
Rice Weekly Research Report

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**

Average weekly wholesale rice prices in India stood at around Rs.3072 per quintal in first week of May- 2017, up about 5.13% from around Rs.2921 per quintal in last week, and up about 3.85% from around Rs.2958 per quintal a year ago. Agriwatch expects non-basmati rice market to move range bound with firm tone in coming month due to expectation of higher international demand.

The country is likely to produce an all-time high 273 million tonnes (MT) of food grain in the 2017-18 crop year starting July and maintain 4% farm growth, anticipating a good monsoon.

Assam is expected to produce around 75 lakh tons of rice in coming MY-2017-18 which is higher by 23 lakh tons from last year production of 52 LMT. Rice scientists are to find out a technology so that, farmers could get maximum productivity using minimum water. Last year there was an attack of caterpillar and thus huge crop loss reported.

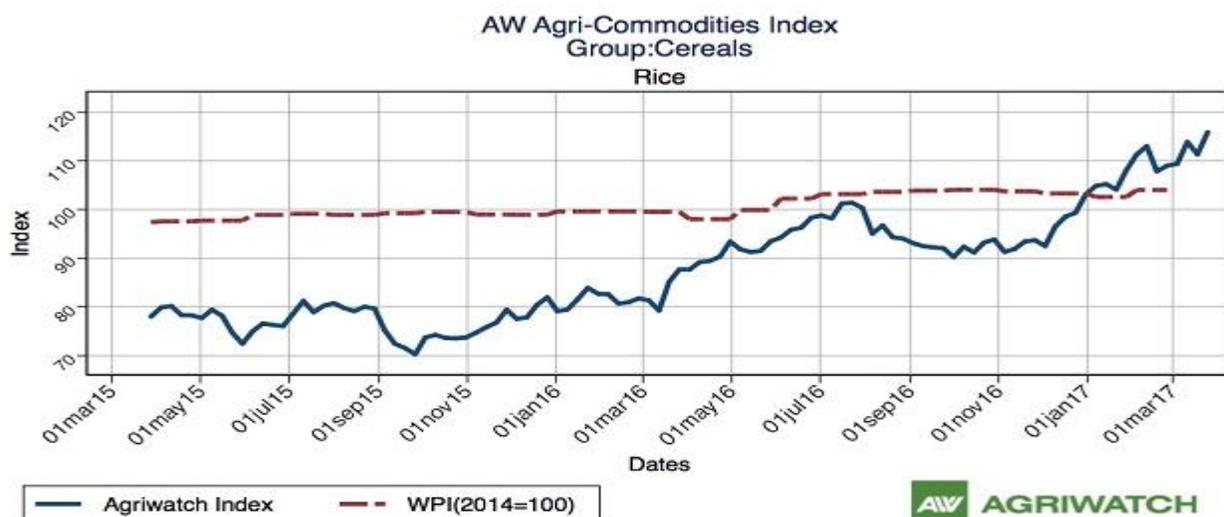
As recommended by Commission for Agricultural Costs and Prices (CACP), the central government might increase its minimum support price (MSP) for tur (red gram) and moong dal (green gram) by Rs 200 and Rs 475 a quintal, respectively, for the 2017-18 kharif season. CACP also had recommended an Rs 80 a 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/qtl for common grade and Rs.1510/qtl 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 21.04.2017 for the Kharif marketing season 2016-17 was 339.85 lakh tonnes against the procurement of 316.65 lakh tonnes in the corresponding period of last year.

India's rice stocks in the central pool as on April- 1, 2017 stood at around 29.78 million tons up by about 35% from around 22.16 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 about 5.24% from around 31.43 million tons recorded on March-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 (6th April, 2017 – 12th April, 2017) has been 31% higher than the Long Period Average (LPA). Rainfall in the four broad geographical divisions of the country during the above period have been higher by 215% in North West India and lower by 92% in Central India, 34% in East & North East India, 31% in South Peninsula.

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. The daily indices are available on subscription. Please contact for more details."

State wise Wholesale Prices weekly for 01st Week of May-2017

Source Agmarknet

State	Prices 01-08 May 2017	Prices 24-30 Apr 2017	Prices 01-08 May 2016	% Change(Over Previous Week)	% Change(Over Previous Year)
Andhra Pradesh	4073.48	3552.28	5184.58	14.67	-21.43
Assam	3189.38	3231.28	3082.02	-1.3	3.48
Gujarat	3336.61	3719.2	2808.47	-10.29	18.81
Jharkhand	2768.35	2742.53	2386.2	0.94	16.02
Karnataka	4260.73	3593.21	3320.25	18.58	28.33
Kerala	3707.34	3703.15	2953.9	0.11	25.51
Maharashtra	3616.63	3290.38	3591.5	9.92	0.7
Manipur	2943.79	2936.91	2900	0.23	1.51
Meghalaya	2844.17	2979.61	3452.17	-4.55	-17.61

Orissa	2303.56	2326.78	2382.61	-1	-3.32
Tripura	2850.59	2808.57	2528.05	1.5	12.76
Uttar Pradesh	2215.91	2217.74	2141.58	-0.08	3.47
Uttarakhand	2434.55	2251.33	2141.25	8.14	13.7
West Bengal	2452.99	2465.02	2213.86	-0.49	10.8
Average	3071.29	2921.2	2957.43		

Price Projection for May 02nd Week in Domestic Market

Duration	Trend	Average Price Range	Reason
02 nd Week of May, 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	06-May-2017)	30-Apr-2017)	Month Ago(06-Apr-2017)	% ch. From last week	% Change from last Month
1121 Steam	7300	7450	7800	-2.01	-6.41
1121 Sella	6300	6450	6500	-2.33	-3.08
1121 Raw	7500	7800	7900	-3.85	-5.06

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	06-May-2017)	30-Apr-2017)	Month Ago(06-Apr-2017)	% ch. From last week	% Change from last Month
White Rice 5%	392	387	378	1.29	3.70
White Rice 25%	385	382	370	0.79	4.05
Parboiled 5%	380	377	365	0.80	4.11

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
Total	5,57,374.34	10,58,396.93	17,43,540.18	23,08,782.02	29,66,897.06	33,68,577.99	37,91,737.64	40,94,938.22	45,11,060.53

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
Total	3,36,617.97	7,49,268.19	11,85,152.62	15,48,533.99	17,75,503.82	20,66,926.41	23,04,383.52	25,78,918.23	29,23,072.65

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 21.04.2017	
		In Marketing season 2016-17	In Marketing season 2015-16
AP	43.36	28.45	33.23
Telangana	15.79	12.02	10.94
Chhattisgarh	34.42	46.62	39.72
Haryana	28.61	35.7	28.61
Kerala	3.82	2.71	3.26
M.P	8.49	13.14	8.41
Maharashtra	2.3	2.46	1.60
Odessa	33.69	26.35	25.21
Punjab	93.5	110.47	93.5
Tamilnadu	11.92	1.41	9.59
U.P	29.1	23.54	29.10
Uttrakhand	5.98	7.06	5.97
West Bengal	15.68	15.90	12.59
Others	1.81	0	3.76
Total	342.18	339.85	316.65

Global Updates

The exports of basmati rice from Pakistan during the month of March 2017 increased by 154.28 percent as compared the exports of the corresponding month of last year. During month of March, about 45,745 metric tons of basmati rice worth \$43.976m was exported as compared the exports of 17,412 metric tons valuing of \$17.294m of same month last year.

Iran's state grains buyer GTC issued tenders to buy at least 65,000 tonnes of rice from Thailand and India, signaling a return to seeking international bids after the easing of sanctions. Iran had largely purchased rice through lengthy direct negotiations before the relaxation of Western sanctions, which were imposed over the nation's nuclear program. The new tenders, with a closing date of April 18, sought 50,000 tonnes from Thailand and 15,000 tonnes from India for May shipment.

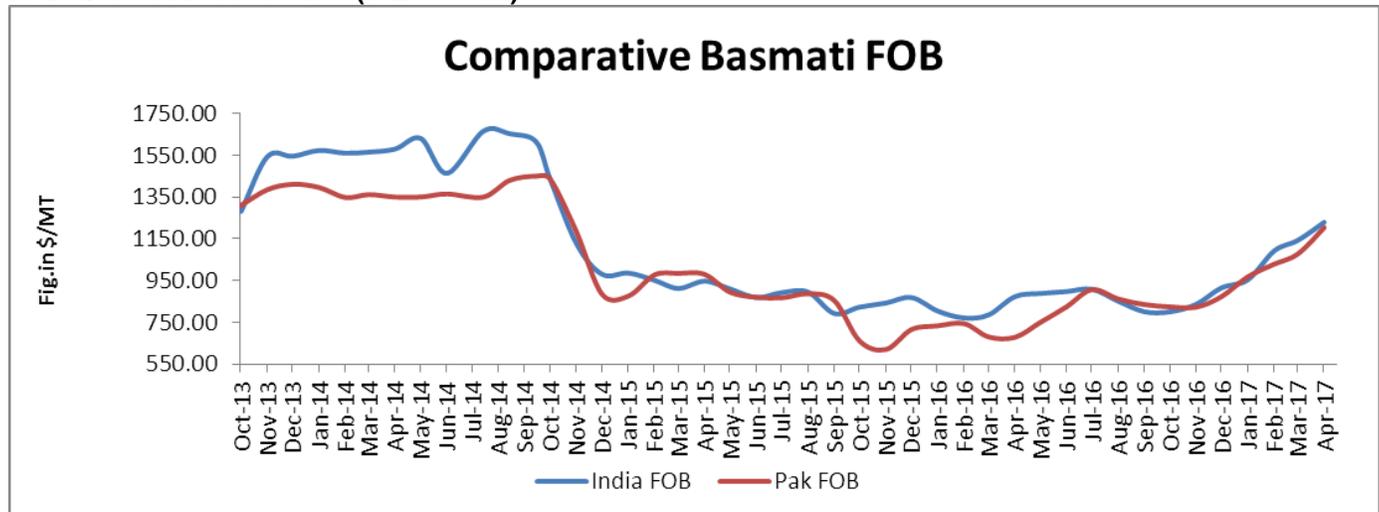
Unlike in MY2016/17 in Thailand when severe drought delayed and prevented farmers from planting main-crop rice in many irrigated areas in the lower northern region and the central plains, farmers will be able to plant MY2017/18 main-crop rice as usual in May 2017 due to sufficient water supplies. Main-crop rice acreage in these areas accounts for approximately 20 percent of total main-crop rice production. The government recently announced their support for the Royal Irrigation Department's plan to supply water for main-crop rice planting in May 2017, compared to last year when irrigation supplies were not available until August 2016 which was too late for main-crop rice planting in many locations. As of April 18, 2017, the RID reported that water supplies in major reservoirs totaled 4.9 billion cubic meters, which is more than double last year's record low levels (Figure 1). Therefore, Post's forecast for MY2017/18 rice production remains unchanged at 19.5 million metric tons which is approximately a 5 percent increase from MY2016/17 in anticipation of a recovery of main-crop rice production.

According to the Thai Customs Department, Thai rice exports during January - March 2017 totaled 2.7 million metric tons, down 6 percent from the same period last year due to a reduction in white rice exports. Exports of white rice declined to 1.3 million metric tons, down 19 percent from the same period last year due mainly to competition from Vietnamese rice which was approximately 30-40 USD/MT cheaper. Additionally, the government suspended the sale of old-crop white rice stocks during the harvest of main-crop rice in January and February 2017. Typically, old-crop white rice from government stocks is very competitive in the African market as the price is 30-35 USD/MT cheaper than new-crop white rice. However, at the same time, exports of parboiled rice increased 10 percent and fragrant rice increased 4 percent from the same period last year, totaling 0.5 and 0.7 million metric tons, respectively. Post's forecast for Thai rice exports remains unchanged at 10 million metric tons in MY2016/17 and MY2017/2018, up 1 percent from last year, driven by the government's sale of the remaining rice stocks in the second and third quarter of 2017.

Rice production for 2017/18 is forecast to drop to 800,000 tons (milled basis) as a result of a projected smaller planted area. Contacts indicate there are substantial uncertainties in the sector as returns have not been good in the past three crops. There are many small and medium producers seriously thinking of changing to other alternatives. In Corrientes province the alternative is to go back to raising cattle. In Entre Rios, where most of the shift could happen, most producers could instead plant soybeans or corn. In general, large producers are projected to maintain their area. There are a total of 400-450 rice producers in Argentina.

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 April moved firm from last month and currently is in the range of USD 1229-1230/MT which is up by 7.5% from last month price of USD 1143/T. Average basmati rice price too firmed this month with higher demand and lower stocks, however from last one week prices traded weak due to profit booking by traders. According to the UN's Food and Agriculture Organization (FAO), Currently Pakistani basmati FOB is also moving firmer from last seven months due to lower production estimates and now it's hovering in the range of USD 1203-1205/MT which is also up by 11.66% from last month FOB of USD 1078/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. 27.04.2017
Production	480	473	482	487	487
Trade	42	39	41	41	41
Consumption	476	475	482	486	485
Carryover stocks	120	118	119	119	120
Y-O-Y change	4	-2	-		2
Major Exporters	37	32	31	28	30

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

IGC Rice Balance sheet Highlights

Minor adjustments for production and uptake lift the 2016/17 global rice stocks forecast slightly, to 119m t, a fractional y/y rise. For the 2017/18 season, projections for supply and demand are little changed from March, with output seen edging up to a new peak, mainly on gains in Asian producers, while end-season carryovers are tentatively expected to reach 120m t, 1m higher than before. World import demand in 2018 is seen marginally stronger y/y, at 41m t. Aided by much improved weather across Asia, 2016/17 global rice output is placed at a peak

of 483m t, 10m higher y/y. Amid anticipated record supplies, uptake is seen rising to a new high, while end-season inventories could edge up. The outlook for world supply and demand in 2017/18 is tentative given that the bulk of seeding is still some months away. Nevertheless, assuming continued state support for producers in Asia and favorable conditions for crop development, output is predicted to reach a record of 487m t. Both consumption and inventories are likely to expand further, while traded volumes are seen remaining high, at about 41m t. Thailand's export potential may be contained by tighter supplies, but India and Vietnam could sell more.

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 485 million tons from an estimated 482 million tons in 2016-17

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



Market Analysis

The CBOT July month rough chart for rice indicates steady to weak movement in last weeks. We expect market to hover in the range of USD 9.20-10.55 hundred weights in coming sessions.

Price Projection (International-CBOT)

Duration	Trend	Price Range
02 nd Week of May,2017	Steady	USD/ Hundred Weight 9.20-10.55

Disclaimer

The information and opinions contained in the document have been compiled from sources believed to be reliable. The company does not warrant its accuracy, completeness and correctness. Use of data and information contained in this report is at your own risk. This document is not, and should not be construed as, an offer to sell or solicitation to buy any commodities. This document may not be reproduced, distributed or published, in whole or in part, by any recipient hereof for any purpose without prior permission from the Company. IASL and its affiliates and/or their officers, directors and employees may have positions in any commodities mentioned in this document (or in any related investment) and may from time to time add to or dispose of any such commodities (or investment). Please see the detailed disclaimer at <http://www.agriwatch.com/Disclaimer.asp> © 2017 Indian Agribusiness Systems Pvt Ltd.