Rice Monthly Research Report

Contents

Outlook and Review(Domestic Front)

- **Price:** Average monthly wholesale rice prices in India stood at around Rs.3294 per quintal in January- 2019, down by 1.75% from Rs.3353 per quintal in December- 2018 and up by 15.36% from Rs.2855 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:** In the first 9 months of this financial year i.e. April-December 2018, the export of basmati rice was 28.6 lakh tonnes, which was 29.11 lakh tonnes in the same period last year i.e. the export of basmati rice decreased from last year, similarly non-basmati there was tremendous decline in the export of rice. During the same period last year 65.15 lakh tonnes of non-basmati rice was exported. Rice exports from India decreased due to tough competition by Thailand, Indonesia in non-basmati rice prices in international markets. Paddy and rice prices in the domestic markets are also sharper than last year and also the daily fluctuations between dollar and rupee are affecting exports. Paddy and rice prices may increase once again, when good export demand comes out.

- **Rabi Paddy Acreage:** As per ministry of Agriculture latest sowing report, rabi paddy sowing area till 01st February-2019 was 25.36 lakh hectares which was down by 18.68% from last year same period of 31.19 lakh hectares and down by 39.03% from normal area of 41.60 lakh hectares. All major Rabi growing paddy states like A.P, Tamilnadu, Telangana shows downfall under rabi paddy due to unfavourable weather and water availability.

- **Crop Situation in Andhra Pradesh:** An important agricultural productive state of South India - due to untimely rains in Telangana, there is news of heavy losses to paddy, arhar, maize and red chilli crop. Rain has inflicted heavy losses on its stock in the mandis. The rainy season began in the state from January 26, which continued on 27 and 28 January. The Meteorological Department has projected the situation in the state from general to heavy rains for the next four days. In MY 2018-19 76 lakh tonnes of paddy production estimates in the kharif season in Andhra Pradesh, whereas Possibility of paddy production of 121 lakh tonnes in Andhra Pradesh together with Rabi and Kharif Season.

- **Telangana paddy Production:** Paddy farmers in Telangana have reaped a bumper harvest this kharif, with total production likely to cross the 60-lakh-tonne mark at the end of the season. According to the latest reports with the Civil Supplies Department, procurement centers had already bought 30 lakh tonnes as against 18-19 lakh tonnes in the same period last year. Sharp increase in production to the increased minimum support price (MSP), improved irrigation facilities and pro-farmer policies' being implemented by the State Government. In view of the record production of paddy in Telangana, a total of 3315 purchasing centers have been opened whereas in 2001-02 it was merely 111. Until the division in 2014, the number of these purchasing centers could reach only 1470.

- **FOB Weekly Review:** Top Asian rice exporters India and Thailand saw muted activity this week, while a government clampdown on hoarding pushed down local prices of the staple in Bangladesh. Prices for India's benchmark 5 percent broken parboiled variety were also unchanged, at $381-$386 per ton, due to sluggish demand. Export prices in India had shot up after the central state of Chhattisgarh, a leading rice producer, raised minimum paddy buying prices. Also African buyers are just making inquiries, but trade is not happening which kept the price in muted condition.

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.

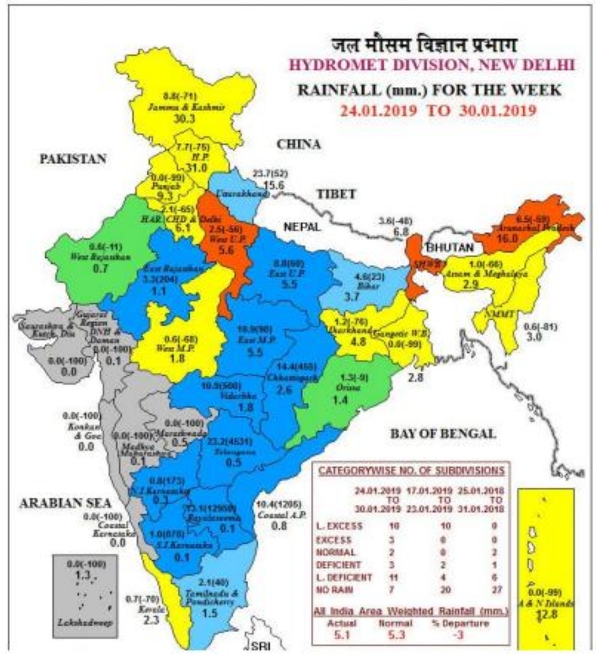
Sharbati and Sugandha

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 winter season, at All-India level, the rainfall during the week i.e. 17th January, 2019 – 23rd January, 2019 has been 141% higher 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 312% in North West India but lower than LPA by 99% in East & North East India, 86% in Central India and 53% in South Peninsula. The cumulative rainfall in the country during the winter season i.e. 01st January, 2019 to 23rd January, 2019 has been 3% lower than LPA. Rainfall in the four broad geographical divisions of the country during the above period have been higher than LPA by 64% in North West India but lower than LPA by 96% in Central India, 93% in East & North East India and 67% in South Peninsula.



Price Projection for Next Month (Feb) in Domestic Market

Duration	Trend	Average Price Range	Reason
February - 2019	**Steady to Firm**	**Rs.3000-3500/Quintal**	Withdeclining of paddy arrivals from December, prices are likely to remain steady to firm 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, also rabi paddy area is down from last year and normal area which may push the prices in upward direction.

Paddy Kharif Sowing Updates as on 20th Sept-2018:

	RICE					Over last year	
State	**Normal Area**	**Average Area**	**Area sown reported**			**Absolute Change**	**% Change**
			This Year	% of Normal	Last Year		
Andhra Pradesh	7.33	6.65	5.75	78.5	7.10	-1.35	-19.0
Arunachal Pradesh	0.00						
Assam	4.04	1.17	1.37	33.9	1.80	-0.43	
Bihar	0.89			0.0		0.00	
Chhattisgarh		0.47	0.63		0.65		
Gujarat	0.35	0.00					
Jharkhand	0.02					0.00	
Karnataka	2.17	0.31	0.12	5.5	0.24	-0.12	-50.0
Kerala	0.45	0.78	1.07	237.8	0.88	0.19	21.6
Madhya Pradesh	0.06						
Maharashtra	0.44	0.00				0.00	
Manipur	1.77						
Meghalaya	0.13						
Mizoram	0.00						
Nagaland	0.04						
Odisha	2.67	0.39	0.45	16.9	0.84	-0.39	-46.4
Tamil Nadu	1.46	10.65	8.93	612.9	12.19	-3.26	-26.7
Telangana	5.75	4.18	5.10	88.7	5.32	-0.22	-4.1
Tripura	0.64	0.12	0.32	50.1	0.32	0.00	0.0
Uttar Pradesh	0.26						
Uttarakhand	0.14						
West Bengal	12.80	2.27	1.45	11.3	1.70	-0.25	
Pondicherry	0.04						
Others	0.00	0.10	0.17		0.15	0.02	
All-India	**41.60**	**27.09**	**25.36**	**61.0**	**31.19**	**-5.83**	**-18.7**

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

Variety	2-Feb-19	25-Jan-19	(Month Ago) 02 Jan 2019	(Year Ago) 02 Feb 2018	% ch. From last week	% Change from last Month	% Change from last Year
1121 Steam	7300	7250	7000	7300	0.69	4.29	0.00
1121 Sella	6750	6700	6600	6900	0.75	2.27	-2.17
1121 Raw	7150	7250	6900	7300	-1.38	3.62	-2.05
Basmati Raw	9000	9300	9200	7700	-3.23	-2.17	16.88
1509 Steam Wand New	7000	6900	6800	7200	1.45	2.94	-2.78
Sugandh Steam	5400	5250	4900	6300	2.86	10.20	-14.29
Sharbati Raw	4700	4900	4900	5300	-4.08	-4.08	-11.32
Pusa Raw Wand	5500	5800	6000	6400	-5.17	-8.33	-14.06
Parmal Sella	3050	3150	3150	3100	-3.17	-3.17	-1.61

Prices at Major Markets (Rs/quintal):

Rice Price (In Rs./ Quintal)	Grade	Change *	02 Feb 2019	01 Feb 2019	25 Jan 2019	02 Jan 2019	02 Jan 2018
Chirala(A.P)	BPT(Raw)	0	3410	3380	3410	3250	3200
Jharkhand(Ranchi)	Coarse	-60	2800	2800	2860	2500	2550
Ernakulam(Kerala)	Jaya	-50	3200	3200	3250	3100	3000
Divi(A.P)	BPT(Raw)	-50	2900	2920	2950	2800	2800
Visakhapatnam	HMT(Raw)	-120	3980	3900	4100	3800	3680
Nandyal	Sona Fine	-10	3200	3200	3210	3100	3000
Barasat(W.B)	Masuri	-320	2900	3000	3220	2800	2900
Dibrugarh	Common	100	3000	2800	2900	2500	2450
Jhargram(W.B)	Common	-100	3200	3210	3300	3000	3050
Karnal	Sarbati Steam	-400	4500	4600	4900	4600	4700
Bangarpet(Kar)	IR-20	-180	2880	3000	3060	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	-20	0	20	APMC
Srikakulam	All Paddy	-15020	0	15020	APMC
Guntur	All Paddy	0	0	0	APMC
Burdwan(W.B)	All Paddy	-1720.5	5819.5	7540	APMC
Delhi	All Paddy	-1279.6	9215.4	10495	APMC
Amritsar	All Paddy	-3480.8	155	3635.8	APMC

Karnal	All Paddy	-11211	240	11451	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

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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	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 expectationrice export till September-2018reached to12.75MMT; due to higher demand from importing countries like Africa, Bangladesh and from Middle Eastetc. 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 110MMT, which is 2MMT down by 112MMT from last year as Rabipaddy area till now is down to 11.81 lakh hectares to 16.45 lakh hectares in 2017-18.

State wise Wholesale Price Monthly Analysis:

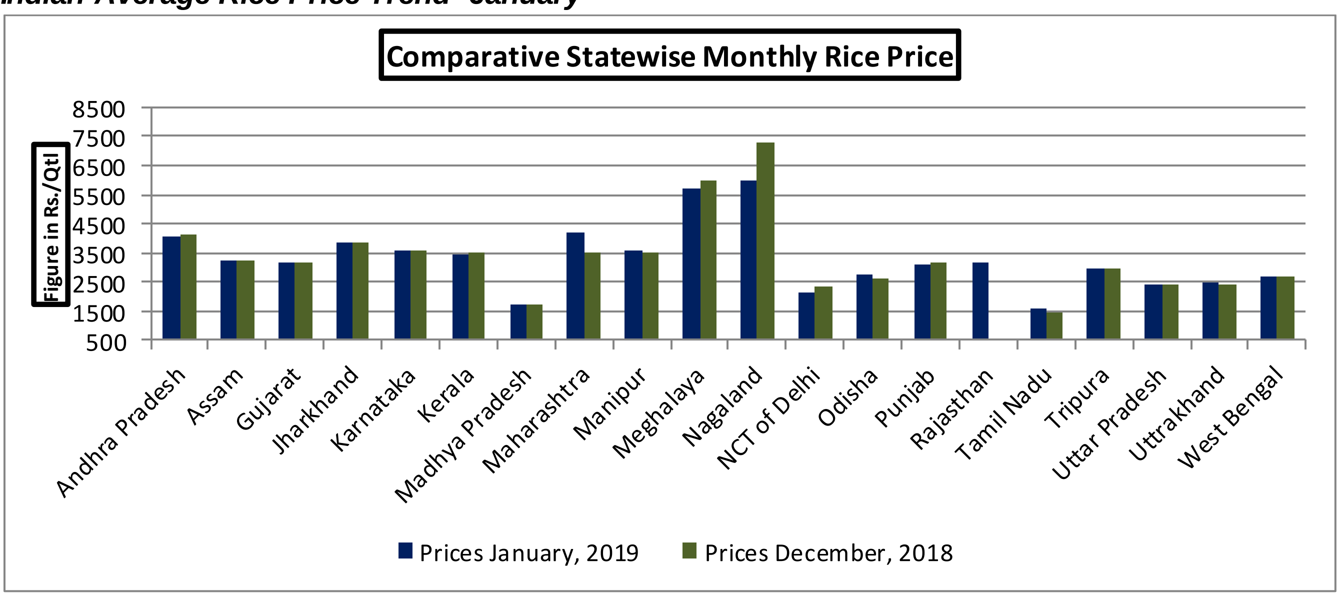
State	Prices January, 2019	Prices December, 2018	Prices January, 2018	% Change(Over Previous Month)	% Change(Over Previous Year)
Andhra Pradesh	4070.97	4147	4146.05	-1.83	-1.81
Assam	3222.67	3232.06	3238.87	-0.29	-0.5

Gujarat	3172.62	3177.17	3144.78	-0.14	0.89
Jharkhand	3850.1	3824.71	2733.33	0.66	40.86
Karnataka	3581.08	3605.46	3496.82	-0.68	2.41
Kerala	3466.85	3529.22	3767.38	-1.77	-7.98
Madhya Pradesh	1750	1750		0	__
Maharashtra	4182.33	3481.51	3804.26	20.13	9.94
Manipur	3593.93	3485.94	2859.88	3.1	25.67
Meghalaya	5734.04	6000	2478.21	-4.43	131.38
Nagaland	5960	7290.91		-18.25	__
NCT of Delhi	2129.21	2377.94	2076.95	-10.46	2.52
Odisha	2766.67	2637.93	2379.11	4.88	16.29
Punjab	3100	3170.29		-2.22	__
Rajasthan	3175			__	__
Tamil Nadu	1565.73	1478.8	1203.86	5.88	30.06
Tripura	2940.29	2954.56	2957.09	-0.48	-0.57
Uttar Pradesh	2405.29	2418.72	2275.57	-0.56	5.7
Uttrakhand	2506.39	2438.74	2347.13	2.77	6.79
West Bengal	2706.17	2704.68	2775.5	0.06	-2.5
Average	**3293.97**	**3352.93**	**2855.3**		

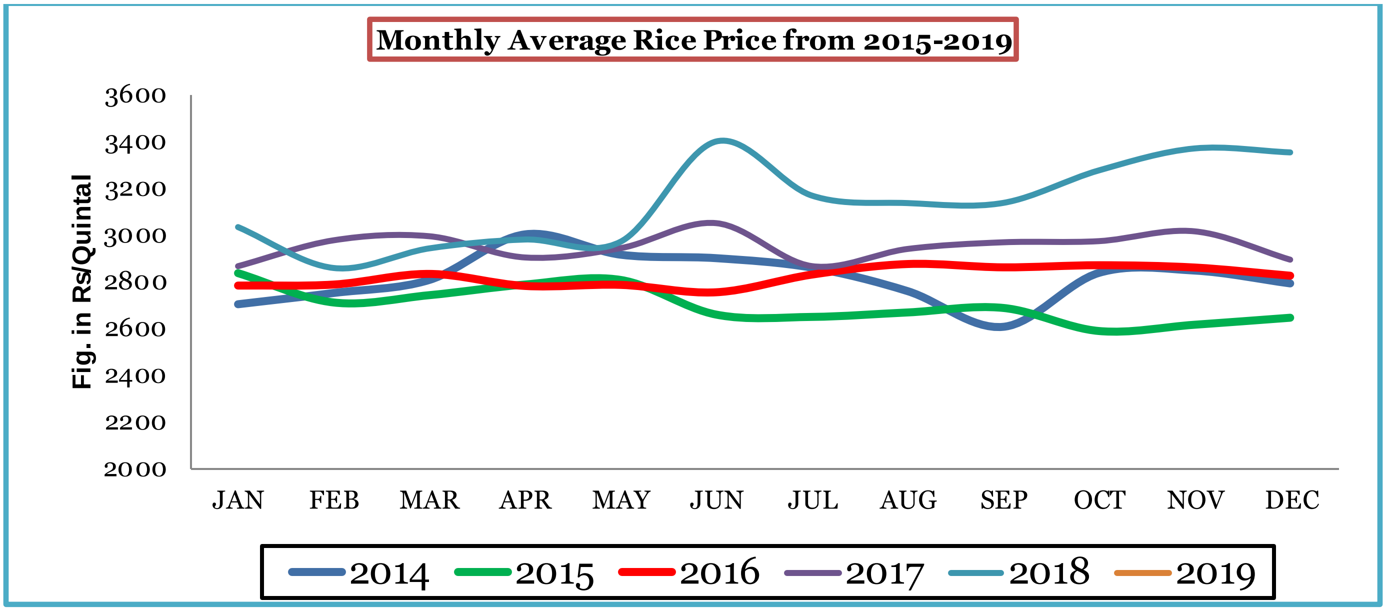
Source-Agmark

Average monthly wholesale rice prices in India stood at around Rs.3294 per quintal in January- 2019, down by 1.75% from Rs.3353 per quintal in December- 2018 and up by 15.36% from Rs.2855 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- January



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
2019	36.66											

Source-FCI

India's rice stocks in the central pool as on January- 1, 2019 stood at 36.66 million tons up by 10.25% from 33.25 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 12.31% by from 32.64 million tons recorded on Dec-01, 2018. Highest stock could be seen in the state of Punjab (62.12 lakh tons) followed by Telangana (19.56 lakh tons) and Andhra Pradesh (15.07 lakh tons) and Uttar Pradesh (13.87 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 (in Lakh T)	Target (only kharif crop) in marketing season 2018-19 (Oct. – Sept.)	Progressive Procurement as on 24.01.2019	
		In Marketing season 2018-19	In Marketing season 2017-18
AP	30.00	19.69	17.40
Telangana	15.00	26.59	12.17
Bihar	8.00	1.12	2.03

Chhattisgarh	40.00	40.24	31.77
Haryana	39.75	39.09	39.92
Jharkhand	2.00	0.29	0.39
Kerala	2.00	0.62	0.95
M.P	13.00	10.19	11.00
Maharashtra	4.00	2.39	1.27
Odessa	30.00	20.46	15.24
Punjab	114.00	113.30	118.39
Tamilnadu	8.00	2.17	0.03
U.P	33.00	25.36	24.88
Uttrakhand	5.00	4.44	0.35
West Bengal	23.00	8.88	0.06
Others	0	--	--
Total	**370.00**	**315.30**	**276.16**

All-India progressive procurement of Rice as on 24.01.2019 for 2018-19 was at 315.30 lakh tons against the procurement of 276.16 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.

According to available data, in the current kharif marketing season, Punjab has procured 113.30 lakh tones rice, 39.09 lakh tonnes in Haryana, 40.24 lakh tonnes in Chhattisgarh, 26.59 lakh tonnes in Telangana, 25.36 lakh tonnes in Uttar Pradesh, 20.46 lakh tonnes in Orissa, 19.69 lakh tonnes in Andhra Pradesh, 10.19 lakh tonnes in Madhya Pradesh, 8.88 lakh tonnes in West Bengal, 4.44 lakh tonnes in Uttarakhand, 2.17 lakh tonnes in Tamil Nadu, 2.39 lakh tonnes in Maharashtra and 1.12 lakh tonnes in Bihar.

Rice Export Statistics

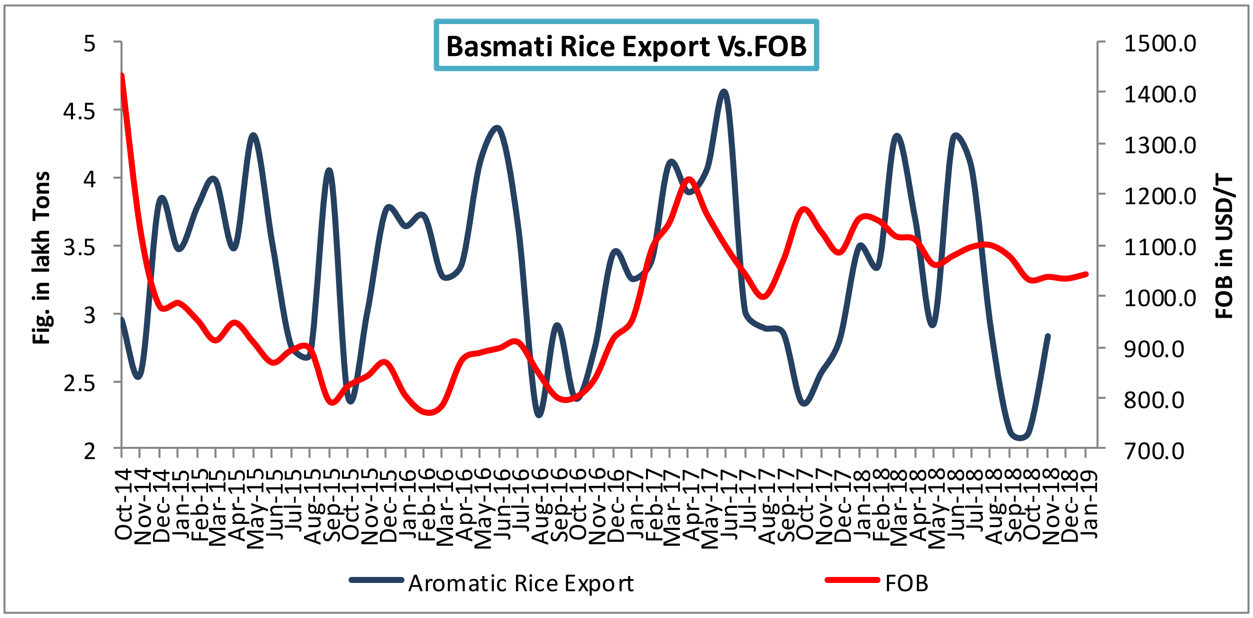
MY-2017-18	Non-Basmati	Basmati	Total Export2017-18	MY-2018-19	Non-Basmati	Basmati	Total Export2017-18
October-17	7.27	2.34	**9.61**	**October-18**	6.33	2.12	**8.45**
November-17	6.83	2.56	**9.39**	**November-18**	10.92	2.83	**13.75**
December-17	7.68	2.81	**10.49**	**December-18**			
January-18	10.91	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 Dec was 2.13 lakh tons with an average FoB of USD 1034.34/T. Aromatic rice export in the month was 26% lower than last month export of 2.89 lakh tons.

Global Market Scenario

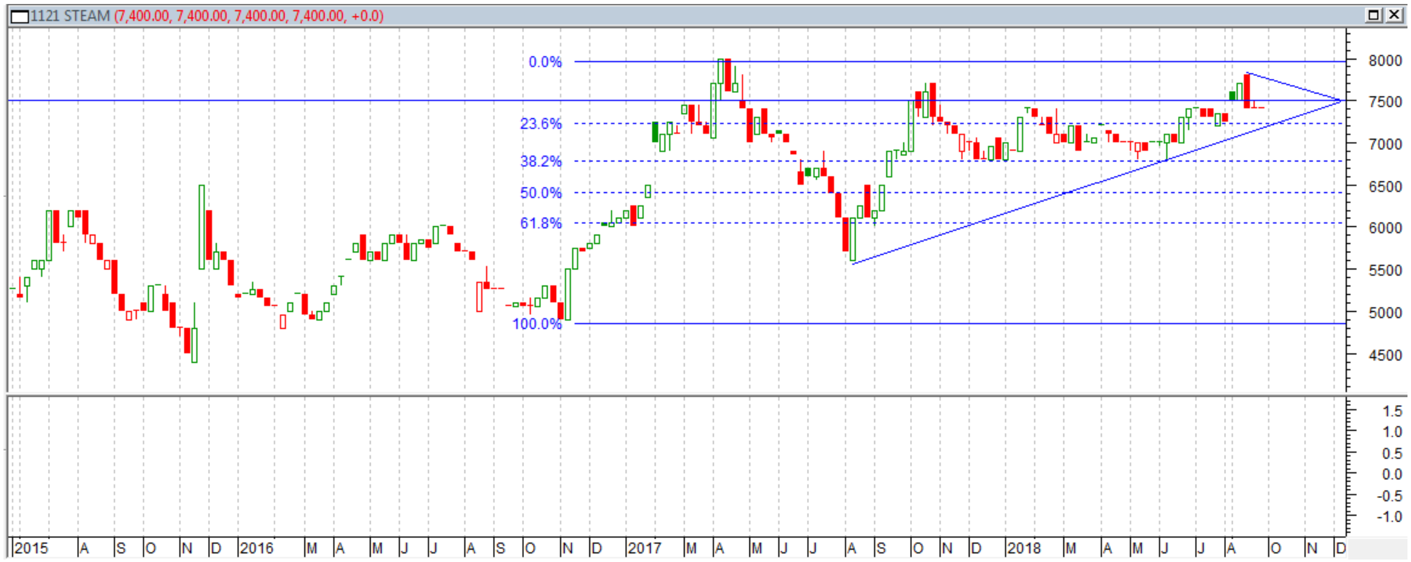
Based on preliminary official data, Pakistan has exported 4.0 MMT of rice during MY17/18 as compared to 3.6 MMT during the preceding marketing year (Table 1). FAS Islamabad amended the PSD accordingly. Rice production forecast for MY 2018/19 is unchanged at 7.4 MMT. Continuing devaluation of the Pakistani 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 increased 1-2 percent, particularly for fragrant and parboiled rice, due mainly to the strengthening of the Thai baht to 32.4 baht/U.S. $1.00 from the exchange rate of 32.6 baht/U.S. $1.00 in the previous week. Meanwhile, export prices of white rice remained unchanged. Exporters have secured white rice supplies to fulfill the shipment contracts to the Philippine and Chinese governments who respectively purchased 224,000 metric tons of 25% grade white rice, and 100,000 metric tons of 5% grade white rice in November 2018. The shipments have taken placed since mid-December 2018 and will finish in January 2019. Unofficial and preliminary rice exports (excluding premium white and fragrant rice) for December 10-16, 2018 totaled 245,482 metric tons, up 74,486 metric tons from the previous week and up 68,183 metric tons from the four-week moving average of 177,299 metric tons. Rice exports from January 1 – December 16, 2018 totaled 9,071,074 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 (Delhi):



Technical chart of 1121 steam rice shows steady to weak sentimentsin 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 weak in January due to sluggish demand. Export prices in India had shot up after the central state of Chhattisgarh, a leading rice producer, raised minimum paddy buying prices. Also African buyers are just making inquiries, but trade is not happening which kept the price in muted condition.

Price of Aromatic rice was traded slightly down in January from last month and currently 1121 steam rice traded at Rs.7100-7250/quintal; Agriwatch expects price to besteady 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. 22.11.2018	(2018-19) Forecast. 24.01.2019
Production	475	487	490	491	488
Trade	40	48	48	49	47
Consumption	474	486	487	493	491
Carryover stocks	122	123	126	125	126
Y-O-Y change	1	1	1		-3
Major Exporters	33	31	28	31	30

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

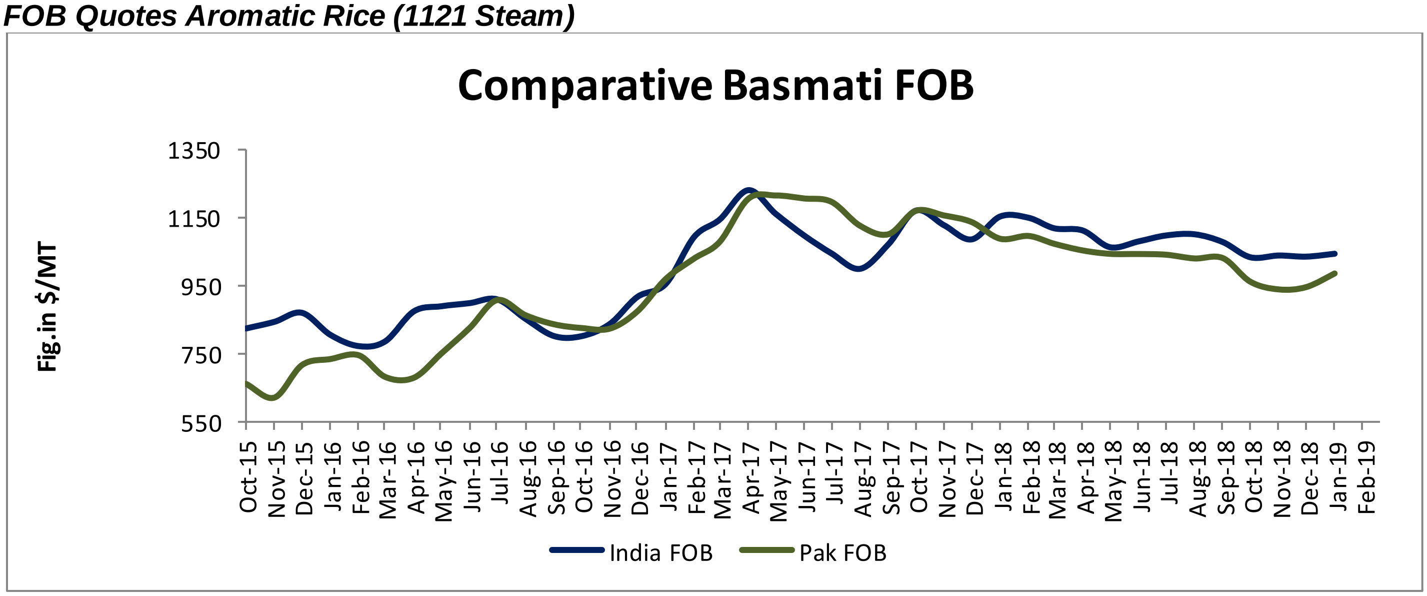
IGC Rice Balance sheet Highlights:

Owing to downgrades for India and Thailand, global rice output is forecast 3m t lower m/m, at 488m, a drop of 3m y/y. Nevertheless, due to a larger figure for carry-ins, supplies are pegged fractionally higher than before and, reflecting a reduction for uptake, stocks are lifted to 126m t, but still a drop of 2% y/y. The 2019 trade projection is lowered to 47m t, a modest y/y gain on anticipated African demand. World rice production in 2018/19 is seen modestly lower y/y as potentially smaller crops in Asian exporters, where weather has been less than ideal, are only partly offset by improved outturns elsewhere. In China, too, output could fall amid supply-side reforms. With consumption set to ascend on population growth, inventories may fall, albeit remaining above average. Trade is predicted to edge up to a new peak in 2019, as bigger shipments to Africa more than offset a reduction in demand within Asia against the backdrop of bigger local supplies.

Indicative Basmati Parity Sheet

Parity Calculation Sheet	Rajkot (Kandla)	Andhra Pradesh(Vizag)	Punjab(Kandla)	Haryana(kandla)	West Bengal(Kolkata)
Price @ various center	73000	73500	71500	71480	73200
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)	73950	74450	73400	73380	74200
Indian FOB (USD/MT)	**1047.01**	**1054.08**	**1039.22**	**1038.94**	**1050.55**
Insurance @ 0.1%	1.05	1.05	1.04	1.04	1.05
Freight Charges (US $/ton) to Iran	55	55	55	55	55
CIF (Kandla to Dubai)	1103.05	1110.14	1095.26	1094.97	1106.60
INR MonthlyAverage	70.63	70.63	70.63	70.63	70.63

FOB Quotes Aromatic Rice (1121 Steam)



Source-FAO& AW

Indian FOB for 1121 steam traded fim in the month of January and currently is in the range of USD 1042.76/MT which is up by 0.81% from last month price of USD 1034.34/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 to firm from last month and is now hovering in the range of USD 985/MT which is up by 4.23% from last month FOB of USD 945/MT.

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

Market Analysis

The CBOT March-19 month rough chart for rice indicates steady to firm tone from last week. We expect market to hover in the range of USD 10.00-11.50 hundred weights in coming sessions.

International Price Projection for Next Month:

Duration	Trend	Support	Resistance
Feb-2019	Steady	S1-10.0 S2-9.00	R1-12.50 R2-12.80