



Rice Weekly Research Report

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**Outlook and Review:
Domestic Front**

Average weekly wholesale rice prices in India stood at around Rs.3042 per quintal in third week of May-2017, up about 3.39% from around Rs.2942 per quintal in last week, and up about 10.95% from around Rs.2742 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.

Basmati area is expected to up in MY-2017-18 as farmers in Punjab and Haryana is likely to increase their basmati acreage around 50% compared to last year due to higher remuneration. Mostly farmers admitted that they will grow more aromatic paddy instead of normal paddy. In MY-2016-17, only 4.94 lakh hectares were cultivated in Punjab against normal area of 7.5 lakh hectare and 5.75 lakh hectares in Haryana which is around 7.2 lakh hectare is normal for aromatic paddy. Unlikely this year the total cultivation of basmati paddy in both states can go up to 15 lakh hectares, which is higher by around 50% than last year.

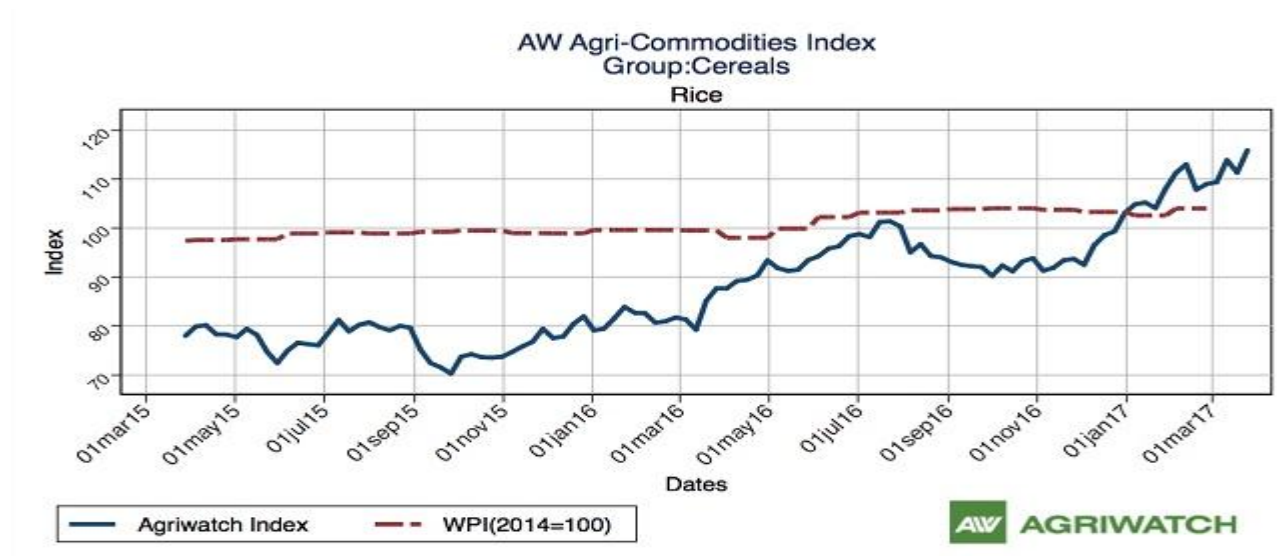
The government is considering raising the minimum support price (MSP) of paddy by Rs 80 per quintal to Rs 1,550 for the upcoming 2017-18 crop year starting from July. The MSP of paddy was fixed at Rs 1,470 for the common grade and Rs 1,510 for the 'A' grade variety for the 2016-17 crop years that ends 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 12.05.2017 for 2016-17 was 358.04 lakh tonnes against the procurement of 324.21 lakh tonnes in the corresponding period of last year. The procurement of wheat for the rabi marketing season (RMS) 2017-18 was 273.24 lakh tonnes against the procurement of 224.14 lakh tonnes in the corresponding period of RMS 2016-17.

India's rice stocks in the central pool as on May- 1, 2017 stood at around 29.07 million tons up by about 36.35% from around 21.32 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 2.38% from around 29.78 million tons recorded on April-01, 2017. 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 (04th May, 2017 – 10th May, 2017) has been 21% 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 22% in Central India, 13% in South Peninsula and lower by 62% in North West India, 31% 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. The daily indices are available on subscription. Please contact for more details."

State wise Wholesale Prices weekly for 03rd Week of May-2017

Source Agmarknet

State	Prices 16-23 May 2017	Prices 09-15 May 2017	Prices 16-23 May 2016	% Change(Over Previous Week)	% Change(Over Previous Year)
Andhra Pradesh	4175.19	3901.44	2959.39	7.02	41.08
Assam	3015.3	3165.27	3117.45	-4.74	-3.28
Gujarat	3235.53	3288.54	2857.92	-1.61	13.21
Jharkhand	2742.73	2716.06	2434.85	0.98	12.64
Karnataka	3642.71	3577.12	3337.76	1.83	9.14
Kerala	3706.32	3698.5	2974.56	0.21	24.6
Maharashtra	3359.82	3222.89	3739.11	4.25	-10.14
Manipur	2947.54	2935.29	3019.61	0.42	-2.39
Meghalaya	3700	2814.52	3437.57	31.46	7.63

Delhi		2504.55	1912.5	—	—
Orissa	2366.48	2426.01	2175.54	-2.45	8.78
Tripura	2803.31	2840.62	2584.48	-1.31	8.47
Uttar Pradesh	2267.52	2253.09	2161.55	0.64	4.9
Uttarakhand	2154.51	2284.5	2082.79	-5.69	3.44
West Bengal	2472.38	2504.62	2331.87	-1.29	6.03
Average	3042.1	2942.2	2741.8		

Price Projection for May 04th Week in Domestic Market

Duration	Trend	Average Price Range	Reason
04 th 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	20-May-2017)	13-May-2017)	Month Ago(20-Apr-2017)	% ch. From last week	% Change from last Month
1121 Steam	7250	7300	7800	-0.68	-7.05
1121 Sella	6200	6300	6800	-1.59	-8.82
1121 Raw	7200	7400	7750	-2.70	-7.10

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	20-May-2017)	13-May-2017)	Month Ago(20-Apr-2017)	% ch. From last week	% Change from last Month
White Rice 5%	410	392	380	4.59	7.89
White Rice 25%	395	390	378	1.28	4.50
Parboiled 5%	390	385	370	1.30	5.41

Rice Export Price Destination wise (CnF) for 15th May-2017:

USD/MT	Parboiled Rice			White Rice				100% Broken
Destination	Vizag	KPT	Bengal	Raipur		Bengal		Raipur
	IR 36 PB-5%	IR-64-PB-5%	IR 36 PB-5%	IR 36 -5%	IR 36 -25%	Swarna 5%	Swarna 25%	Normal Broken
Cotonou	448	457	455	472	451	448	421	376
Lorne	450	457	457	474	453	450	423	378
Tema	452	457	457	476	455	450	423	380
Dakar	458	465	467	482	460	460	433	385
Banjul	486	491	488	511	489	481	454	415
Bissau	484	490	494	509	487	487	460	413
Conakry	464	474	471	488	467	464	437	393
Durban	433	438	450	457	435	443	415	361
Abidjan	452	455	459	476	455	452	425	380
Nacala	448	457	457	472	451	450	423	370
Maputo	448	457	457	472	451	450	423	376
Dar-es-salam	431	44	440	455	433	433	406	159
Freetown	463	472	473	488	466	466	438	392
Luanda	479	488	488	503	481	481	454	407
Monrovia	463	472	473	488	466	466	438	392

Major Mandi Arrival in April-2017

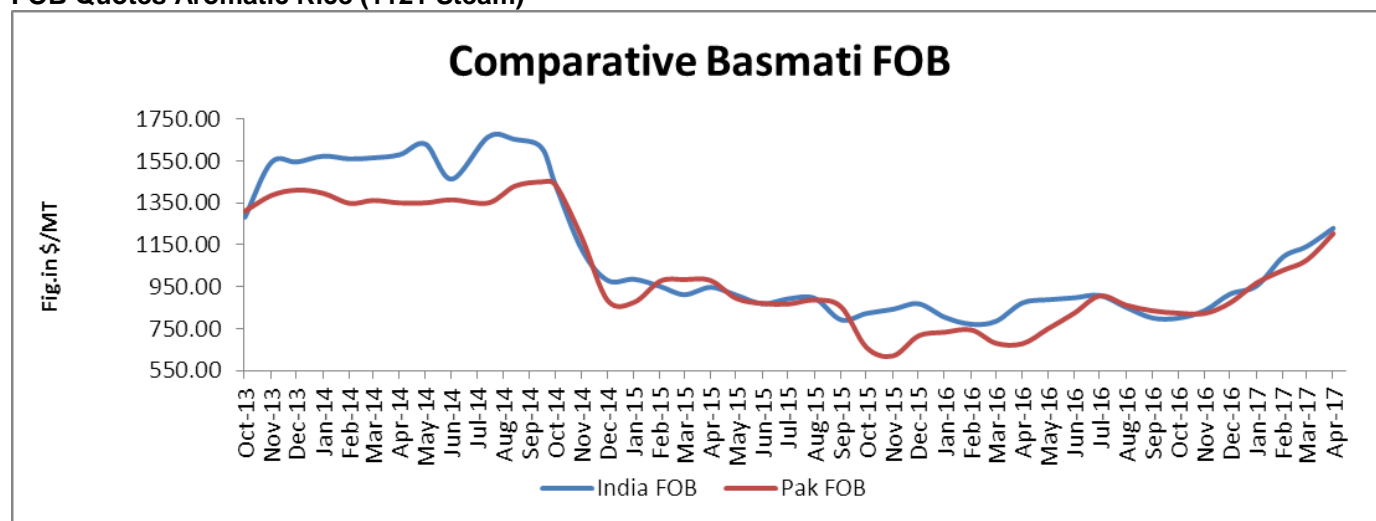
Figure in Tons

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 12.05.2017	
		In Marketing season 2016-17	In Marketing season 2015-16
AP	43.36	33.12	39.39
Telangana	15.79	21.34	15.53
Chhattisgarh	34.42	46.62	34.42
Haryana	28.61	46.62	34.42
Kerala	3.82	3.04	3.62
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	10.25
U.P	29.1	23.54	29.10
Uttarakhand	5.98	7.06	5.97
West Bengal	15.68	17.61	13.84
Others	1.81	0	3.76
Total	342.18	358.04	324.21

Riding a record harvest, public rice procurement in MY 2016/17 through May-12, 2017, was estimated at 35.80MMT, 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.

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.

Global Updates

Thai upward price trend continues on ongoing demand, export prospects, Vietnamese traders store rice, anticipate more gains while India's high prices slow down trade, turn away main buyers. Thai benchmark 5-percent broken rice rose this week to \$385-\$411 a tonne, free-on-board (FOB) Bangkok, from \$387-\$392 last week, Thai rice prices hit their highest in nine months. Vietnam's 5-percent broken rice was quoted at \$365-370 a tonne, FOB Saigon, up from \$355-\$360 last week, following the trend in Thailand. India, the world's biggest rice exporter, 5-percent broken parboiled rice prices eased by \$3 per tonne to \$391-\$396 a tonne this week on sluggish export demand.

The Philippines is likely to import an additional 250,000 tonnes of rice from Việt Nam and Thailand. The country would import more rice to boost its stocks ahead of the lean harvest season. Rice inventory in the Philippines is running low, with government stockpiles shrinking to the least in more than three years in April, just enough to cover 10 days of the national requirement.

Rice Exporters Association of Pakistan (REAP) and Jeddah Chamber of Commerce and Industry (JCCI) Saudi has signed a memorandum of understanding (MoU) for long-term institutional collaboration between the two trade bodies. The 14-member joint delegation of REAP and Pak-Saudi Joint Chamber of Commerce & Industry (PSJCCI) is visiting Saudi Arabia from 11-19 May, 2017, as part of trade promotion activities to increase export of rice to the Kingdom of Saudi Arabia

Unofficial preliminary Thailand rice exports (excluding premium white and fragrant rice) for April 24-30, 2017, totaled 188,017 metric tons, up 28,956 metric tons from the previous week, and up 30,473 metric tons from 157,544 metric tons. Rice exports from January 1 – April 30, 2017 totaled 2,757,029 metric tons.

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.

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.

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-17 month rough chart for rice indicates firm movement in last weeks. We expect market to hover in the range of USD 10.30-11-25 hundred weights in coming sessions.

Price Projection (International-CBOT)

Duration	Trend	Price Range
04 th Week of May,2017	Steady to Firm	USD/ Hundred Weight 10.30-11.25

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