Rice Weekly Research Report

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Outlook and Review:
Domestic Front

Average weekly wholesale rice prices in India stood at around Rs.3077 per quintal in first week of June-2017, steady about 6.74% from *around Rs.2882 per quintal in last week, and up about 6.44% from around Rs.2890 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.*

Arrival in the mandis of major producing hubs like -Punjab and Haryana has come to halt now and sources say that old *stock too is depleting fast in the mandis. Besides shortage of paddy, exporters start buying in the mandis. It drove the price of 1121 by Rs.100 to Rs.6150 to Rs-6250/quintal. New crop is at least away from 4 to 4.5 months from now. As buyers/exporters remain active, prices of rice is bound to move up by Rs.300/400/ quintal from current level. Firmness in rice market may continue on export demand*

All-India progressive procurement of Rice as on 26.05.2017 for 2016-17 was 370.58 lakh tonnes against the procurement *of 329.52 lakh tonnes in the corresponding period of last year. The procurement of wheat for the rabi marketing season (RMS) 2017-18 was 292.60 lakh tonnes against the procurement of 228.64 lakh tonnes in the corresponding period of RMS 2016-17.*

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.*

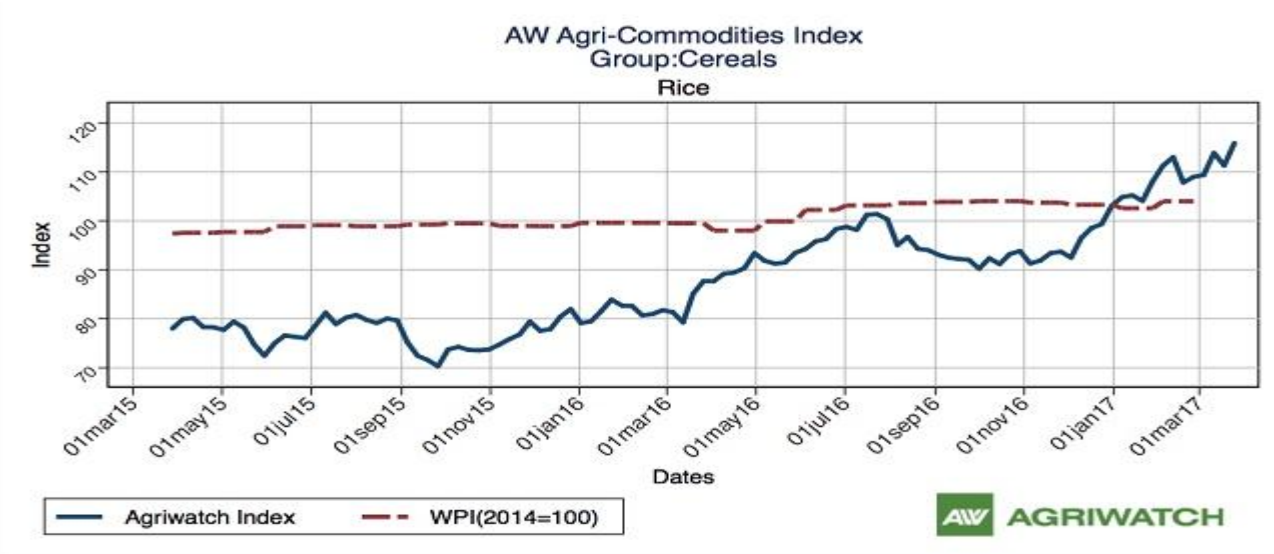
Southwest monsoon has set in over Kerala on 30th May 2017. It has also advanced into some parts of north eastern states (some *parts of Nagaland, Manipur, Mizoram and Arunachal Pradesh. Conditions are favourable for further advance of southwest monsoon into remaining parts of south Arabian Sea, Lakshadweep area and Kerala, some parts of central Arabian Sea, coastal & south interior Karnataka, some more parts of Tamil Nadu, southwest, west central & east central Bay of Bengal, most parts of northeast Bay of Bengal and some more parts of north eastern states during next 3- 4 days.*

Total production of Rice is estimated at record 109.15 million tonnes which is also a new record. This year's Rice production is higher *by 2.50 million tonnes (2.34%) than previous record production of 106.65 million tonnes achieved during 2013-14. It is also higher by 3.73 million tonnes (3.54%) than the five years' average Rice production of 105.42 million tonnes. Production of rice has increased significantly by 4.74 million tonnes (4.54%) than the production of 104.41 million tonnes during 2015-16.*

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.*

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.*

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

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

State	Prices 01-08 Jun 2017	Prices 24-31 May 2017	Prices 01-08 Jun 2016	% Change(Over Previous Week)	% Change(Over Previous Year)
Andhra Pradesh	4116.45	2850.74	5336.51	44.4	-22.86
Assam	3061.4	3102.99	3119.79	-1.34	-1.87
Gujarat	3285.2	3210.08	2791.35	2.34	17.69
Jharkhand	2747.61	2757.81	2246.93	-0.37	22.28
Karnataka	3653.32	3559.99	3364.08	2.62	8.6
Kerala	3723.16	3731.02	2983.29	-0.21	24.8
Maharashtra	3197.51	3573.37	2550.75	-10.52	25.36
Manipur	3100	3021.7	3048.12	2.59	1.7
Meghalaya	3700	3016.48	3489.33	22.66	6.04

Delhi		2000		__	__
Orissa	2408.53	2447.39	2272.6	-1.59	5.98
Tripura	2843.77	2816.7	2559.19	0.96	11.12
Uttar Pradesh	2261.04	2231.77	2168.53	1.31	4.27
Uttrakhand	2486.64	2411.22	2189.33	3.13	13.58
West Bengal	2484.89	2500.46	2342.88	-0.62	6.06
Average	3076.39	2882.11	2890.19		

Price Projection for June 02nd Week in Domestic Market

Duration	Trend	Average Price Range	Reason
02nd Week of June, 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	**03-Jun-2017)**	**27-May-2017)**	**Month Ago(03-May-2017)**	**% ch. From last week**	**% Change from last Month**
1121 Steam	7100	7050	7150	**0.71**	**-0.70**
1121 Sella	5900	5850	6300	**0.85**	**-6.35**
1121 Raw	7000	6900	7500	**1.45**	**-6.67**

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	**03-Jun-2017)**	**27-May-2017)**	**Month Ago(03-May-2017)**	**% ch. From last week**	**% Change from last Month**
White Rice 5%	435	403	400	**7.94**	**8.75**
White Rice 25%	400	398	395	**0.50**	**1.27**
Parboiled 5%	415	397	390	**4.53**	**6.41**

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

USD/MT	Parboiled Rice			White Rice				100% Brokens
	Vizag	KPT	Bengal	Raipur		Bengal		Raipur
Destination	IR 36 PB-5%	IR-64-PB-5%	IR 36 PB-5%	IR 36 - 5%	IR 36 - 25%	Swarna 5%	Swarna 25%	Normal Brokens
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**

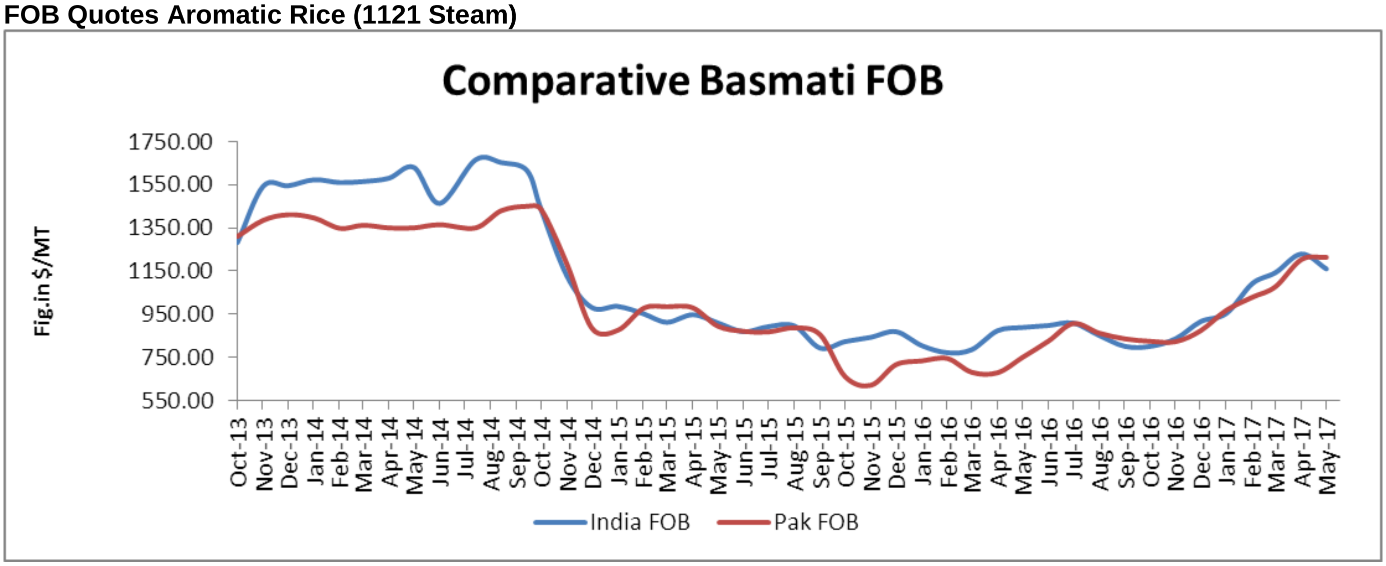
Fig. in Tons Mandi	Apr-17(Cumulative)	Mar-17(Cumulative)	Apr-16-Cumulative)	% Change(Over Previous Month)	% Change(Over Previous year)
Burdwan	81152.77	71556.77	85764.83	13.41	-5.38
Midnapore	6933.82	6592.77	3392.93	5.17	104.36
Banaganapalli	7669.3	7519.3	14861.89	1.99	-48.40
Ramachandrapuram	3565.46	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	Total procurement in marketing season 2015-16 (Oct. – Sept.)	Progressive Procurement as on 26.05.2017	
(in Lakh T)		In Marketing season 2016-17	In Marketing season 2015-16
AP	43.36	35.14	41.37
Telangana	15.79	30.37	15.28
Chhattisgarh	34.42	46.62	34.42
Haryana	28.61	35.83	28.61
Kerala	3.82	3.07	3.73
M.P	8.49	13.14	8.41
Maharashtra	2.3	2.53	1.61
Odessa	33.69	28.47	27.88
Punjab	93.5	110.52	93.5
Tamilnadu	11.92	1.41	10.48
U.P	29.1	23.54	29.10
Uttrakhand	5.98	7.06	5.97
West Bengal	15.68	18.56	13.84
Others	1.81	0	3.76
Total	**342.18**	**370.58**	**329.52**

Riding a record harvest, public rice procurement in MY 2016/17 through May 26, 2017, was estimated at 37.05 MMT, an increase over the 32.95 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, although less than last year, public rice procurement in MY 2016/17 is already 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 May moved weak from last month and currently is in the range of USD 1159-1160/MT which is down by 5.63% from last month price of USD 1229/T. Average basmati rice price too frail this month with lower demand even with lower stocks, however overall sentiments for basmati rice price remains firm in coming months. According to the UN's Food and Agriculture Organization (FAO), Currently Pakistani basmati FOB is moving firmer from last eight months due to lower production estimates and now it's hovering in the range of USD 1213-1215/MT which is also up by 0.84% from last month FOB of USD 1203/MT.

Global Updates

Vietnam's 5 percent broken rice average price hit $390 a tonne, its highest level since December 2014, on Thursday on *expected stronger demand from foreign importers. The rise came after Bangladesh said it would buy 250,000-300,000 tonnes of Vietnamese rice immediately and increase rice imports from Vietnam to 500,000 tonnes by end-2017.The Philippines also said it would issue a tender to import rice from key suppliers Thailand and Vietnam and possibly India.*

Unofficial preliminary Thailand rice exports (excluding premium white and fragrant rice) for May 8-14, 2017, totaled 202,635 metric tons*, up 26,320 metric tons from the previous week, and up 21,128 metric tons from the four-week moving average of 181,507 metric tons. Rice exports from January 1 – May 14, 2017 totaled 3,135,979 metric tons.*

Thailand's government has announced a plan to organize the second rice auction in 2017 with a total volume of up to 1.82 million *tons. Interested buyers could examine the rice's quality before bidding on May 24. The result of the auction is scheduled to be announced in the first week of June. To date, the Thai government has stocked 4.82 million tonnes of rice, much lower than the volume of 18.7 million tonnes between 2011-2014.A total of 11.7 million tonnes of rice was sold by auction for 112 billion THB from May 2014 to mid-April 2017. In the first five months of this year, Thailand exported 4.1 million tonnes of rice, up 9 percent, earning 1.74 billion USD, up 6 percent against last year*

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*

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)	2017-18 Proj. 27.04.2017	(2017-18) Proj. 25.05.2017
Production	480	472	484	487	487
Trade	42	39	40	41	41
Consumption	476	474	483	485	488
Carryover stocks	119	118	119	120	119
Y-O-Y change	4	-1	1	-	0
Major Exporters	37	32	31	30	28

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

IGC Rice Balance sheet Highlights

The incorporation of official data for India raises the forecast for world rice output in 2016/17 to a record of 484m t (+2% y/y). The 2017/18 crop outlook is maintained at a high of 487m t. But, due to increased total use m/m, aggregate end-season stocks are predicted fractionally lower than previously, at 119m t, albeit steady y/y. Within the total, major exporters' inventories could fall by 9% y/y. Traded volumes in 2018 are projected little changed from April, at 41m t. Mainly on bigger crops in Asia, where conditions showed a marked improvement on the previous season, world rice output in 2016/17 is placed at 484m t, up by 12m y/y. The outlook for 2017/18 is provisional but, assuming modest area expansion in some producers, the global outturn could edge up to a new peak. Tied to continued population increases in Asia and Africa, growth in food use is expected to underpin record uptake. Aggregate stocks are projected steady y/y, but major exporters' carryovers could drop by 9%, including another reduction in Thailand, to a nine-year low of 4.7mt. assuming supplies are ample and attractively priced, traded volumes are predicted to remain high.

IGC Forecast the World Rice Production Up in 2017-18

In its May 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 484 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 10.0-11-50 hundred weights in coming sessions.

Price Projection (International-CBOT)

Duration	Trend	Price Range
02nd Week of June,2017	Steady to Firm	USD/ Hundred Weight 10.00-11.50