Rice Monthly Research Report

Contents

Outlook and Review (Domestic Front)

- **Price:** Average monthly wholesale rice prices in India stood at around Rs.3353 per quintal in December- 2018, down by 0.49% from Rs.3370 per quintal in November- 2018, and up by 18.76% from Rs.2824 per quintal a year ago. Agriwatch expects non-basmati rice market to move range bound with firm tone due to decreasing of arrival from major producing regions.

- **Export:** India's exports of basmati rice grew by 11.54 per cent to Rs 16,963 crore during April-October this fiscal. In volume terms, however, the exports declined to 22.95 lakh tons in April-October 2018-19 as against 23.72 lakh crore in the same period last fiscal. While there is a marginal decline of 3.28 per cent per cent in quantity terms, in value terms the exports have grown by 11.54 per cent. The major export destination for basmati rice are Iran, Saudi Arabia, Iraq, UAE, Kuwait, Yemen, the US, and UK.

- **Rabi Paddy Acreage:** As per ministry of Agriculture latest sowing report, rabi paddy sowing area till 28th December-2018 was 11.81 lakh hectares which was down by 28% from last year same period of 16.45 lakh hectares and down by 17% from normal area of 14.21 lakh hectares. Except Chhattisgarh, all major rabi growing paddy states like A.P, Tamilnadu, Telangana shows downfall under rabi paddy due to unfavourable weather and water availability, however Chhattisgarh new Govt announces the hike of paddy MSP from rs.1750 to rs.2500/quintal which influence the farmers to grow paddy In rabi season too.

- **MSP Declaration in Chhattisgarh:** Due to the promise of increasing the MSP during the elections, government procurement of rice in Chhattisgarh and Border States was halted. So far, 27.49 lakh tons of paddy has been procured in Chhattisgarh. Paddy procurement is 60% higher than the target in Telangana and Andhra Pradesh. By increasing the minimum support price (MSP) of Paddy by Rs. 1750 per quintal to 2500 rupees per quintal by the Chhattisgarh government, the government procurement of paddy will increase. Chhattisgarh has targeted the target of 40 lakh tons of Paddy this year. The paddy from state of Telangana, Andhra Pradesh and Orissa adjoining Chhattisgarh will now come to illegal use in Chhattisgarh

- **States Procurement:** The government has procured 238.8 lakh tonnes of rice in the current 2018-19 marketing season so far, with the buying in Punjab and Haryana almost over. Procurement target for the current season (October-September) has been fixed a t 375 lakh tonnes. In the previous year, total rice procurement stood at 381.8 lakh tons. According to FCI data, rice procurement has reached 113.3 lakh tonnes in Punjab, 39.09 lakh tonnes in Haryana and 22.4 lakh tonnes in Chhattisgarh so far. Rice procurement has touched 22.46 lakh tonnes in Telangana, 13.28 lakh tonnes in Uttar Pradesh and 10.7 lakh tonnes in Andhra Pradesh.

- **The Indian government will give a subsidy of 5 percent for non-basmati rice exports for the four months to March 25**, 2019, the country's trade ministry said in an order dated Nov. 22. Prices could have jumped had it not been for the subsidy, since the rupee has risen.

- **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.

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

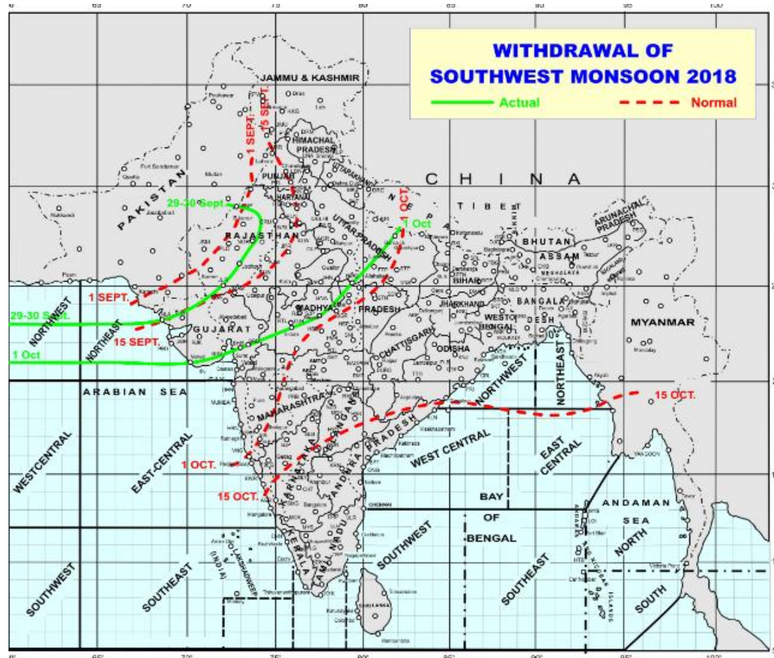
This year Pusa-1509 increased by 5.7% over last year. It clearly indicates that farmer replaced PB 1121 with Pusa - 1509 due to lesser price differential between these two prominent varieties. Farmer preferred high yielding Pusa-1509 in place of low yielding PB-1121. Also, PB-1509 shorter time period 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. 20th December, 2018 – 26th December, 2018 has been 83% 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 95% in East & North East India, 34% in South Peninsula and 100% each in North West India & Central India. The cumulative rainfall in the country during the post monsoon season i.e. 01st October, 2018 to 26th December, 2018 has been 43% lower than LPA. Rainfall in the four broad geographical divisions of the country during the above period have been lower than LPA by 51% each in Central India & East & North East India, 39% in North West India and 36% in South Peninsula. For post monsoon season 01.10.2018 to 26.12.2018 out of 36 met sub-divisions, 2 met sub-division constituting 5% of the total area of the country has received large excess/excess rainfall, 3 met sub-divisions constituting 8% of the total area of the country has received normal rainfall, 31 met subdivisions constituting 87% of the total area of the country has received deficient/large deficient rainfall.

Price Projection for Next Month (Jan) in Domestic Market

Duration	Trend	Average Price Range	Reason
January - 2019	**Steady**	**Rs.3000-3500/Quintal**	With declining of paddy arrivals from Decmber, 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	29-Dec-18	22-Dec-18	(Month Ago) 29 Nov 2018	(Year Ago) 29 Dec 2017	% ch. From last week	% Change from last Month	% Change from last Year
1121 Steam	7000	7000	7250	6800	**0.00**	**-3.45**	**2.94**
1121 Sella	6600	6600	7000	6250	**0.00**	**-5.71**	**5.60**
1121 Raw	6900	6900	7100	7000	**0.00**	**-2.82**	**-1.43**
Basmati Raw	9200	8250	8000	8000	**11.52**	**15.00**	**15.00**
1509 Steam Wand New	6700	6800	6800	6800	**-1.47**	**-1.47**	**-1.47**
Sugandh Steam	5000	5200	5500	NA	**-3.85**	**-9.09**	**#VALUE!**
Sharbati Raw	4900	4900	4900	5000	**0.00**	**0.00**	**-2.00**
Pusa Raw Wand	6000	6000	6300	6000	**0.00**	**-4.76**	**0.00**
Parmal Sella	3150	3300	3350	3050	**-4.55**	**-5.97**	**3.28**

Prices at Major Markets (Rs/quintal):

Rice Price In Rs./ Quintal)	Grade	Change *	03 Jan 2019	2 Jan 2019	29 Dec 2018	03 Dec 2018	03 Jan 2018
Chirala(A.P)	BPT(Raw)	**-150**	3100	3100	3250	3000	3200
Jharkhand(Ranchi)	Coarse	**100**	2700	2700	2600	2600	2650
Ernakulam(Kerala)	Jaya	**45**	3700	3700	3655	3500	3550
Divi(A.P)	BPT(Raw)	**0**	3325	3350	3325	3200	3500
Visakhapatnam	HMT(Raw)	**220**	4020	4000	3800	3900	3950
Nandyal	Sona Fine	**0**	5500	5600	5500	5500	5400
Barasat(W.B)	Masuri	**300**	3100	3200	2800	2800	2900
Dibrugarh	Common	**75**	2800	2800	2725	2500	2450
Jhargram(W.B)	Common	**50**	3150	3210	3100	3000	3050
Karnal	Sarbati Steam	**-100**	4500	4500	4600	4600	4700
Bangarpet(Kar)	IR-20	**100**	3000	2800	2900	2900	2900

*Difference between current and previous week prices

Arrivals at Major Markets (Tons

Paddy Arrivals (In Quintal)	Grade	Change	Current Week	Last Week	Source
Cuddapah	All Paddy	**0**	0	0	APMC
Srikakulam	All Paddy	**0**	0	0	APMC
Guntur	All Paddy	**0**	0	0	APMC
Burdwan(W.B)	All Paddy	**2524**	13954	11430	APMC
Delhi	All Paddy	**99340.6**	126016.8	26676.2	APMC
Amritsar	All Paddy	**-3836**	2716	6552	APMC
Karnal	All Paddy	**4030**	5280	1250	APMC

*Difference between current and previous week arrival.

Fundamental Price Outlook:

With the declining of paddy arrival, the prices of paddy are going up fast. With the possibility of lower production of paddy and the old stock was reduced, rice mills came in all round purchase. This is the half of the paddy arrival in comparison to the previous year due to which the prices of paddy remained steady to firm. 1121 paddy price is likely to touch Rs.4000-4200/quintal in coming month.

Quarterly Rice Supply & Demand for MY-2018-19 ***(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	17.07	18.32	19.57	19.57	102.30	74.17	46.05
Production	**104.00**	**109.00**	**112.00**	**110.00**	**110.00**	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	126.07	130.32	129.57	129.57	102.30	74.17	46.05
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**	**19.57**	**18.57**	**102.30**	**74.17**	**46.05**	**18.57**
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	2.40	2.26	49.85	36.14	22.44	9.05
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 January-2019 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 slightly lower due to increased demand from overseas markets which would likely to boost the rice export, increasing domestic consumption and expected to remain 18.57 MMT which is 5.38% down from last year and thus price of rice is expected to trade in steady tone till bulk demand come from major foreign buyers. Rice production for new MY-2018-19 is likely to reach 110 MMT, which is 2MMT down by 112 MMT from last year as Rabi paddy area till now is down to 11.81 lakh hectares to 16.45 lakh hectares in 2017-18.

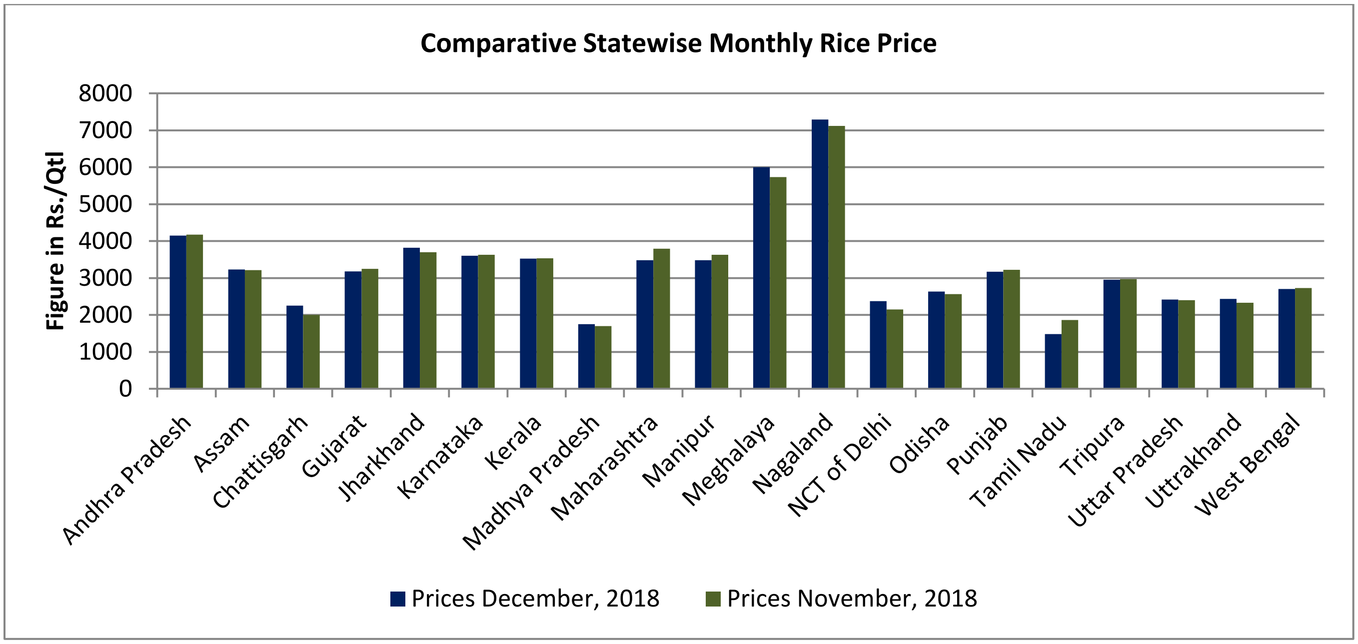
State wise Wholesale Price Monthly Analysis:

State	Prices December, 2018	Prices November, 2018	Prices December, 2017	% Change(Over Previous Month)	% Change(Over Previous Year)
Andhra Pradesh	4147	4178.43	3489.05	-0.75	18.86
Assam	3232.06	3213.21	3212.68	0.59	0.6
Chhattisgarh		2000		__	__
Gujarat	3177.17	3244.52	3135.87	-2.08	1.32
Jharkhand	3824.71	3699.46	2733.33	3.39	39.93
Karnataka	3605.46	3631.58	3537.16	-0.72	1.93
Kerala	3529.22	3532.56	3790.5	-0.09	-6.89
Madhya Pradesh	1750			__	__
Maharashtra	3481.51	3792.97	3366.27	-8.21	3.42
Manipur	3485.94	3634.2	2833.27	-4.08	23.04
Meghalaya	6000	5738.51	2945.47	4.56	103.7
Nagaland	7290.91	7123.81		2.35	__
NCT of Delhi	2377.94	2150.46		10.58	__
Odisha	2637.93	2567.7	2239.52	2.74	17.79
Punjab	3170.29	3220.85		-1.57	__
Tamil Nadu	1478.8	1867	1048.12	-20.79	41.09
Tripura	2954.56	2972.13	2604.56	-0.59	13.44
Uttar Pradesh	2418.72	2404.1	2336.14	0.61	3.53
Uttrakhand	2438.74	2327.54	2318.53	4.78	5.18
West Bengal	2704.68	2725.48	2758.41	-0.76	-1.95
Average	3352.93	3369.71	2823.26		

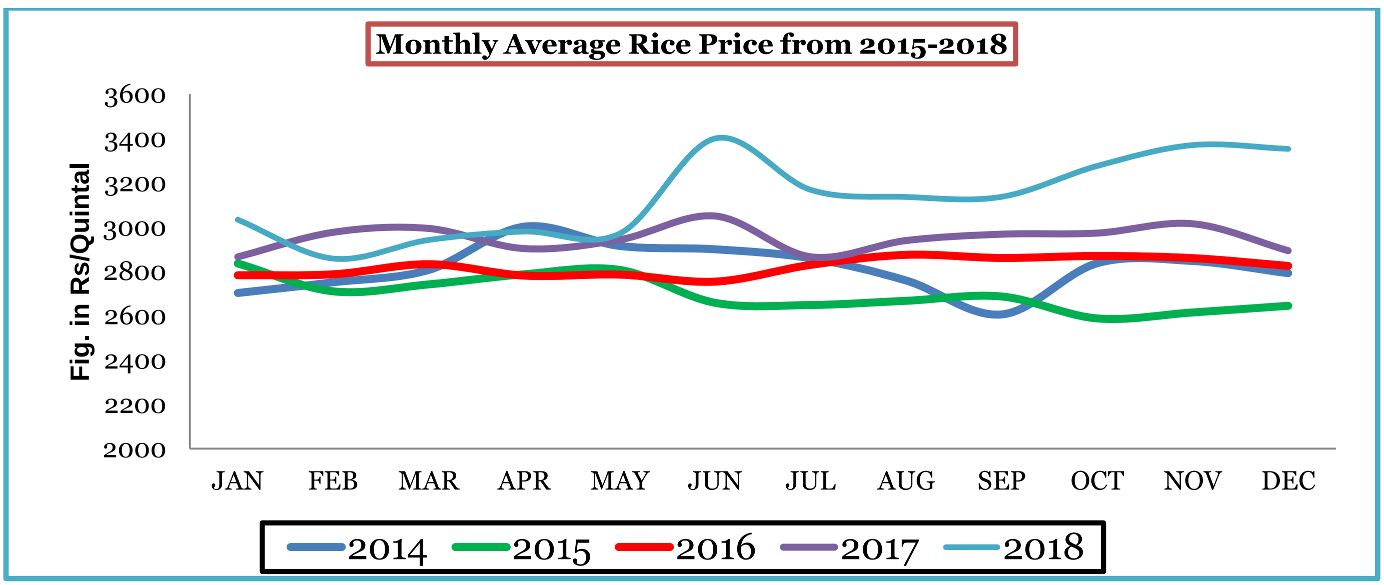
Source-Agmark

Average monthly wholesale rice prices in India stood at around Rs.3353 per quintal in December- 2018, down by 0.49% from Rs.3370 per quintal in November- 2018, and up by 18.76% from Rs.2824 per quintal a year ago. Agriwatch expects non-basmati rice market to move range bound with firm tone due to decreasing of arrival from major producing regions.

Indian Average Rice Price Trend- December



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	27.35	32.64

Source-FCI

India's rice stocks in the central pool as on Dec- 1, 2018 stood at around 32.64 million tons up by 8.33% from 30.13 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 19.34% by from 19.74 million tons recorded on Nov-01, 2018. Highest stock could be seen in the state of Punjab (47.98 lakh tons) followed by Telangana (16.52 lakh tons) and Tamil nadu (12.34 lakh tons) and Uttar Pradesh (9.40 Lakh Tons). The highest stock recorded of 33.96 million tons recorded in Feb- 2018.

State wise Progressive Procurement for MY 2018-19

State/UTs	Target (only kharif crop) in marketing season 2018-19 (Oct. – Sept.)	Progressive Procurement as on 28.12.2018	
(in Lakh T)		**In Marketing season 2018-19**	**In Marketing season 2017-18**
AP	30.00	10.79	9.33
Telangana	15.00	22.46	11.04
Bihar	8.00	0.02	0.16
Chhattisgarh	40.00	24.09	22.32
Haryana	39.75	39.09	39.67
Jharkhand	2.00	0.08	0.05
Kerala	2.00	0.58	0.90
M.P	13.00	2.62	6.98
Maharashtra	4.00	1.45	0.82
Odessa	30.00	7.36	5.69
Punjab	114.00	113.30	118.33
Tamilnadu	8.00	1.39	-
U.P	33.00	13.87	17.39
Uttrakhand	5.00	3.82	0.33
West Bengal	23.00	0.26	0.01
Others	0	--	--
Total	**370.00**	**241.49**	**233.28**

All-India progressive procurement of Rice as on 28.12.2018 for 2018-19 was at 241.49 lakh tons against the procurement of 233.28 lakh tons in the corresponding period of last year. The procurement of wheat for the Rabi Marketing Season (RMS) 2018-19 was 357.95 lakh tons which was higher than the procurement of 308.24 lakh tons in the corresponding period of RMS 2017-18.

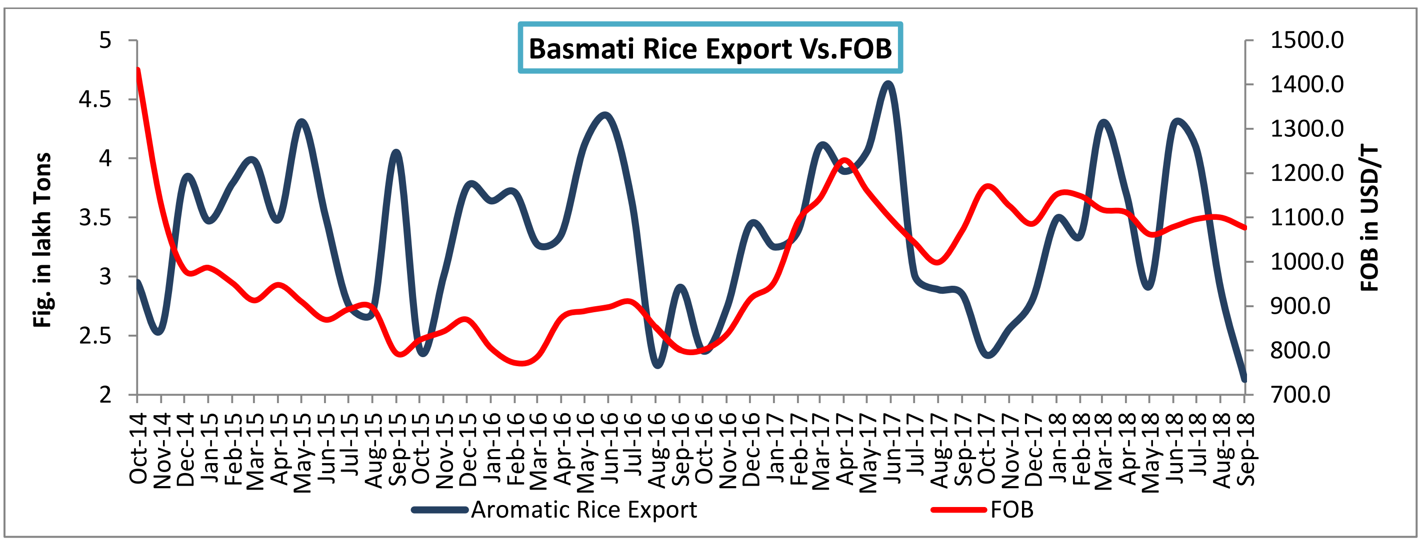
Rice Export Statistics

MY-2017-18	Non-Basmati	Basmati	Total Export2017-18	MY-2018-19	Non-Basmati	Basmati	Total Export2017-18
October-17	7.27	2.34	**9.61**	**October-18**	6.33	2.12	**8.45**
November-17	6.83	2.56	**9.39**	**November-18**	10.92	2.83	**13.75**
December-17	7.68	2.81	**10.49**	**December-18**			
January-18	10.91	3.49	**14.4**	**January-19**			
February-18	7.67	3.35	**11.02**	**February-19**			
March-18	8.72	4.3	**13.02**	**March-19**			
April-18	6.19	3.7	**9.89**	**April-19**			
May-18	8.16	3.71	**11.87**	**May-19**			
June-18	5.44	4.28	**9.72**	**June-19**			
July-18	5.68	4.07	**9.75**	**July-19**			
August-18	5.5	2.89	**8.39**	**August-19**			
September-18	7.79	2.13	**9.92**	**September-19**			
Total	**87.84**	**39.63**	**127.47**	**Total**	**17.25**	**4.95**	**22.2**

Source-DGCIS

Total Rice exports from India in MY 2017-18 were 127.47 lakh tons in which non-basmati rice export contribution is 68.91% with quantity of 87.84 lakh tons and basmati rice was 31.08% with 39.63 lakh tons. Iran, Saudi Arabia, UAE, Iraq were major buyers of basmati rice where African countries like Senegal, Benin, Somalia imports non-basmati rice. In MY-2018-19 till Novemebr-2018, 22.20 lakh tons of rice exported from India and we expect that 12.5 Lakh tons would touch till the end of this MY-2018-19(Sept-2019).

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.

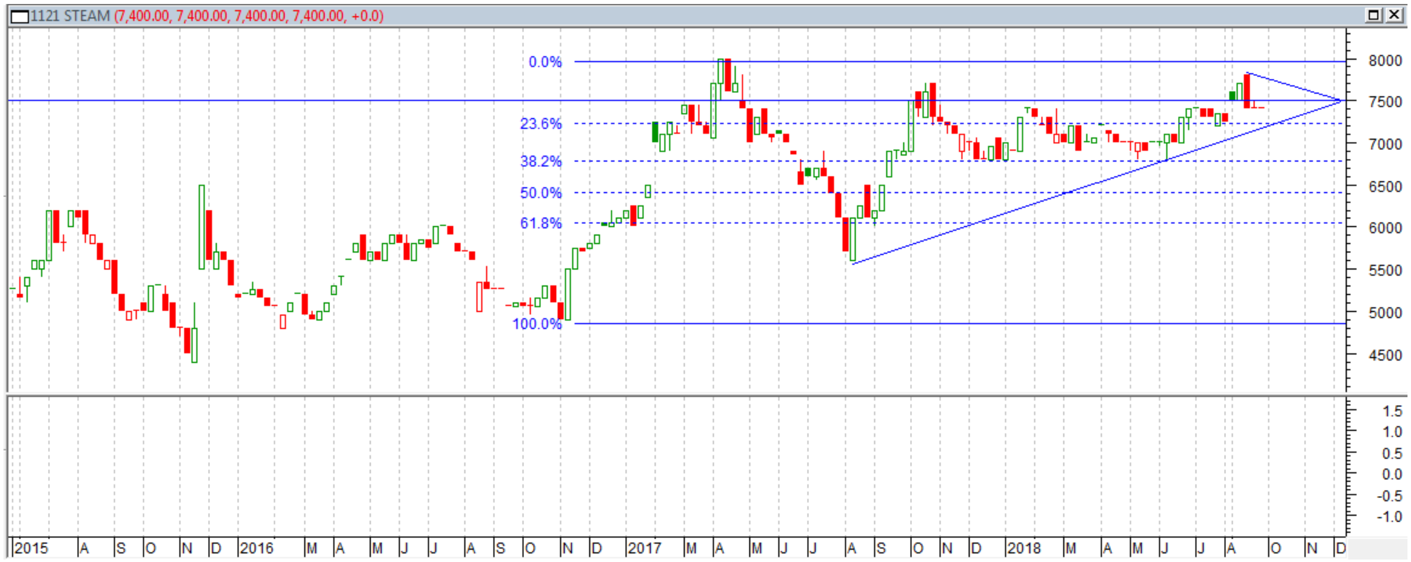
Global Market Scenario

Based on preliminary official data, Pakistan has exported 4.0 MMT of rice during MY17/18 as compared to 3.6 MMT during the preceding marketing year (Table 1). FAS Islamabad amended the PSD accordingly. Rice production forecast for MY 2018/19 is unchanged at 7.4 MMT. Continuing devaluation of the Pakistani rupee against the dollar (around 25 percent during 2018) is making Pakistani rice more competitive. Pakistan is also benefiting from the Tricyclazole issue affecting the exports of Indian rice. Tricyclazole is generally not used in Pakistan. Pakistan rice exports have been strong this year and the Rice Exporters Association of Pakistan (REAP) expects this trend to continue. Pakistan is also trying to increase its share in the high valued Basmati market and this will likely result in a shift towards more basmati exports.

Thailand Rice export prices declined around 1 percent from the previous week as Thai baht weakened to 32.7 baht/U.S. $1.00 from the previous week's rate of around 32.5 baht/U.S. $1.00. Additionally, rice exporters have secured sufficient white rice supplies to fulfill the two Philippine tenders of 224,000 metric tons of 25% grade white rice from November 20 and November 28. Around half of the contracted shipments are expected to be delivered by mid-December 2018. Unofficial and preliminary rice exports (excluding premium white and fragrant rice) for November 26 - December 2, 2018 totaled 136,075 metric tons, down 20,567 metric tons from the previous week and down 15,968 metric tons from the four-week moving average of 152,043 metric tons. Rice exports from January 1 – December 2, 2018 totaled 8,654,596 metric tons.

MY2018/19 Thailand rice production is revised down to 20.7 million metric tons due to reduced off-season rice acreage in the northeastern region as some farmers have shifted to off-season corn cultivation. However, rice production is still around 2 percent higher than MY2017/18 as increased off-season rice acreage in the northern region and the central plains will more than offset the reduced acreage in the northeastern region. Rice exports in 2018 are revised up to around 10.8 million metric tons. This is still a 7 percent reduction from 2017 due to reduced exports of fragrant and parboiled rice which more than offset increased exports of white rice.

Thailand rice export in 2018 is revised up to 10.8 million metric tons due to larger than expected white rice exports. However, this is still a 7 percent reduction from 2017 due to reduced exports of fragrant and parboiled rice which more than offset increased exports of white rice. According to the Thai Customs Department, rice exports during January – October 2018 totaled 9 million metric tons, up approximately 1 percent from the same period last year. White rice exports totaled approximately 5.2 million metric tons, up 16 percent from the same period last year as Thai rice prices were more competitive than Vietnamese rice, particularly for sub-standard white rice exports to African market. Export prices of 5% grade Thai white rice have been approximately U.S. $20-30/MT lower than Vietnamese rice for several months since June 2018 partly due to the sale of the remaining low-quality government rice stocks in the third quarter of 2018. Meanwhile, fragrant and parboiled rice exports have respectively declined 17 and 13 percent from 2017 due to tight exportable supplies after the sale of all the government food quality fragrant and white rice stocks in 2017.



Technical chart of 1121 steam rice shows steady to weak sentiments in the month of December and currently 1121 steam rice price is Rs.74-7500/quintal. We expect that 1121 rice prices is likely to move upwards in coming month due to fresh demand is about to start from many importing countries.

Rice Market Outlook

Domestic rice prices have firmed up in December due to the completion of the new crop and higher government MSP for unmilled paddy rice (INR 17,500/MT vs. INR 15,500/MT last year). 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.

Price of Aromatic rice was traded slightly firm in December from last month and currently 1121 steam rice traded at Rs.72-7400/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 and once demand from overseas country will come price gets support from current level.

IGC Balance Sheet-

Attributes (Fig in Million Tons)	2015-16	2016-17	2017-18 Estimate	(2018-19) Forecast. 25.10.2018	(2018-19) Forecast. 22.11.2018
Production	475	487	490	490	491
Trade	40	48	48	49	49
Consumption	474	486	487	492	493
Carryover stocks	122	123	126	124	125
Y-O-Y change	1	1	1		-2
Major Exporters	33	31	28	31	31

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

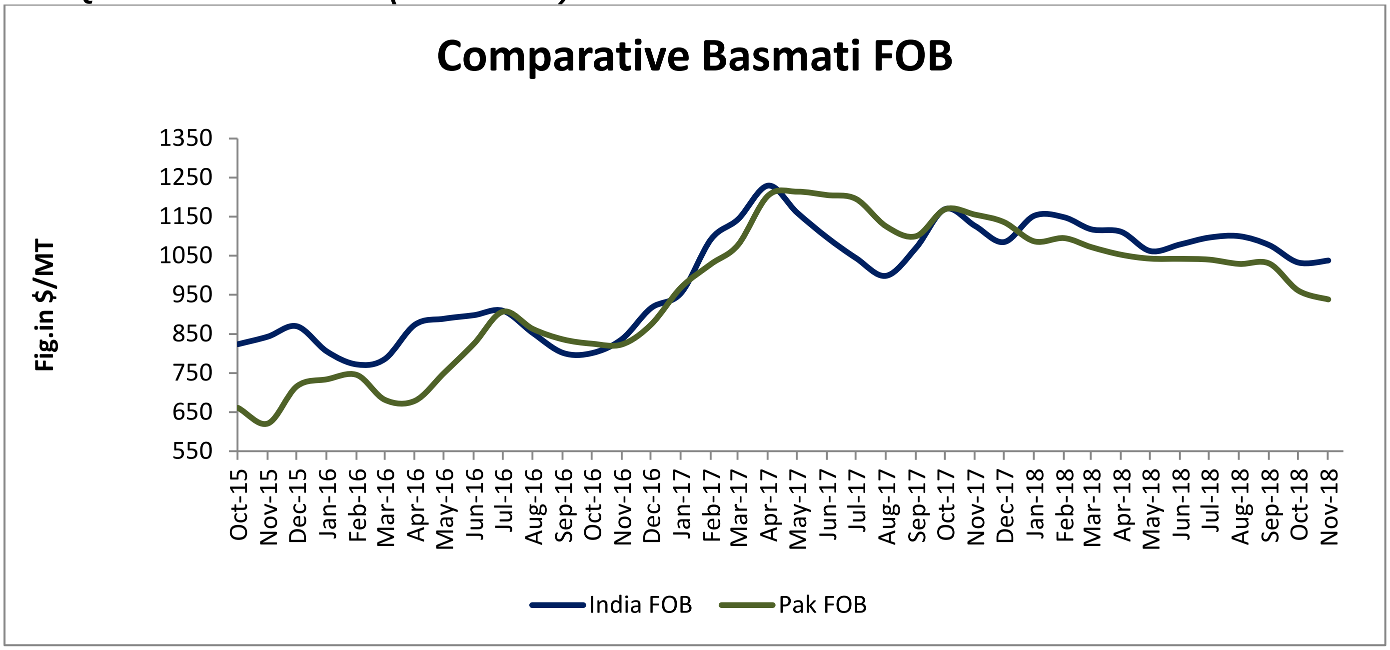
IGC Rice Balance sheet Highlights:

Reflecting slow deliveries to sub-Saharan Africa, the prediction for rice trade in 2018 is cut slightly, but is steady y/y and above average amid robust buying in Asia. The 2018/19 global production outlook is fractionally higher y/y, at 491m t. Given a marginal increase for carry ins, the net m/m rise in supplies is channeled to higher use and inventories, placed at 125m t (-2m y/y). Trade in 2019 is seen at a record of 49million tons on firmer demand from Africa and Near East Asia. World rice import demand in 2018 is forecast unchanged y/y as heavy buying in Asia, notably Indonesia and the Philippines, offsets reduced shipments to sub-Saharan Africa. Prospects for 2018/19 are tentative. Nevertheless, assuming gains in some Asian producers counter a potential policy-driven reduction in output in China, world production could match the previous year's high. With consumption seen rising by 6m t y/y, to a new peak, carryovers are likely to contract slightly, to 125m t, including a fall in China. Major exporters' reserves could edge up, mainly on an increase in the US. Trade in 2019 is predicted at around record levels, at 49m t, up by 1m y/y on demand from Africa and Near East Asia.

Indicative Basmati Parity Sheet

Parity Calculation Sheet	**Rajkot (Kandla)**	**Andhra Pradesh(Vizag)**	**Punjab(Kandla)**	**Haryana(kandla)**	**West Bengal(Kolkata)**
Price @ various center	75500	75000	72000	72500	74500
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)	76450	75950	73900	74400	75500
Indian FOB (USD/MT)	**1080.26**	**1073.19**	**1044.23**	**1051.29**	**1066.84**
Insurance @ 0.1%	1.08	1.07	1.04	1.05	1.07
Freight Charges (US $/ton) to Iran	55	55	55	55	55
CIF (Kandla to Dubai)	1136.34	1129.27	1100.27	1107.34	1122.90
INR Monthly Average	70.77	70.77	70.77	70.77	70.77

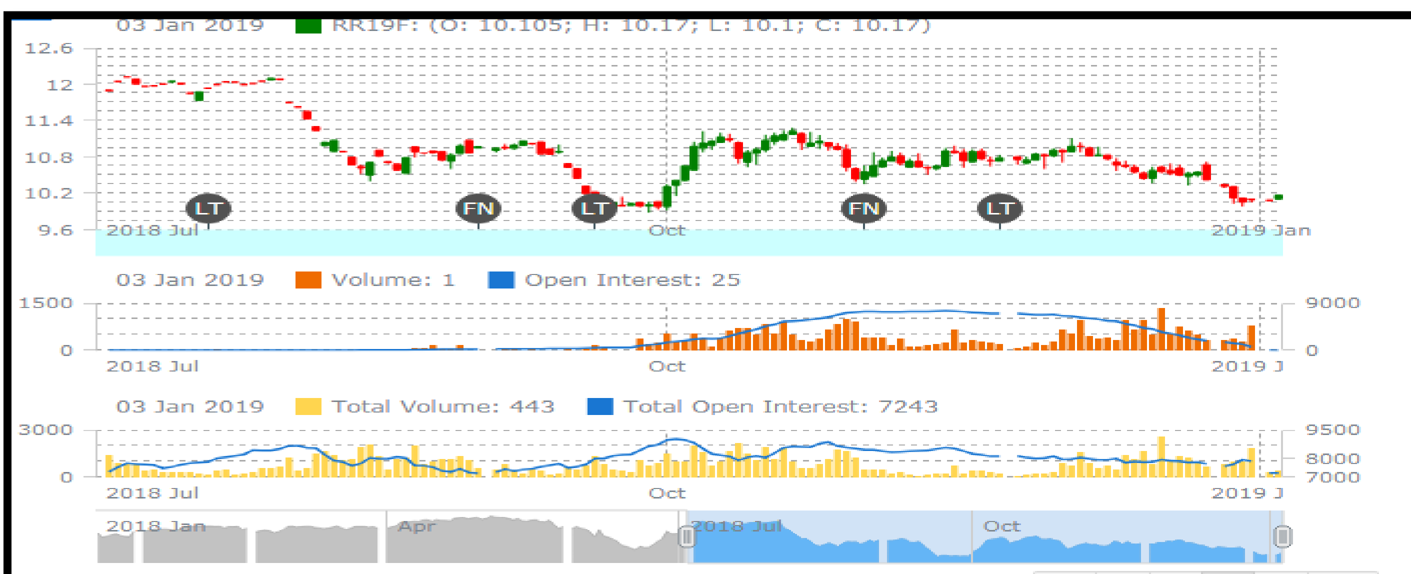
FOB Quotes Aromatic Rice (1121 Steam)



Source-FAO& AW

Indian FOB for 1121 steam traded weak in the month of November and currently is in the range of USD 1037.65/MT which is up by 0.50% from last month price of USD 1032.48/T due to reducing arrival of current crop. Aromatic rice prices are also traded slightly firm on fresh demand from overseas buyers; Agriwatch expects that aromatic international rice price is likely to trade steady to firm in coming month due high demand and lower production prospective. 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 938/MT which is down by 2.35% from last month FOB of USD 960.75/MT.

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



International Price Projection for Next Month:

Duration	Trend	Support	Resistance
Jan-2019	Steady	S1-9.50 S2-9.00	R1-12.50 R2-12.80