



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.3005 per quintal in second week of May-2017, down about 1.9% from around Rs.3064 per quintal in last week, and up about 10% from around Rs.2732 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.

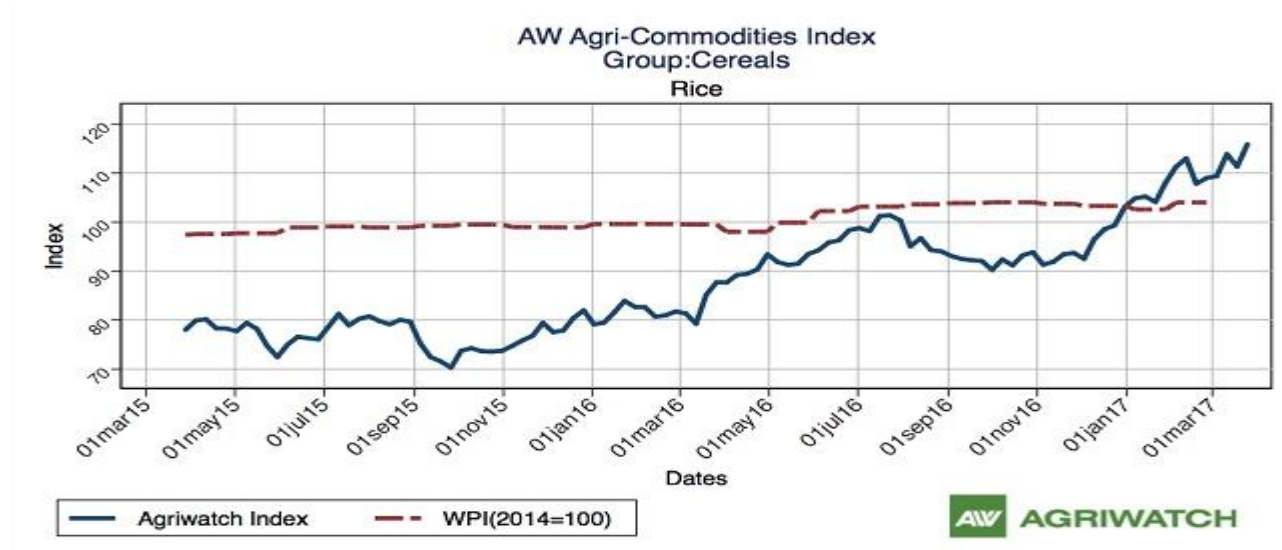
The government is considering raising the minimum support price (MSP) of paddy by Rs 80 per quintal to Rs 1,550 for the upcoming 2017-18 crop year starting from July. The MSP of paddy was fixed at Rs 1,470 for the common grade and Rs 1,510 for the 'A' grade variety for the 2016-17 crop years that ends next month. The suggested MSP for the common grade is Rs 1,550 and that of the 'A' grade Rs 1,590.

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/qlt for common grade and Rs.1510/qlt 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 05.05.2017 for 2016-17 was 351.45 lakh tonnes against the procurement of 320.62 lakh tonnes in the corresponding period of last year. The procurement of wheat for the rabi marketing season (RMS) 2017-18 was 257.85 lakh tonnes against the procurement of 215.63 lakh tonnes in the corresponding period of RMS 2016-17.

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 (27th April, 2017 – 03rd May, 2017) has been 8% 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 6% in East & North East India and lower by 77% in Central India, 15% in North West India, 14% 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 02nd Week of May-2017

Source Agmarknet

State	Prices 09-15 May 2017	Prices 01-08 May 2017	Prices 09-15 May 2016	% Change(Over Previous Week)	% Change(Over Previous Year)
Andhra Pradesh	4036.67	4050.19	3090.04	-0.33	30.63
Assam	2998.17	3177	3102.38	-5.63	-3.36
Gujarat	3368.52	3295.39	2813.81	2.22	19.71
Jharkhand	2710.27	2771.14	2503.28	-2.2	8.27
Karnataka	3586.7	4064.82	3263.93	-11.76	9.89
Kerala	3692.86	3701.23	2988.66	-0.23	23.56
Maharashtra	2979.52	3452.04	3116.5	-13.69	-4.4
Manipur	2943.17	2943.86	2924.44	-0.02	0.64
Meghalaya	2667.89	2925.42	3484.13	-8.8	-23.43
Delhi	3500		2000	—	75

Orissa	2399.43	2328.07	2602.33	3.07	-7.8
Tripura	2860.57	2857.65	2534.09	0.1	12.88
Uttar Pradesh	2254.09	2224.62	2197.75	1.32	2.56
Uttarakhand	2600.19	2610.16	2065.78	-0.38	25.87
West Bengal	2479.4	2492.99	2286.86	-0.55	8.42
Average	3005.16	3063.9	2731.6		

Price Projection for May 03rd Week in Domestic Market

Duration	Trend	Average Price Range	Reason
03 rd Week of May, 2017	Steady to Firm	Rs.3050-3200/Quintal	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	13-May-2017)	06-May-2017)	Month Ago(13-Apr-2017)	% ch. From last week	% Change from last Month
1121 Steam	7300	7300	8000	0.00	-8.75
1121 Sella	6300	6300	6900	0.00	-8.70
1121 Raw	7400	7500	7800	-1.33	-5.13

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	13-May-2017)	06-May-2017)	Month Ago(13-Apr-2017)	% ch. From last week	% Change from last Month
White Rice 5%	400	392	378	2.04	5.82
White Rice 25%	390	385	370	1.30	5.41
Parboiled 5%	385	380	365	1.32	5.48

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 April-2017

Figure in Tons

Fig. in Tons Mandi	Apr-17(Cumulative)	Mar-17(Cumulative)	Apr-16-Cumulative)	% Change(Over Previous Month)	% Change(Over Previous year)
Burdwan	81152.77	71556.77	85764.83	13.41	-5.38
Midnapore	6933.82	6592.77	3392.93	5.17	104.36
Banaganapalli	7669.3	7519.3	14861.89	1.99	-48.40
Ramachandrapuram	3565.46	3213.4	2893.75	10.96	23.21
Devariya	15875.89	13817.41	20196.92	14.90	-21.39

Sitapur	5420.53	5083.03	22257.76	6.64	-75.65
Mysore	50961.08	46958.06	33420.97	8.52	52.48
Raichur	5209.41	4793.42	3925.97	8.68	32.69
Villupuram	NA	NA	NA	#VALUE!	#VALUE!
Thiruchirappalli	NA	NA	NA	#VALUE!	#VALUE!

State wise Progressive Procurement

State/UTs (in Lakh T)	Total procurement in marketing season 2015-16 (Oct. – Sept.)	Progressive Procurement as on 05.05.2017	
		In Marketing season 2016-17	In Marketing season 2015-16
AP	43.36	31.52	37.56
Telangana	15.79	17.13	12.64
Chhattisgarh	34.42	46.62	34.42
Haryana	28.61	35.83	28.61
Kerala	3.82	3.01	3.54
M.P	8.49	13.14	8.41
Maharashtra	2.3	2.47	1.61
Odessa	33.69	28.07	26.77
Punjab	93.5	110.47	93.5
Tamilnadu	11.92	1.41	10.07
U.P	29.1	23.54	29.10
Uttrakhand	5.98	7.06	5.97
West Bengal	15.68	16.85	13.22
Others	1.81	0	3.76
Total	342.18	351.45	320.62

Riding a record harvest, public rice procurement in MY 2016/17 through May-05, 2017, was estimated at 35.14 MMT, an increase over the 34.21 MMT procured during the corresponding period last year. All major rice producing states procured at higher levels except for the southern states of Andhra Pradesh, and Tamil Nadu where dry conditions affected production levels. With additional procurement of rabi and summer rice likely to continue in eastern and southern states, albeit less than last year, public rice procurement in MY 2016/17 is likely to exceed the previous record 36 MMT in MY 2009/10.

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.

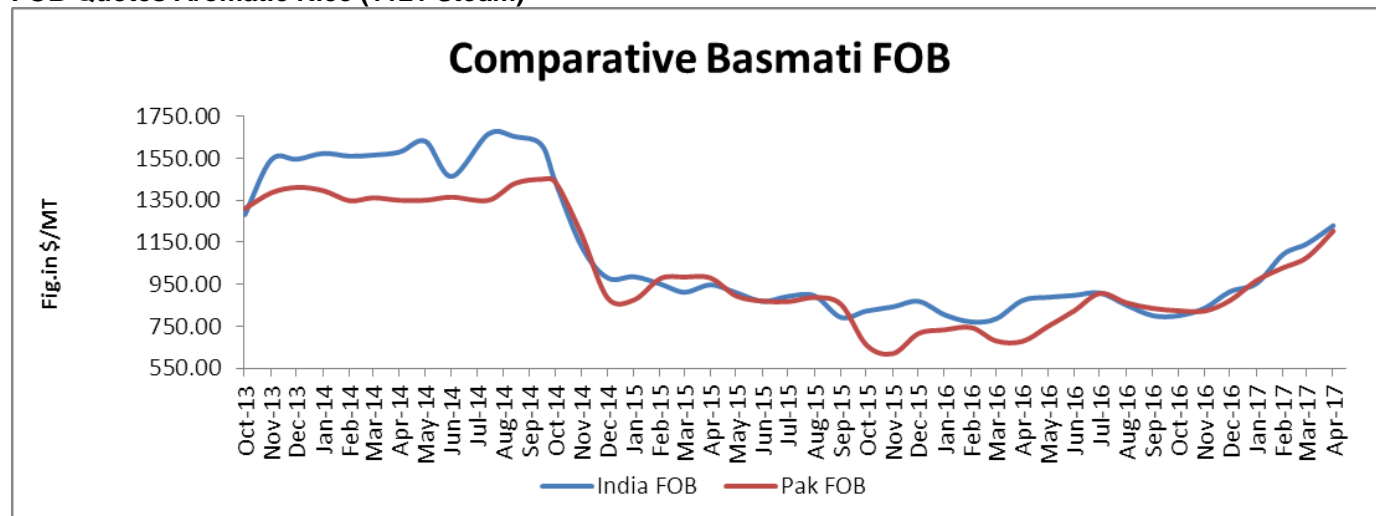
Iran's state grains buyer GTC issued tenders to buy at least 65,000 tonnes of rice from Thailand and India, signaling a return to seeking international bids after the easing of sanctions. Iran had largely purchased rice through lengthy direct negotiations before the relaxation of Western sanctions, which 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 May- 17, Rough Rice) (Prices in US\$/hundredweight)



Market Analysis

The CBOT May-17 month rough chart for rice indicates firm movement in last weeks. We expect market to hover in the range of USD 10.00-10.55 hundred weights in coming sessions.

Price Projection (International-CBOT)

Duration	Trend	Price Range
03 rd Week of May,2017	Steady to Firm	USD/ Hundred Weight 10.00-10.55

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