Rice Monthly Research Report

Contents

Outlook and Review (Domestic Front)

- **Average monthly wholesale rice prices in India stood at around Rs.3276 per quintal in October- 2018, up by 4.40%** from Rs.3138 per quintal in September- 2018, and up by 13.7% from Rs.2880 per quintal a year ago. Agriwatch expects non-basmati rice market to move range bound with firm tone due to delayed harvesting and fresh demand.

- **Exports of Indian rice in comparison to previous marketing seasons are expected to be better during the current season.** The representative (post) of the US Department of Agriculture (USDA), in its new report, estimates the export of 12.5 million tons of rice from India in the marketing season of 2018-19. Despite higher domestic prices, the weak Indian rupee is likely to support export prospects in MY 2018/19. Assuming no significant changes in the export demand, MY 2018/19 rice export forecast is 12.5 MMT, which is slightly lower than initially expected (4.2 MMT Basmati and 8.3 MMT Non-Basmati),.

- **Due to the delayed withdrawal of the 2018 monsoon, harvest of kharif rice commenced around 2nd week of October, which** was 1-2 weeks behind schedule. The harvest was over by the end of October in the northern states (Punjab, Haryana, Rajasthan, west Uttar Pradesh). Harvesting will commence in other states shortly and will continue through mid-December. Although the harvest reports are not yet available, field agriculture experts suggest that rice yields are likely to be lower than last year in the largely rainfed growing states of peninsular and eastern India due to inadequate monsoon rains during critical crop growth stages.

- **Various agencies of the country procured 180 lakh tons of paddy till Nov 5. Purchase of 115.12 from Punjab, 55.55 from Haryana,** 5.32 from Telangana, 1.26 from Tamil Nadu, 1.11 from Uttrakhand, 0.33 from Kerala, 0.19 lakh tons from Chandigarh. The pace of procurement of paddy procurement in Uttar Pradesh was slow, this year Uttar Pradesh announced the purchase of 50 lakh tons of paddy, but the speed of procurement does not seem to be that the purchase will be in this quantity.

- **Based on the first advance estimates for Indian crop year 2018/19, the latest report from the Ministry of Agriculture and Farmers Welfare (MoAFW**) estimates kharif (fall harvested) rice planting at 38.4 million hectares compared to 39.4 million hectares last year. Surprisingly, MOAFW weekly reports through September 20, 2018, reported higher planting than the latest report. The MoAFW planting estimates are subject to future revisions based on the crop surveys undertaken by various state governments. Also, last year the MoAFW raised their figure for the kharif rice area planted higher than estimated in the first advance estimate.

- **Due to the delayed harvest, government procurement of MY 2018-19 rice under the MSP operation is lagging behind last** year's level at 7.7 MMT as of October 26, 2018, compared to 9.96 during the corresponding period last year. Most of the procurement is from the northern states of Punjab (4.3 MMT vs 6.5 MMT last year) and Haryana (3.3 MMT vs 3.4 MMT last year). Procurement is going to gain pace in the coming weeks in northern India and will gradually spread to other states from 2nd week of November onwards. Market sources report that government procurement is likely to be significantly higher than last year at around 41-42 MMT on higher government MSP and expanding government procurement operations in the eastern and southern states.

Basmati & Other Aromatic Rice Updates for MY-2018-19

In Punjab, the rice transplanting has been done on 30, 37,379 ha in 22 districts this year. Sangrur district has the largest area under rice (281,605 ha), followed by Ludhiana district (261,841 ha). The area under Basmati variety Pusa Basmati-1121 has reduced this year by 3.48% in comparison to last year. The area under Pusa Basmati-1509 has significantly increased from 40,168 ha. to 41,087ha in comparison to last year as the farmers shifted to PB 1509 from PB 1121. Farmers realized yields & higher return on PB 1509 along with shorter duration makes PB 1509 as preferred choice over PB 1121 in Punjab.

In Haryana, the total rice acreage based on field survey has been estimated at 13,29,000 ha in 20 districts, which is about 3.26% higher than last year. Karnal district has the highest transplanted area under rice (166,618 ha), followed by Kaithal district (164,542ha). However, overall Basmati area has reduced by 2.87% in comparison to last year.

In Uttar Pradesh, timely onset of monsoon, rice transplanting was started in time and continued in full swing during July end. A total of 13, 36,066 hectares rice acreage based on field survey has been estimated as transplanted in the 27 districts of the state. Shahjahanpur district has the largest total rice area (1,97,622 ha), followed by Pilibhit (1,52,942 ha) and in districts like Muzaffarnagar, Bagpat, Meerut, many farmers have sown sugarcane replacing Basmati speculating higher sugarcane state advised prices from the state Govt and timely payment from sugarmills. The overall Basmati acreage in UP has been reduced by 1.96% over last year.

In Uttarakhand, a total of 129,635 ha rice acreage has been estimated as transplanted in the 4 studied districts. Udham Singh Nagar district has the largest area under rice (99,480 ha). This year overall basmati crop has been reduced to 1.5% across state, while in certain major districts of Uttarakhand basmati acreage, especially Pusa 1121 has been reduced more than 10%.

In Jammu & Kashmir, three districts have been taken up for study. The total rice area is estimated to be 137,000 ha. in these studied districts. The state has received normal rainfall this year. Area under basmati & rice is almost intact as farmer have lesser choice other than variety like Ranbir/ Basmati 307. These varieties pay well to farmers in recent past and have constant demand in market too.

In Himachal Pradesh, a total of 74,000 ha rice acreage based on field survey has been estimated in 11 districts (but we covered only two districts in our study). Basmati is majorly grown in Kangra and Mandi districts only. Kangra district has the highest area under basmati in the state. The farmers opted Permal varieties including PR-123. Farmers also preferred Pusa-Basmati 1509 over Pusa 1121.

This year about forty to fifty thousand hac area under basmati has been shifted either to normal paddy or shifted to other major competitive crops like sugarcane/coarse cereals in comparison to last year.

PB-1121

In the current season PB 1121 acreage in the 7 states has been reduced by 3.51% 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 if compared with PB 1121. Initial crop health report shows that PB 1121 is performing good in Haryana and Punjab while some crop damage reported in UP / Uttrakhand but over this year lesser crop infestation and timely application on remedial action by farmers on brown plant hopper & White bagged plant hopper reduces the crop losses. This year farmers are expected to harvest about 35-38 lakh tons of PB 1121 against the 39-40 lakh tons of harvest happened last year. However, final figures might differ once actual arrival will start coming in the market.

Pusa 1509

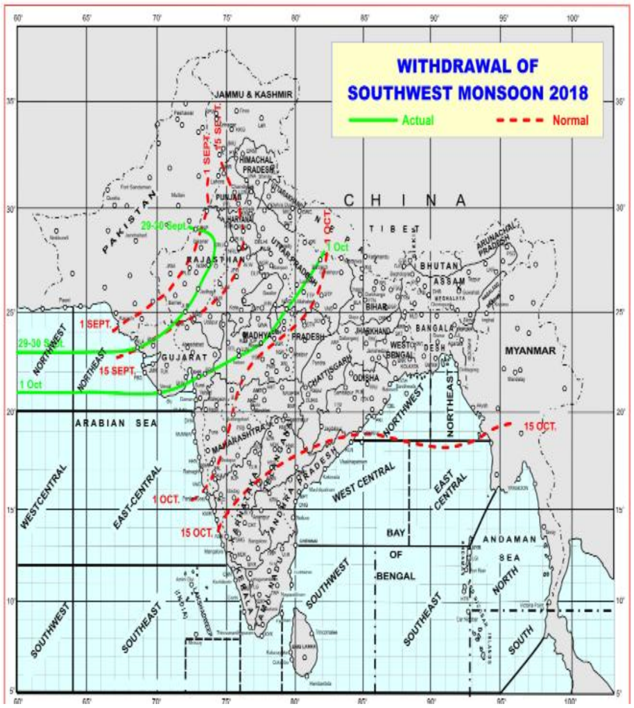
This year Pusa-1509 increased by 5.7% over last year. It clearly indicates that farmer replaced PB 1121 with Pusa - 1509 due to lesser price differential between these two prominent varieties. Farmer preferred high yielding Pusa-1509 in place of low yielding PB-1121. Also, PB-1509 shorter time period and early maturity trait preferred choice among farmers; PB 1509 crop health is also intact and expected to give slightly better yields in Haryana, UP & Punjab as compare to last year. Overall PB 1509 yields will be little bit on positive side as compare to last year, basis the current crop conditions This year farmers are expected to harvest around 6.0-6.5 lakh tons of PB 1509 which could be around 5.8-6.0 lakh ton last year. However, final figures might differ once actual arrival will start coming in the market.

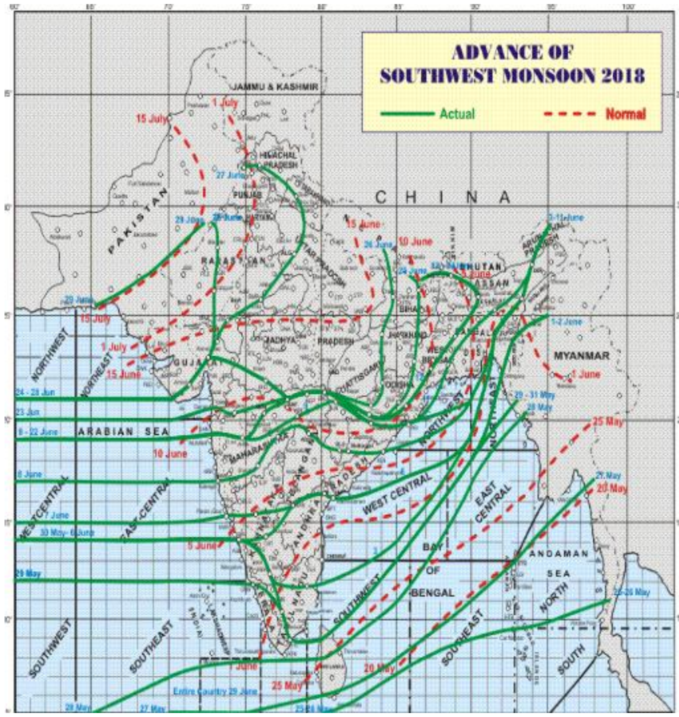
Sharbati and Sugandha

The acreage under long grain non-basmati varieties (Sharbati and Sugandha) in these targeted districts has increased by 0.1%. This year Sharbati is transplanted on similar area as transplanted last year in Western & Central part of UP / Punjab & Haryana. This year farmers are expected to harvest around 6-7 lakh tons of Sharbati which could be around 0.3% higher than last year. However, final figures might differ once actual arrival will start coming in the market.

Source-APEDA

Weather-Watch:





In the post monsoon season, at All-India level, the rainfall during the week i.e. 04th October, 2018 – 10th October, 2018 has been 62% 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 88% in Central India, 85% in East & North East India, 80% in North West India and 10% in South Peninsula. The cumulative rainfall in the country during the post monsoon season i.e. 01st October, 2018 to 10th October, 2018 has been 66% lower than LPA. Rainfall in the four broad geographical divisions of the country during the above period have been lower than LPA by 88% in Central India, 85% in North West India, 81% in East & North East India and 26% in South Peninsula.

Price Projection for Next Month (Nov) in Domestic Market

Duration	Trend	Average Price Range	Reason
November - 2018	**Steady**	**Rs.3000-3400/Quintal**	Despite the higher pace of arrivals from November, prices are likely to remain steady due to expected stronger government rice procurement at higher MSP from most rice growing states. Future domestic prices during the marketing year will also depend on export demand and international price movements

Paddy Kharif Sowing Updates as on 20th Sept-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**	13.81	13.48	88.1	13.58	-0.10
Arunachal Pradesh	**1.29**	1.29	1.31	101.7	1.31	0.01
Assam	**20.73**	20.67	19.56	94.4	20.19	-0.63
Bihar	**31.64**	32.35	32.56	102.9	34.18	-1.62
Chhattisgarh	**38.08**	36.69	37.54	98.6	36.73	0.81
Goa	**0.29**	0.20	0.28	97.9	0.27	0.02
Gujarat	**7.41**	7.88	8.05	108.6	8.05	0.00
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**	1.60	1.14	40.9	1.16	-0.01
Jharkhand	**14.94**	15.54	15.15	101.4	17.35	-2.20
Karnataka	**10.00**	8.94	11.35	113.5	6.04	5.31
Kerala	**1.48**	0.63	0.57	38.6	0.62	-0.05
Madhya Pradesh	**20.50**	20.13	21.65	105.6	20.23	1.42
Maharashtra	**15.08**	15.04	15.21	100.8	14.31	0.90
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**	1.92	2.08	109.1	2.07	0.01
Odisha	**37.66**	36.18	37.04	98.4	36.25	0.79
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**	3.62	4.22	27.3	2.70	1.52
Telangana	**9.20**	7.54	10.31	112.1	7.58	2.73
Tripura	**1.99**	1.61	1.83	91.9	1.29	0.53
Uttar Pradesh	**58.87**	59.25	59.73	101.5	59.78	-0.05
Uttrakhand	**2.47**	2.50	2.48	100.5	2.50	-0.02
West Bengal	**41.91**	41.48	42.71	101.9	42.40	0.31
Pondicherry	**0.12**	0.00	0.00	0.0	0.00	0.00
Others	**0.29**	0.54	0.21	72.7	0.57	-0.36
All-India	**395.39**	**376.30**	**385.85**	**97.6**	**376.96**	**8.89**

Rice acreage in India as on 20th Sep 2018 increased to 385.85 lakh hectares as compared to 376.96 lakh hectares same period last year and also up by normal area as on date of 376.30 lakh hectares which seems that rice production is expected to be good if weather become favorable at the time of harvesting. Higher acreage is mainly reported from the states of Andhra Pradesh (13.48 lakh Ha.), Telangana (10.31 lakh Ha.), Haryana (13.29 lakh Ha.), Punjab (30.42 lakh Ha.), Chhattisgarh (37.54 lakh Ha.), Madhya Pradesh (21.65 lakh Ha.). Lower acreage is reported in the states of U.P, Bihar, Manipur, Assam and Tripura.

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

Variety	03 Nov 2018	27 Oct 2018	(Month Ago) 03 Oct 2018	(Year Ago) 03 Nov 2017	% ch. From last week	% Change from last Month	% Change from last Year
1121 Steam	7400	7400	7200	7400	0.00	2.78	0.00
1121 Sella	6800	6600	6600	6200	3.03	3.03	9.68
1121 Raw	7500	7500	7000	7400	0.00	7.14	1.35
Basmati Raw	7100	7100	7000	8000	0.00	1.43	-11.25
1509 Steam Wand New	6800	6700	5600	NA	1.49	21.43	#VALUE!
Sugandh Steam	5700	5600	4500	NA	1.79	26.67	#VALUE!
Sharbati Raw	4700	4700	4800	5000	0.00	-2.08	-6.00
Pusa Raw Wand	6400	6400	6200	6300	0.00	3.23	1.59
Parmal Sella	3200	3250	3050	3000	-1.54	4.92	6.67

Rice Price (In Rs./ Quintal)	Grade	Change *	03 Nov 2018	02 Nov 2018	27 Oct 2018	03 Oct 2018	03 Nov 2017
Chirala(A.P)	BPT(Raw)	-25	3100	3100	3125	3300	3200
Jharkhand(Ranchi)	Coarse	-50	2550	2550	2600	2600	2620
Ernakulam(Kerala)	Jaya	-25	3600	3600	3625	3500	3600
Divi(A.P)	BPT(Raw)	-175	3225	3225	3400	3300	3250
Visakhapatnam	HMT(Raw)	-250	3900	3900	4150	3925	3900
Nandyal	Sona Fine	-50	5550	5600	5600	5400	5400
Barasat(W.B)	Masuri	80	2700	2720	2620	2580	2550
Dibrugarh	Common	200	2500	2550	2300	2400	2350
Jhargram(W.B)	Common	0	3150	3150	3150	3000	3000
Karnal	Sarbati Steam	100	5050	4950	4950	4100	4600
Bangarpet(Kar)	IR-20	-30	2950	2900	2980	2920	2950

*Change from previous week

Quarterly Rice Supply & Demand for MY-2018-19

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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	17.07	18.32	18.57	18.57	100.80	72.67	44.55
Production	**104.00**	**109.00**	**111.00**	**109.50**	**109.50**	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	126.07	129.32	128.07	128.07	100.80	72.67	44.55
Consumption	96.50	97.00	98.00	98.50	24.63	24.63	24.63	24.63

Exports	**10.51**	**10.75**	12.75	12.50	2.65	3.50	3.50	2.85
Total Usage	107.01	107.75	110.75	111.00	27.28	28.13	28.13	27.48
Carry out	**17.07**	**18.32**	**18.57**	**17.07**	**100.80**	**72.67**	**44.55**	**17.07**
Av Monthly Consumption	8.04	8.08	8.17	8.21	2.05	2.05	2.05	2.05
Stock to Month Use	2.12	2.27	2.27	2.08	49.12	35.41	21.71	8.32
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 Nov-2018 as new session starts for MY-2018-19. As per Agriwatch expectation rice export till September-2018 reached to 12.75 MMT; due to higher demand from importing countries like Africa, Bangladesh and from Middle East etc. and also supported by the weakening of Indian currency. Carry out for MY-2018-19 is likely to be lower and as same as MY2015-16 due to increased demand from overseas markets, increasing domestic consumption and expected to remain 17.07 MMT which is 8.34% down from last year and this may push the rice price in northward direction second quarter of MY-2018-19(March onwards). Rice production for new MY-2018-19 is likely to reach 109.5 MMT, which is down by 1.35 MMT from last year.

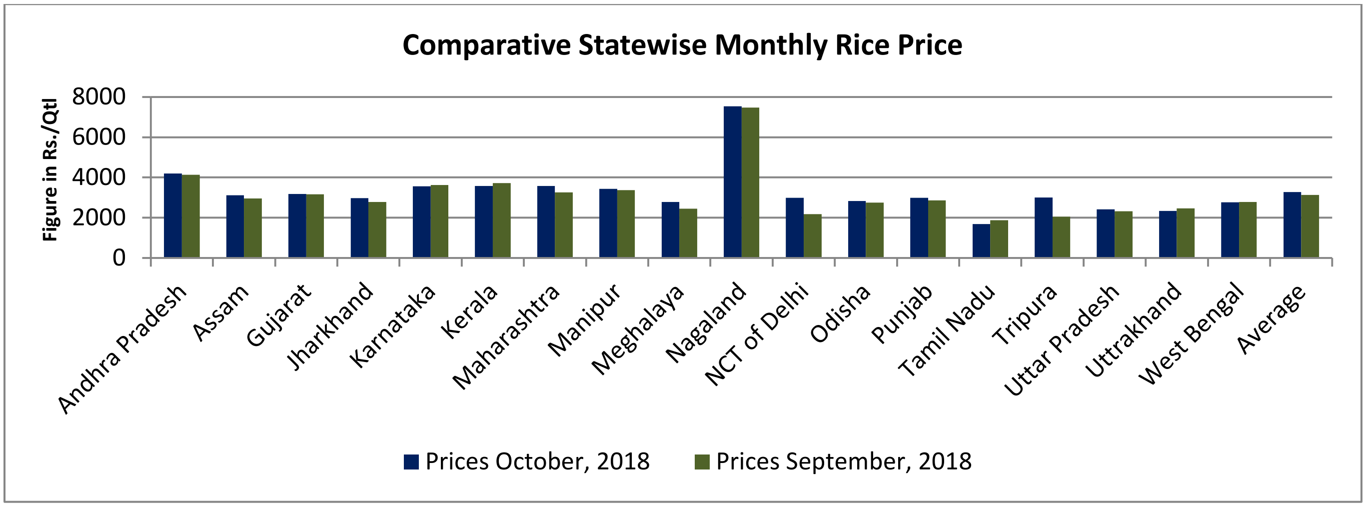
State wise Wholesale Price Monthly Analysis:

State	Prices October, 2018	Prices September, 2018	Prices October, 2017	% Change(Over Previous Month)	% Change(Over Previous Year)
Andhra Pradesh	4201.79	4133.98	3401.72	1.64	23.52
Assam	3122.73	2951.84	3143.09	5.79	-0.65
Gujarat	3177.23	3167.06	3178.54	0.32	-0.04
Jharkhand	2971.76	2778.59	2733.76	6.95	8.71
Karnataka	3556.25	3619.62	3667.42	-1.75	-3.03
Kerala	3582.65	3714.74	3808.2	-3.56	-5.92
Maharashtra	3580	3255.46	3461.62	9.97	3.42
Manipur	3441.91	3372.09	3103.97	2.07	10.89
Meghalaya	2780.43	2449.18	2759.4	13.52	0.76
Nagaland	7526.32	7466.67		0.8	__
Delhi	2992.46	2176.67	1971.43	37.48	51.79
Odisha	2833.32	2746.59	2662.97	3.16	6.4
Punjab	2991.96		3168.73	__	-5.58
Tamil Nadu	1680.87	1880	1162	-10.59	44.65
Tripura	3010.77	2052.66	3329.07	46.68	-9.56
Uttar Pradesh	2415.66	2329.74	2252.42	3.69	7.25
Uttrakhand	2341.34	2471.14	2367.8	-5.25	-1.12
West Bengal	2761.54	2779.36	2801.15	-0.64	-1.41
Average	3276.06	3137.96	2880.78		

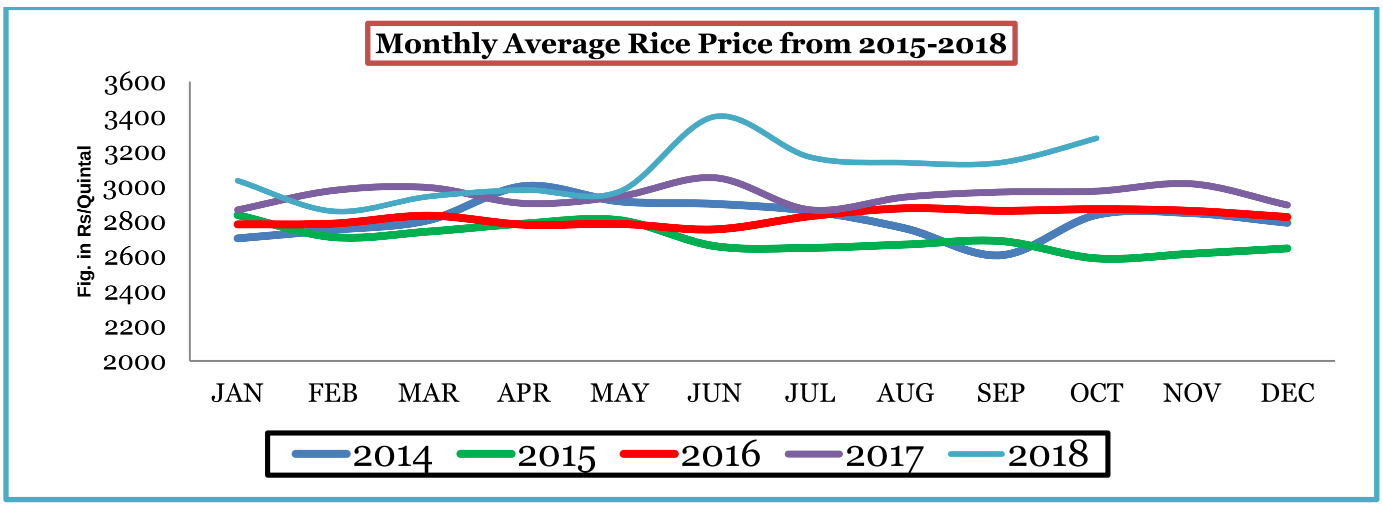
Source-Agmark

Average monthly wholesale rice prices in India stood at around Rs.3276 per quintal in October- 2018, up by 4.40% from Rs.3138 per quintal in September- 2018, and up by 13.7% from Rs.2880 per quintal a year ago. Agriwatch expects non-basmati rice market to move range bound with firm tone due to delayed harvesting and fresh demand.

Indian Average Rice Price Trend- October



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	22.61	19.74		

Source-FCI

India's rice stocks in the central pool as on Oct- 1, 2018 stood at around 19.74 million tons up by 19.2% from 16.56 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 12.6% by from 22.61 million tons recorded on Sept-01, 2018. Highest stock could be seen in the state of Telangana (18.0 lakh tons) followed by Andhra Pradesh (16.18 lakh tons) and Haryana (11.65 lakh tons) and Uttar Pradesh (11.53 Lakh Tons). The highest stock recorded of 33.96 million tons recorded in Feb- 2018.

State wise Progressive Procurement

State/UTs	**Target (only kharif crop) in marketing season 2018-19 (Oct. – Sept.)**	**Progressive Procurement as on 12.10.2018**	
(in Lakh T)		**In Marketing season 2018-19**	**In Marketing season 2017-18**
AP	30.00	--	--
Telangana	15.00	0.88	--
Bihar	8.00	--	--
Chhattisgarh	40.00	--	--
Haryana	39.75	32.80	16.55
Jharkhand	2.00	--	--
Kerala	2.00	0.11	--
M.P	13.00	--	--
Maharashtra	4.00	--	--
Odessa	30.00	--	--
Punjab	114.00	42.72	15.31
Tamilnadu	8.00	0.05	--
U.P	33.00	--	--
Uttrakhand	5.00	0.08	--
West Bengal	23.00	--	--
Others	0	--	--
Total	**370.00**	**77.19**	**31.92**

All-India progressive procurement of Rice as on 20.09.2018 for 2017-18 was at 381.77 lakh tons against the procurement of 380.69 lakh tons in the corresponding period of last year. Higher procurement has been received from northern states of Punjab (118.33 lakh Tons), Haryana (39.92 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 reached to 16.73 lakh tons.

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	5.68	4.07	**9.75**
August-17	8.52	2.89	11.41	August-18	5.5	2.89	**8.39**
September-17	8.85	2.85	11.7	September-18	7.79	2.13	**9.92**
Total	**71.79**	**40.6**	**111.53**	**Total**	**87.84**	**39.63**	**127.47**

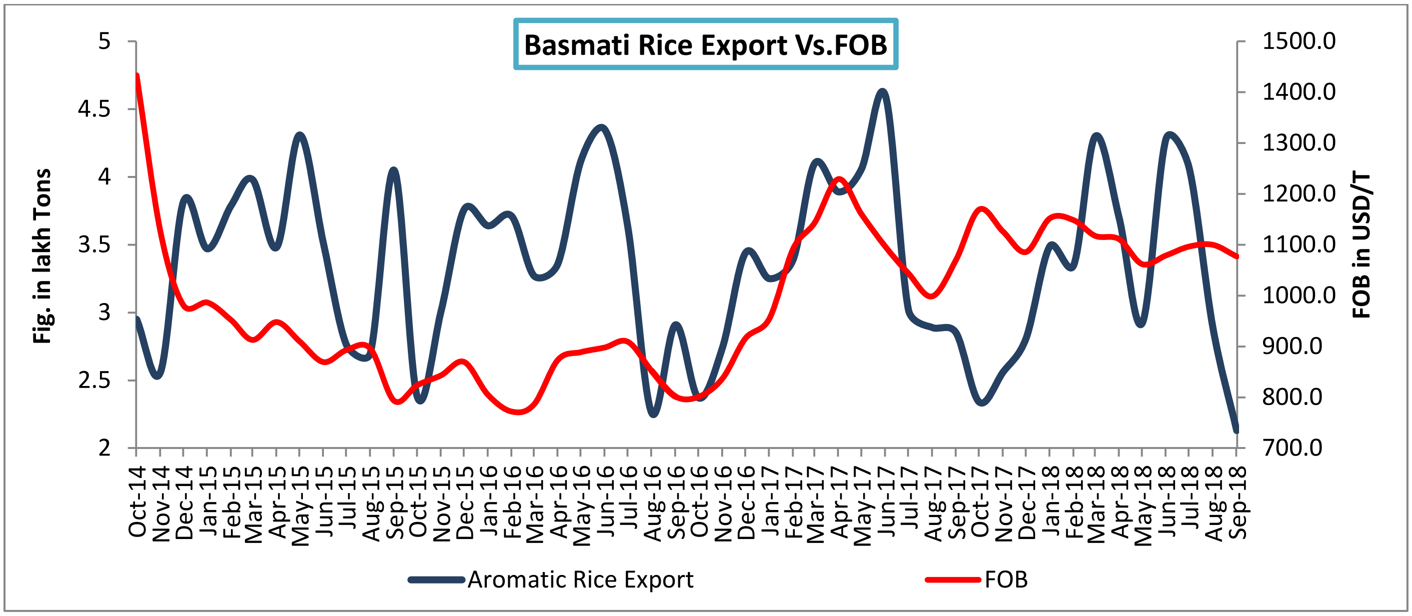
Source-DGCIS

Rice export from India in the month of Aug-2018 was 8.39 lakh tons in which basmati rice contribution was 34.44% of total and around 2.89 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 5.5 lakh tons which was LOWER by 3.16% 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 Aug.) from India was 11.75 million tons up by 17% from corresponding period of last year export of 10.08 million tons.

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

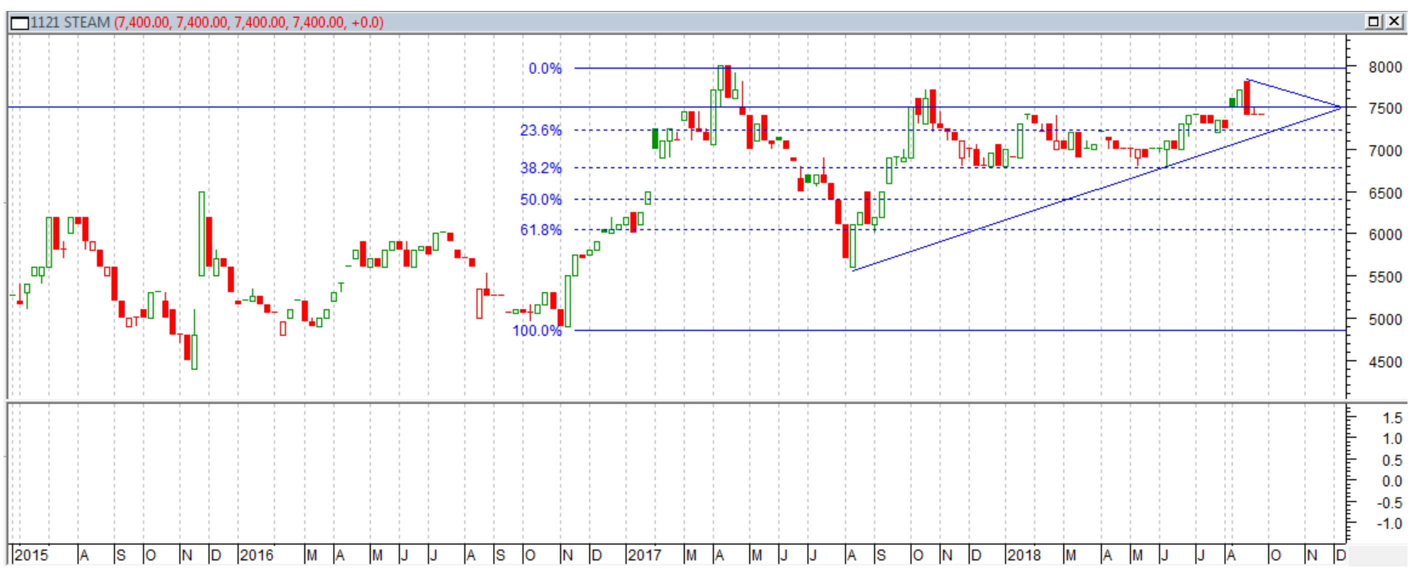
Country	Quantity in Kgs	% of Total	Country	Quantity in Kgs	
COTE D IVOIRE	55923554	10.16%	IRAN	61793885	21.33%
BENIN	50538800	9.18%	SAUDI ARABIA	51407430	17.75%
INDONESIA	43462312.38	7.90%	IRAQ	39575553	13.66%
MADAGASCAR	37570055	6.83%	YEMEN, DEMOCRATIC	21687035	7.49%
UNITED ARAB EMIRATES	30314879.44	5.51%	UNITED ARAB EMIRATES	15225477.98	5.26%
GUINEA	22724909	4.13%	KUWAIT	14311538	4.94%
SENEGAL	22004935	4.00%	UNITED STATES	12641486.18	4.36%
SOMAALIA	18372388	3.34%	UNITED KINGDOM	8020680	2.77%
PHILIPPINES	16838659	3.06%	QATAR	6266542	2.16%
GHANA	15956550	2.90%	CANADA	6030628	2.08%
Others	236632364.5	43.00%	Others	52726499	18.20%
Grand Total	**550339406.3**	**100%**	**Grand Total**	**289686754.2**	**100.00%**

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. Aromatic rice export in the month of Sep was 2.13 lakh tons with an average FoB of USD 1077/T. Aromatic rice export in the month was 26% lower than last month export of 2.89 lakh tons.

Technical Chart of 1121 Steam Rice (Delhi):



Technical chart of 1121 steam rice shows steady to weak sentiments in the month of September and currently 1121 steam rice price is Rs.74-7500/quintal. We expect that 1121 rice prices is likely to move downwards in coming month due to fresh arrival is about to start in many producing regions.

Rice Market Outlook

Despite the higher pace of arrivals from November, non-basmati rice prices are likely to remain steady due to expected stronger government rice procurement at higher MSP from most rice growing states. Future domestic prices during the marketing year will also depend on export demand and international price movements. Domestic rice prices have firmed up in October due to the delayed harvest of the new crop and higher government MSP for un-milled paddy rice (INR 17,500/MT vs. INR 15,500/MT last year).

Price of Aromatic rice was traded slightly weak in October from last month and currently 1121 steam rice traded at Rs.74-7500/quintal; Agriwatch expects price to be steady to in coming month with lower crop estimates, aromatic rice or paddy price wouldn't go much lower as stock from last year is not sufficient to fulfill the demand.

Global Market Scenario

Due to the stability in production and increase in consumption, the global outstanding stock of rice is likely to be reduced from 12.60 million tons in the year 2018-18 season to 12.40 million tons at the end of the 2018-19 seasons. Out of the five top exporting countries - India, Thailand, Vietnam, Pakistan and USA, the outstanding stocks of rice will be presently combined with 310 million tons. The majority of this is that 229 lakh tons is expected to be available in India.

Two Vietnamese firms have won rice export contracts for a combined volume of 29,000 tons of rice in the Philippines' 250,000-ton government-to-private (G2P) rice tender, opened on October 18.

South Korea's rice output is expected to fall slightly in 2018 from the previous year due to bad weather conditions during the harvest season and a decline in rice paddies. The country's rice production is forecast to reach some 3.87 million tons this year, down 2.4 percent from a year earlier, according to the data compiled by Statistics Korea. The 2018 estimate is well below the five-year average of some 4.2 million tons. A total of 738,000 hectares of rice paddies were used to grow the staple grain this year, down 2.2 percent from last year.The estimate is a bit higher than the market demand for new rice, which stands at 3.78 million tons this year.

Bangladesh rice production estimate for marketing year (MY) 2018/19 (May-April) is revised slightly upward to 34.5 million metric tons (MMT) based on increased Aus rice production. Post raised MY 2018/19 rice imports to 0.8 million metric tons based on slightly increased demand until the next Aman rice harvest. In MY 2018/19 (July-June), the revised wheat production forecast is raised to 1.2 million tons due to an expected increased use of high yield varieties. In MY 2018/19 (May-April), Post's corn area and production forecast are raised to 0.4 million hectares and 3.8 MMT, respectively, due to revised estimates in winter corn harvested area and production, revised summer corn harvested area, and increased yield in winter corn resulted from the adoption of new hybrid varieties.

IGC Balance Sheet-

Attributes (Fig in Million Tons)	2015-16	2016-17	2017-18 Estimate	(2018-19) Forecast. 27.09.2018	(2018-19) Forecast. 25.10.2018
Production	475	487	490	491	490
Trade	40	48	48	49	49
Consumption	474	486	487	492	492
Carryover stocks	122	123	126	124	124
Y-O-Y change	1	1	1		-1
Major Exporters	33	31	28	28	31

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

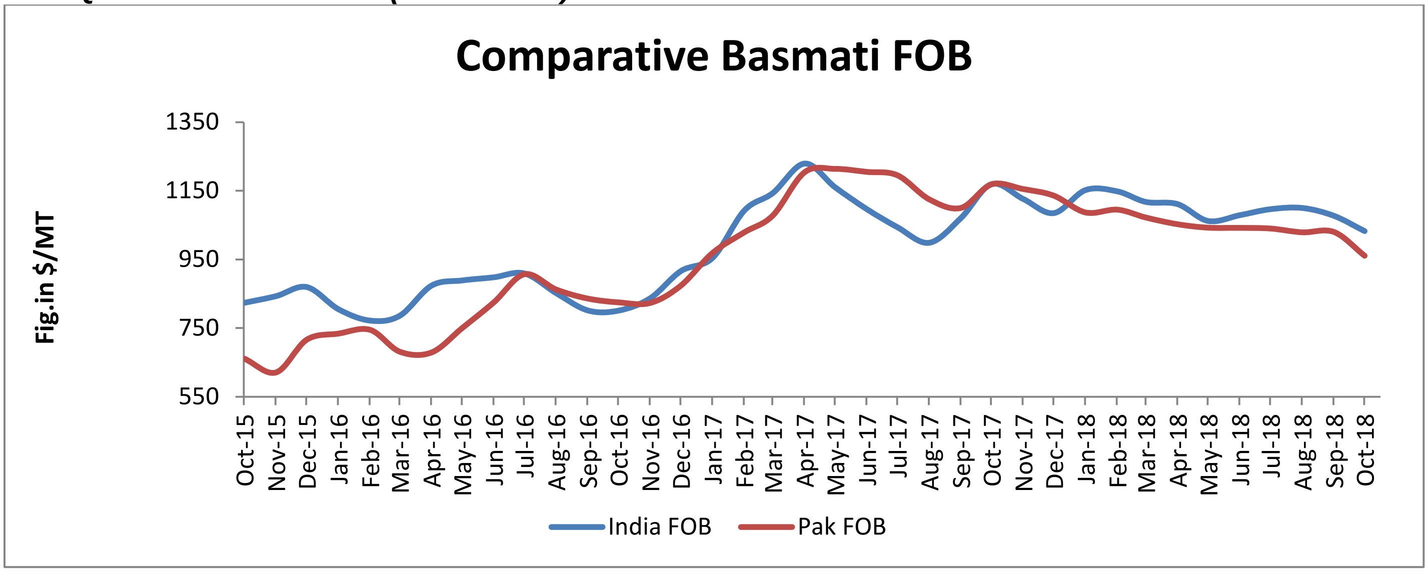
IGC Rice Balance sheet Highlights:

Prospects for rice trade in 2018 are little changed m/m, at a high of 48m t, with volumes underpinned by firm demand from buyers in Far East Asia. At 490m t, the 2018/19 production outlook is pegged fractionally lower than before and matches the previous season’s outcome. The Council’s projection for world trade in 2019 is maintained at a record of 49m t, up by 1% y/y on potentially firmer demand from Near East Asia and sub-Saharan Africa. Firm demand from Asian importers is expected to underpin a 1% y/y increase in global rice trade in 2018. This comes despite weaker buying interest from China, as well as potentially reduced dispatches to Africa. The 2018/19 production outlook is tentative, but appears positive, with gains in key exporters – including India, Thailand and the US – compensating for a drop in China. With food use set to reach a fresh peak, world stocks may contract, including a small decline in China amid official efforts to counter a build-up of supplies. Trade is predicted at a peak in 2019 on bigger deliveries to Near East Asia and Africa.

Indicative Basmati Parity Sheet

Parity Calculation Sheet	Rajkot (Kandla)	Andhra Pradesh(Vizag)	Punjab(Kandla)	Haryana(kandla)	West Bengal(Kolkata)
Price @ various center	76500	77500	74000	73820	76000
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)	77450	78450	75900	75720	77000
Indian FOB (USD/MT)	**1052.60**	**1066.19**	**1031.53**	**1029.08**	**1046.48**
Insurance @ 0.1%	1.05	1.07	1.03	1.03	1.05
Freight Charges (US $/ton) to Iran	55	55	55	55	55
CIF (Kandla to Dubai)	1108.65	1122.25	1087.56	1085.11	1102.53
INR MonthlyAverage	73.58	73.58	73.58	73.58	73.58

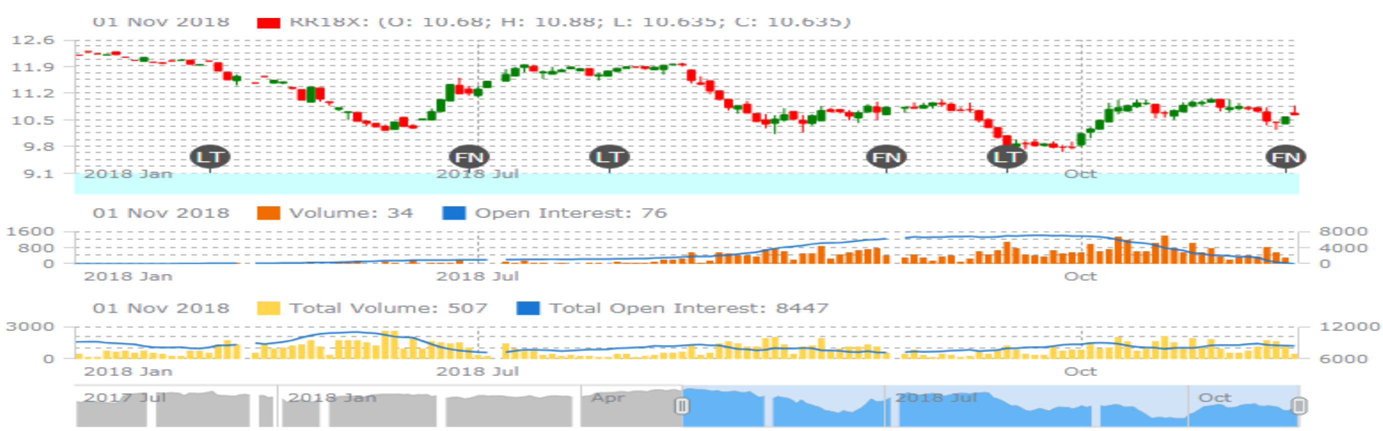
FOB Quotes Aromatic Rice (1121 Steam)



Source-FAO& AW

Indian FOB for 1121 steam traded weak in the month of October and currently is in the range of USD 1033/MT which is down by 4.13% from last month price of USD 1077/T due to onset of fresh arrival. Aromatic rice prices are also traded slightly weak on harvesting of fresh crop; Agriwatch expects that aromatic international rice price is likely to trade steady in coming month due to arrival pressure. According to the UN's Food and Agriculture Organization (FAO), Currently Pakistani basmati FOB is moving steady from last month and is now hovering in the range of USD 960/MT which is down by 6.7% from last month FOB of USD 1030/MT.

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



International Price Projection for Next Month:

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