Rice Monthly Research Report

Contents

Outlook and Review (Domestic Front)

- **Average monthly wholesale rice prices in India stood at around Rs.3137 per quintal in Aug- 2018, down by 0.99%** from Rs.3168 per quintal in July- 2018, and down by 1.93% from Rs.3198 per quintal a year ago. Agriwatch expects non-basmati rice market to move range tone as expectation of higher production in MY-2018-19.

- **Rice export prices in India slid to 17-month lows on sluggish demand and the rupee's record fall. Rates for India's 5 percent broken** parboiled variety fell by $10 to $376-$380 per tonne this week. The Indian rupee has lost more than 12 percent so far in 2018 and hit a record low in this week, increasing exporter's margins

- **The main food-grain area of paddy in Kharif season has increased to 381.95 lakh hectares, which is 8.60 lakh hectare or 2.30** percent more than the area of 373.35 lakh hectares in the same period of last year. For the current kharif season, the normal average area of paddy at the national level is 395.55 lakh hectares, while paddy area has been fixed at 377.90 lakh hectares. In the preceding period, paddy area was 376.90 lakh hectares in Kharif 2016, 370.35 lakh hectares in 2015, 366.50 lakh hectares in 2014 and 367.90 lakh hectare in 2013.

- **The latest data from the Central Food Ministry shows that the government procurement of rice in the marketing season** (October-September) of 2017-18 has reached 380 lakh tons, which is more than 5 lakh tons more than target of 375 lakh tons. It is to be noted that the total government procurement of rice in the marketing season of 2016-17 was 343.50 lakh tons and it was also above the target of 330 million tons. The current marketing season will end on September 30, 2018 and the new marketing season will start from October 1, 2018-19. Purchase of rice in the current season will also be available till this monthThe highest procurement of rice by the government agency has been done in states like Punjab, Chhattisgarh, Uttar Pradesh, Haryana, Orissa, Andhra Pradesh and West Bengal.

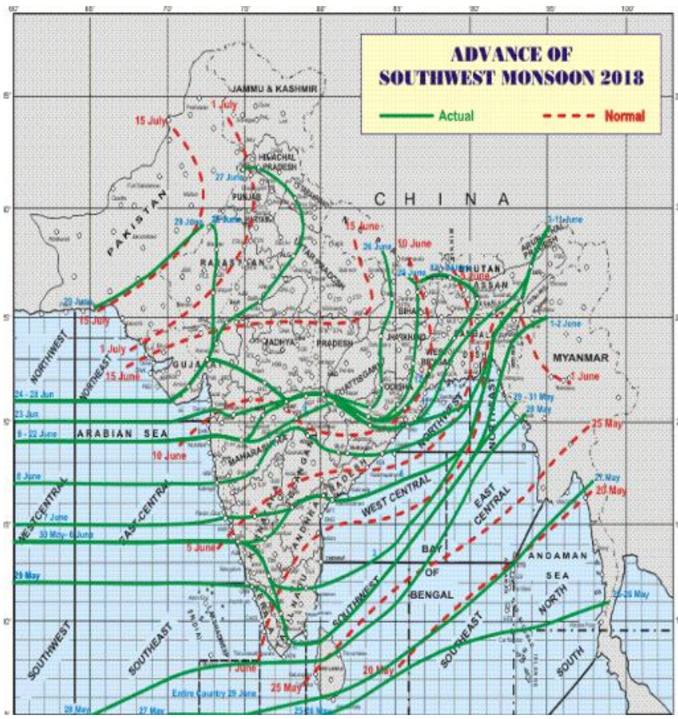
- **In the last phase of the current monsoon season which will continue for four months between June and September,** good rainfall in different parts of the country will prove beneficial for Kharif crops and this will increase the yield of production. Government officials and traders believe that there may be a great production of other agricultural commodities, including food-grains once again in the country.

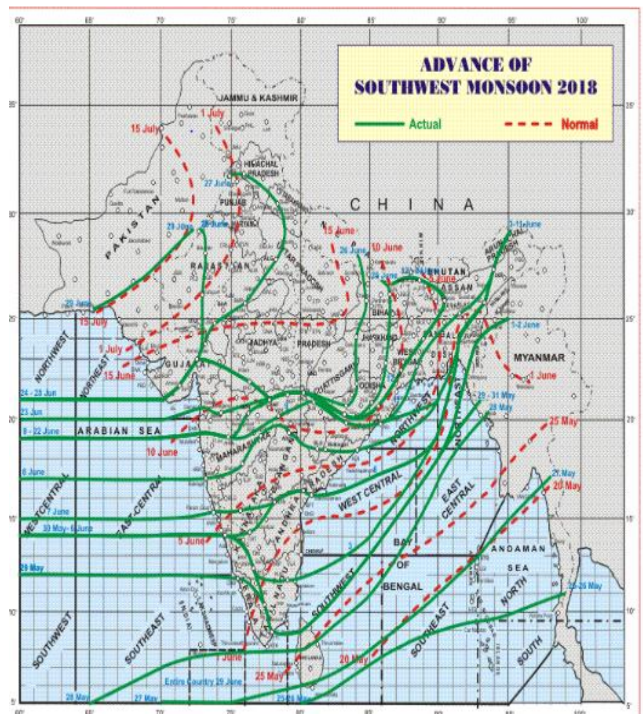
- **Two Indian companies — Sukhbir Agro Energy and Pattabhi Agro Foods — have bagged export orders of 600 tons of non-basmati rice from China,** paving the way for the first shipment of the cereal to the neighboring country after it agreed last month to import it from India. The exports will take place soon after the rice processing plants of these two companies are approved by China.

- **The Chhattisgarh government announced to give 300 rupees / quintal bonus on the purchase of paddy to the farmers by** electing the election. Chhattisgarh farmers will now get 2,070 on A-grade paddy and Rs 2,050 / quintal on normal grade paddy.

- **Basmati grown in Punjab this year is likely to witness a major reduction in use of pesticides and fungicides that lead to rejection of export consignments** from India. The state government is reaching out to farmers through Gurudwaras, public meetings and social media to dissuade use of Acephate, Cabandazim, Thiamethoxam, Tricyclazole and Triazophos—chemicals responsible for higher residue level in rice.

Weather-Watch:





In the monsoon season, at All-India level, the rainfall during the week i.e. 23rd August, 2018 – 29th August, 2018 has been 6% 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 11% in North West India but lower than LPA by 36% in South Peninsula, 8% in East & North East India and 4% in Central India. The cumulative rainfall in the country during the monsoon season i.e. 01st June, 2018 to 29th August, 2018 has been 6% lower than LPA. Rainfall in the four broad geographical divisions of the country during the above period have been higher than LPA by 9% in South Peninsula, equal to LPA in Central India but lower than LPA by 27% in East & North East India and 5% in North West India.

Price Projection for Next Month (Sept) in Domestic Market

Duration	Trend	Average Price Range	Reason
Sept - 2018	**Steady**	**Rs.3000-3500/Quintal**	Domestic rice prices is expected to rule steady during MY 2018-19 harvest season (Oct-Jan), and would likely to go slightly up in February-2019 onwards after the pick-up of export and diminishing of arrival which support the price in medium to long term.

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	11.70	11.94	78.0	11.62	0.32
Arunachal Pradesh	1.29	1.23	1.31	101.7	1.31	0.01
Assam	20.73	19.93	18.68	90.1	18.73	-0.05
Bihar	31.64	32.17	32.24	101.9	34.14	-1.90
Chhattisgarh	38.08	36.47	36.97	97.1	36.61	0.35
Goa	0.29	0.19	0.28	97.9	0.27	0.02
Gujarat	7.41	7.76	7.83	105.6	7.94	-0.11
Haryana	12.94	12.27	13.29	102.7	12.87	0.42
Himachal Pradesh	0.74	0.76	0.74	99.5	0.76	-0.02
J&K	2.80	1.43	1.14	40.9	1.16	-0.01
Jharkhand	14.94	15.11	14.59	97.7	17.27	-2.68
Karnataka	10.00	7.97	6.02	60.2	4.93	1.09
Kerala	1.48	0.59	0.57	38.6	0.62	-0.05
Madhya Pradesh	20.50	20.00	21.06	102.7	20.23	0.83
Maharashtra	15.08	13.97	14.42	95.6	13.72	0.70
Manipur	0.33	1.84	0.32	96.7	1.69	-1.37
Meghalaya	0.97	0.99	1.01	104.3	1.10	-0.09
Mizoram	0.32	0.36	0.35	107.8	0.33	0.02
Nagaland	1.91	1.90	2.08	109.1	2.10	-0.02
Odisha	37.66	34.62	35.12	93.3	34.61	0.51
Punjab	28.93	29.08	30.42	105.2	29.26	1.16
Rajasthan	1.64	1.46	1.15	70.2	1.69	-0.54
Sikkim	0.11	0.11	0.11	94.6	0.11	-0.01
Tamil Nadu	15.46	2.68	3.43	22.2	2.00	1.43
Telangana	9.20	6.74	9.11	99.0	6.67	2.44
Tripura	1.99	1.51	1.83	91.9	1.85	-0.02
Uttar Pradesh	58.87	59.05	59.73	101.5	59.78	-0.05
Uttrakhand	2.47	2.49	2.48	100.5	2.50	-0.02
West Bengal	41.91	40.40	41.56	99.2	41.46	0.10
Pondicherry	0.12	0.00	0.00	0.0	0.00	0.00
Others	0.29	0.52	0.21	72.7	0.57	-0.36
All-India	**395.39**	**365.32**	**369.98**	**93.6**	**367.88**	**2.10**

As per latest information available on sowing of Kharif crops, around 96.5% of the normal area under Kharif crops has been sown up to 31.08.2018. Area sown under all Kharif crops taken together has been reported to be 1022.87 lakh hectares at All India level as compared to 1027.13 lakh hectares in the corresponding period of last year and 1005.11 lakh ha. normal area as on date.

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

Variety	01 Sep 2018	24 Aug 2018	(Month Ago) 01 Aug 2018	(Year Ago) 01 Sept 2017	% ch. From last week	% Change from last Month	% Change from last Year
1121 Steam	7500	7600	7300	6200	-1.32	2.74	20.97
1121 Sella	6650	6800	6400	5350	-2.21	3.91	24.30
1121 Raw	7000	7000	7100	6100	0.00	-1.41	14.75
Basmati Raw	7000	7000	7000	7100	0.00	0.00	-1.41
1509 Steam Wand	6800	7000	6800	NA	-2.86	0.00	#VALUE!
Sugandh Steam	5500	5600	5800	NA	-1.79	-5.17	#VALUE!
Sharbati Raw	5000	5050	5050	4600	-0.99	-0.99	8.70
Pusa Raw Wand	6600	6500	6400	6000	1.54	3.13	10.00
Parmal Sella	3050	3000	3100	2900	1.67	-1.61	5.17

Rice Supply & Demand

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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	98.85	70.97	43.10
Production	104.00	108.50	110.00	109.00	109.00	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	126.07	126.07	98.85	70.97	43.10
Consumption	96.50	97.00	97.50	97.50	24.38	24.38	24.38	24.38
Exports	10.41	11.10	13.00	12.50	2.85	3.50	3.50	2.65
Total Usage	106.91	108.10	110.50	110.00	27.23	27.88	27.88	27.03
Carry out	**17.17**	**17.57**	**17.07**	**16.07**	**98.85**	**70.97**	**43.10**	**16.07**
Av Monthly Consumption	8.04	8.08	8.13	8.13	2.03	2.03	2.03	2.03
Stock to Month Use	2.14	2.17	2.10	1.98	48.66	34.94	21.22	7.91
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 Sept-2018 as new session starts for MY-2018-19. Agriwatch expects that rice export till September-2018 would touch 13.0 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.

Rice production for new MY-2018-19 is likely to reach 109 MMT, which is down by 1 MMT from last year however more than ideal weather conditions, occurs at the time of growth and harvesting, yield and production may touch 110 MMT in coming kharif season.

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

AW Estimates2018-19				
States	**Area (In ' 000 Hectare)**	**Production (In ' 000 Ton)**	**Yield (T/ha.)**	**5 Years Av.Yield**
Andhra Pradesh	2150.00	8120.50	3.78	3.197
Assam	2400.00	5160.00	2.15	2.029
Bihar	3150.00	7345.00	2.33	2.112
Chhattisgarh	3800.00	7050.00	1.86	1.758
Gujarat	756.47	1765.00	2.33	2.223
Haryana	1288.00	4099.70	3.18	3.183
Himachal Pradesh	74.00	128.98	1.74	1.743
Jammu and Kashmir	114.33	260.42	2.28	2.278
Jharkhand	1407.34	3790.00	2.69	2.154
Karnataka	850.00	2360.00	2.78	2.642
Kerala	100.00	250.00	2.50	2.661
Madhya Pradesh	2106.00	3470.69	1.65	1.648
Maharashtra	1250.88	2387.93	1.91	1.909
Odisha	3225.46	7715.00	2.39	1.856
Punjab	3042.00	12300.00	4.04	3.952
Rajasthan	115.00	239.55	2.08	2.083
Tamil Nadu	1850.00	6398.00	3.46	2.881
Telangana	1750.00	5394.20	3.08	3.082
Uttar Pradesh	5973.00	13630.39	2.28	2.282
Uttrakhand	248.00	630.00	2.54	2.327
West Bengal	5250.00	15100.00	2.88	2.790
Others	990.00	2500.00	2.53	2.255
India	**41890.47**	**110095.35**	**2.63**	**2.432**

Source-Govt. Estimates as per Second Advance estimates released on 21.03.2018(2017-18)

All India milled rice production in MY-2018-19 is expected to hover between 110-111 million tons as per Agriwatch preliminary estimate. Sowing of paddy is higher from last year and as per now weather is also suitable for the growth phase so we expect that production of rice will touch 110-111 MMT if no major changes happen at the time of harvesting.

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.

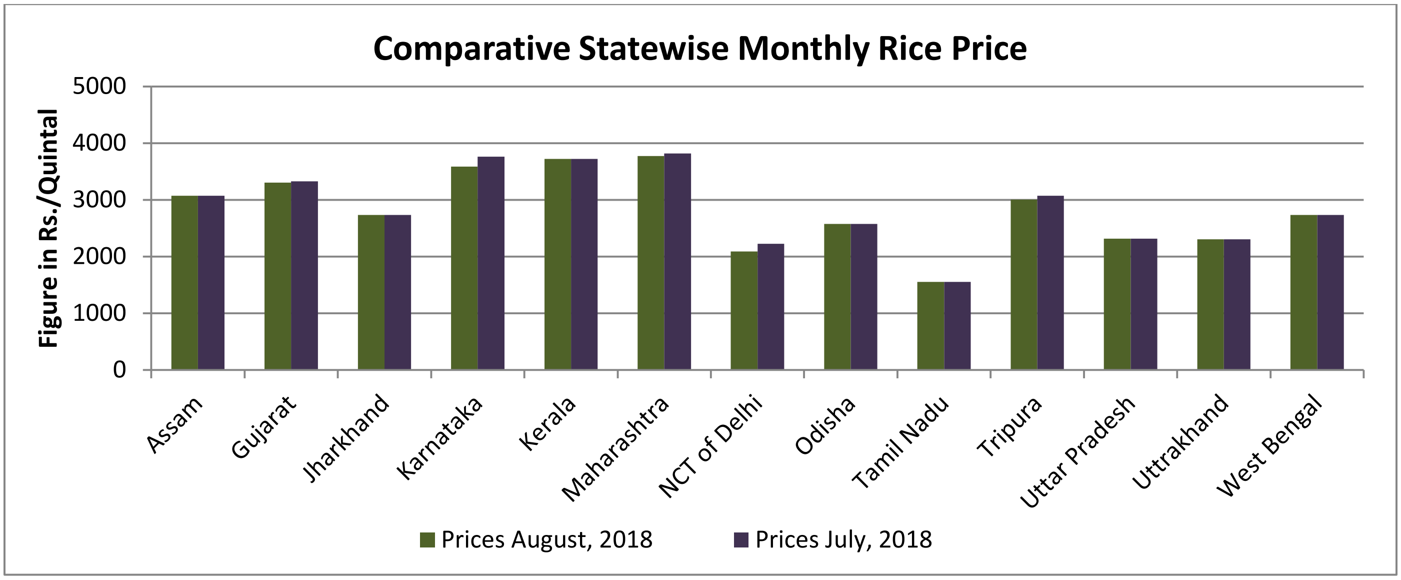
State wise Wholesale Price Monthly Analysis:

State	Prices August, 2018	Prices July, 2018	Prices August, 2017	% Change(Over Previous Month)	% Change(Over Previous Year)
Assam	3072.94	3072.94	3078.42	0	-0.18
Gujarat	3302.18	3325.08	3325.08	-0.69	-0.69
Jharkhand	2733.48	2733.48	2734.06	0	-0.02
Karnataka	3586.41	3759.57	3759.57	-4.61	-4.61
Kerala	3722.25	3722.25	3844.44	0	-3.18
Maharashtra	3771.89	3815.05	3815.05	-1.13	-1.13
NCT of Delhi	2088	2224.34	2224.34	-6.13	-6.13
Odisha	2576.6	2576.6	2576.6	0	0
Tamil Nadu	1552.09	1552.09	1552.09	0	0
Tripura	3003.3	3069.33	3069.33	-2.15	-2.15
Uttar Pradesh	2314.83	2314.83	2314.83	0	0
Uttrakhand	2301.74	2301.74	2301.74	0	0
West Bengal	2733.17	2733.17	2733.17	0	0
Average	3136.35	3167.89	3198.3		

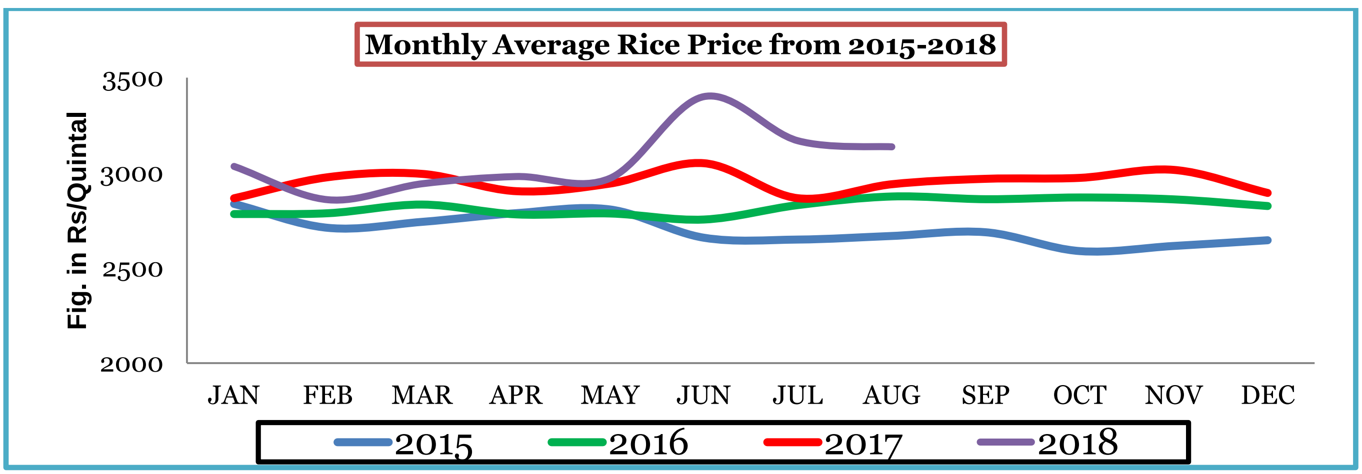
Source-Agmark

Average monthly wholesale rice prices in India stood at around Rs.3137 per quintal in Aug- 2018, down by 0.99% from Rs.3168 per quintal in July- 2018, and down by 1.93% from Rs.3198 per quintal a year ago. Agriwatch expects non-basmati rice market to move range tone as expectation of higher production in MY-2018-19.

Indian Average Rice Price Trend- August



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	24.94				

Source-FCI

India's rice stocks in the central pool as on Aug- 1, 2018 stood at around 24.94 million tons up by 5.23% from 23.70 million tons recorded during the corresponding period last year, according to data from the Food Corporation of India (FCI). India's rice stocks in the central pool are up by 5.23% by from 23.25 million tons recorded on July-01, 2018. Highest stock could be seen in the state of Punjab (80.61 lakh tons) followed by Andhra Pradesh (19.58 lakh tons) and Haryana (17.16 lakh tons) and Uttar Pradesh (14.48 Lakh Tons). The highest stock recorded of 339.6 lakh tons recorded in Feb- 2018.

State wise Progressive Procurement

State/UTs	**Target (only kharif crop) in marketing season 2017-18 (Oct. – Sept.)**	**Progressive Procurement as on 31.08.2018**	
(in Lakh T)		**In Marketing season 2017-18**	**In Marketing season 2016-17**
AP	43.00	39.81	37.19
Telangana	34.00	36.19	35.94
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	3.09
Odessa	37.00	32.87	36.30
Punjab	115.00	118.33	110.52
Tamilnadu	15.00	9.41	1.41
U.P	37.00	28.75	23.54
Uttrakhand	7.00	0.38	7.06
West Bengal	27.00	0.63	18.95
Others	0	0.87	0.46
Total	**430.00**	**364.85**	**380.62**

All-India progressive procurement of Rice as on 31.08.2018 for 2017-18 was at 364.85 lakh tons against the procurement of 380.62 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**

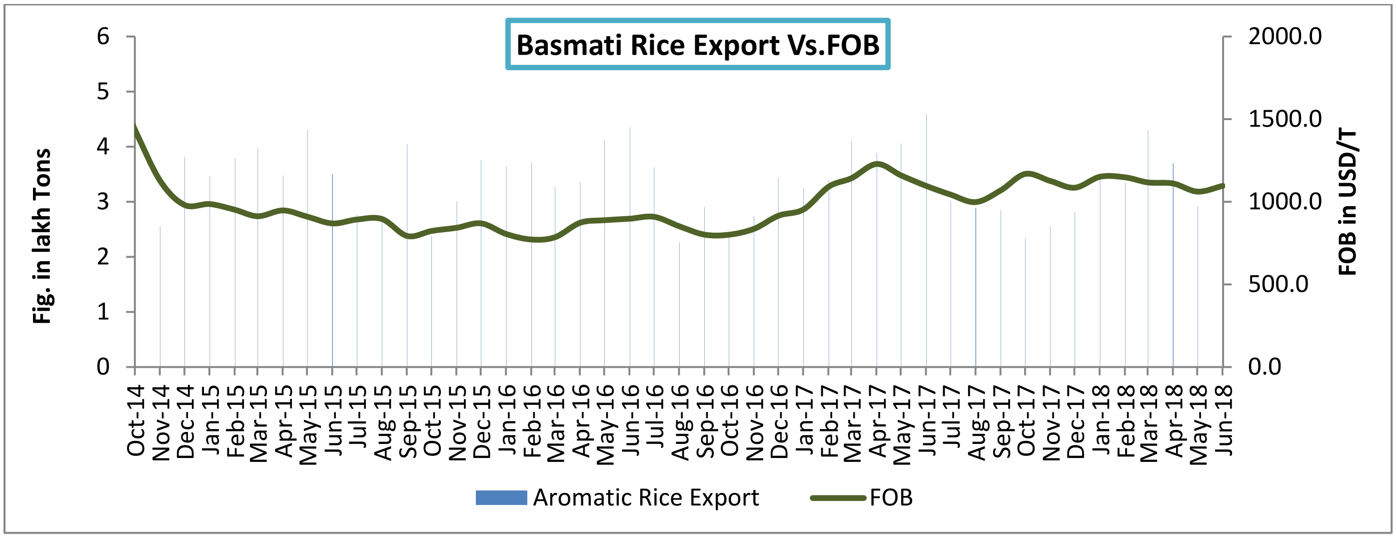
Source-DGCIS

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:

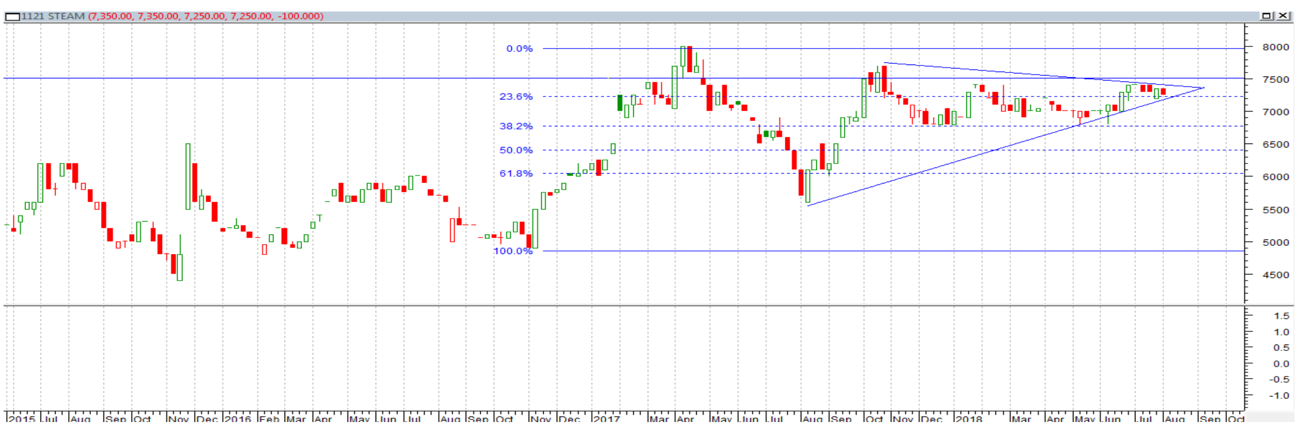
Non- Basmati Rice Export in June		Basmati Rice Export in June	
Country	**Tons**	**Country**	**Tons**
INDONESIA	190646.00	IRAN	375899.49
BANGLADESH	125568.04	SAUDI ARABIA	23583.74
BENIN	81328.87	IRAQ	15833.08
QATAR	58539.50	UNITED ARAB EMIRATES	13005.67
SAUDI ARABIA	49109.96	UNITED STATES	6012.91
PHILIPPINES	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

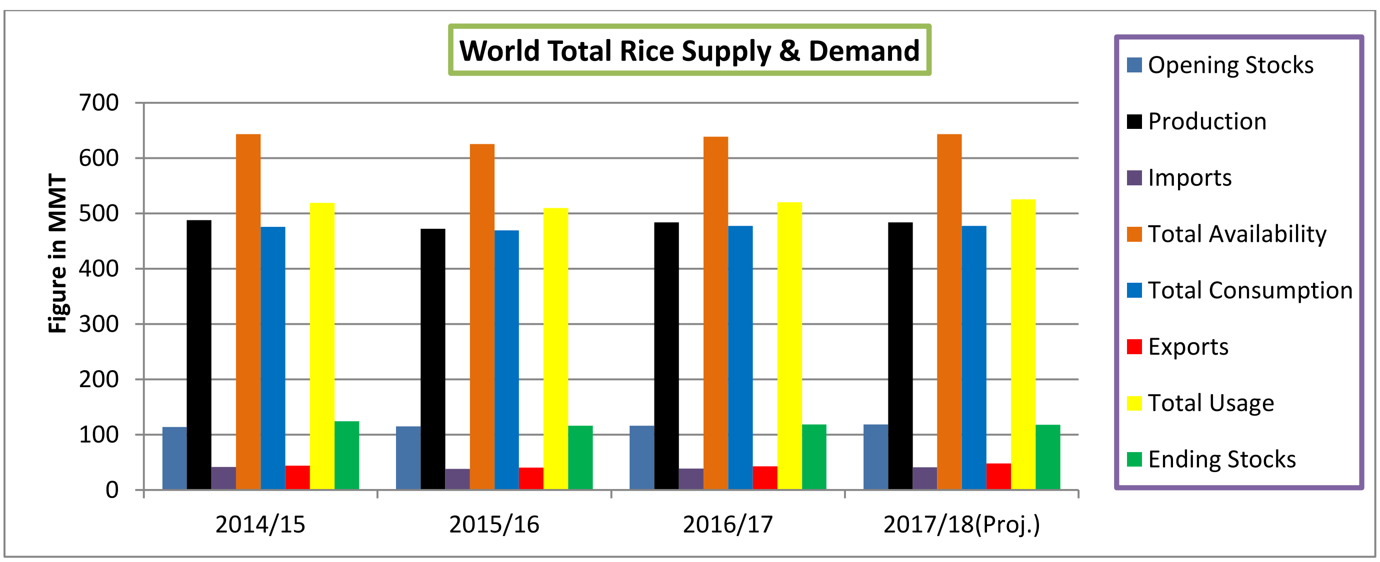
A recent hike in the MSP is likely to raise opening prices in the upcoming MY 2018/19, but future price movements will largely depend on the harvest prospects of the upcoming crop and international demand. Despite strong export demand, domestic prices have eased in Aug on higher acreage of kharif paddy. 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 Aug 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

Rice production in 2018 rose fractionally, mainly on improved prospects for Bangladesh, Sri Lanka, the United States and Viet Nam, which outweighed a reduction for Egypt. In China and India, conditions are favorable. In Southeast Asia, the wet-season is ongoing with mixed conditions in the Philippines due to typhoon damage, and in parts of Thailand, due to floods. In Indonesia, sowing of dry-season rice is progressing slowly due to dry conditions.

India, sowing is completed and the crop has progressed well into the tasseling and milking stage in most states. In the EU, conditions are mixed due to extreme hot and dry conditions that impacted crops in northern Europe. By contrast, conditions in southeastern Europe are favorable to exceptional.

Myanmar will export over two million tons of rice and broken rice during the six-month mini budget, Rice export may decline this year. But country needs to monitor it. Floods destroyed about 400,000 acres of monsoon paddy this year. It is not a paddy harvest season. From April 1 to August 17 this year, Myanmar earned US$ 315.283 million from exports of more than 909,376 tons of rice and broken rice. Compared with the same period last year, Myanmar exported more than one million tons of rice and broken rice worth nearly US$ 300 million. This year, rice export dropped by 115,073 tons, but export earnings increased by more than US$ 15 million, according to the MRF. Thanks to the market expansion in 2017-2018 FY, nearly 3.6 million tons of rice were exported, reaching the record high in over 50 years.

The Philippines will import an additional 250,000 tonnes of rice via an open tender, as per the state grains procurement agency, as the government rushes to boost domestic supply and curb rising retail prices of the staple grain. The Philippines' additional purchases, which should arrive in November, are on top of the 133,500 tonnes to be delivered between Sept. 15 and Nov. 30 to beef up thin supply in the southern provinces, the National Food Authority (NFA.

MY2018/19 Thailand rice production is expected to increase to 21.2 million metric tons, up 4 percent from MY2017/18 due to expanded acreage and favorable weather conditions during the vegetative and reproductive growth stages. In 2018, rice exports are expected to decline to 10.5 million metric tons, a 9 percent reduction from the record 11.6 million metric tons exported in 2017 due to the limited availability of government food-quality rice stocks for sale in 2018 as the government finalized the sale of the remaining 43,725 metric tons of food quality rice stocks on June 6, 2018. The government has approved three domestic support programs to assist rice farmers during the MY2018/19 harvest season.

Unofficial and preliminary Thai rice exports (excluding premium white and fragrant rice) for July 30 – August 5, 2018, totaled 197,310 metric tons, up 21,489 metric tons from the previous week and up 16,866 metric tons from the four-week moving average of 180,444 metric tons. Rice exports from January 1 – August 5, 2018 totaled 5,474,424 metric tons.

IGC Balance Sheet-

Attributes (Fig in Million Tons)	2015-16	2016-17	2017-18 Estimate	(2018-19) Forecast. 26.07.2018	(2018-19) Forecast. 23.08.2018
Production	475	487	488	491	491
Trade	40	47	48	48	48
Consumption	474	486	487	493	492
Carryover stocks	123	123	124	121	123
Y-O-Y change	1	1	1		-2
Major Exporters	33	31	28	26	28

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

IGC Rice Balance sheet Highlights:

The projection for world rice output in 2018/19 is maintained at a record of 491m t, a 1% y/y increase. However, due to a higher figure for carry-in stocks – mainly owing to adjustments for India – and a small reduction to total use, aggregate inventories are raised by 2m t, to 123m, modestly tighter y/y. The outlook for trade in 2019 is broadly unchanged from before, at a record of about 48m t. Following the previous year's heavy expansion, world rice trade is set to grow further in 2018 on demand from buyers in Far East Asia in particular. Tentative prospects for 2018/19 place global rice output at a new peak as a drop in production in China is more than offset by bigger outturns elsewhere in the region. Carryovers may fall slightly on a modest tightening of China's reserves, but major exporters' inventories are likely to hold steady after the steep declines of the past. As trade stays high, India should maintain its position as the leading exporter.

IGC Forecast the World Rice Production Up in 2018-19

In its Sept 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.

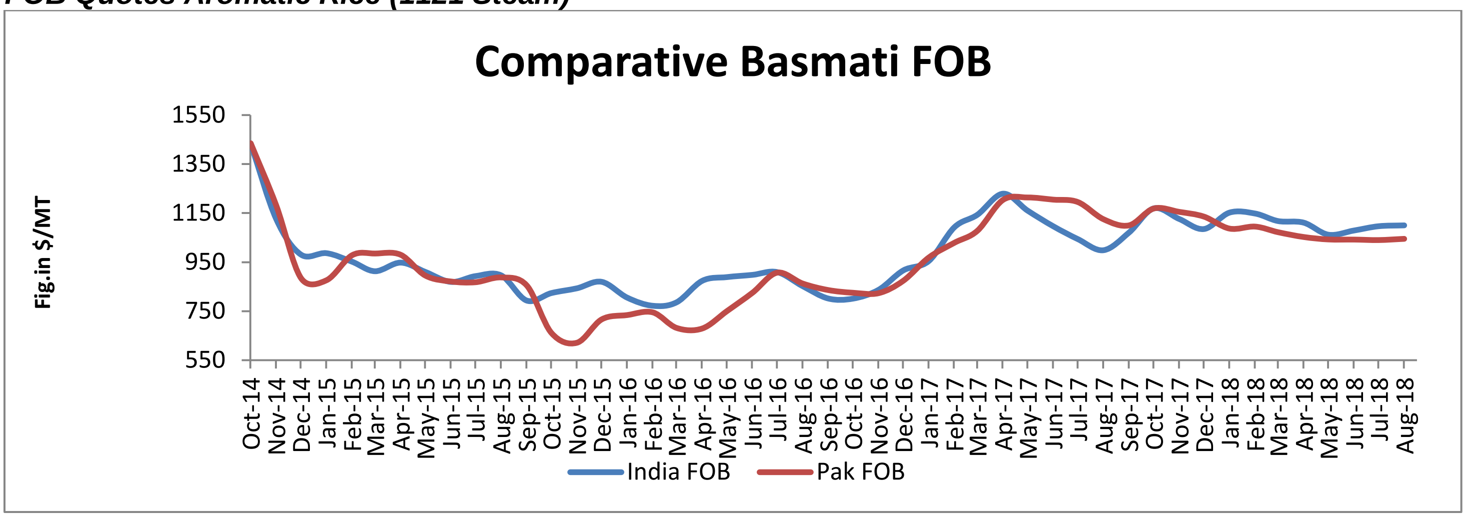
Global Consumption of Rice Increases in 2018-19

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	76000	75800	74500	74200	75500
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)	76950	76750	76400	76100	76500
Indian FOB (USD/MT)	**1107.83**	**1104.95**	**1099.91**	**1095.59**	**1101.35**
Insurance @ 0.1%	1.11	1.10	1.10	1.10	1.10
Freight Charges (US $/ton) to Iran	55	55	55	55	55
CIF (Kandla to Iran)	1163.94	1161.06	1156.01	1151.69	1157.45
INR Monthly Average	69.46	69.46	69.46	69.46	69.46

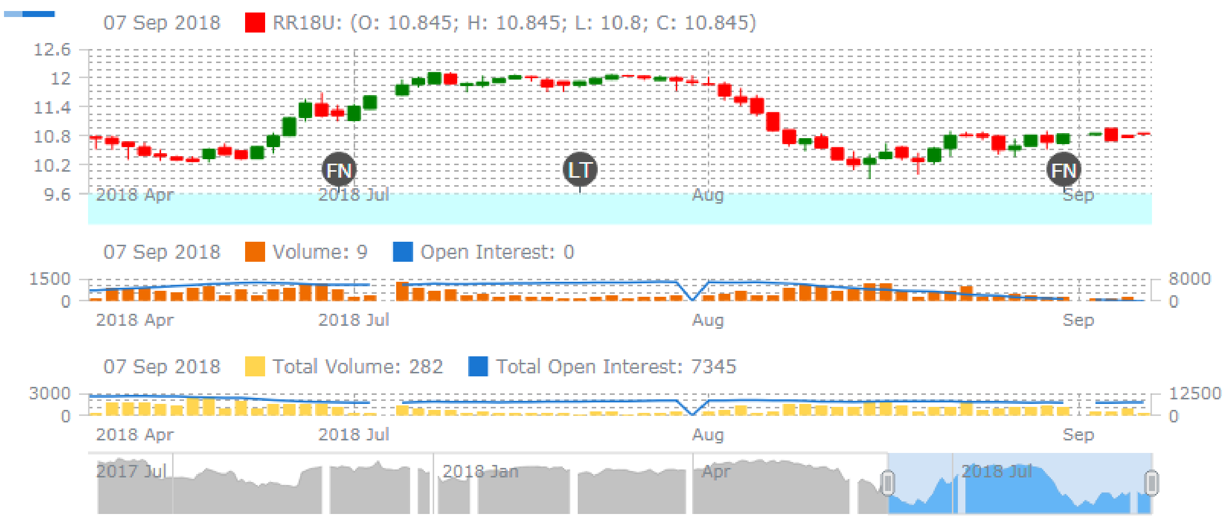
FOB Quotes Aromatic Rice (1121 Steam)



Source-FAO& AW

Indian FOB for 1121 steam traded firm in the month of Aug and currently is in the range of USD 1099.9/MT which is up by 0.31% from last month price of USD 1096/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 1045/MT which is up by 0.48% from last month FOB of USD 1040/MT.

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



International Price Projection for Next Month:

Duration	Trend	Support	Resistance
Sept-2018	Steady	S1-10.50 S2-10.20	R1-12.80 R2-13.00