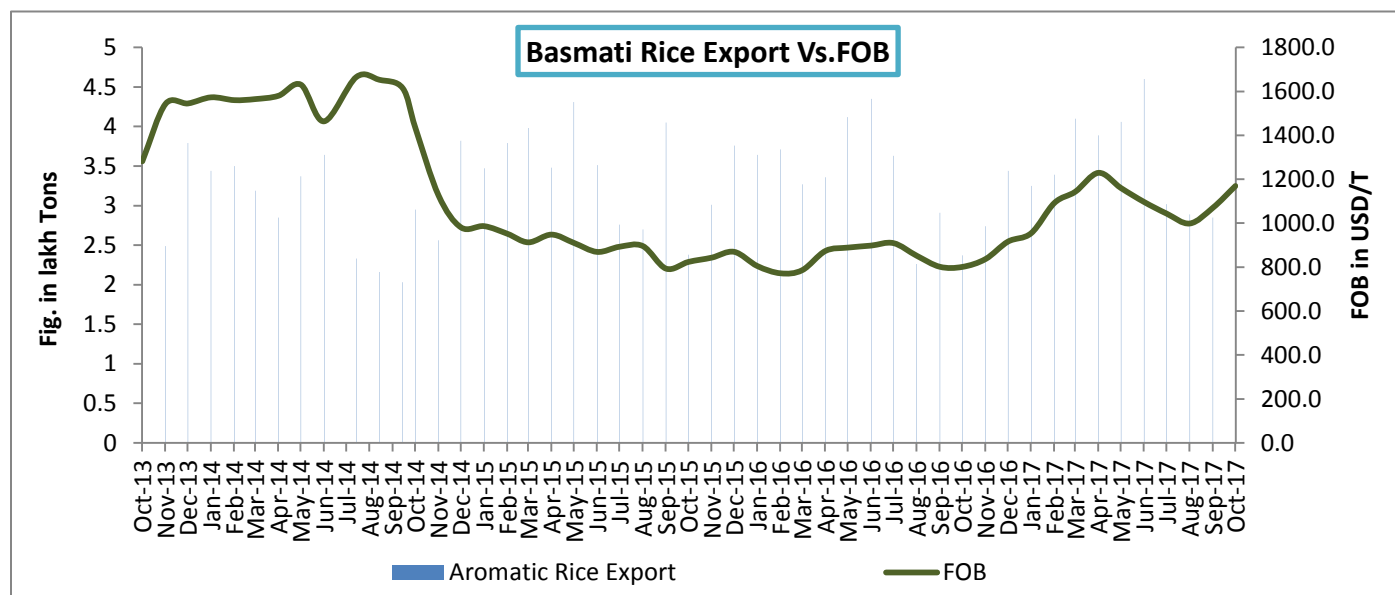
Source-DGCIS

Agriwatch has updated the rice exports in the month of December based on data released by APEDA. Rice export in MY-2017-18 starting from Oct-17 was 9.61 lakh tons which is 45.6% higher than last year Oct export of 6.6 lakh tons, higher export demand from Middle East, Sri-lanka, Bangladesh and African countries led to increase in rice export. We

expect that total rice export for MY-2017-18 till Sept-2018 reach to 11 million tons; however it could only hamper export when parity from our competitors will be lower than us.

Total rice exports for MY-2016-17 till Sept-17 were 111.53 lakh tons, around 10.30% higher than last year's export of 101.11 lakh tons for the corresponding period (Oct-Sept). Non- basmati rice exports in MY 2016-17 which started from October 2016 to Sept-2017 was 71.79 lakh tons and basmati exports in these months were 40.6 lakh tons.

Aromatic Rice Export Vs. 1121 FOB (Monthly Trend Analysis):



Rice Market Outlook

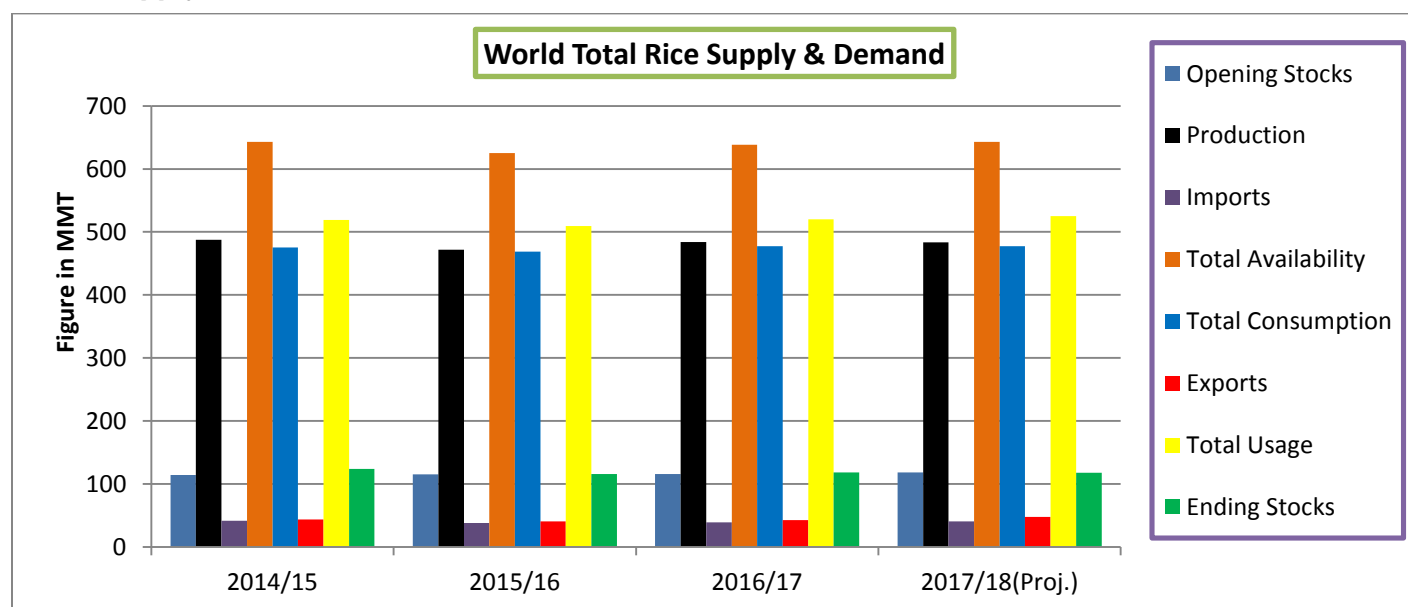
Domestic non-basmati rice prices have firmed in November on rising export demand. Prices are expected to move up further in December with the demand from overseas and across the country. Also, domestic prices during the marketing year will also depend on the availability of paddy/rice stock with private traders and international price movement. Price of Aromatic rice was up in November due to higher demand from overseas buyers and lower stock in market, Agriwatch expects that price to be steady to firm in coming months even with higher arrival. Good price remuneration but lower production estimates supported by higher domestic and international demand would not push the price much lower in this season.

Major Rice Producing Countries:

| Milled Production in Million Tons | | | | | | |
|-----------------------------------|---------------|---------------|---------------|---------------|---------------|---------------|
| Country/Year | 2012-13 | 2013-14 | 2014-15 | 2015-16 | 2016-17(Feb) | 2016-17(Mar) |
| Bangladesh | 33.82 | 34.39 | 34.5 | 34.5 | 34.581 | 34.581 |
| India | 105.241 | 106.646 | 105.482 | 104.408 | 106.5 | 106.5 |
| Indonesia | 36.55 | 36.3 | 35.56 | 36.2 | 36.6 | 36.6 |
| Philippines | 11.428 | 11.858 | 11.915 | 11 | 11.5 | 11.5 |
| Thailand | 20.2 | 20.46 | 18.75 | 15.8 | 18.6 | 18.6 |
| Vietnam | 27.537 | 28.161 | 28.166 | 27.458 | 27.8 | 27.8 |
| Others | 38.857 | 39.821 | 40.129 | 40.882 | 41.285 | 41.25 |
| World Total | 472.53 | 478.33 | 478.55 | 472.16 | 480.13 | 480.34 |

| Ending Stocks in MMT | | | | | | |
|----------------------|---------------|---------------|---------------|---------------|---------------|---------------|
| Country/Year | 2012-13 | 2013-14 | 2014-15 | 2015-16 | 2016-17(Feb) | 2016-17(Mar) |
| China | 49.832 | 53.102 | 57.436 | 63.735 | 69.31 | 69.085 |
| India | 25.5 | 22.8 | 17.8 | 18.4 | 17.7 | 17.9 |
| Thailand | 12.808 | 11.999 | 11.27 | 8.403 | 6.953 | 6.953 |
| Others | 12.988 | 13.843 | 16.306 | 14.358 | 13.072 | 12.792 |
| World Total | 113.88 | 113.87 | 114.91 | 116.14 | 117.95 | 117.65 |

World Supply & Demand of Rice



Production: Following a season in which production fell for the first time since 2009/10, world rice output is expected to increase in 2016/17 and beyond, mainly on yield improvements amid limited prospects for bigger plantings in key producers. Global plantings may dip fractionally in 2017/18. Sowings in some countries, including Vietnam, might shrink, as farmers switch to more profitable crops, such as maize. Tentatively, assuming normal conditions and trend yields, production is seen rising continuously, reaching 509m t by 2021/22, up by 25m on 2016/17.

Consumption: Growth could be moderate in comparison to past years, as higher incomes and wider food choices, especially in some Asian countries, promote a shift in demand from traditional staples to include greater quantities of protein.

Stock: World carryovers are projected to remain comfortable, with only a modest net fall anticipated over the projection period, while the stocks-to-use ratio is seen averaging 23%, a single percentage point lower than in the previous five years.

Trade: India and Thailand are expected to retain their positions as the world's leading exporters, their combined share of trade steady at about 50%. Potential sales by Vietnam could be thwarted by smaller crops, a situation that may foster further opportunities for emerging exporters, namely Cambodia and Myanmar.

Global Market Scenario

The forecast for MY2017/18 Thailand rice production is revised down slightly due to higher than expected flooding damage to fragrant rice. However, total MY2017/18 main crop rice production remains higher than MY2016/17 rice production due to higher average yields. The forecast for rice exports remains unchanged at 11 million metric tons as Thai rice is likely to maintain its export growth path for the rest of 2017. In November, the government recalled the sale of 1 million metric tons of low-quality rice stocks.

Thai rice exports during January – October 2017 increased to approximately 9.2 million metric tons, up 20 percent from the corresponding period last year, due mainly to the increase in parboiled rice exports to Africa and the Middle East. Exports of parboiled rice totaled 2.6 million metric tons during this time period. This is a 52 percent increase from the corresponding period last year due to the recovery of MY2016/17 offseason white rice production. White rice exports also increased largely due to the sale of government stocks. Since January 2017, the government has sold 3.2 million metric tons of food quality rice stocks, emptying government stocks of food quality rice. Export prices of old-crop white rice from government stocks are 2-4 percent cheaper than new-crop white rice.

The International Grain Council (IGC) has lowered the rice production forecast for 2017-18 by 2.6 million tons to 481.2 million tons, with crop forecasts lowered for India, Russia, Peru, and the United States. The 2018 global trade forecast was raised 0.7 million tons to 45.1 million tons- the second highest on record. Export forecasts for 2018 were raised this month for Burma, China, Thailand, and Vietnam; but lowered for India and Pakistan.

From early January to mid-November, Vietnam exported roughly 5.3 million tons of rice worth nearly 2.4 billion U.S. dollars, with nearly 40 percent of the volume going to China, 10 percent to the Philippines, and 9 percent to Malaysia, according to the General Department of Vietnam Customs. Last year, Vietnam shipped nearly 4.9 million tons of rice totaling nearly 2.2 billion U.S. dollars, down 26.5 percent in volume and down 22.4 percent in value. Vietnamese rice export will see encouraging signs from now till the end of this year and even in the first quarter of next year, the association said on Monday, noting that Bangladesh will have imported some 500,000 tons of Vietnamese rice from May to December, and the Philippines is expected to import more Vietnamese rice in the 2017-2018 period.

High input costs, stiff competition from imports, combined with water limitations, explains the decline in rice planted area in Portugal which is the fourth largest EU rice producer accounting for about 6 percent of rice production. Warmer than usual temperatures boosted crop development in summer 2017, but negatively affected yields, which are anticipated to remain at similar levels to those achieved in the previous season.

As per Rice Exporters Association of Pakistan (REAP), Pakistan can target India's share of basmati exports in the EU market, following the stringent policies placed by the European Union on the presence of hazardous pesticides in the commodity. From January 1, 2018, all countries that export basmati rice to the EU must bring down the maximum residue limit (MRL) level for Tricyclazole to 0.01 mg per kg. Up till now, the EU was accepting 1mg per kg from different countries, including India. India had exported rice of around 350,000 tons worth \$260 million to the European Union countries in last fiscal year, 70 percent of which has tricyclazole limit of 1mg/1kg.

IGC Balance Sheet:

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

| Attributes (Fig in Million Tons) | 2014-15 | 2015-16 Estimate | 2016-17 F'cast | (2017-18) Proj. 26.10.2017 | 2017-18 Proj. 23.11.2017 |
|--------------------------------------|---------|---------------------|-------------------|----------------------------------|-----------------------------|
| Production | 480 | 473 | 486 | 482 | 482 |
| Trade | 41 | 39 | 43 | 43 | 43 |
| Consumption | 475 | 473 | 483 | 485 | 484 |
| Carryover stocks | 121 | 121 | 123 | 120 | 121 |
| Y-O-Y change | 4 | 0 | 2 | - | -2 |
| Major Exporters | 37 | 32 | 30 | 25 | 25 |

(Fig. In Million Tons)

IGC Rice Balance sheet Highlights

The outlook for world rice production in 2017/18 is maintained at 482m t, the 4m y/y fall stemming from potentially smaller crops in Asia. With uptake trimmed marginally, aggregate end-season carryovers are placed fractionally higher m/m, at 121m t, albeit still representing a slight drop y/y. While further stock accumulation is anticipated in China, this may be outweighed by reductions elsewhere, with major exporters' reserves seen falling by 14%, to a decade low. Trade is projected unchanged m/m, at around 43m t, down modestly y/y but well above average. Global rice import demand is projected to expand by 11% y/y in 2017, to about 44m t, on exceptionally firm demand from buyers in Africa and Asia. World production in 2017/18 is seen falling by 1% y/y, to 482m t, on smaller outturns in Asia. With consumption seen unchanged from the previous season's record, global carryovers are predicted to tighten by 2%, to 121m t, as gains in China only partly offset reductions elsewhere. Due to fall in India, Thailand, Vietnam and the USA, rice inventories of major exporters are predicted to contract by 14% y/y, to a decade low. Trade in 2018 is projected to edge lower as African buyers likely source less following heavy purchases in the prior year. India is expected to remain the biggest exporter, especially given prospects for tighter availabilities in Thailand following the completion of government food grade stock disposals.

IGC Forecast the World Rice Production Down in 2017-18

In its November 2017 Grain Market Report (GMR), the International Grains Council (IGC) projection for 2017-18 global rice production at around 482 million tons, down about 0.60% from an estimated 486 million tons in 2016-17 on adverse Asian weather condition.

Global Trade of Rice Unchanged from Last Year

The IGC forecasts 2017-18 global rice trades at around 43 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.

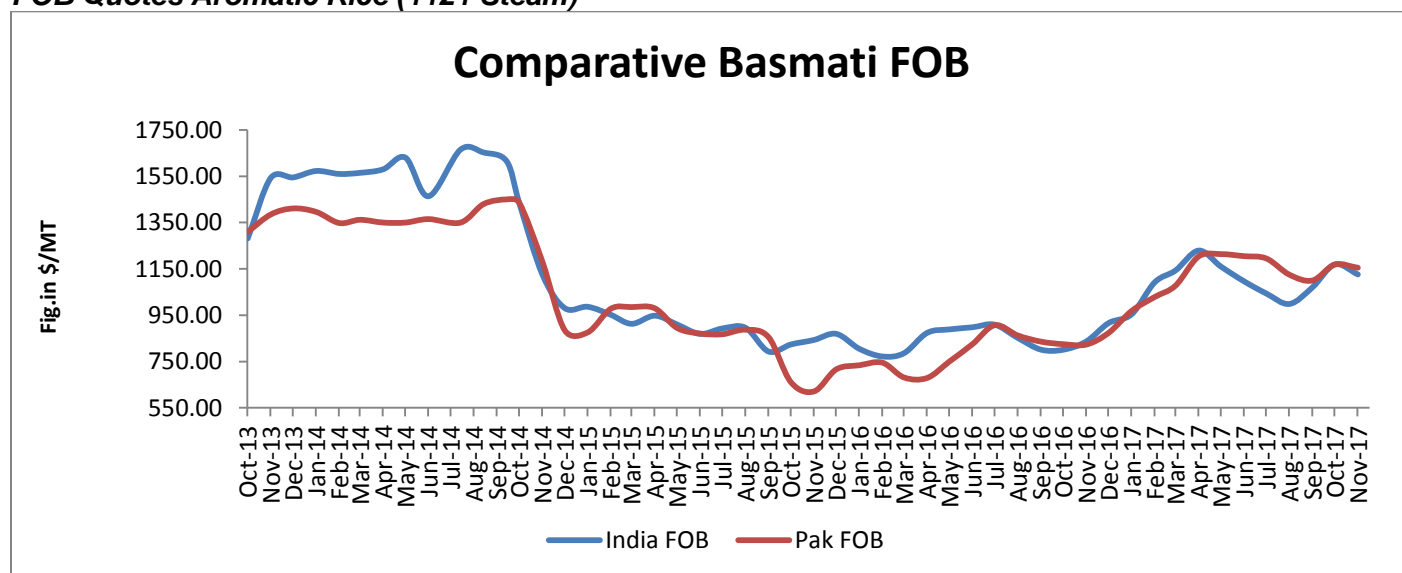
Global Consumption of Rice Increases in 2017-18

The IGC forecasts 2017-18 global rice consumption at around 484 million tons, same as from 2016-17. World rice stocks are projected to tighten in 2017/18 on a contraction in the major exporters, led by Thailand.

Indicative Basmati Parity Sheet

| Parity Calculation Sheet | Rajkot (Kandla) | Andhra Pradesh(Vizag) | Punjab(Kandla) | Haryana(kandla) | West Bengal(Kolkata) |
|---|-----------------|-----------------------|----------------|-----------------|----------------------|
| Price @ various center | 72500 | 73000 | 69800 | 70800 | 73500 |
| Port handling charges /Loading/Unloading /Clearing (Rs/ton) | 550 | 550 | 550 | 550 | 550 |
| Freight Charges till port | 400 | 400 | 1350 | 1350 | 450 |
| Indian FOB (Rs/MT) | 73450 | 73950 | 71700 | 72700 | 74500 |
| Indian FOB (USD/MT) | 1132.61 | 1140.32 | 1105.63 | 1121.05 | 1148.80 |
| Insurance @ 0.1% | 1.13 | 1.14 | 1.11 | 1.12 | 1.15 |
| Freight Charges (US \$/ton) to Iran | 55 | 55 | 55 | 55 | 55 |
| CIF (Kandla to Iran) | 1188.75 | 1196.46 | 1161.73 | 1177.17 | 1204.95 |
| INR Monthly Average | 64.85 | 64.85 | 64.85 | 64.85 | 64.85 |

FOB Quotes Aromatic Rice (1121 Steam)



Source-FAO& AW

Indian FOB for 1121 steam in the month of November moved weak from last month and currently is in the range of USD 1126/MT which is down by 3.7% from last month price of USD 1169/T due to supply pressure in local markets. Aromatic rice prices too, are weak this month even with active demand from international markets. According to the UN's Food and Agriculture Organization (FAO), Currently Pakistani basmati FOB is moving weaker from last month and is now hovering in the range of USD 1155/MT which is down by 1.17% from last month FOB of USD 1169/MT.

Rice Price Trend – CBOT
@ CBOT January- 18, Rough Rice)
(Prices in US\$/hundredweight)



International Price Projection for Next Month

| Duration | Trend | Support | Resistance |
|---------------|----------------|----------|------------|
| December-2017 | Steady to Firm | S1-11.00 | R1-12.80 |
| | | S2-10.50 | R2-13.20 |

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