Rice Monthly Research Report

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Outlook and Review (Domestic Front)-

- **Average monthly wholesale rice prices in India stood at around Rs.2736 per quintal in June- 2018, down about 0.89% from** around Rs.2760 per quintal in May- 2018, and down about 1.30% from around Rs.2772 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 and lower area coverage also may push the price up in medium term.

- **In order to encourage the farmers just before the 2019 general elections, the Union Cabinet approved the Minimum Support Price (MSP)** for Kharif crops for 2018-19. The move to hike the MSP for Kharif crops is in line with the government's Budget announcement of hiking the support price by one-and-a-half times of the production cost for Kharif crops. The government increases the minimum support price (MSP) of paddy by Rs 200 per quintal to Rs 1,750 for the MY- 2018-19 crop year starting from October.

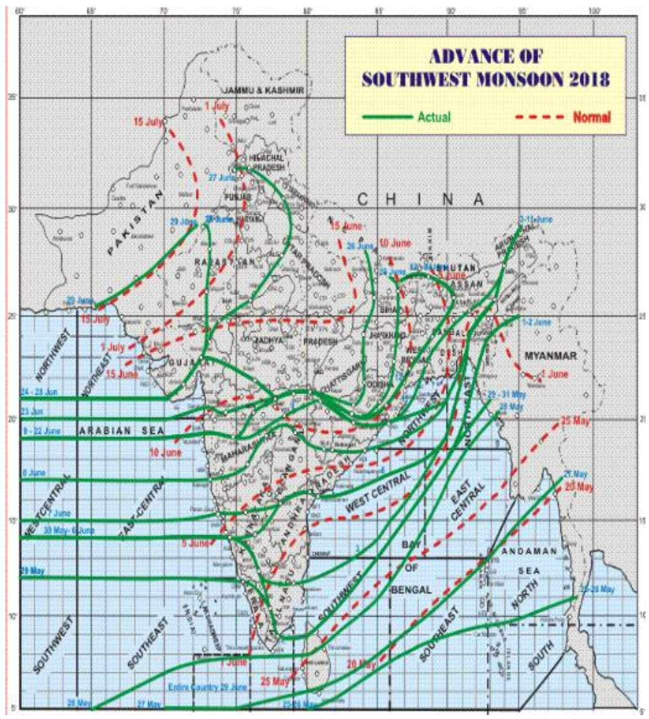
- **As on 6th July-2018, area sown to rice, the main kharif crop, has remained lower by 15% at 67.25 lakh hectare (ha) so far in the** 2018-19 season due to uneven distribution of rainfall. The planting of kharif (summer-sown) crops begin from June with the onset of southwest monsoon, which covered the entire country on June 29, two weeks earlier than the normal date. According to the latest sowing data released by the Agriculture Ministry, rice acreage lagged behind at 67.25 lakh hectare so far in the kharif 2018-19 season as against 79.08 lakh hectare in the year ago period. Less area of rice was reported from the states of Chhattisgarh (4.26 lakh ha), Uttar Pradesh (3.47 lakh ha), Punjab (2.77 lakh ha), Madhya Pradesh (1.60 lakh ha), Odisha (1.55 lakh ha), Haryana (1.03 lakh ha) and Manipur (1.03 lakh ha), among others.

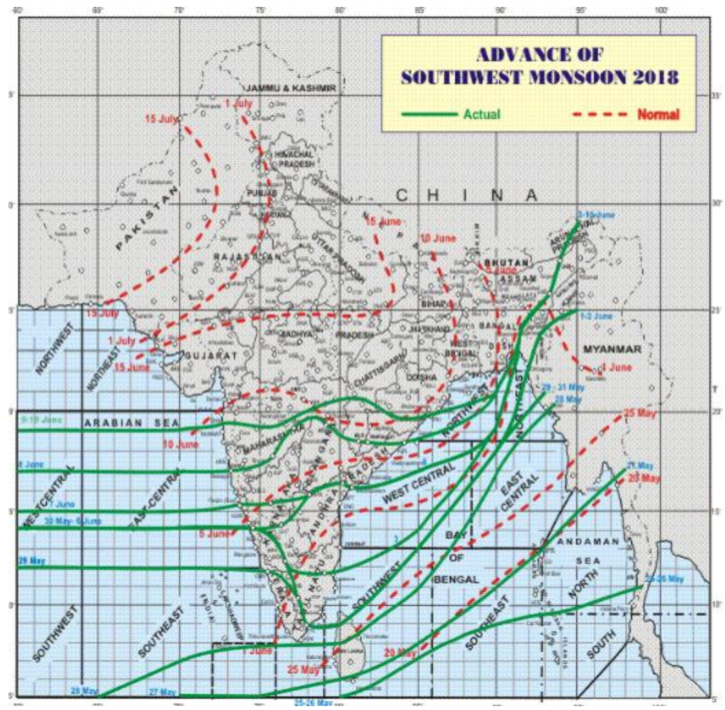
- **All-India progressive procurement of Rice as on 29.06.2018 for 2017-18 was at 361.73 lakh tons against the procurement** of 378.71 lakh tons in the corresponding period of last year. The procurement of wheat for the rabi marketing season (RMS) 2018-19 was 355.13 lakh tons which was higher than the procurement of 306.69 lakh tons in the corresponding period of RMS 2017- 18.

- **Rice export from India in the month of May-2018 was 12.53 lakh tons in which basmati rice contribution was 23.34%** of total and around 2.92 lakh tons of aromatic rice was exported in the month, Iran, U.A.E and Saudi Arabia were the major Indian aromatic rice importers in this month; on the other hand non-basmati rice export in this month was 9.60 lakh tons which was higher by around 55% from previous month export

- **In the monsoon season, at All-India level, the rainfall during the week (21st June, 2018 – 27th June, 2018) has been 16% lower than** Long Period Average (LPA). Rainfall in the four broad geographical divisions of the country during the above period have been lower than LPA by 31% in North West India, 26% in South Peninsula, 23% in East & North East India and 1% in Central India.

Weather-Watch:





The cumulative rainfall in the country during the monsoon season i.e. 01st June, 2018 to 27th June, 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 17% in South Peninsula but lower than LPA by 26% in East & North East India, 20% in North West India and 6% in Central India.

Price Projection for Next Month (July) in Domestic Market

Duration	**Trend**	**Average Price Range**	**Reason**
July - 2018	**Steady to Firm**	**Rs.2950-3450/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 29th June-2018:

State	RICE					
	Normal Area	Normal Area as on date	Area sown reported			Absolute Change
			This Year	% of Normal	Last Year	
Andhra Pradesh	15.30	0.38	0.78	5.1	0.42	0.36
Arunachal Pradesh	1.29	0.75	0.70	54.3	0.97	-0.27
Assam	20.73	2.09	1.30	6.3	1.89	-0.59
Bihar	31.64	1.14	0.36	1.1	0.90	-0.54
Chhattisgarh	38.08	3.48	3.03	8.0	2.42	0.61
Goa	0.29	0.10	0.00	0.0	0.00	0.00
Gujarat	7.41	0.18	0.01	0.2	0.03	-0.02
Haryana	12.94	3.74	1.91	14.8	1.92	-0.01
Himachal Pradesh	0.74	0.47	0.44	59.7	0.53	-0.09
J&K	2.80	0.52	0.22	7.9	0.33	-0.11
Jharkhand	14.94	0.19	0.00	0.0	0.04	-0.04
Karnataka	10.00	1.08	0.00	0.0	0.00	0.00
Kerala	1.48	0.56	0.42	28.4	0.44	-0.02
Madhya Pradesh	20.50	0.71	0.10	0.5	0.05	0.05
Maharashtra	15.08	0.58	0.58	3.9	0.57	0.01
Manipur	0.33	1.10	0.00	0.0	0.68	-0.68
Meghalaya	0.97	0.48	1.00	103.0	0.99	0.01
Mizoram	0.32	0.36	0.35	107.8	0.36	-0.01
Nagaland	1.91	1.25	0.88	46.2	1.02	-0.14
Odisha	37.66	4.45	1.45	3.9	1.50	-0.05
Punjab	28.93	13.91	7.30	25.2	9.52	-2.22
Rajasthan	1.64	0.19	0.00	0.0	0.16	-0.16
Sikkim	0.11	0.03	0.00	0.0	0.00	0.00
Tamil Nadu	15.46	0.79	1.19	7.7	0.84	0.35
Telangana	9.20	0.18	0.52	5.7	0.29	0.23
Tripura	1.99	0.32	0.00	0.0	0.36	-0.36
Uttar Pradesh	58.87	3.37	1.23	2.1	0.69	0.54
Uttrakhand	2.47	1.47	1.91	77.4	1.90	0.01
West Bengal	41.91	1.25	1.14	2.7	1.20	-0.06
Pondicherry	0.12			0.0	0.01	-0.01
Others	0.29	0.05	0.08	28.7		0.08
All-India	**395.39**	**45.15**	**26.91**	**6.8**	**30.02**	**-3.11**

About 26.91 lakh hectares area covered under rice has been reported compared to normal of corresponding week (45.15 lakh hectares). Thus 18.24 lakh hectares less area has been covered compared to normal of corresponding week. The area has been reported mainly from the states of Uttrakhand, (1.91 lakh hectares), Assam (1.30 lakh hectares), Tamilnadu (1.19 lakh hectares), Mizoram (0.35 lakh hectares), Maharashtra (0.58 lakh hectares), Kerala (0.42 lakh hectares), and West Bengal (1.14 lakh hectares).

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

Rice Price Comparison Delhi Market(in Rs./Qtl)							
Variety	6-Jul-18	30-Jun-18	6-Jun-18	6-Jun-17	% ch. From last week	% Change from last Month	% Change from last Year
1121 Steam	7400	7200	7000	7100	2.78	5.71	4.23
1121 Sella	6700	6700	6500	5900	0.00	3.08	13.56
1121 Raw	7300	7200	7100	7000	1.39	2.82	4.29
Basmati Raw	7000	7000	7000	7100	0.00	0.00	-1.41
1509 Steam Wand	6900	6900	6600	NA	0.00	4.55	#VALUE!
Sugandh Steam	5600	5600	5500	NA	0.00	1.82	#VALUE!
Sharbati Raw	4500	4900	4800	4800	-8.16	-6.25	-6.25
Pusa Raw Wand	6300	6400	6300	6400	-1.56	0.00	-1.56
Parmal Sella	2950	2900	2800	3100	1.72	5.36	-4.84

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	16.37	16.37	96.87	69.32	41.57
Production	**104.00**	**108.00**	**109.00**	**108.50**	**108.50**	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	126.07	124.87	124.87	96.87	69.32	41.57
Consumption	96.50	97.00	97.50	98.00	24.50	24.50	24.50	24.50
Exports	**10.41**	**11.10**	12.20	12.00	3.50	3.05	3.25	2.20
Total Usage	106.91	108.10	109.70	110.00	28.00	27.55	27.75	26.70
Carry out	**17.17**	**17.07**	**16.37**	**14.87**	**96.87**	**69.32**	**41.57**	**14.87**
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	2.01	1.82	47.45	33.95	20.36	7.28
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 July-2018 as new session starts for MY-2018-19. Agriwatch expects that rice export till September-2018 would touch 12.20 MMT; due to higher demand from importing countries like Africa, Bangladesh etc. 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 last quarter i.e. July onwards.

Rice production for new MY-2018-19 is likely to reach 108.5 MMT, which is slightly down from last year, on expectation of area shift to other crops whose MSP is relatively higher than paddy. 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 (000 Ha.)	Production(000 T)	Yield (kg./Ha.)	Area (000 Ha.)	Production(000 T)	Yield (kg./Ha.)
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
Uttrakhand	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 107-108 million tons as per Agriwatch preliminary estimate. As Kharif MSP for various crops is comparative higher than paddy so farmers prefer other crops like Cotton, Pulses, Coarse grain over paddy.

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 1121acreage 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.

State wise Wholesale Price Monthly Analysis

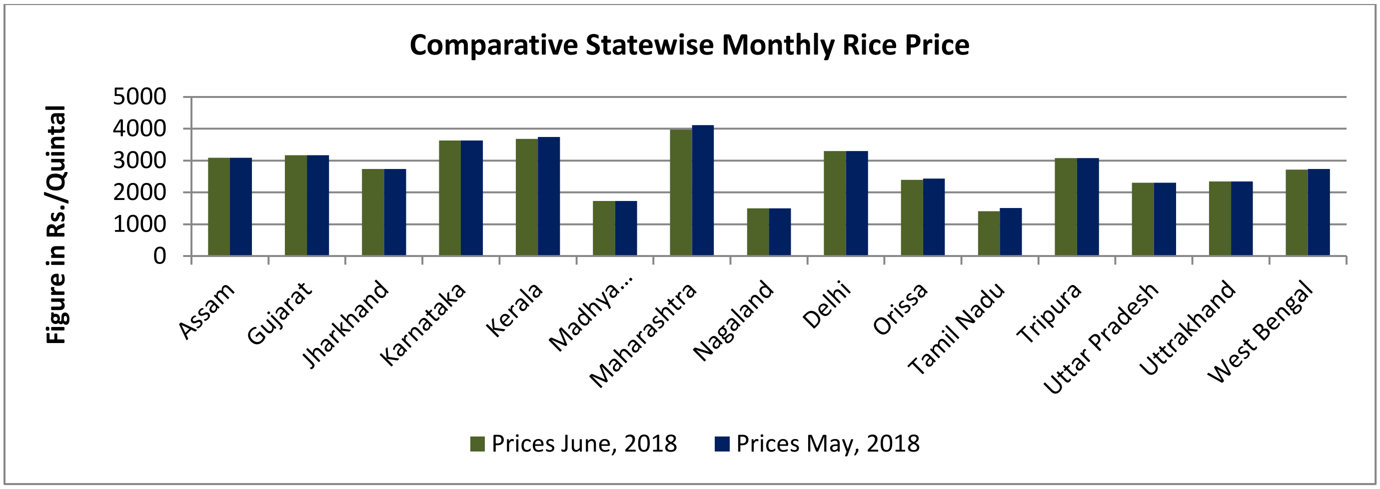
State	Prices June, 2018	Prices May, 2018	Prices June, 2017	% Change(Over Previous Month)	% Change(Over Previous Year)
Assam	3083.4	3083.4	3141.82	0	-1.86
Gujarat	3163.92	3163.92	3163.92	0	0
Jharkhand	2731.74	2733.26	2748.66	-0.06	-0.62
Karnataka	3627.25	3627.25	3656.98	0	-0.81
Kerala	3675.95	3735.72	3801.99	-1.6	-3.32
Madhya Pradesh	1736	1736	1736	0	0
Maharashtra	3967.76	4115.6	4115.6	-3.59	-3.59
Nagaland	1502.09	1502.09	1502.09	0	0
Delhi	3300	3300	3300	0	0
Orissa	2396.85	2435.2	2435.2	-1.57	-1.57
Tamil Nadu	1406.92	1512.33	1512.33	-6.97	-6.97
Tripura	3080.19	3080.19	3080.19	0	0
Uttar Pradesh	2302.17	2302.17	2302.17	0	0
Uttrakhand	2340.72	2340.72	2340.72	0	0

West Bengal	2718.64	2737.33	2737.33	-0.68	-0.68
Average	2735.57	2760.35	2771.66		

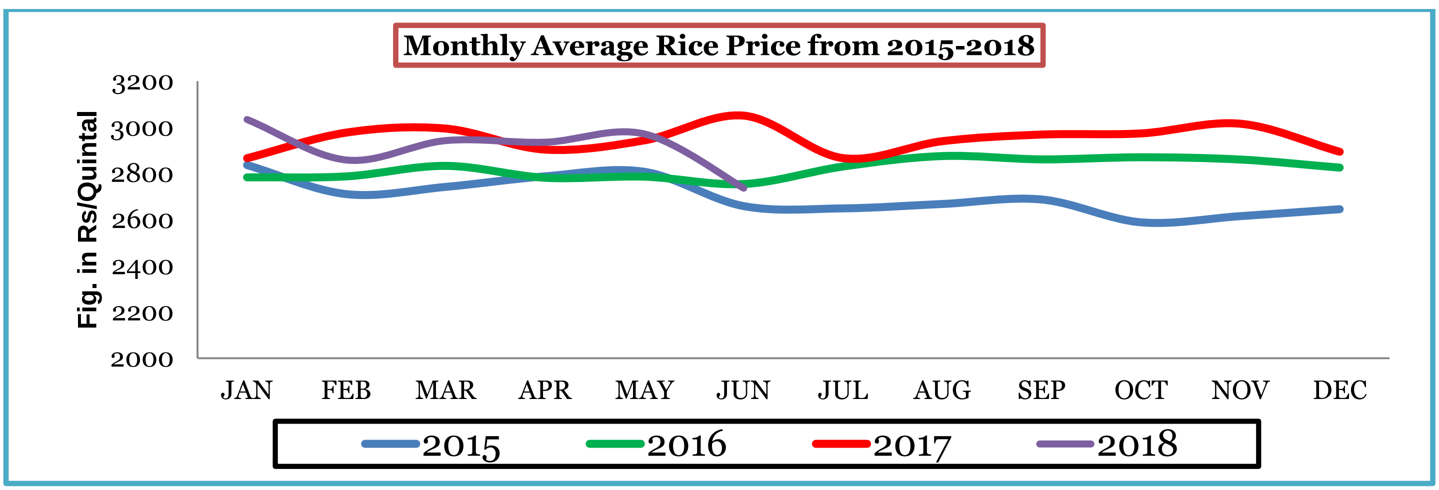
Source-Agmark

Average monthly wholesale rice prices in India stood at around Rs.2736 per quintal in June- 2018, down about 0.89% from around Rs.2760 per quintal in May- 2018, and down about 1.30% from around Rs.2772 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 and lower area coverage also may push the price up in medium term.

Indian Average Rice Price Trend- June



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	29.54						

Source-FCI

India's rice stocks in the central pool as on June- 1, 2018 stood at around 29.54 million tons up by about 2.42% from around 28.84 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 0.67% about by from around 29.74 million tons recorded on May-01, 2018. Highest stock could be seen in the state of Punjab (95.37 lakh tons) followed by Uttar Pradesh (19.91 Lakh Tons), Andhra Pradesh (20.91 lakh tons) and Haryana (21.22 lakh tons).

State wise Progressive Procurement

State/UTs	Target (only kharif crop) in marketing season 2017-18 (Oct. – Sept.)	Progressive Procurement as on 29.06.2018	
(in Lakh T)		In Marketing season 2017-18	In Marketing season 2016-17
AP	43.00	38.70	37.00
Telangana	34.00	36.21	35.88
Bihar	12.00	7.93	12.34
Chhattisgarh	48.00	32.07	40.22
Haryana	30.00	39.92	35.83
Jharkhand	2.50	1.43	1.39
Kerala	2.32	3.29	3.03
M.P	13.00	10.96	13.14
Maharashtra	4.34	1.77	3.04
Odessa	37.00	32.60	34.83
Punjab	115.00	118.33	110.52
Tamilnadu	15.00	8.33	1.41
U.P	37.00	28.75	23.54
Uttrakhand	7.00	0.38	7.06
West Bengal	27.00	0.54	18.84
Others	0	0.87	0.46
Total	**430.00**	**361.73**	**378.71**

All-India progressive procurement of Rice as on 29.06.2018 for 2017-18 was at 361.73 lakh tons against the procurement of 378.71 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 38.72 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	6.19	3.7	**9.89**
May-17	5.5	4.06	9.56	May-18	9.6	2.92	**12.52**
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**	**64.87**	**25.47**	**90.34**

Source-DGCIS

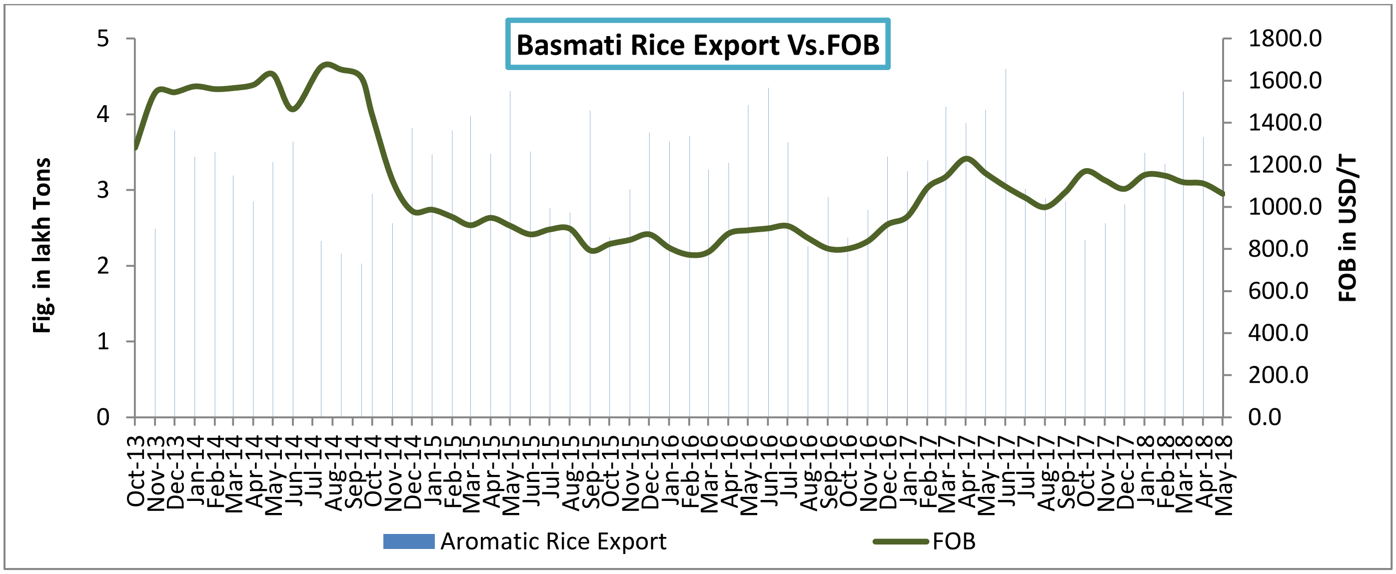
Rice export from India in the month of May-2018 was 12.53 lakh tons in which basmati rice contribution was 23.34% of total and around 2.92 lakh tons of aromatic rice was exported in the month, Iran, U.A.E and Saudi Arabia were the major Indian aromatic rice importers in this month; on the other hand non-basmati rice export in this month was 9.60 lakh tons which was higher by around 55% from previous month export, major importing countries of non-basmati rice in the month were Benin, Indonesia and Saudi Arabia followed by Bangladesh. Total rice export in MY-2017-18 (From Oct to May) from India was 90.34 lakh tons up by 33% from corresponding period of last year export of 67.86 lakh tons.

Destination Wise Basmati and Non-basmati Rice Export in May-2018:

Basmati Rice			Non-Basmati Rice		
Country	**Quantity in Kgs**	**Av. FOB in USD/T**	**Country**	**Quantity in Kgs**	**Av. FOB in USD/T**
IRAN	171009.96	1173.75	BENIN	125293.81	428.92
UAE	24723.24	1090.36	INDONESIA	81609.64	419.55
SAUDI ARABIA	23931.2	1182.25	SAUDI ARABIA	68028.88	717.06
IRAQ	22185.84	1087.75	BANGLADESH	61026.26	424.32

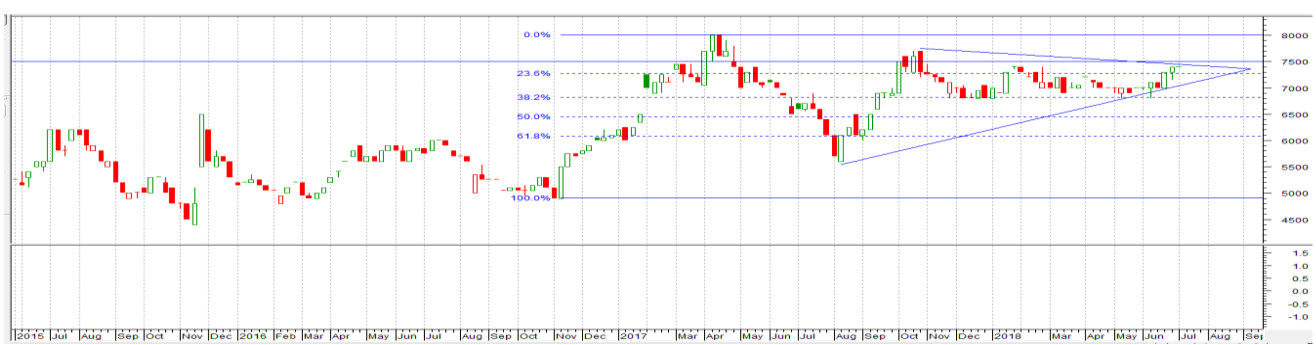
YEMEN	9380.62	1206.71	GUINEA	54031.00	449.94
OMAN	5627.14	1170.40	UAE	42782.06	584.58
TURKEY	5519.45	1046.11	SOMAALIA	35370.22	409.65
JORDAN	4984.42	1159.43	TOGO	32917.10	427.58
KUWAIT	3090.91	1170.7	DJIBOUTI	31634.10	421.99
UNITED STATES	2943.20	766.90	UNITED STATES	29200.48	734.38
Others	19127.55	1145.98	Others	398693.92	881.05
Grand Total	**292523.56**	**8383.88**	**Grand Total**	**960587.47**	**868.30**

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 May was 2.9 lakh tons with an average FoB of USD 1062/T. Basmati rice export in the month was around 21% lower than last month export of 3.70 lakh tons and around 28% lower by last year export of 4.06 lakh tons in the month of May-2017.

Technical Chart of 1121 Steam Rice (Delhi):



Technical chart of 1121 steam rice shows firmed sentiments in the month of June and currently 1121 steam rice price is Rs.73-7400/quintal. Prices have likely to touch the nearest resistance of Rs.7500/qtl and if it breaks the resistance, 1121 steam rice in Delhi could touch @ Rs. 8000/Quintal.

Rice Market Outlook

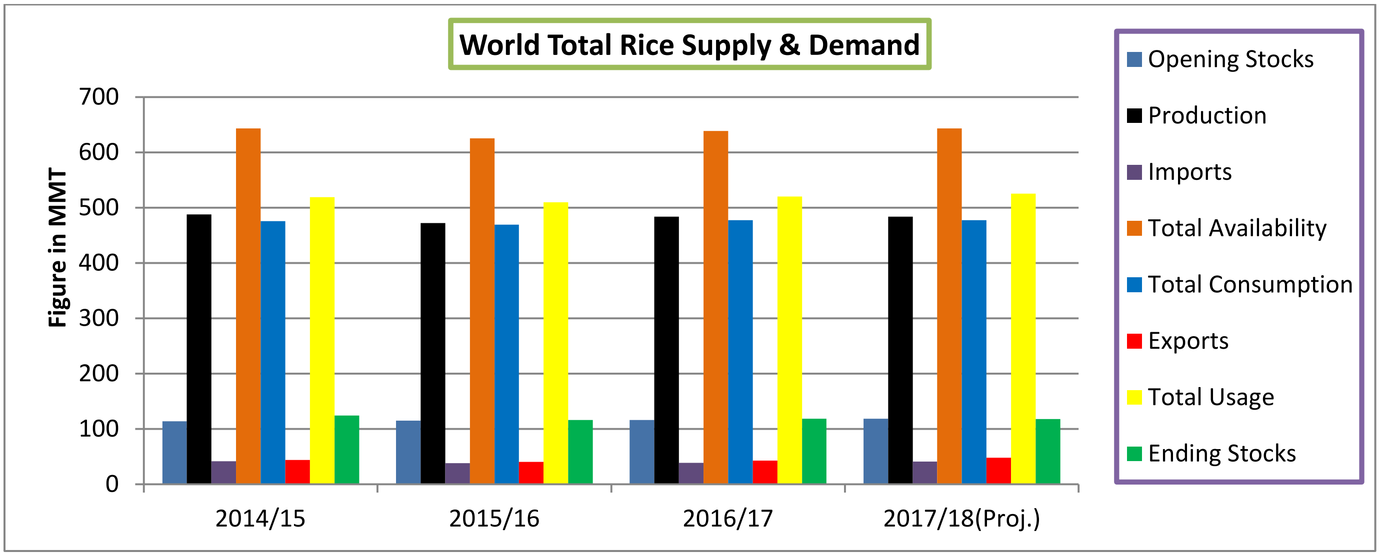
The rupee weakened against the USD, the export value of rice also declined, the price of 5% broken rice came down to 395-396 dollar / ton, at the lower level of one year. Due to the weakening of the export demand, rice prices also declined, due to which, rice exporters are getting good profits. Despite the fall in prices, the demand remains weak. Bangladesh has imported rice in the last year, but this year there has been a decline in demand due to increasing rice production. Non-basmati rice price is likely to up in the last quarter of MY-2017-18 due to lower area coverage expectation and high export demand.

Price of Aromatic rice was traded firmed in June by from last month and currently 1121 steam rice traded at Rs.71-7300/quintal; Agriwatch expects price to be steady to firm in coming months with decreasing arrival and lower area expectation. 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 tons in the July-April period, data from the country's food ministry showed.

The MY-2018-19 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.

Approximately 70 percent of MY2018/19 main crop rice has been planted in Thailand due to favorable weather conditions, particularly in the northeastern region which accounts for around 60 percent of total rice planted area. The Thai Meteorological Department expects precipitation to be 5-10 percent above normal during May – July 2018 in main crop rice growing areas, especially in the northern and northeastern regions (Figure 1.1). Although precipitation in the central plains is expected to be 5 percent below normal, rice in this region relies mainly on irrigation for water.

IGC Balance Sheet:

Attributes (Fig in Million Tons)	2015-16	2016-17 Estimate	2017-18 Forecast	(2018-19) Proj. 24.05.2018	(2018-19) Proj. 02.07.2018
Production	475	488	488	490	491
Trade	39	47	47	48	48
Consumption	474	489	488	491	493
Carryover stocks	124	123	123	121	121
Y-O-Y change	1	-1	0		-2
Major Exporters	32	29	26	26	26

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

(Fig. In Million Tons)

IGC Rice Balance sheet Highlights:

Rice supply and demand forecasts for 2017/18 are little-changed from before, with trade in 2018 seen at a peak on firm demand from Asia. Including an upward revision for Thailand's main crop, the Council's 2018/19 global production outlook is raised slightly, to a new high of 491 mt, up by 3m y/y. The m/m increase in availabilities is channeled to consumption, leaving aggregate end-season inventories broadly unchanged, at a five-year low of 121 mt. Global rice production in 2017/18 is seen matching the prior year's peak of 488 mt as bigger crops in India, Thailand and China contrast with declines in Vietnam, the USA and elsewhere. With uptake unchanged y/y, stocks are set to rise as nominal accumulation in China more than compensates for declines in exporters, principally Thailand. Tentatively assuming continued farmer support encourages acreage gains, coupled with normal growing conditions, 2018/19 output is placed at a record 491 mt, up by 3m y/y. Linked to official efforts to rebalance supply and demand, production in China is likely to contract, but should be offset by bigger crops in exporters. Consumption is expected to rise on population growth, while ending stocks may retreat slightly on a fall in China. Trade is predicted to stay high on demand from Africa, with India the biggest supplier for the eighth consecutive year.

IGC Forecast the World Rice Production Up in 2018-19

In its July 2018 Grain Market Report (GMR), the International Grains Council (IGC) projection for 2018-19 global rice production at around 491 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.

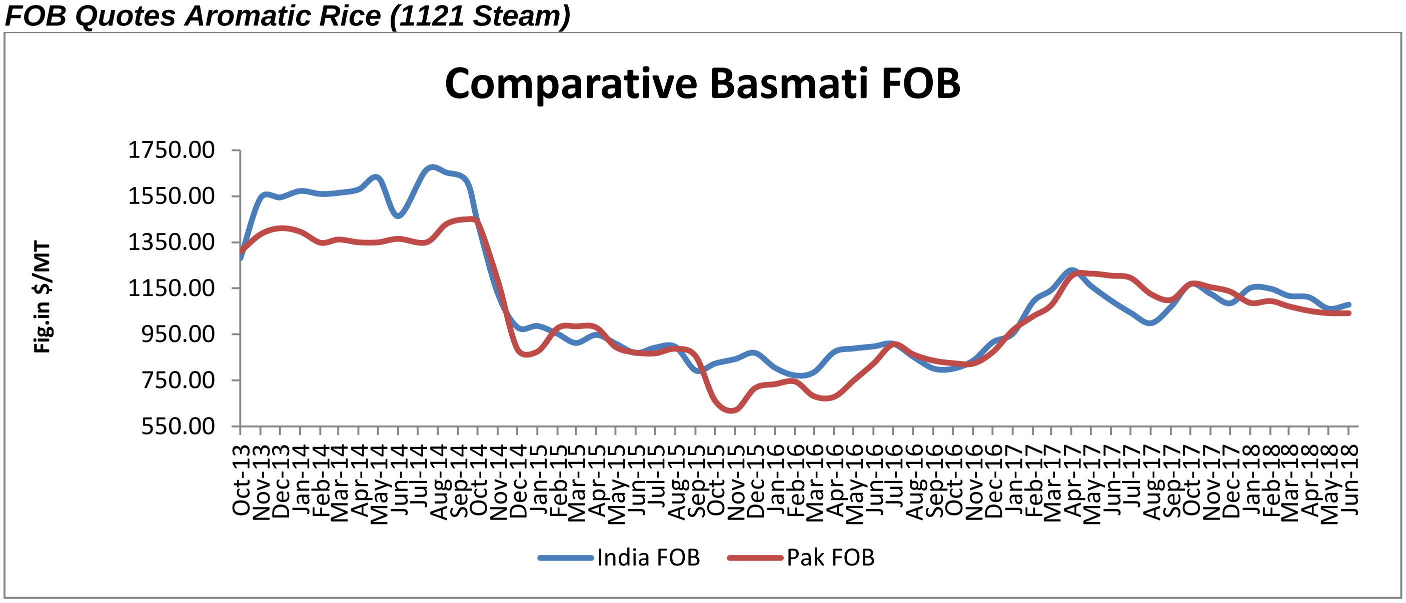
Global Consumption of Rice Increases in 2018-19

The IGC forecasts 2018-19 global rice consumption up by 05 million tons around 493 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	72000	72350	70500	70000	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)	72950	73300	72400	71900	73500
Indian FOB (USD/MT)	**1076.59**	**1081.76**	**1068.48**	**1061.10**	**1084.71**
Insurance @ 0.1%	1.08	1.08	1.07	1.06	1.08
Freight Charges (US $/ton) to Iran	55	55	55	55	55
CIF (Kandla to Iran)	1132.67	1137.84	1124.55	1117.16	1140.80
INR Monthly Average	67.76	67.76	67.76	67.76	67.76

FOB Quotes Aromatic Rice (1121 Steam)

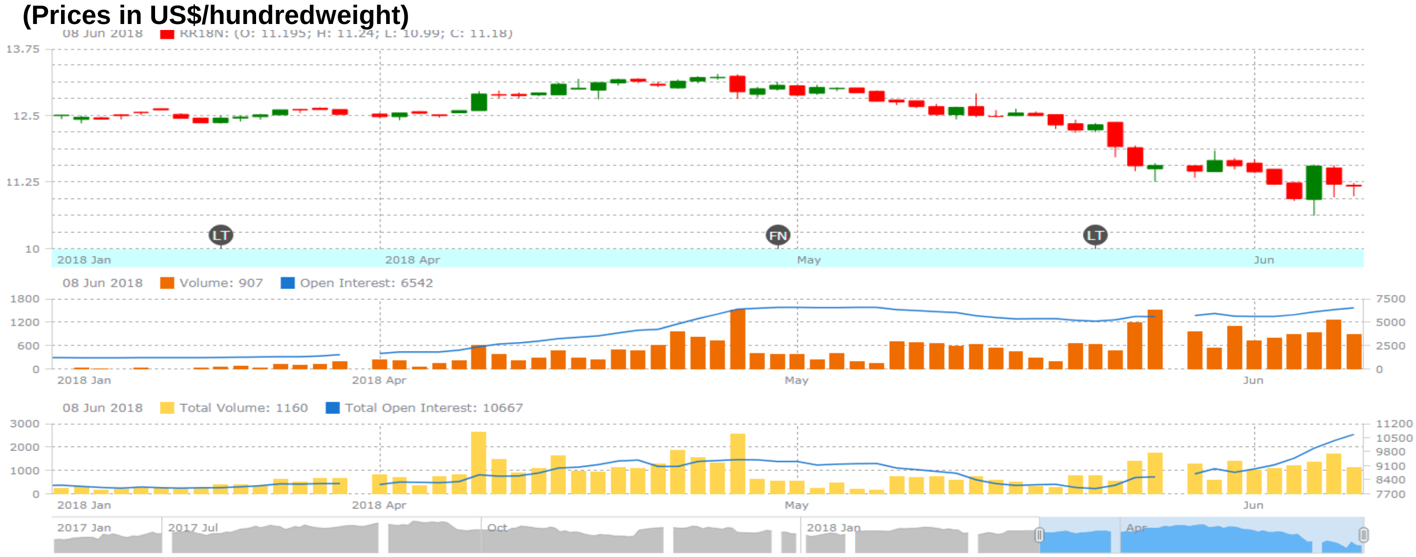


Source-FAO& AW

Indian FOB for 1121 steam in the month of June moved firm from last month and currently is in the range of USD 1079/MT which is up by 1.60% from last month price of USD 1062/T due to hike of rice price in the local market. Aromatic rice prices are also traded firmed with active 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/MT which is down by 0.04% from last month FOB of USD 1042.5/MT.

Rice Price Trend – CBOT

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



International Price Projection for Next Month

Duration	Trend	Support	Resistance
July-2018	**Steady**	**S1-11.00** **S2-10.50**	**R1-12.50** **R2-13.00**