



Rice Monthly Research Report

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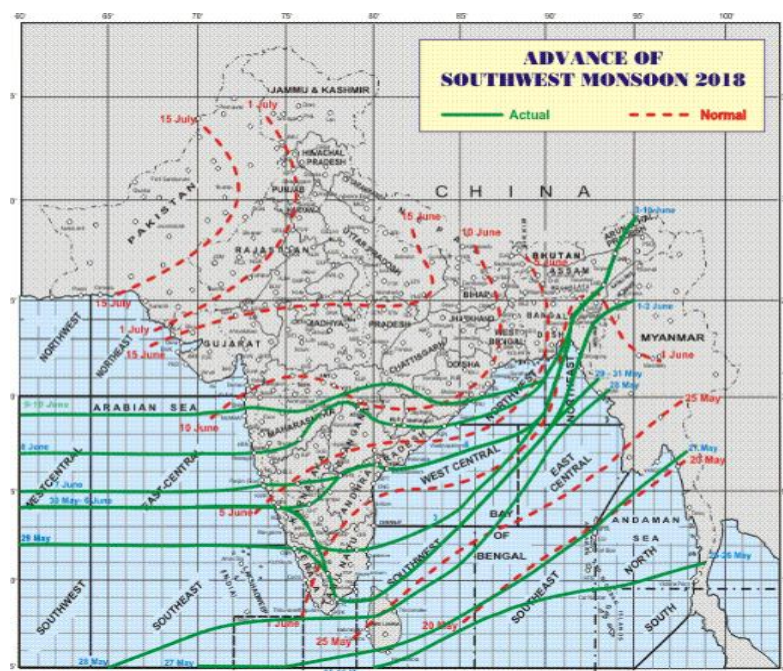
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Outlook and Review (Domestic Front)-

- **Average monthly wholesale rice prices in India stood at around Rs.2970 per quintal in May- 2018, up about 1.81% from around Rs.2918 per quintal in April- 2018, and up about 0.95 % from around Rs.2942 per quintal a year ago.** Agriwatch expects non-basmati rice market to move steady tone with higher sowing intension by farmers or MY-2018-19.
- **All-India progressive procurement of Rice as on 01.06.2018 for 2017-18 was at 353.75 lakh tonnes against the procurement of 368.29 lakh tonnes in the corresponding period of last year.** The procurement of wheat for the Rabi marketing season (RMS) 2018-19 was 341.91 lakh tonnes which was higher than the procurement of 298.75 lakh tonnes in the corresponding period of RMS 2017- 18.
- **Indian rice is soft by increasing import duty in Bangladesh. As the issue of imposing import duty on rice as a major importer of country-Bangladesh increased,** the export offer price of Indian rice came down drastically and it fell to the lowest level of the current year. On June 6, the Bangladesh Finance Minister fixed the import duty on rice from 2% to 28%. Due to this duty, export of Indian rice in Bangladesh will be difficult. In the year 2017, India became the most prominent country to supply rice to it.
- **Rice export prices in India fell this week to their lowest this year on sluggish demand before top buyer Bangladesh slaps import** duty on exports of the grain after domestic production recovered. Rates for India's 5 percent broken parboiled variety fell by \$6 to \$393-\$397 per ton. Bangladesh is imposing a 28 percent tax on rice imports to support its farmers after local production revived, Exports to Bangladesh would become nearly impossible if it raises the import duty. Indian exporters said they were going to lose competitiveness due to the duty hike. India was the biggest supplier of rice to Bangladesh in 2017.
- **India's non-basmati rice exports during April-February jumped 30 percent from a year earlier to 7.7 million tonnes as Bangladesh,** Benin and Sri Lanka increased their purchases. Indian basmati rice exports are expected to post strong growth in FY2018 and FY2019 on the back of improved demand in the international market, especially from Iran and and transference of higher paddy prices over the last two procurement seasons.
- **During the first month of the current financial year, the export of Indian rice has been quite good since last year. Though the export** volume of basmati rice came down marginally but earnings increased, the exported quantity of non-basmati rice and both came in excellent growth. According to official figures of Rs 2,420 crore by exporting exports about 3.70 million tons of basmati rice in the country in April 2018 in which about 3.90 million tons of rice during 2017 April than. As far as non-basmati or normal rice is concerned, its exports rose from 4.92 lakh tonnes in April 2017 and reached 6.20 lakh tonnes in April 2018. During this period, the average unit export offer has improved from \$ 403 per tonne to \$ 423 per tonne and there was a huge increase in total export earnings. Its export earnings in Indian currency increased by 34.15 percent from April 2012 to Rs 1,212 crore in April 2018 1719 crores in foreign currency and foreign exchange increased by 31.85 percent to \$ 26.20 million from \$ 19.90 million.
- **In the pre monsoon season, at All-India level, the rainfall during the week (24th May, 2018 – 30th May, 2018) has been 14% higher 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 79% in South Peninsula, 23% in East & North East India but lower than LPA by 84% in North West India and 49% in Central India.

Weather-Watch:

The cumulative rainfall in the country during the pre-monsoon season i.e. 01st March to 30th May, 2018 has been 10% 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 35% in South Peninsula but lower than LPA by 29% in North West India, 18% in East & North East India and 9% in Central India.


Price Projection for Next Month (June) in Domestic Market

Duration	Trend	Average Price Range	Reason
June - 2018	Steady	Rs.2900-3300/Quintal	Rice prices during the last quarter of MY 2017-18 will largely depend on the progress of 2018 monsoon and the impact on MY 2018-19 rice planting.

Paddy Kharif Sowing Updates as on 8th June-2018:

States	Rice			
	Normal Area	Normal Area as on date	Area sown reported	
			This Year	Last Year
Andhra Pradesh	15.3	0	0	0

Arunachal Pradesh	1.29	0.53	0.7	0.97
Assam	20.73	1.13	0.83	0.81
Bihar	31.64	0	0	0
Chhattisgarh	38.08	0	0	0
Goa	0.29	0	0	0
Gujarat	7.41	0	0	0.01
Haryana	12.94	0	0	0
Himachal Pradesh	0.74	0	0	0
J&K	2.8	0.03	0.05	0.05
Jharkhand	14.94	0	0	0
Karnataka	10	0	0	0
Kerala	1.48	0.11	0.34	0.31
Madhya Pradesh	20.5	0	0	0
Maharashtra	15.08	0.23	0.1	0.28
Manipur	0.33	0	0	0
Meghalaya	0.97	0.2	1	0.99
Mizoram	0.32	0.07	0.35	0.36
Nagaland	1.91	0.97	0.88	0.91
Odisha	37.66	0.24	0.06	0.19
Punjab	28.93	0	0	0
Rajasthan	1.64	0	0	0
Sikkim	0.11	0	0	0
Tamil Nadu	15.46	0.27	0.58	0.39
Telangana	9.2	0	0	0
Tripura	1.99	0	0	0
Uttar Pradesh	58.87	0	0	0
Uttarakhand	2.47	0.24	1.23	1.21
West Bengal	41.91	0.03	0.2	0.17
Puducherry	0.12	0	0	0
Others	0.29	0	0	0
All-India	395.39	4.05	6.32	6.64

About 6.32 lakh hectares area covered under rice has been reported compared to normal of corresponding week (6.64 lakh hectares). Thus 0.32 lakh hectares less area has been covered compared to normal of corresponding week. The area has been reported mainly from the states of Uttarakhand, (1.23 lakh hectares), Assam (0.83lakh hectares), Tamilnadu (0.58 lakh hectares), Mizoram (0.35 lakh hectares), Maharashtra (0.10 lakh hectares), Kerala (0.34 lakh hectares), and Jammu & Kashmir (0.05 lakh hectares).

Weekly Rice Price Change in Delhi Market (Figure: in Rs. /Quintal)

Rice Price Comparison Delhi Market(in Rs./Qtl)						
Variety	3-Jun-18	2-Jun-18	27-May-2018)	3-May-18	% ch. From last week	% Change from last Month

1121 Steam	7000	7000	7000	7000	0.00	0.00
1121 Sella	6500	6350	6400	6400	2.36	1.56
1121 Raw	7000	7000	7100	7000	0.00	-1.41
Basmati Raw	7000	7000	7200	7000	0.00	-2.78
1509 Steam Wand	6600	6800	6800	6800	-2.94	-2.94
Sugandh Steam	5500	5500	5500	5800	0.00	0.00
Sharbati Raw	4800	4900	4900	4900	-2.04	-2.04
Pusa Raw Wand	6300	6200	6200	6200	1.61	1.61
Parmal Sella	2800	2800	2850	2950	0.00	-1.75

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	3-Jun-18	27-May-2018)	3-May-18	% ch. From last week	% Change from last Month
White Rice 5%	435	430	428	1.16	1.64
White Rice 25%	390	385	380	1.30	2.63
Parboiled 5%	425	415	422	2.41	0.71

Rice Supply & Demand

Figure in MMT	2015-16	2016-17	2017-18	2018-19*	Oct-Dec	Jan-Mar	Apr-June	July-Sept
Carry in	20.08	17.17	17.07	16.57	16.57	97.32	69.77	41.77
Production	104.00	108.00	108.50	107.50	107.50	0.00	0.00	0.00
Imports	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Total Availability	124.08	125.17	125.57	124.07	124.07	97.32	69.77	41.77
Consumption	96.50	97.00	97.50	98.00	24.50	24.50	24.50	24.50
Exports	10.41	11.10	11.50	11.00	2.25	3.05	3.50	2.20
Total Usage	106.91	108.10	109.00	109.00	26.75	27.55	28.00	26.70
Carry out	17.17	17.07	16.57	15.07	97.32	69.77	41.77	15.07
Av Monthly Consumption	8.04	8.08	8.13	8.17	2.04	2.04	2.04	2.04
Stock to Month Use	2.14	2.11	2.04	1.85	47.67	34.17	20.46	7.38
Stock to Consumption Ratio	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 April-2018 as new session starts for MY-2018-19. 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. Carry out for MY-2017-18 is likely to be lower than in last three consecutive years due to increased demand from overseas markets, increasing domestic

consumption and expected to remain 16.5 MMT which is 3% down from last year and this may push the rice price in northward direction in third quarter i.e. March onwards.

Rice production for new MY-2018-19 is likely to reach 107.5 MMT, which is slightly down from last year, on expectation of area shift to other cash crops in Rabi season. More than ideal weather conditions, if occurs during planting at crop growth stages might increases the yield and production may touch 109 MMT in coming kharif season.

All India Expected Rice Area, Production and Yield forecast in MY-2018-19

2018-19	Under Normal Condition			Rainfall above Normal (5-10%)		
State/ UT	Area	Production	Yield	Area	Production	Yield
Andhra Pradesh	2357.94	7284.12	3107.09	2357.94	7472857.30	3169.24
Arunachal Pradesh	128.56	254.18	1982.87	128.56	260026.25	2022.53
Assam	2484.36	5032.03	2023.41	2484.36	5127419.46	2063.88
Bihar	3199.02	6163.49	1918.29	3199.02	6259399.26	1956.66
Chhattisgarh	3800.24	6273.75	1652.07	3800.24	6403818.24	1685.11
Goa	42.67	120.51	2810.59	42.67	122331.06	2866.80
Gujarat	782.45	1700.21	2175.59	782.45	1736333.01	2219.10
Haryana	1277.75	3986.87	3121.49	1277.75	4068255.21	3183.92
Himachal Pradesh	74.11	126.00	1697.99	74.11	128352.28	1731.95
Jammu & Kashmir	279.88	597.78	2141.54	279.88	611365.83	2184.37
Jharkhand	1404.86	2908.24	2071.30	1404.86	2968082.59	2112.72
Karnataka	1289.00	3469.68	2691.93	1289.00	3539291.81	2745.77
Kerala	199.52	538.75	2698.12	199.52	549081.42	2752.08
Madhya Pradesh	1988.28	3122.86	1570.60	1988.28	3185245.25	1602.01
Maharashtra	1555.85	2882.00	1854.36	1555.85	2942812.92	1891.45
Manipur	221.39	377.10	1734.49	221.39	391682.33	1769.18
Meghalaya	109.87	276.53	2514.34	109.87	281779.36	2564.63
Mizoram	36.64	57.24	1600.28	36.64	59803.01	1632.29
Nagaland	192.98	398.68	2075.84	192.98	408608.76	2117.35
Odisha	4102.09	7138.45	1739.71	4102.09	7279180.65	1774.50
Punjab	2891.95	11302.73	3908.16	2891.95	11528240.90	3986.32
Rajasthan	159.30	329.23	2073.44	159.30	336913.71	2114.91
Sikkim	11.22	18.43	1646.73	11.22	18839.93	1679.66
Tamil Nadu	1821.36	6111.95	3324.36	1821.36	6175947.34	3390.85
Telangana	1517.06	4620.20	3050.98	1517.06	4721107.96	3112.00
Tripura	260.22	743.27	2850.09	260.22	756495.68	2907.09
Uttar Pradesh	5894.95	13176.65	2236.32	5894.95	13446657.17	2281.05
UttaraKhand	261.97	600.62	2286.02	261.97	610845.43	2331.74
West Bengal	5439.02	15112.21	2780.64	5439.02	15426456.22	2836.26
All India	43829.83	104843.66	2394.93	43829.83	107068573.19	2442.82

All India milled rice production in MY-2018-19 is expected to hover between 105-107 million tons as per Agriwatch preliminary estimate. Weather/rainfall data is awaited and once monsoon starts in major growing states, we revise the APY according to rainfall status.

State Wise initial estimated production of Basmati & Non-Basmati long grain Rice during Kharif 2017(production in 000 tons):

S. No	State	Total Basmati	Pusa-1121	PB-1	Pusa-1509	Pusa-1401	Basmati 370	CSR-30	Type-3 & Others	Non-Notified	
										Sharbati	Sugandha
1	Haryana	2535	1611.6	223	147.9	272.5		278.9		21.2	
2	Punjab	2142.2	1842.3	110.2	192.9					22.2	
3	Uttar Pradesh	763.2	403.2	133	206.3				20.7	528.24	308.8
4	Uttarakhand	39.05	9.12	7.62	10.1				12.22	49.73	1.93
5	Jammu & Kashmir	132	25		1		106			35.9	
6	Himachal Pradesh	30	7		22					0	
Total		5641	3898	474	580	273	106	279	33	657	311

In the current season PB 1121 acreage in the 7 states have been reduced by 10.6% over last year. Farmer preferred high yielding Pusa-1509 in place of low yielding PB-1121. Moreover PB 1509 also has shorter time period and early maturity trait, compared to PB 1121. Basmati crop cutting experiment shows that PB 1121 yields were intact in Haryana and Punjab while some crop damage reported in UP / UK but over this year lesser pest infestation observed in the fields. Timely application on remedial action by farmers on brown plant hopper & White bagged plant hopper reduces the crop losses. This year farmers harvested about 39-40 lakh tons of PB 1121 against the 43-44 lakh tons of harvest happened last year.

Basmati Rice Production Conclusion for MY-2017-18:

This year overall Basmati production was lowest in last five years. Basmati crop is about 10% lower than last year on account of lower acreage and yield losses specifically at Uttar Pradesh & Uttaranchal. This year Agro-climatic conditions were favorable for the crop and no major crop losses have been reported in the states like Punjab & Haryana. Farmers received about 40% higher price than last year and they are quite upbeat on the next year Basmati crop. Farmers grip towards Pusa 1509 will increase while little shift could be seen on traditional varieties

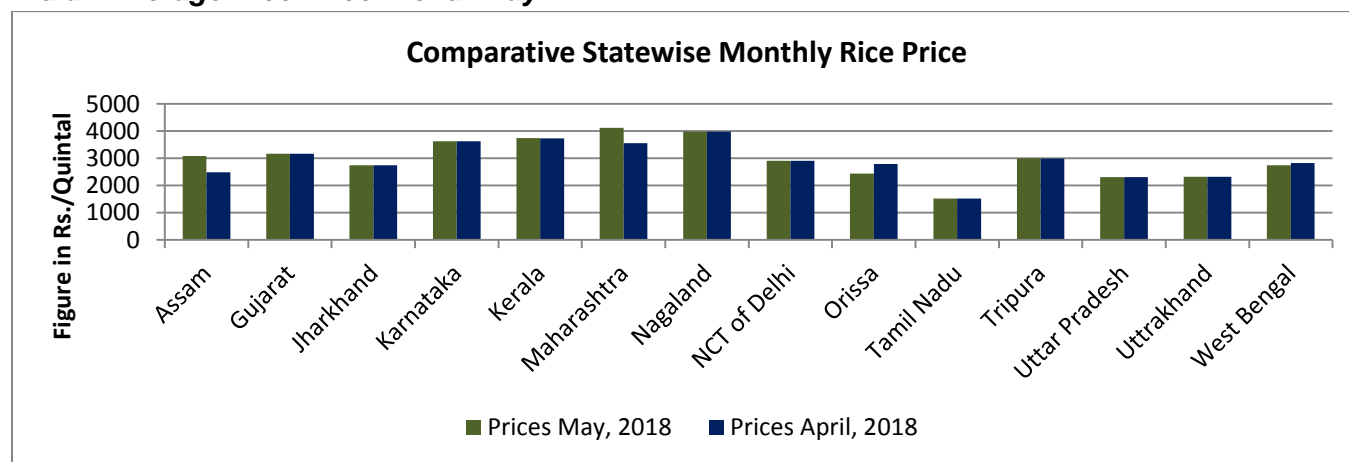
State wise Wholesale Price Monthly Analysis

State	Prices May, 2018	Prices April, 2018	Prices May, 2017	% Change(Over Previous Month)	% Change(Over Previous Year)
Assam	3074.85	2480.5	3074.85	23.96	0
Gujarat	3160.4	3160.4	3206.76	0	-1.45
Jharkhand	2733.26	2733.26	2733.26	0	0
Karnataka	3615.17	3615.17	3614.36	0	0.02
Kerala	3735.72	3729.24	3713.17	0.17	0.61
Maharashtra	4115.6	3552.2	3427.03	15.86	20.09
Nagaland	3969.57	3969.57	3969.57	0	0
NCT of Delhi	2895.75	2895.75	2158.6	0	34.15
Orissa	2435.2	2786.58	2786.58	-12.61	-12.61
Tamil Nadu	1512.33	1512.33	1200	0	26.03
Tripura	2993.49	2983.31	2993.49	0.34	0
Uttar Pradesh	2297.67	2297.67	2300.41	0	-0.12
Uttarakhand	2312.32	2312.32	2312.32	0	0
West Bengal	2737.33	2820.93	2820.93	-2.96	-2.96
Average	2970.62	2917.8	2942.4		

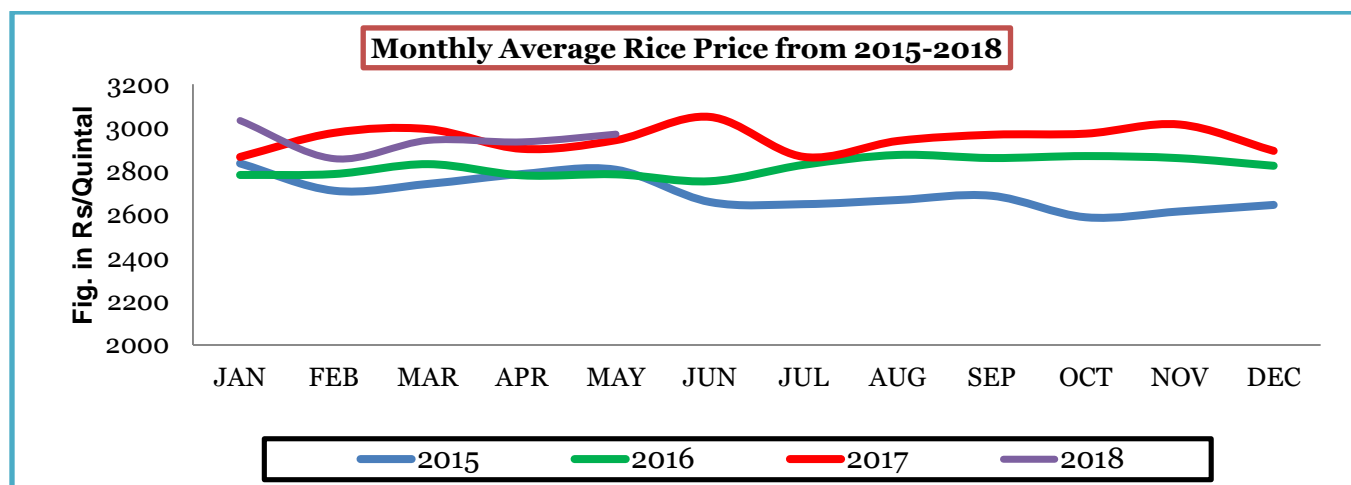
Source-Agmark

Average monthly wholesale rice prices in India stood at around Rs.2934 per quintal in April- 2018, down about 1.45% from around Rs.2977 per quintal in March- 2018, and up about 1.64% from around Rs.2886 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- May



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	30.13
2018	33.25	33.96	33.32	30.04	29.74							

Source-FCI

India's rice stocks in the central pool as on May- 1, 2018 stood at around 29.74 million tons up by about 2.30% from around 29.07 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 down by 0.99% about by from around 30.04 million tons recorded on April-01, 2018. Highest stock could be seen in the state of Punjab (100.80 lakh tons) followed by Uttar Pradesh (22.52 Lakh Tons), Andhra Pradesh (19.91 lakh tons) and Haryana (21.97 lakh tons).

State wise Progressive Procurement

State/UTs	Target (only kharif crop) in marketing season 2017-18 (Oct. – Sept.)	Progressive Procurement as on 01.06.2018	
(in Lakh T)		In Marketing season 2017-18	In Marketing season 2016-17
AP	43.00	36.74	35.72
Telangana	34.00	34.92	33.27
Bihar	12.00	7.93	12.34
Chhattisgarh	48.00	32.07	40.22
Haryana	30.00	39.92	35.70
Jharkhand	2.50	1.43	1.33

Kerala	2.32	3.26	3.03
M.P	13.00	10.96	13.14
Maharashtra	4.34	1.66	2.58
Odessa	37.00	28.65	29.33
Punjab	115.00	118.33	110.52
Tamilnadu	15.00	7.78	1.41
U.P	37.00	28.75	23.54
Uttrakhand	7.00	0.38	7.06
West Bengal	27.00	0.45	18.47
Others	0	0.87	0.46
Total	430.00	353.75	368.29

All-India progressive procurement of Rice as on 01.06.2018 for 2017-18 was at 353.75 lakh tons against the procurement of 368.29 lakh tons in the corresponding period of last year. Higher procurement has been received from northern states of Punjab (118.33 lakh Tons), Haryana (39.67 lakh tons), and U.P (28.75 lakh tons) and in south it is started in Telangana (34.92 Lakh Tons). Andhra Pradesh Government procurement has reached to 36.74 lakh tons. Chhattisgarh government also procured around 32.07 lakh tons of rice as of now, Madhya Pradesh and Odessa procurement reached to 10.96 and 28.65 lakh tons respectively. Procurement in West Bengal and other rice growing states is still underway.

Rice Export Statistics

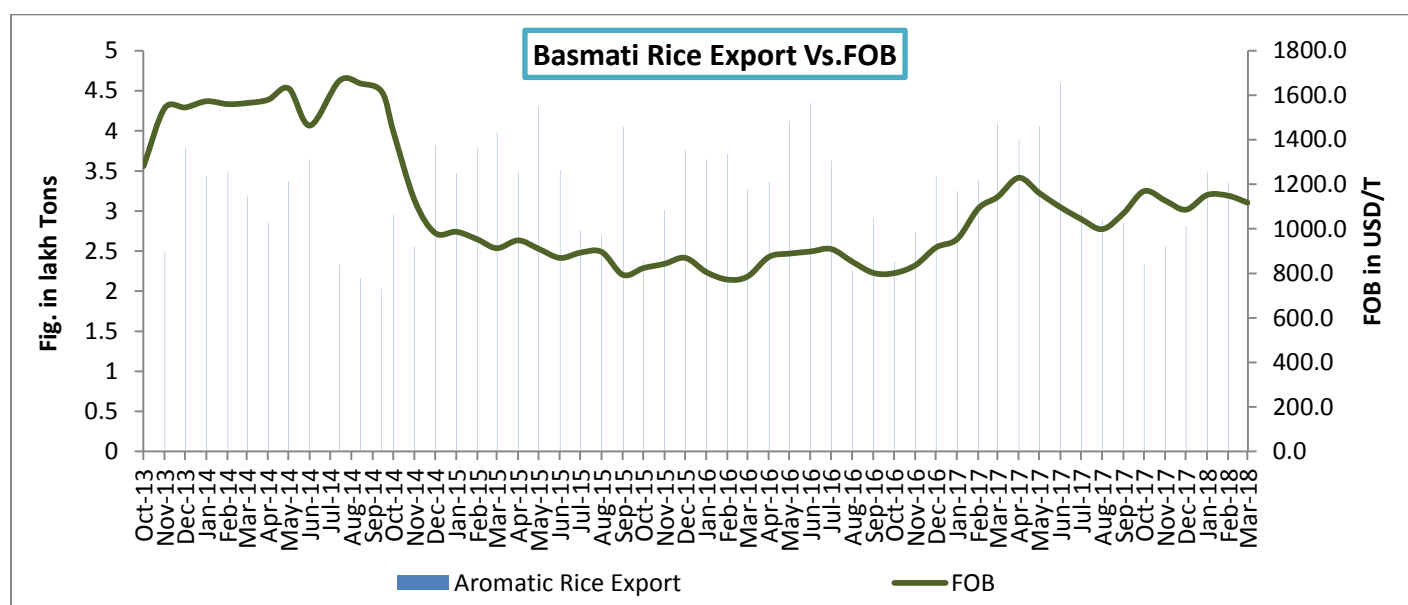
MY-2016-17	Non-Basmati	Basmati	Total Export2016-17	MY-2017-18	Non-Basmati	Basmati	Total Export2017-18
October-16	4.23	2.37	6.6	October-17	7.27	2.34	9.61
November-16	3.03	2.74	5.77	November-17	6.83	2.56	9.39
December-16	4.16	3.44	7.6	December-17	7.68	2.81	10.49
January-17	5.21	3.25	7.6	January-18	10.91	3.49	14.4
February-17	7.39	3.39	10.78	February-18	7.67	3.35	11.02
March-17	6.17	4.1	10.27	March-18	8.72	4.3	13.02
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	49.08	18.85	67.93

Source-DGCIS

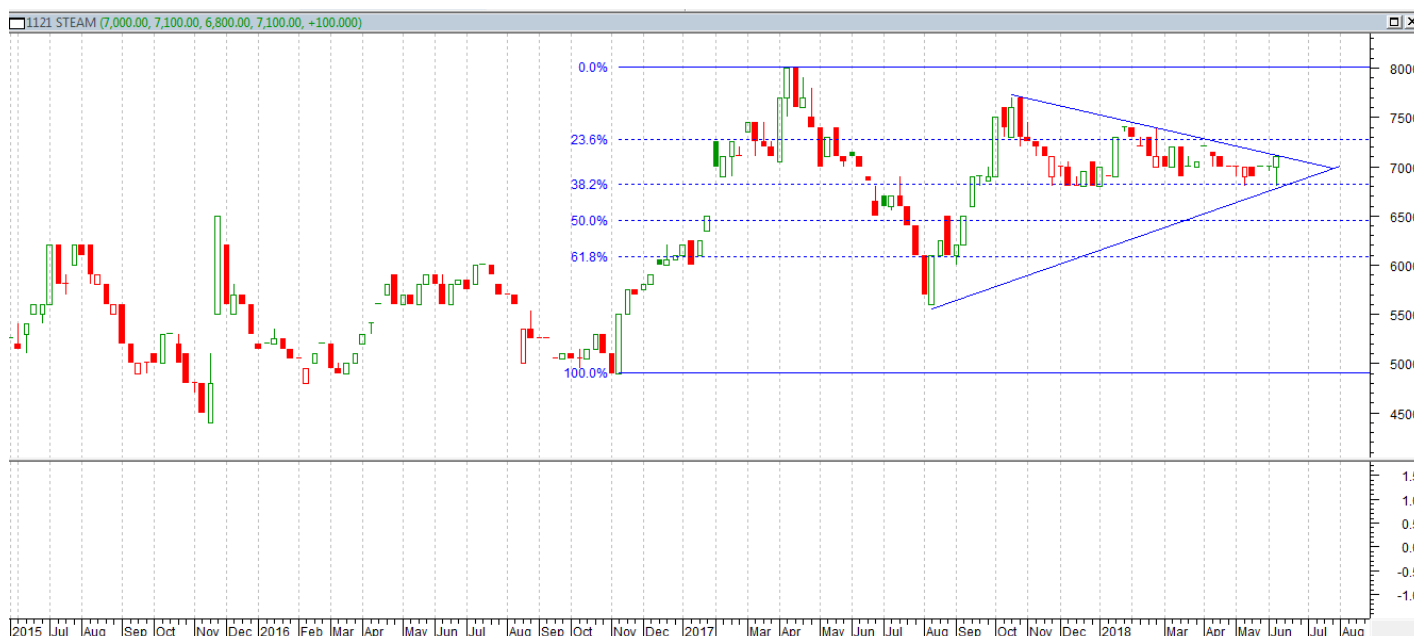
Agriwatch has updated the rice exports in the month of May based on data released by APEDA and trade sources. Rice export in MY-2017-18 starting from Oct-17 to March-2018 was 67.93 lakh tons which is 37% higher than last year till March export of 49.48 lakh tons, higher export demand from Middle East, 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 to reach 11.20 million tons; however, it could only hamper export when parity from our competitors are lower than us. In the month of March, non-basmati rice export was 8.72 lakh tons and basmati rice export was 4.3 lakh tons.

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):



Above given chart shows the quantity of basmati rice export on monthly basis and tentative FoB for the same. Basmati rice export in the month of March was 4.3 lakh tons with an average FoB of USD 1111/T. Basmati rice export in the month was around 28% higher than last month export of 3.35 lakh tons and around 5% higher by last year export of 4.1 lakh tons in the month of March-2017.

Technical Chart of 1121 Steam Rice (Delhi):


Technical chart of 1121 steam rice shows steady sentiments in the month of May and currently 1121 steam rice price is Rs.7000-7100/quintal. Prices have likely bottomed out for the near future are likely to recover in the next month up to around Rs. 73-7600 per quintal.

Rice Market Outlook

Domestic non-basmati rice prices have slight firm in May due to steady demand from millers and diminishing stock. Agriwatch expects that rice prices are expected to move steady to slightly firm in June with strong demand from local millers as well overseas buyers, also after that price will move firm in later months. Also, domestic prices during the marketing year will also depend on the availability of paddy/rice stock with private traders and international price movement, however, prices during the last quarter of MY 2017-18 will largely depend on the progress of 2018 monsoon and the impact on MY 2018-19 rice planting.

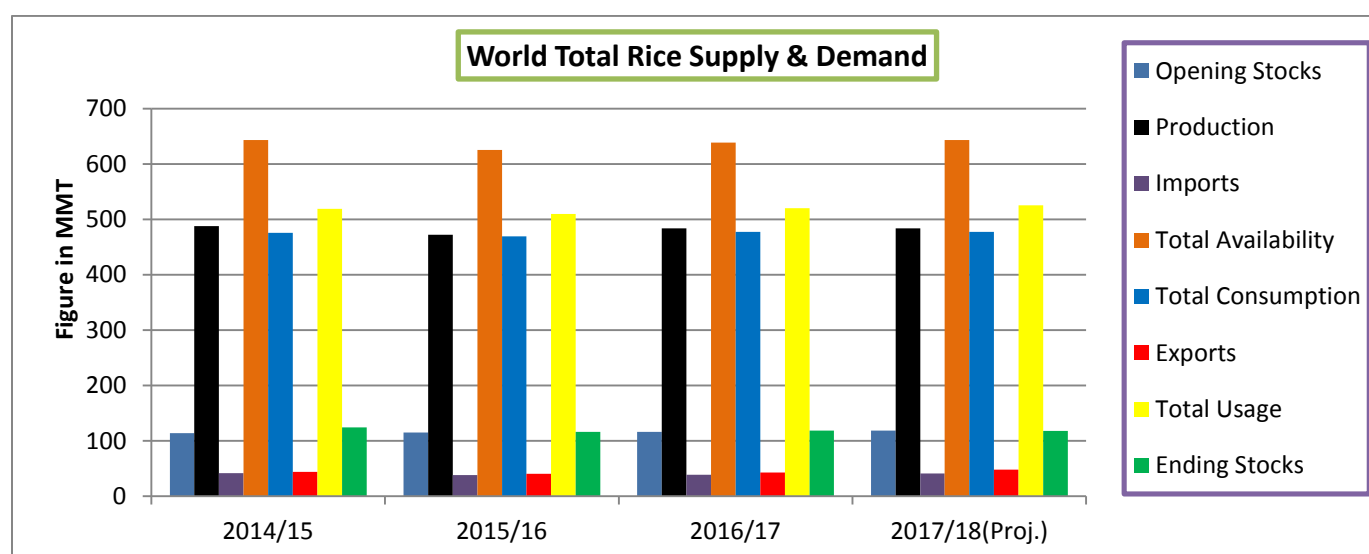
Price of Aromatic rice was traded weak in May by from last month and currently 1121 steam rice traded at Rs.6900-7000/quintal; Agriwatch expects price to be steady to firm in coming months with decreasing arrival. Good price remuneration but lower production estimates supported by higher domestic and 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(Mar)	2017-18
Bangladesh	33.82	34.39	34.5	34.5	34.581	33.00
India	105.241	106.646	105.482	104.408	106.5	107.5
Indonesia	36.55	36.3	35.56	36.2	36.6	37.00
Philippines	11.428	11.858	11.915	11	11.5	11.20
Thailand	20.2	20.46	18.75	15.8	18.6	20.40

Vietnam	27.537	28.161	28.166	27.458	27.8	28.45
World Total	472.53	478.33	478.55	472.16	480.34	483.46

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



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, with 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 Philippines' state grains agency needs to import rice again this year to continue rebuilding its depleted buffer stock, a spokesman said (22/05/2018), as it sought offers in an open tender for an additional 250,000 tons. There is no final volume and timing yet for additional rice purchases by the National Food Authority (NFA), which need approval by its council. The Philippines, a frequent rice buyer, may import as much as 1.4 million tons of the staple this year, among the largest rice purchases expected, based on a projection by the United States Department of Agriculture. The NFA sought supply of 25 percent broken rice variety at the open tender, with 13 suppliers and traders, mostly from Thailand and Vietnam, making valid offers. Bids ranged from \$461.75 to \$465.04 per ton, below the agency's budget of \$498.25 per ton. Delivery of the additional 250,000 tons should be completed before September, while shipments of the first 250,000 tons are expected to arrive from next week and should help ease upward pressure on domestic prices.

Bangladesh's rice output from the summer crop is likely to hit 19.7 million tons, exceeding the target of 19 million tons, as farmers raised acreage to cash in on higher prices. The South Asian country emerged as a major rice importer in 2017 after floods damaged its crops, sending domestic prices to record highs. Despite some losses due to heavy pre-monsoon rains, the summer crop will surpass the target, based on information from the fields. The summer-sown crop, also known as 'Boro', usually contributes more than half of Bangladesh's typical annual rice production of around 35 million tons. Rice prices in Bangladesh jumped around 40 percent last year due to depleting inventory, forcing the government to seek supplies from Asian countries like India, Thailand and Vietnam. The price increase prompted farmers to expand areas under Boro to more than 4.9 million hectares, exceeding the target of 4.7 million hectares. Last year, the country's Boro rice crop fell about 5 percent from a year earlier to 18 million tons, the lowest in seven years.

Bangladesh is imposing a 28 percent tax on rice imports to support its farmers after local production revived. The duty hike would reduce imports, especially from neighboring India, which emerged as the biggest supplier to the South Asian country last year after floods ravaged its crop. This year we have a bumper production in rice, thus to protect local farmers, 25 percent customs duty and 3 percent regulatory duty has been re-imposed on rice importation. Bangladesh had cut a previous import duty of 28 percent in two phases in 2017 to 2 percent after domestic rice prices climbed to a record high. Bangladesh's rice imports rose to a record 3.7 million tonnes in the July-April period, data from the country's food ministry showed.

Unofficial and preliminary Thailand rice exports (excluding premium white and fragrant rice) for May 7-13, 2018, totaled 175,467 metric tons, up 43,582 metric tons from the previous week and up 24,829 metric tons from the four-week moving average of 150,638 metric tons. Rice exports from January 1 – May 13, 2018 totaled 3,395,031 metric tons. Rice export prices declined one percent as the Thai baht weakened to 32.10 baht/U.S. \$1.00 from 31.71 baht/U.S. \$1.00. The government reported that 35 traders participated in the May 18, 2018 tender for 43,725 metric tons of food-quality rice. The tender consisted of 24,521 metric tons of 5% grade white rice, 13,280 metric tons of fragrant rice, 2,958 metric tons of glutinous rice, and 2,966 metric tons of broken rice, mostly from MY2013/14 pledging program. The tender was sold to nine bidders with the highest bids reaching approximately 18,000 baht per metric ton (U.S. \$563/MT) for fragrant rice and 11,400 baht per metric ton (U.S. \$356/MT) for white rice. The government also announced that it will issue two additional tenders to sell the remaining government rice stocks of (1) 1.5 million metric tons of feed-quality rice on June 14, 2018, and (2) 0.5 million metric tons of deteriorated rice on June 15, 2018.

The MY2018-19 Thailand rice production forecast is revised up to 21.2 million metric tons, a 4 percent increase from MY2017-18 due to larger than expected main crop fragrant rice acreage. Rice exports in 2018 are expected to reach 10.5 million metric tons. The government plans to sell the remaining government stocks in June 2018.

IGC Balance Sheet:

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

Attributes (Fig in Million Tons)	2015-16	2016-17 Estimate	2017-18 Forecast 22.02.2018	(2018-19) Proj. 26.04.2018	(2018-19) Proj. 24.05.2018
Production	475	488	488	493	490
Trade	39	47	47	47	48
Consumption	474	489	488	493	491
Carryover stocks	124	123	123	123	121
Y-O-Y change	1	-1	0		-1
Major Exporters	32	29	26	25	26

(Fig. In Million Tons)

IGC Rice Balance sheet Highlights:

As an increased forecast for supplies is matched by a higher figure for total use, world rice stocks in 2017/18 are seen unchanged m/m. The Council's outlook for production in 2018/19 is down by 3m t, to 490m, on reduced prospects in Asia, principally in China. With global uptake tentatively seen returning to growth, aggregate end-season inventories are predicted slightly lower than before, in part due to a reduced figure for China. The projection for trade in 2018 is lifted to 48m t, up marginally y/y and a fresh record. The 2017/18 global rice outturn is estimated to be broadly steady y/y as bigger crops in Asia's key producers, notably China, India and Thailand, compensate for reductions elsewhere. With little change in use expected, stocks are predicted to be stable, as nominal accumulation in China more than offsets a drop in the major exporters. Given the y/y rise in international values, and assuming continued farmer support, 2018/19 rice plantings are expected to rise by 1% y/y as production edges up to a new peak. With modest growth in uptake predicted, carryovers could contract slightly. China's stocks may tighten marginally on a drop in local output, but would still account for 60% of the world total, while major exporters' reserves are seen steady y/y due to offsetting changes in India and Thailand. Trade is projected to grow over the next two years on firm demand from African buyers in particular. India is anticipated to be by far the biggest exporter.

IGC Forecast the World Rice Production Up in 2018-19

In its April 2018 Grain Market Report (GMR), the International Grains Council (IGC) projection for 2018-19 global rice production at around 490 million tons, up about 03 MMT from an estimated 488 million tons in 2017-18 on favorable Asian weather condition.

Global Trade of Rice Up from Last Year

The IGC forecasts 2018-19 global rice trades at around 48 million tons, around 1 Mt up from its estimates for 2017-18. It expects world rice trade in 2018 to remain same on normal demand from buyers in Africa and Asia.

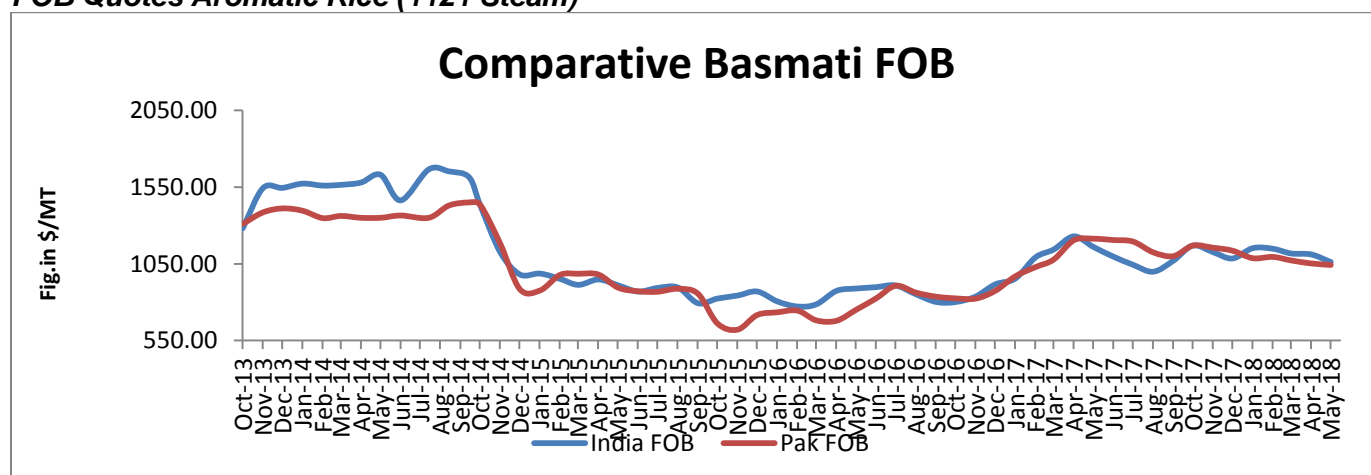
Global Consumption of Rice Increases in 2018-19

The IGC forecasts 2018-19 global rice consumption up by 03 million tons around 491 million tons in 2018-19. World rice stocks are projected to tighten in 2017/18 on a contraction in the major exporters, led by Thailand and India.

Indicative Basmati Parity Sheet

Parity Calculation Sheet	Rajkot (Kandla)	Andhra Pradesh(Vizag)	Punjab(Kandla)	Haryana(kandla)	West Bengal(Kolkata)
Price @ various center	71200	72000	69500	69000	72500
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)	72150	72950	71400	70900	73500
Indian FOB (USD/MT)	1069.05	1080.90	1057.93	1050.53	1089.05
Insurance @ 0.1%	1.07	1.08	1.06	1.05	1.09
Freight Charges (US \$/ton) to Iran	55	55	55	55	55
CIF (Kandla to Iran)	1125.12	1136.98	1113.99	1106.58	1145.14
INR MonthlyAverage	67.49	67.49	67.49	67.49	67.49

FOB Quotes Aromatic Rice (1121 Steam)



Source-FAO& AW

Indian FOB for 1121 steam in the month of May moved weak from last month and currently is in the range of USD 1062/MT which is down by 4.42% from last month price of USD 1111/T due to drop of rice price in the local market. Aromatic rice prices are also traded weak with sluggish buying from millers; Agriwatch expects that aromatic international rice price is likely to trade steady in coming months depends on kharif sowing intension by farmers. 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 1042.5/MT which is down by 0.95% from last month FOB of USD 1052.5/MT.

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

International Price Projection for Next Month

Duration	Trend	Support	Resistance
June-2018	Steady	S1-11.00 S2-10.50	R1-12.30 R2-13.00

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