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# Rice Weekly Research Report

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## Contents

- ❖ Outlook and Review
- ❖ Weekly Price Change
- ❖ Weekly Rice Export
- ❖ Progressive Procurement
- ❖ FOB-1121 Steam
- ❖ International Rice Market Summary
- ❖ IGC Balance Sheet
- ❖ CBOT Trend

**Outlook and Review:  
Domestic Front**

**Wholesale Prices for India as an average for 01<sup>st</sup> week of April traded firmed by 3.74% from last week. Prices are currently** hovering at Rs.3017-3020/quintal and 6% up from price of Rs.2845/Quintal during corresponding period last year. Agriwatch expects rice market to move in firm tone as demand is continuously strong from African countries in the market.

**India's 5% broken parboiled rice prices rose by \$2 per tonne to \$378 to \$380 a tonne this week, as gains in the rupee led** exporters to raise prices, as the rupee was near its highest level in about 20 months. Higher paddy prices and rising rupee is forcing exporters to raise export prices. The demand is moderate. Vietnam rice Prices of the 5 % broken rice rose to \$352-\$355 a tonne free-on-board (FOB) Saigon, from \$348-\$350 a tonne last week.

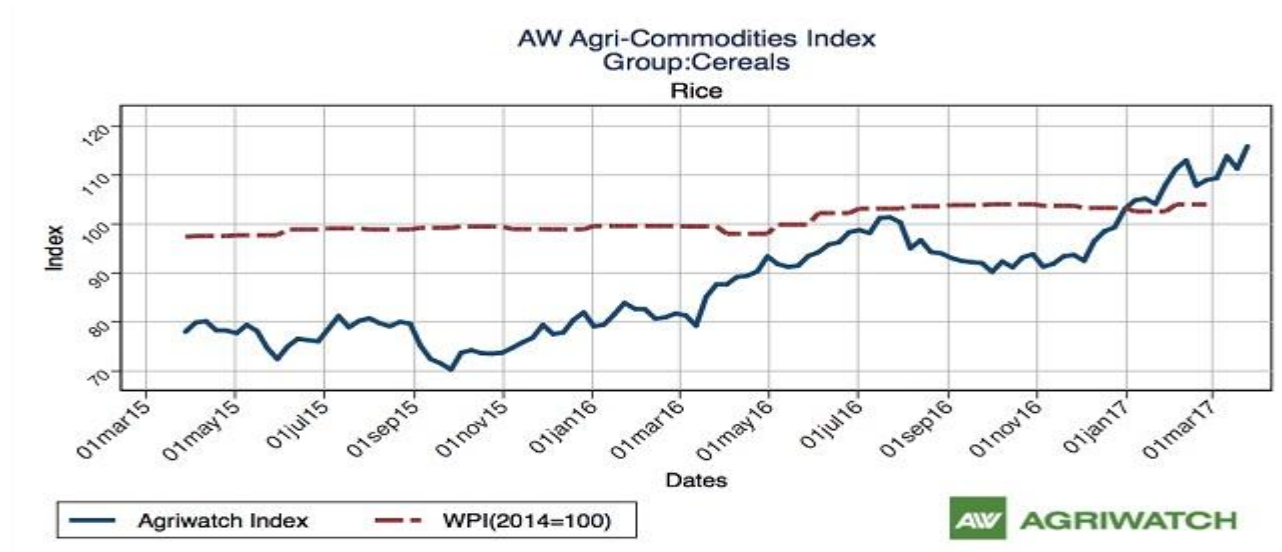
**India is likely to emerge unscathed from the El Nino weather pattern as it is expected to set in only during the latter part of the** four-month monsoon season which indicates that timely arrival of crop-nourishing rains. It is expected that monsoon is likely to arrive on the southern tip of Kerala state by around June 1 and retreat from the western state of Rajasthan by September. Forecasters in Japan and Australia also see a 40-50 chance of the El Nino weather pattern later this year. If this occurs, Agriwatch expects paddy/rice price will surge continuously in second quarter same as firmed in first quarter.

**As recommended by Commission for Agricultural Costs and Prices (CACP), the central government might increase its minimum** support price (MSP) for tur (red gram) and moong dal (green gram) by Rs 200 and Rs 475 a quintal, respectively, for the 2017-18 kharif season. CACP also had recommended an Rs 80 a quintal (6%) hike in the MSP of both the common grade and A-grade paddy, to Rs 1,550 and Rs 1,590 a quintal respectively, from last year price of Rs.1470/qrtl for common grade and Rs.1510/qrtl for Grade -A. Also for maize it is recommended, a rise to Rs 1,390 a quintal, from the current Rs 1,330 a quintal.

**All-India progressive procurement of Rice as on 23.03.2017 for the Kharif marketing season 2016-17 was 320.82 lakh tonnes** against the procurement of 300.73 lakh tonnes in the corresponding period of last year.

**India's rice stocks in the central pool as on March- 1, 2017 stood at around 31.43 million tons down by about 7.72% from around** 34.06 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 about 7.30% from around 29.29 million tons recorded on February-01, 2016. The current rice stocks are about one million tons more than the required strategic reserve norms of around 1.25 million tons for this time of the year, according to the FCI.

**In the Pre Monsoon season, at All-India level, the rainfall during the week (16th March, 2017 – 22nd March, 2017) has been** 31% lower than the Long Period Average (LPA). Rainfall in the four broad geographical divisions of the country during the above period have been higher by 295% in South Peninsula and lower by 76% in North West India, 18% in Central India, 9% in East & North East India.

**Agriwatch Cereals Commodity Indices – Mar-26, 2017**

**Agri Commodities Index rises 0.74% as Cereals, Pulses gain**

The Agriwatch Agri Commodities Index rose 0.74% to 110.34 during the week ended March 25, 2017 from 109.53 during the previous week led by higher cereals and pulses. The base for the Index and all sub-Indices is 2014 (= 100).

Seven of the 9 commodity group sub-Indices and 15 of the 29 individual commodity sub-Indices that constitute the main Index gained during the week. Spices and Sweeteners were the only declining groups this week. The commodity group sub-Index values and their weekly changes are as follows: Cereals: 113.47 (+1.16%), Pulses: 137.35 (+3.20%), Vegetables: 41.18 (+0.41%), Edible Oils: 104.47 (+0.60%), Oilseeds: 90.01 (+0.80%), Spices: 97.92 (-3.29%), Sweeteners: 125.31 (-0.44%), Fibres: 115.44 (+1.72%) and Other Non-Food Articles: 95.34 (+0.08%).

"Agriwatch has recently launched its AW Agri Commodity Indices to enable organizations access independent Indices to track and use to benchmark their purchases and sales. The Indices are based on the daily prices in the key benchmark markets for each commodity that AW has been covering for the past decade. The indices include an Aggregate Index, Category Indices and individual commodity indices. The weekly indices are free to access on our website [www.agriwatch.com](http://www.agriwatch.com). The daily indices are available on subscription. Please contact for more details."

**State wise Wholesale Prices weekly for 1<sup>st</sup> Week of April-2017**

Source Agmarknet

State	Prices 01-08 Apr 2017	Prices 24-31 Mar 2017	Prices 01-08 Apr 2016	% Change(Over Previous Week)	% Change(Over Previous Year)
Andhra Pradesh	3994	3713.21	4336.83	7.56	-7.91
Assam	3131.38	2965.1	2922.92	5.61	7.13
Gujarat	3700.84	3519.29	3647.05	5.16	1.47
Jharkhand	2746.63	2760.94	2443.1	-0.52	12.42
Karnataka	3651.68	3712.69	3481.2	-1.64	4.9
Kerala	3707.5	3710.96	2970.55	-0.09	24.81
Maharashtra	3485.47	3488.28	3048.06	-0.08	14.35
Manipur	2887.22	2918.18	2887.76	-1.06	-0.02
Meghalaya	2822.87	2981.15	3450.14	-5.31	-18.18

Orissa	2519.58	2345.69	2182.95	7.41	15.42
Tripura	2730.26	2428.32	2523.39	12.43	8.2
Uttar Pradesh	2222.09	2164.79	2085.25	2.65	6.56
Uttarakhand	2217.85	2253.67	2250.91	-1.59	-1.47
West Bengal	2433.63	2441.3	2246.89	-0.31	8.31
Average	3017.93	2929.13	2845.13		

**Price Projection for April 02<sup>nd</sup> Week in Domestic Market**

Duration	Trend	Average Price Range	Reason
02 <sup>nd</sup> Week of April, 2017	Steady to Firm	Rs.3050-3150/Q	Non-basmati rice market likely to move steady to firm note in coming weeks due to lower arrival and good domestic as well overseas demand.

**Weekly Price Change of 1121 Steam, Raw and Sella Rice Price Delhi Market (Figure: in Rs. /Quintal)**

1121 Steam, Raw and Sella Rice Price Delhi Market					
Variety	08-Apr-2017)	01-Apr-2017)	Month Ago(08-Mar-2017)	% ch. From last week	% Change from last Month
1121 Steam	8000	7800	7200	2.56	11.11
1121 Sella	7000	6700	5500	4.48	27.27
1121 Raw	8100	7700	7000	5.19	15.71

**Weekly Price (FOB) Change of Rice 5-25% broken high quality (Figure in USD/ MT):**

Indian White Rice 5%, 25% High Quality, Long grain parboiled 5%					
Variety	08-Apr-2017)	01-Apr-2017)	Month Ago(08-Mar-2017)	% ch. From last week	% Change from last Month
White Rice 5%	380	378	370	0.53	2.70
White Rice 25%	375	370	357	1.35	5.04
Parboiled 5%	378	375	365	0.80	3.56

**Non-Basmati Rice Imports from India Cumulative (Apr-Dec-16):**

Qty in MT	April-April	April-May	April-June	April-July	April-August	April-September	April-October	April-November	April-December
Benin	75464	162301	301059.9	379044.4	453910.65	497859.65	523948.25	536496.25	555422.25
Nepal	50618.42	92089.21	122923.98	144915.78	175612.12	196399.83	311834.4	294051.35	369154.19
Guinea	71080	137400	180581	257723.4	284765.4	291565.4	321331.4	369478.55	390789.55
United Arab Emirates	20704.56	40660.47	66391.84	89047.14	108982.07	123602.21	139426.35	158176.85	185730.86
Iraq	3280	17548	38352	58580	109120	153462	208652	260126	271982
Senegal	81774	123040.15	180305.15	205487.15	328488.15	332728.15	340073.15	342356.15	348078.15
Somalia	31059	71110	102235	125980	151177	168037	178470	203855	249397
Cote D Ivoire	20375	31774.36	126296.36	165173.63	169801.63	209169.6	213838.6	219053.6	227497.6
South Africa	19508	39560.09	77357.42	109913.36	137905.66	154228.86	170539.16	188813.93	199527.33
Liberia	35650	36505	40851.2	51606.2	106713.2	145075.2	145882.2	148570.2	149685.55
Others	147861.36	306408.65	507186.33	721310.96	940421.18	1096450.09	1237742.13	1373960.34	1563796.05
<b>Total</b>	<b>5,57,374.34</b>	<b>10,58,396.93</b>	<b>17,43,540.18</b>	<b>23,08,782.02</b>	<b>29,66,897.06</b>	<b>33,68,577.99</b>	<b>37,91,737.64</b>	<b>40,94,938.22</b>	<b>45,11,060.53</b>

**Basmati Rice Imports from India Cumulative (Apr-Dec-16):**

Qty In MT- Basmati Rice	April-April	April-May	April-June	April-July	April-August	April-September	April-October	April-November	April-December
S.Arab	95084.96	176983.26	227184.76	291073.06	336223.06	395962.06	449715.86	496126.86	542113.86
Iran	66874	204127.04	375538.04	446883	453649	462274.77	472000.77	489663.77	522099.18
U A E	49230.58	92686.72	155632.99	217463.42	242379.15	293954.63	342011.44	415691.09	501090.82
Iraq	20234	50370.6	98269.95	144400.95	178416.95	214077.6	246032.6	274626.6	332740.64
Kuwait	10944.4	30585.8	36335.36	58115.48	61329.48	80064.46	84731.98	99960.26	114710.26
United States	6837.66	17182.19	26104.67	35009.05	42387.64	50229.73	58657.14	67569.22	77944.17
Yemen	9886	17280.24	27407.84	33457.84	47349.84	67577.24	76223.04	85272.32	97053.72
U.K	9097.64	24035.74	36589.04	54494.49	67616.54	78929.89	86734.39	98434.74	108904.72
Oman	8483.97	16831.61	25462.75	30401.15	39320.86	44201.88	48744.93	54863.23	60550.43
Qatar	3322.81	7776.31	11180.56	18187.92	26329.92	35905.53	43683.2	49915.05	58866.4
Others	56621.95	111408.68	165446.66	219047.63	280501.38	343748.62	395848.17	446795.09	506998.45
<b>Total</b>	<b>3,36,617.97</b>	<b>7,49,268.19</b>	<b>11,85,152.62</b>	<b>15,48,533.99</b>	<b>17,75,503.82</b>	<b>20,66,926.41</b>	<b>23,04,383.52</b>	<b>25,78,918.23</b>	<b>29,23,072.65</b>

**Major Mandi Arrival in March-2017**
**Figure in Tons**

Fig. in Tons Mandi	Mar-17(Cumulative)	Feb-17(Cumulative)	Mar-16-Cumulative)	% Change(Over Previous Month)	% Change(Over Previous year)
Burdwan	71556.77	62306.93	74770.93	14.85	-4.30
Midnapore	6592.77	6194.79	3152.89	6.42	109.10
Banaganapalli	7519.3	6728.2	14561.89	11.76	-48.36
Ramachandrapuram	3213.4	2286.4	2537.31	40.54	26.65

Devariya	13817.41	12562.87	18906.96	9.99	-26.92
Sitapur	5083.03	4803.94	18718.75	5.81	-72.85
Mysore	46958.06	42633.02	30161.01	10.14	55.69
Raichur	4793.42	3561.92	3468.05	34.57	38.22

### State wise Progressive Procurement

State/UTs (in Lakh T)	Total procurement in marketing season 2015-16 (Oct. – Sept.)	Progressive Procurement as on 31.03.2017	
		In Marketing season 2016-17	In Marketing season 2015-16
AP	43.36	25.77	29.14
Telangana	15.79	11.03	10.16
Chhattisgarh	34.42	46.62	39.72
Haryana	28.61	35.7	28.61
Kerala	3.82	2.06	2.50
M.P	8.49	13.14	8.41
Maharashtra	2.3	2.40	1.52
Odessa	33.69	24.07	23.63
Punjab	93.5	110.47	93.5
Tamilnadu	11.92	1.37	8.83
U.P	29.1	23.54	29.10
Uttarakhand	5.98	7.06	5.97
West Bengal	15.68	8.71	10.41
Others	1.81	0	3.76
<b>Total</b>	<b>342.18</b>	<b>324.81</b>	<b>304.15</b>

Government has fixed higher rice procurement target of 33 million tonnes for the 2016-17 marketing year starting October while directing states to open adequate number of purchasing centers. Rice procurement has about to reach the target of 33 million tonnes set for the current 2015-16 marketing year (October-September). The Food Corporation of India (FCI), the nodal agency for foodgrain procurement and distribution, has so far purchased 32.48 million tonnes of rice. Target for Punjab has been kept at 9.4 million tonnes (MT) followed by Chhattisgarh (3.5 MT) Uttar Pradesh (3.35 MT), Haryana and Andhra Pradesh (2.9 MT each), Odisha (2.4 MT) and Bihar (2 MT), West Bengal (1.7 MT), Telangana (1.5 MT) and Tamil Nadu (1 MT). The target for Jharkhand has been kept at 2, 72,000 tonnes, Madhya Pradesh (9,00,000 tonnes), Maharashtra (2,50,000 tonnes), Kerala (1,22,000 tonnes), Assam (75,000 tonnes) and Karnataka (50,000 tonnes). However in many states like, Punjab, Chhattisgarh, Haryana, Odessa, West Bengal, Telangana etc. procurement target already passed due to higher production than last year.

## Global Updates

**Unofficial preliminary Thai rice exports (excluding premium white and fragrant rice) for March 26 – April 2, 2017, totaled 64,248 metric tons**, down 149,846 metric tons from the previous week, and down 85,526 metric tons from the four-week moving average of 149,774 metric tons. Rice exports from January 1 – April 2, 2017, totaled 1,997,305 metric tons.

**In the 2017/18 MY, South Africa's rice imports are expected to decrease by four percent to 1.0 million tons on decreased demand.** In the 2016/17 MY post estimates South Africa will import about 1.04 million tons of rice as consumption increased by seven percent, mainly due to last year's extreme drought that increased the prices of corn products. For the 2017/18 MY, post forecasts a seven percent decrease in South Africa's rice consumption to 820,000 million tons, due to an increase in corn production on favorable weather conditions and thus relatively lower prices for corn products.

**As per USDA latest report, china rice imports for MY-2016-17 is unchanged at 5 million tons. Vietnam and Thailand remain** leading exporters of rice to China due to their competitive prices and freight advantage. Rice imports will continue to be profitable if South East Asian countries offer the prices below China's floor price of renminbi 2,660 per ton (\$389). The average CIF rice price from South East Asia to China is renminbi 2,432 per ton (\$350).

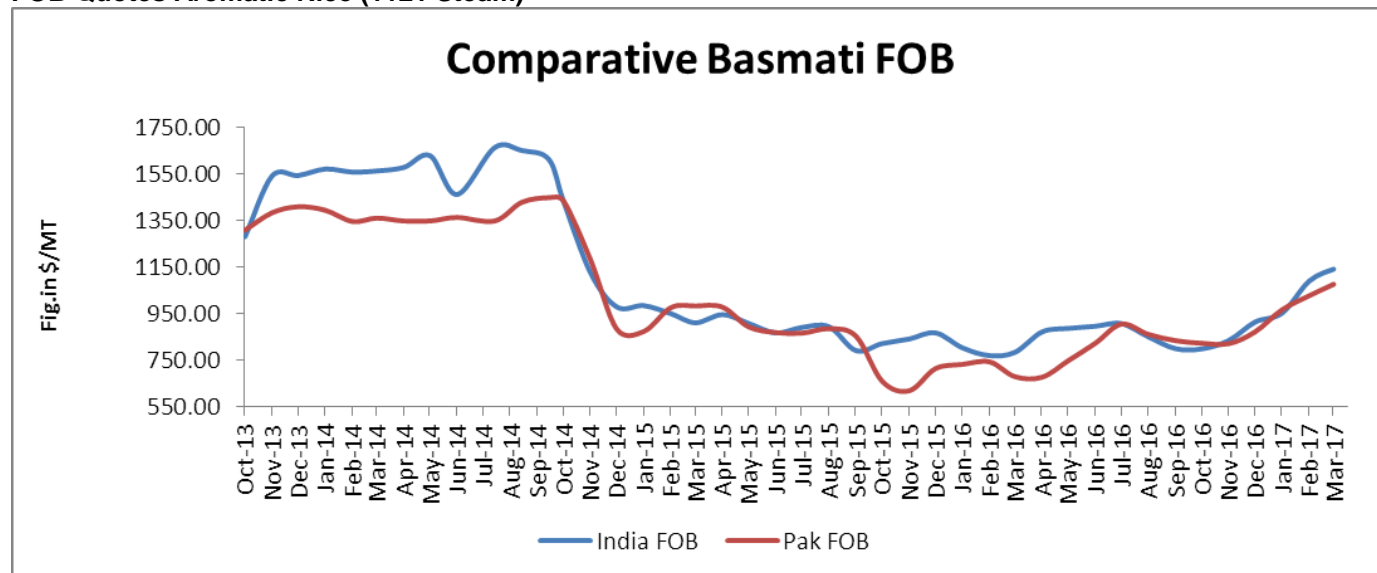
**Ghana Government has set an ambitious target to increase rice production by an enormous 49% just this year as an extent to** reduce rice imports to save the economy foreign exchange. As at the end of 2016, Ghana's rice production stands at 687,680 metric tonnes and 1,025,180 metric tonnes to be produced in 2017. Production in the country is to increase by 337,500 metric tonnes this year which may impact the import from different nation include Indian non-basmati rice.

**Global rice trade is forecast to rise in 2017, on larger imports by Asian and Middle Eastern countries. Trade is projected** up 3 percent from the prior year to the third-largest on record. This reverses the recent 2-year contraction that occurred as countries sought to increase domestic production and self-sufficiency, at times through restrictive trade measures.

**Thailand Export prices increased approximately 1 percent as the Thai baht further strengthened to 34.0 baht /USD, compared to 34.2 baht/USD** from the previous week. However, some exporters have kept their quotations unchanged in anticipation of slow trading activities over the next couple of weeks during the Thai New Year. Additionally, the government still has not finalized the sale of the 3.7 million metric ton non-food quality rice tender which was issued on March 23, 2017. Industry believes that only the bids from several swine feed mills totaling 1.4 million metric tons at 4,300 – 4,900 baht per metric ton (126-144 USD/MT) will be accepted as their bids are significantly higher than the other bids received by the Thai government. These bids are approximately 60 percent lower than the current market prices of broken rice used for swine feed.

**MY 2017/18 Pakistan rice production is forecast at 6.9 million metric tons, 1.5 percent above the current year's updated** production. Area is expected to increase marginally from the revised official 2016/17 area. MY 2016/17 production is adjusted downwards to 6.8 million tons, in accordance with Government of Pakistan figures. Production and yields during the last three years have been good with little fluctuation. This is due in part to the deposit of a nutrient rich top layer of soil as a result of several floods in recent years.



**FOB Quotes Aromatic Rice (1121 Steam)**


Source-FAO& Agriwatch

Indian FOB for 1121 steam in the month of March moved firm from last month and currently is in the range of USD 1143-1145/MT which is up by 4.6% from last month price of USD 1092/T. Average basmati rice price too firmed this month with higher demand and lower stocks. According to the UN's Food and Agriculture Organization (FAO), Currently Pakistani basmati FOB is also moving firmer from last six months due to lower production estimates and now it's hovering in the range of USD 1078-1080/MT which is also up by 4.78% from last month FOB of USD 1029/MT.

**IGC Rice Balance Sheet**

(Fig. In Million Tons)

Attributes ( Fig in Million Tons)	2014-15 Estimate	2015-16 Estimate	2016-17 F'cast (23.02.17)	(2016-17) 30.3.2017	2017-18 Proj. 30.03.2017
<b>Production</b>	480	473	482	483	487
<b>Trade</b>	42	39	41	41	41
<b>Consumption</b>	476	475	482	482	486
<b>Carryover stocks</b>	120	118	119	118	119
<b>Y-O-Y change</b>	4	-2	-	0	1
<b>Major Exporters</b>	37	32	31	30	28

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

**IGC Rice Balance sheet Highlights**

Global rice supply and demand figures for 2016/17 are broadly unchanged from February. In 2017/18, world output is predicted at a new record, but y/y gains are likely to be slim as low international prices potentially serve as a disincentive to some producers. Population growth is set to lead food consumption higher, while carryover stocks are expected to remain comfortable. Trade could edge up slightly in 2018 on bigger shipments to African buyers in



particular. Underpinned by higher plantings and improved growing conditions in Asia, world rice output in 2016/17 is seen rising by 2% y/y, to a record of 483m t. With the annual increase in supplies absorbed by a comparable rise in total use, global ending stocks are forecast steady y/y. However, major exporters' inventories could fall slightly as the Thai government looks to offload old crop reserves. Prospects for 2017/18 are tentative, but output may climb to a new peak. However, continued low prices may discourage area gains in some exporters. Although record uptake is anticipated, carryovers are predicted to stay high as a further drawdown in key exporters is more than offset by accumulation elsewhere. As always, trade will be shaped by import needs in Asia and Africa.

### IGC Forecast the World Rice Production Up in 2017-18

In its March 2017 Grain Market Report (GMR), the International Grains Council (IGC) projection for 2017-18 global rice production at around 487 million tons, up about 0.82% from an estimated 483 million tons in 2016-17 on improved Asian production.

### Global Trade of Rice Unchanged from Last Month

The IGC forecasts 2017-18 global rice trades at around 41 million tons, unchanged from its estimates for 2016-17. It expects world rice trade in 2017 to remain same on normal demand from buyers in Africa and Asia.

### Global Consumption of Rice Increases in 2016-17

The IGC forecasts 2017-18 global rice consumption to up about 0.8% to around 486 million tons from an estimated 482 million tons in 2016-17

### Rice Price Trend @ CBOT May- 17, Rough Rice) (Prices in US\$/hundredweight)



### Market Analysis

The CBOT May month rough chart for rice indicates steady to firm movement in last weeks; overall market is in firm tone. We expect market to hover in the range of USD 9.30-10.50 hundred weights in coming sessions.

**Price Projection (International-CBOT)**

Duration	Trend	Price Range
02 <sup>nd</sup> Week of April,2017	Steady to firm	USD/ Hundred Weight 9.30-10.50

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