Rice Monthly Research Report

Contents

Outlook and Review (Domestic Front)

- **Average monthly wholesale rice prices in India stood at Rs.3445 per quintal in July- 2018, up by 1.32% from** Rs.3400 per quintal in June- 2018, and up by 20% from Rs.2866 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 supported by lower carryover in coming season would likely to push the price up in last quarter of MY-2017-18.

- **The Ministry of Agriculture (MoA) estimates total area sown till Aug 3, 2018 at 85.46 million hectares compared to** 87.04 million hectares at the same time last year, with lower planting for most crops except sugarcane. There has been a substantial spurt in rice planting with the area jumping to 263 lh — 4.17 per cent lower than the 274 lh logged during the same period last year.

- **Despite the increase in the MSP of paddy by the central government to Rs 200 a quintal, the disappointment in the farmers of Chhattisgarh** But the farmers of Chhattisgarh hope that the existing government will pay 2100 rupees for their paddy to the farmers. Agriculture minister of Chhattisgarh said that the government can give bonus of Rs.300 per quintal to the farmers so that farmers can get a price of Rs.2050 a quintal.

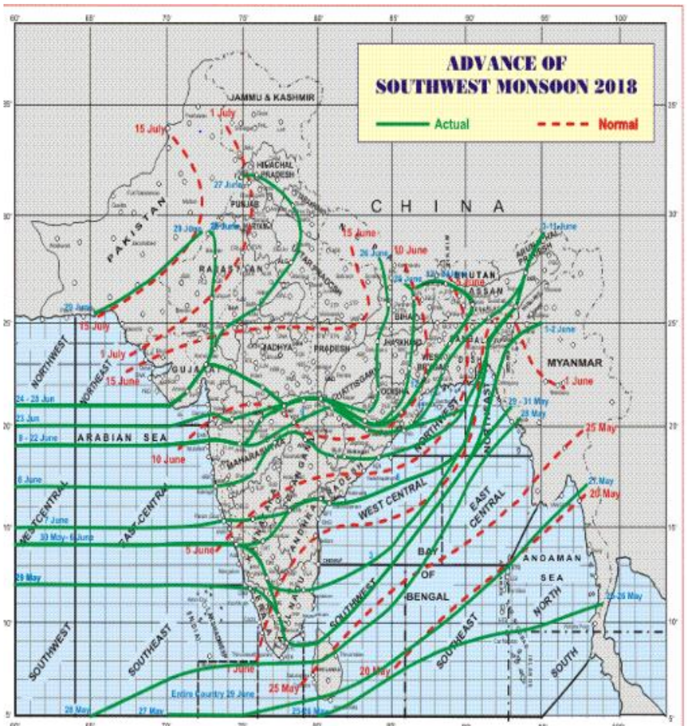
- **China can be imported not only non-basmati rice from India but broken rice too which is good news for Indian rice market**. China recently expressed the desire to buy rice from 19 Indian rice companies. India exports 40 million tons of basmati rice annually, which can now increase by 5%. First 300 tons of rice from India will go as trial, which will get better export orders.

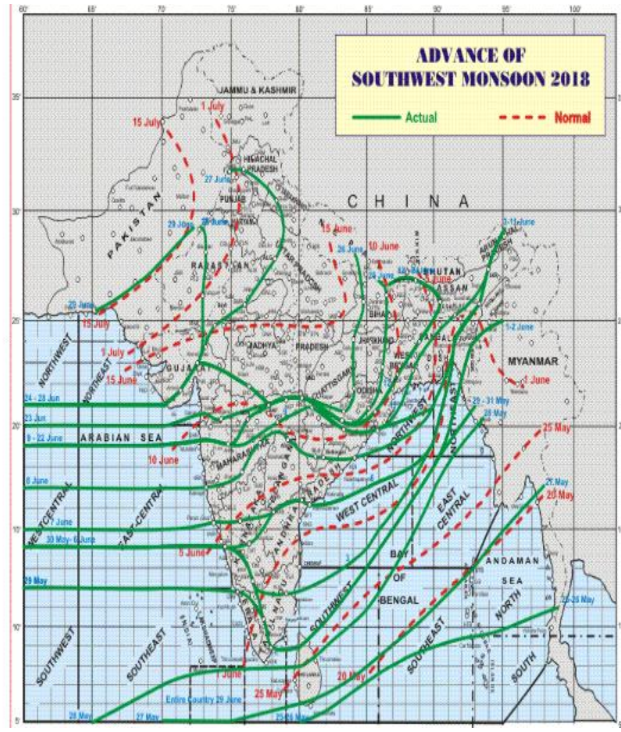
- **Assuming forecast rice production at 108 MMT, the recent hike in MSP is likely to increase government rice procurement** in the upcoming MY 2018-19. With the 12 percent increase in MSP, farmers are likely to bring more rice to the government as the government expands the MSP procurement operations for the upcoming marketing year due to the upcoming state and parliamentary elections. Market sources expect that government rice procurement is likely to reach a new record high of 40-42 MMT assuming normal production year. The Telangana government can buy 30 lakh tons of paddy from the farmers in MY-2018-19. In the last 4 seasons, the Telangana government procured 108 lakh tons of paddy from Government of about 22 lakh farmers.

- **After the European Union, Saudi Arabia showed red flags on its imports as a cancerous insecticide used in Basmati rice of India**. Saudi Arabia asked the exporters to reduce the use of fungicide. Saudi Arabia imports 70% of Indian basmati rice. Some shipment on the rice imported by Saudi Arabia is refrained as of now, Till now approximately 30 containers of Basmati has been rejected from January in which Punjab alone to export 2.5 million tons of basmati rice.

- **Since December 2017, Indian rice exports have been robust and steady on strong demand for non-Basmati rice,** mainly from neighboring Bangladesh and African countries. According to preliminary official statistics, rice exports from October 2017 to June 2018 were estimated at 10.53 MMT compared to 7.92 MMT for the corresponding period last year on firm demand for both basmati and non-Basmati rice.

Weather-Watch:





The cumulative rainfall in the country during the monsoon season i.e. 01st June, 2018 to 25th July, 2018 has been 3% 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 16% in Central India and 9% in South Peninsula but lower than LPA by 31% in East & North East India and 7% in North West India. Due to the downfall of monsoon in India, there was a possibility of a decline in the production of rice, due to which the trend of acceleration in the price of rice.

Price Projection for Next Month (Aug) in Domestic Market

Duration	**Trend**	**Average Price Range**	**Reason**
Aug - 2018	**Steady to Firm**	**Rs.3000-3500/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 which is lagging behind as of now.

Paddy Kharif Sowing Updates as on 03rd Aug-2018:

RICE						
State	Normal Area	Normal Area as on date	Area sown reported			Absolute Change
			This Year	% of Normal	Last Year	
Andhra Pradesh	**15.30**	5.83	7.25	47.4	6.09	1.16
Arunachal Pradesh	**1.29**	1.17	1.19	92.4	1.31	-0.12
Assam	**20.73**	15.23	11.71	56.5	14.08	-2.37
Bihar	**31.64**	23.95	19.95	63.1	28.57	-8.62
Chhattisgarh	**38.08**	30.75	31.48	82.7	31.16	0.31
Goa	**0.29**	0.18	0.21	73.4	0.26	-0.05
Gujarat	**7.41**	5.27	5.51	74.4	6.13	-0.61
Haryana	**12.94**	11.37	12.41	95.9	12.36	0.05
Himachal Pradesh	**0.74**	0.76	0.74	99.5	0.74	0.00
J&K	**2.80**	1.39	1.07	38.2	1.13	-0.06
Jharkhand	**14.94**	7.74	7.94	53.1	9.68	-1.74
Karnataka	**10.00**	3.58	3.08	30.8	3.02	0.06
Kerala	**1.48**	0.68	0.52	35.2	0.57	-0.05
Madhya Pradesh	**20.50**	14.69	19.66	95.9	14.19	5.47
Maharashtra	**15.08**	5.95	8.30	55.0	6.84	1.45
Manipur	**0.33**	1.70	0.32	96.7	1.69	-1.37
Meghalaya	**0.97**	0.96	1.01	104.3	1.10	-0.09
Mizoram	**0.32**	0.32	0.35	107.8	0.20	0.15
Nagaland	**1.91**	1.86	1.88	98.4	2.10	-0.22
Odisha	**37.66**	22.27	19.06	50.6	22.86	-3.80
Punjab	**28.93**	29.44	30.20	104.4	30.51	-0.31
Rajasthan	**1.64**	1.19	1.15	70.2	1.33	-0.18
Sikkim	**0.11**	0.11	0.10	90.1	0.11	-0.01
Tamil Nadu	**15.46**	2.10	2.32	15.0	1.51	0.82
Telangana	**9.20**	3.10	5.31	57.7	3.45	1.86
Tripura	**1.99**	1.01	0.19	9.6	1.29	-1.10
Uttar Pradesh	**58.87**	52.79	48.08	81.7	51.89	-3.81
Uttrakhand	**2.47**	2.42	2.43	98.5	2.45	-0.02
West Bengal	**41.91**	21.34	19.10	45.6	17.34	1.76
Pondicherry	**0.12**			0.0		0.00
Others	**0.29**	0.20	0.21	72.7	0.20	0.01
All-India	**395.39**	**269.34**	**262.73**	**66.4**	**274.16**	**-11.43**

About 262.73 lakh hectares area covered under rice has been reported compared to normal of corresponding week (269.34 lakh hectares). Thus 6.61 lakh hectares less area has been covered compared to normal of corresponding week. Higher area is mainly reported from the states of M.P (4.97 lakh Ha.), Maharashtra (2.35 lakh Ha.), Telangana (2.21 lakh Ha.), Andhra Pradesh (1.42 lakh Ha.), Haryana (1.04 lakh Ha.), Punjab (0.76 lakh Ha.), Chhattisgarh (0.73 lakh Ha.), Odisha (0.59 lakh Ha.), Gujarat (0.24 lakh Ha.), and Nagaland, Jharkhand, Meghalaya, Goa, Mizoram, Arunachal and Uttrakhand. Less area is reported from the states of U.P, Bihar, West Bengal, Manipur, Assam, Tripura, Karnataka, Tamilnadu etc.

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

Rice Price Comparison Delhi Market(in Rs./Qtl)							
Variety	4-Aug-18	28-Jul-18	(Month Ago) 04 Jul 2018	(Year Ago) 04 Aug 2017	% ch. From last week	% Change from last Month	% Change from last Year
1121 Steam	7250	7350	7400	5800	-1.36	-2.03	25.00
1121 Sella	6500	6500	6700	4700	0.00	-2.99	38.30
1121 Raw	7100	7200	7300	5700	-1.39	-2.74	24.56
Basmati Raw	7000	7000	7000	6400	0.00	0.00	9.38
1509 Steam Wand	6900	6900	6900	NA	0.00	0.00	#VALUE!
Sugandh Steam	5800	5800	5600	NA	0.00	3.57	#VALUE!
Sharbati Raw	5050	5000	4500	4700	1.00	12.22	7.45
Pusa Raw Wand	6400	6400	6300	5600	0.00	1.59	14.29
Parmal Sella	3000	3100	2900	2800	-3.23	3.45	7.14

Rice Supply & Demand ***(Back to Contents)***

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	17.57	17.07	17.07	97.07	69.52	41.77
Production	**104.00**	**108.50**	**110.00**	**108.00**	**108.00**	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	125.67	127.57	125.07	125.07	97.07	69.52	41.77
Consumption	96.50	97.00	97.50	98.00	24.50	24.50	24.50	24.50
Exports	**10.41**	**11.10**	**13.00**	**12.00**	3.50	3.05	3.25	2.20
Total Usage	106.91	108.10	110.50	110.00	28.00	27.55	27.75	26.70
Carry out	**17.17**	**17.57**	**17.07**	**15.07**	**97.07**	**69.52**	**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	2.17	2.10	1.85	47.54	34.05	20.46	7.38
Stock to Consumption Ratio	0.08	0.08	0.08	0.08	0.08	0.08	0.08	0.08

**AW Forecast (Preliminary)*

Agriwatch revised the rice balance sheet in first week of Aug-2018 as new session starts for MY-2018-19. Agriwatch expects that rice export till September-2018 would touch 130 MMT; due to higher demand from importing countries like Africa, Bangladesh and from Middle East 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 17.07 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 MMT, which is down by 2MMT 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

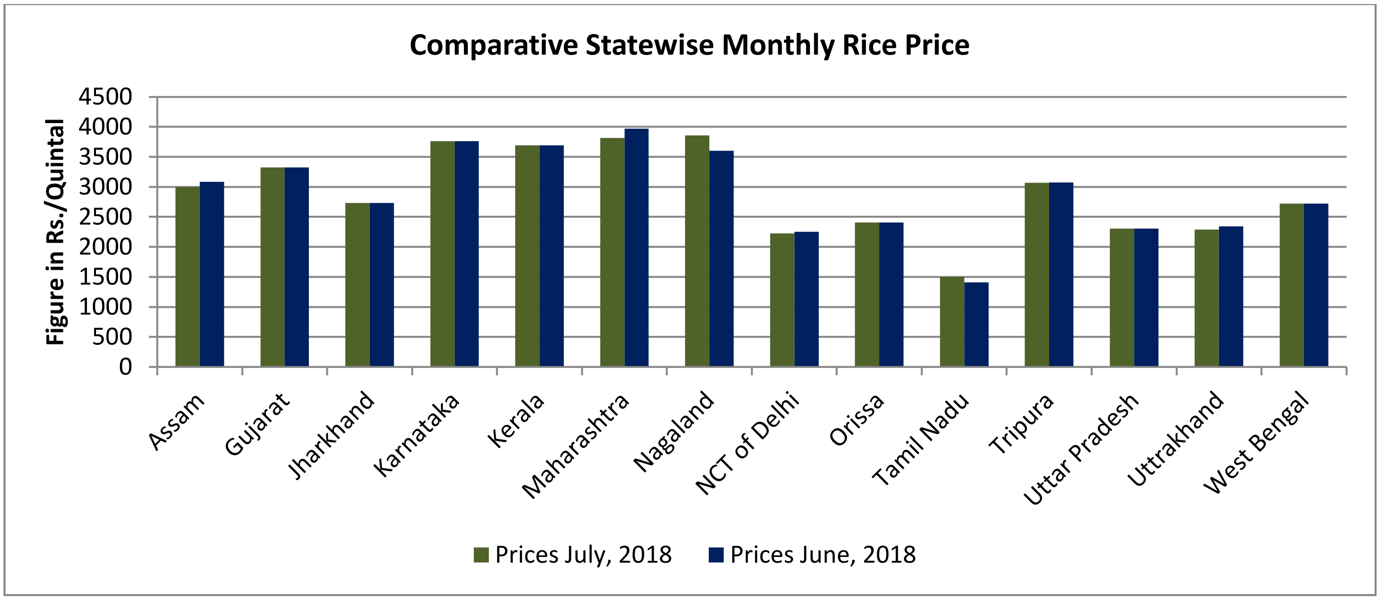
State	Prices July, 2018	Prices June, 2018	Prices July, 2017	% Change(Over Previous Month)	% Change(Over Previous Year)
Assam	2996.34	3083.4	3124.74	-2.82	-4.11
Gujarat	3325.08	3325.08	3325.08	0	0
Jharkhand	2733.33	2733.33	2746.22	0	-0.47
Karnataka	3759.36	3759.36	3759.36	0	0
Kerala	3693.71	3693.71	3821.46	0	-3.34
Maharashtra	3815.05	3967.62	3967.62	-3.85	-3.85
Nagaland	7143.9	15020.09	15020.09	-52.44	-52.44
Delhi	2224.34	2251.04	2251.04	-1.19	-1.19
Orissa	2405.03	2405.03	2463.58	0	-2.38
Tamil Nadu		1406.92	1406.92	__	__
Tripura	3069.58	3072.82	3072.82	-0.11	-0.11
Uttar Pradesh	2305.9	2305.9	2305.9	0	0

Uttrakhand	2286.66	2340.72	2340.72	-2.31	-2.31
West Bengal	2718.61	2718.77	2718.77	-0.01	-0.01
Average	3267.45	3720.27	3737		

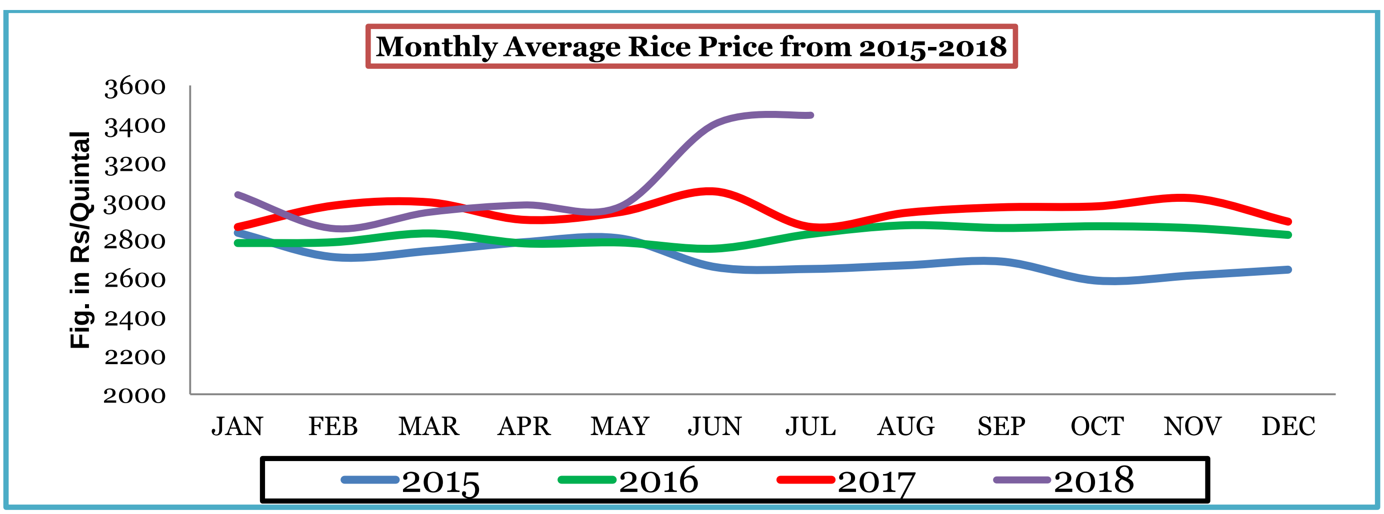
Source-Agmark

Average monthly wholesale rice prices in India stood at around Rs.3268 per quintal in July- 2018, down about 12% from Rs.3720 per quintal in June- 2018, and down by 12% from Rs.3737 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- July



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	23.25					

Source-FCI

India's rice stocks in the central pool as on July- 1, 2018 stood at around 23.25 million tons down by about 12.13% from around 26.46 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 22% about by from around 29.54 million tons recorded on June-01, 2018. Highest stock could be seen in the state of Punjab (89.30 lakh tons) followed by Uttar Pradesh (17.13 Lakh Tons), Andhra Pradesh (19.25 lakh tons) and Haryana (19.32 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	39.60	37.15
Telangana	34.00	36.21	35.93
Bihar	12.00	7.93	12.34
Chhattisgarh	48.00	32.55	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	1.79	3.06
Odessa	37.00	32.80	35.87
Punjab	115.00	118.33	110.52
Tamilnadu	15.00	8.40	1.41
U.P	37.00	28.75	23.54
Uttrakhand	7.00	0.38	7.06
West Bengal	27.00	0.59	18.95
Others	0	0.87	0.46
Total	**430.00**	**363.47**	**380.08**

All-India progressive procurement of Rice as on 27.07.2018 for 2017-18 was at 363.47 lakh tons against the procurement of 380.08 lakh tons in the corresponding period of last year. The procurement of wheat for the Rabi Marketing Season (RMS) 2018-19 was 355.22 lakh tons which was higher than the procurement of 306.65 lakh tons in the corresponding period of RMS 2017-18.Higher procurement has been received from northern states of Punjab (118.33 lakh Tons), Haryana (39.92 lakh tons), and U.P (28.75 lakh tons) and in south it is started in Telangana (36.21 Lakh Tons). Andhra Pradesh Government procurement has reached to 39.19 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 32.80 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	10.23	4.79	**15.02**
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**	**75.10**	**30.26**	**105.36**

Source-DGCIS

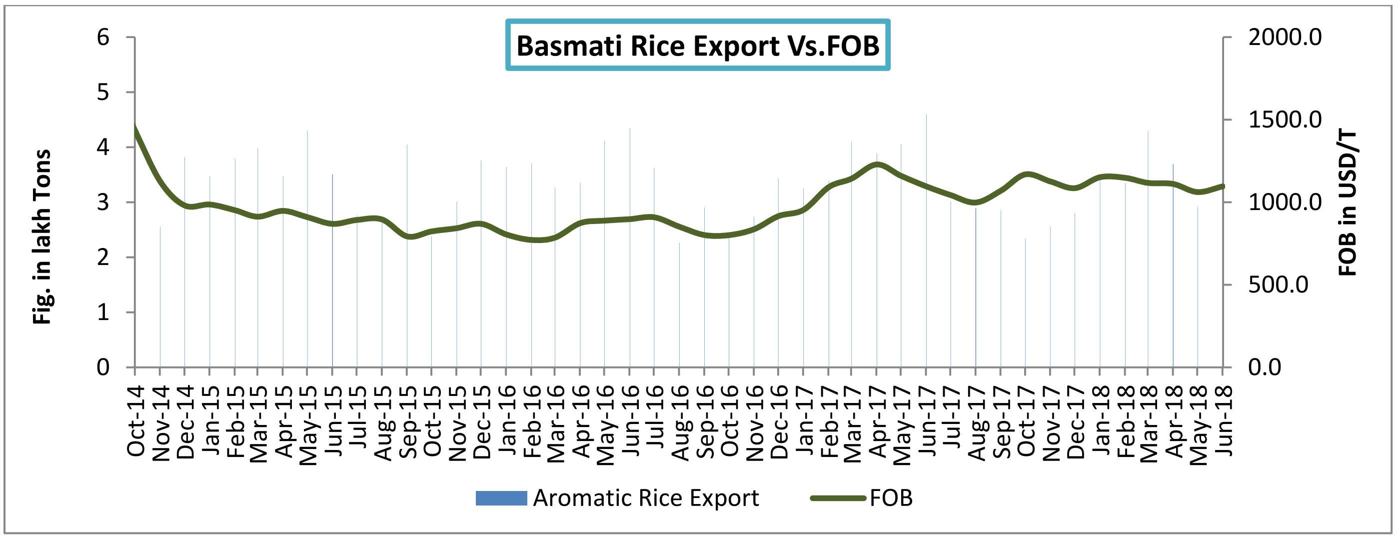
Rice export from India in the month of June-2018 was 15.02 lakh tons in which basmati rice contribution was 31.9% of total and around 4.79 lakh tons of aromatic rice was exported in the month, Iran, Iraq and Saudi Arabia were the major Indian aromatic rice importers in this month; on the other hand non-basmati rice export in this month was 10.23 lakh tons which was higher by around 6.56% from previous month export, major importing countries of non-basmati rice in the month were Benin, Indonesia and Bangladesh followed by Qatar. Total rice export in MY-2017-18 (From Oct to May) from India was 10.53 lakh tons up by 33% from corresponding period of last year export of 79.2 lakh tons.

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

Non- Basmati Rice Export in June		Basmati Rice Export in June	
Country	**Tons**	**Country**	**Tons**
INDONESIA	190646.00	IRAN	375899.49
BANGLADESH	125568.04	SAUDI ARABIA	23583.74
BENIN	81328.87	IRAQ	15833.08

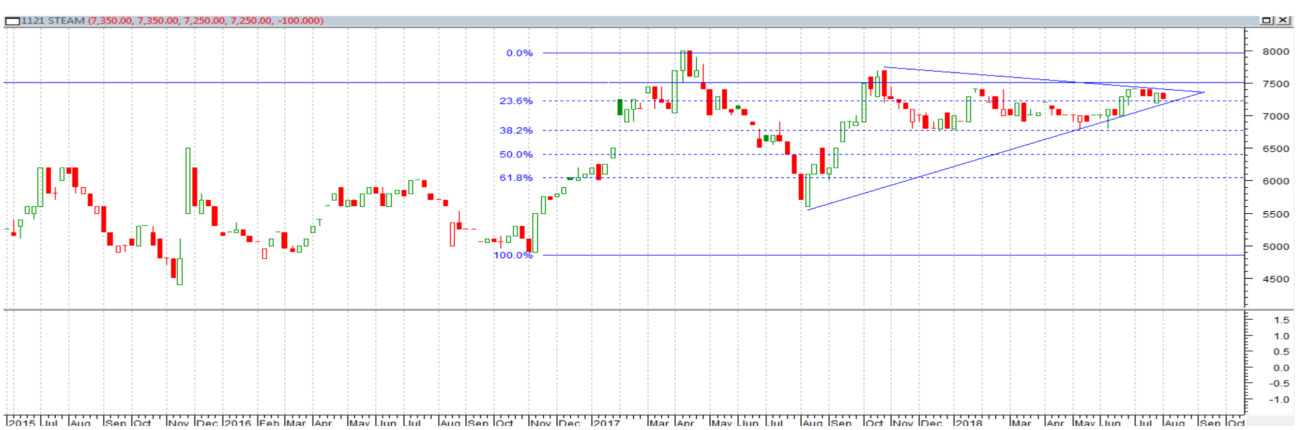
QATAR	58539.50	UNITED ARAB EMIRATES	13005.67
SAUDI ARABIA	49109.96	UNITED STATES	6012.91
PHILIPPINES	40832.18	YEMEN, DEMOCRATIC	5652.89
LIBERIA	39101.20	COTE D IVOIRE	4000.00
SOMAALIA	30295.73	OMAN	3643.45
UNITED ARAB EMIRATES	28098.93	JORDAN	3302.60
SOUTH AFRICA	25547.69	KUWAIT	3110.79
Others	354325.78	Others	25354.03
Grand Total	**1023393.87**	**Grand Total**	**479398.65**

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 June was 4.79 lakh tons with an average FoB of USD 1097/T. Basmati rice export in the month was 64% higher than last month export of 2.92 lakh tons and 4% higher by last year export of 4.60 lakh tons.

Technical Chart of 1121 Steam Rice (Delhi):



Technical chart of 1121 steam rice shows steady to firm sentiments in the month of July and currently 1121 steam rice price is Rs.72-7300/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 before the onset of new crop starting from October.

Rice Market Outlook

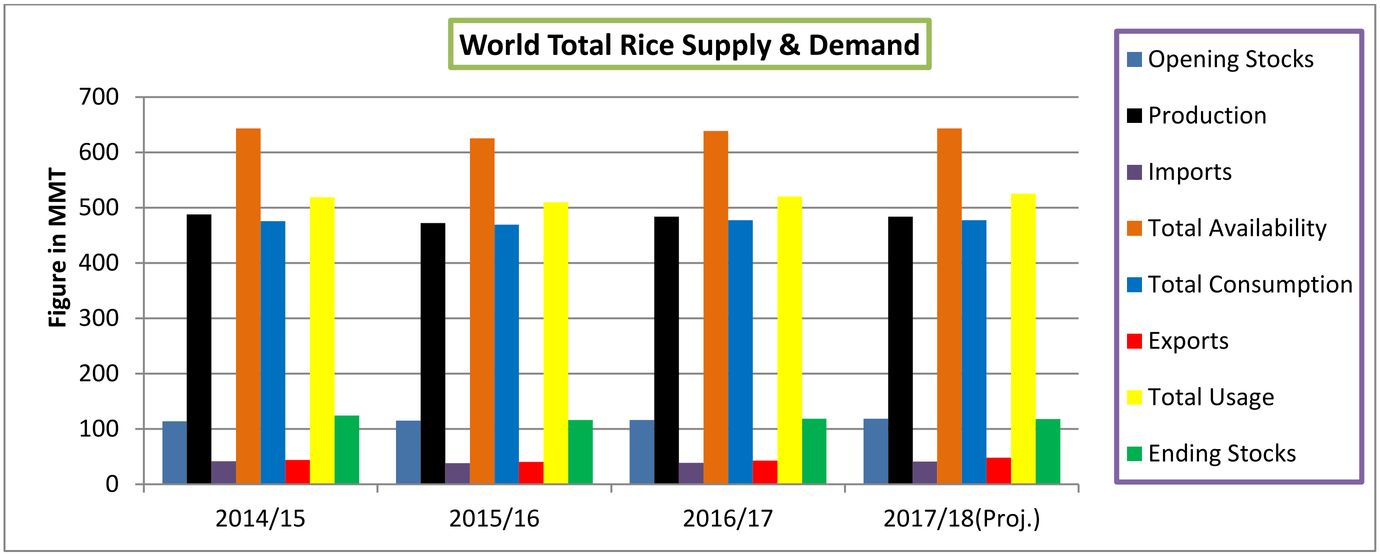
A recent hike in the MSP is likely to raise opening prices in the upcoming MY 2018/19, but future price movements will largely depend on the harvest prospects of the upcoming crop and international demand. Despite strong export demand, domestic prices have eased in July on continued rabi rice arrivals. Prices are likely to remain steady through the fourth quarter of MY 2017/18 (July-Sept) assuming normal monsoon and planting of the upcoming kharif rice crop.

Price of Aromatic rice was traded firmed in July by from last month and currently 1121 steam rice traded at Rs.73-7400/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

Unofficial and preliminary Thailand rice exports (excluding premium white and fragrant rice) for July 9-15, 2018, totaled 184,604 metric tons, up 23,673 metric tons from the previous week and up 14,127 metric tons from the four-week moving average of 170,477 metric tons. Rice exports from January 1 – July 15, 2018 totaled 4,899,718 metric tons. Domestic and export rice prices remain unchanged from the previous week. Exporters are fulfilling their pending contracted shipments of white rice to the Philippines and several African countries. 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.

The 2017/18 Indonesia harvested area for rice is estimated to decline slightly to 12.2 million hectares due to increased corn plantings. Production for 2017/18 is estimated to remain at 37.0 million tons of milled rice equivalent as a result of better yields due to fewer incidents of pest and disease and increased use of higher yielding varieties. To replenish stocks, Government of Indonesia (GOI) is expected to continue issuing authorizations for importing rice to state-run procurement agency BULOG. Rice imports for 2017/18 are estimated to increase significantly to 2.0 million tons, over 2016/17 imported volumes.

Data from the 2013 Indonesian National Economic Survey (Susenas) shows an average decline in per capita rice consumption of 1.62 percent per annum. The decline in rice consumption is partly offset by increasing consumption of wheat flour-based foods such as instant noodle and bread. Relatively stable macro-economic conditions have allowed middle and upper-middle income consumers to diversify their diets to include more western-style foods like bread and pasta. Rather than eating rice three times per day, many Indonesians have switched to eating bread or noodles for breakfast. Restaurants are also driving demand for wheat-based food products. Nonetheless, 2017/18 rice consumption is estimated to increase to 38.0 million tons in line with population growth. For the same reason, 2018/19 rice consumption is forecast to further increase to 38.2 million tons.

Rice ending stocks for 2017/18 are estimated to increase to 3.9 million tons of milled rice equivalent, tracking with rice production increases and increased imports, compared to the previous 2016/17 ending stocks of 2.9 million tons. Ending stocks for 2018/19 are expected to decrease to 3.8 million tons of milled rice equivalent in line with forecast production increase and lower imports.

Argentine rice exports in MY2018/19 are projected at 450,000 tons (milled base), 50,000 tons higher than USDA. The recent devaluation of the local currency has helped the competitiveness of Argentine rice and most players hope this situation will continue through 2019. Local brokers hope that Brazil continues to be more active, while they report that Argentina has recently closed export sales of rice to Iraq, Mexico and Spain.

MY 2017/18 imports are forecast at 650,000 metric tons (MT), virtually unchanged from MY 2016/17 levels. The vast majority of Brazil's rice imports come in duty-free from its MERCOSUL neighbors: Paraguay, Uruguay, and Argentina, with nearly 60 percent of MY 2016/17 imports coming from Paraguay alone. MY 2018/19 imports are forecast at 725,000 MT to account for a small uptick in consumption based on population growth.

IGC Balance Sheet-

Attributes (Fig in Million Tons)	2015-16	2016-17	2017-18 Estimate	(2018-19) Forecast. 02.07.2018	(2018-19) Forecast. 26.07.2018
Production	475	488	488	491	491
Trade	39	47	47	48	48
Consumption	474	489	488	493	491
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

IGC Rice Balance sheet Highlights:

Rice supply and demand in 2017/18 is seen unchanged from the last GMR, with stock building in Asia likely to underpin trade in 2018. The Council's 2018/19 production outlook is maintained at a peak of 491m t, up by 1% y/y, as a downgrade for Pakistan is offset by an upward revision for the USA. Trade could expand in 2019 on firmer demand from Africa, with India still seen as the biggest exporter. Global rice trade in 2018 is forecast to expand marginally y/y, to 47.5m t, as weaker demand from sub-Saharan Africa and China contrasts with bigger dispatches to Southeast Asia. While output in China could fall in 2018/19 on official efforts to contain inventory accumulation, gains in India and other producers should underpin a record world outturn of 491m t, up by 1% y/y. Aggregate carryovers are seen contracting slightly y/y, but major exporters' inventories may stabilize after the falls of recent years. Trade could reach a fresh high in 2019 as buyers in Africa look to ensure ample supplies. Against the backdrop of prospects for another large crop and ample availabilities, India should be by far the biggest exporter.

IGC Forecast the World Rice Production Up in 2018-19

In its Aug 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.

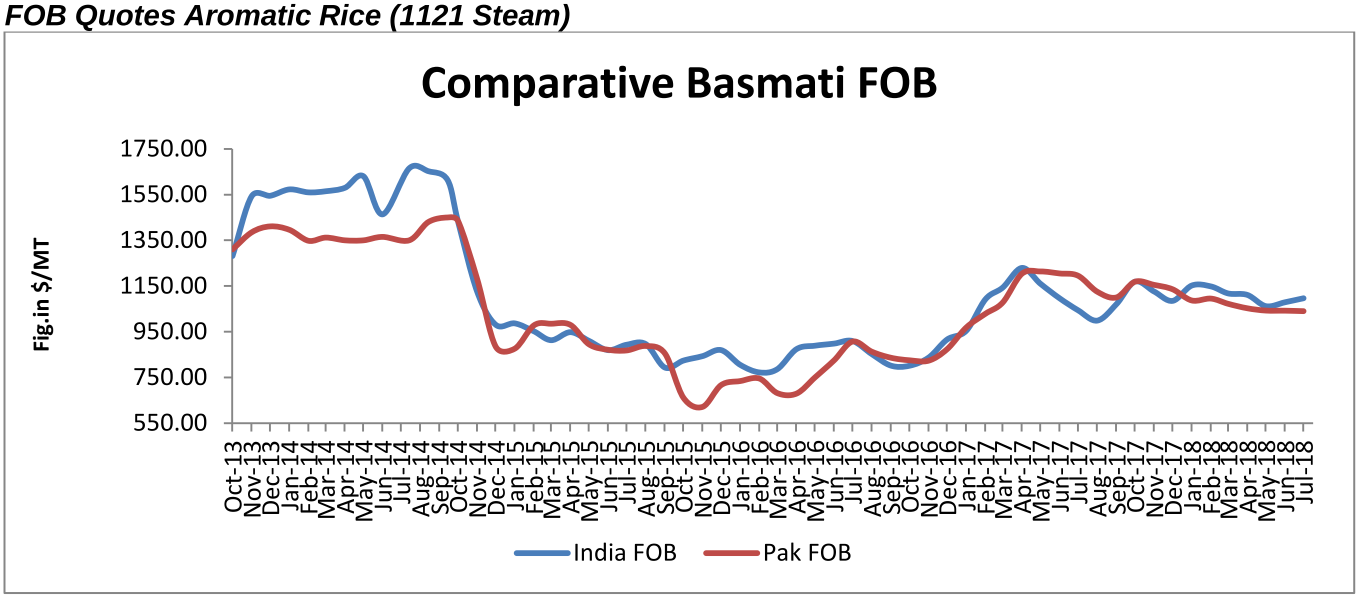
Global Consumption of Rice Increases in 2018-19

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	73800	74200	72500	72000	74000
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)	74750	75150	74400	73900	75000
Indian FOB (USD/MT)	**1088.38**	**1094.21**	**1083.28**	**1076.00**	**1092.02**
Insurance @ 0.1%	1.09	1.09	1.08	1.08	1.09
Freight Charges (US $/ton) to Iran	55	55	55	55	55
CIF (Kandla to Iran)	1144.47	1150.30	1139.37	1132.08	1148.11
INR MonthlyAverage	68.68	68.68	68.68	68.68	68.68

FOB Quotes Aromatic Rice (1121 Steam)



Source-FAO& AW

Indian FOB for 1121 steam in the month of July moved firm from last month and currently is in the range of USD 1096/MT which is up by 1.62% from last month price of USD 1079/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 to firm 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 1040/MT which is down by 0.19% from last month FOB of USD 1042/MT.

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

International Price Projection for Next Month:

Duration	Trend	Support	Resistance
Aug-2018	Steady	S1-11.00 S2-10.80	R1-12.80 R2-13.00