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# Rice Weekly Research Report

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**Outlook and Review:****Domestic Front**

**Average weekly wholesale rice prices in India stood at around Rs.3037 per quintal in second week of June-2017, weak about 1.68% from** around Rs.3088 per quintal in last week, and up about 9.38% from around Rs.2776 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.

**All-India progressive procurement of Rice as on 09.06.2017 for 2016-17 was 380.24 lakh tonnes against the procurement** of 339.00 lakh tons in the corresponding period of last year. The procurement of wheat for the rabi marketing season (RMS) 2017-18 was 302.69 lakh tons against the procurement of 229.62 lakh tonnes in the corresponding period of RMS 2016-17.

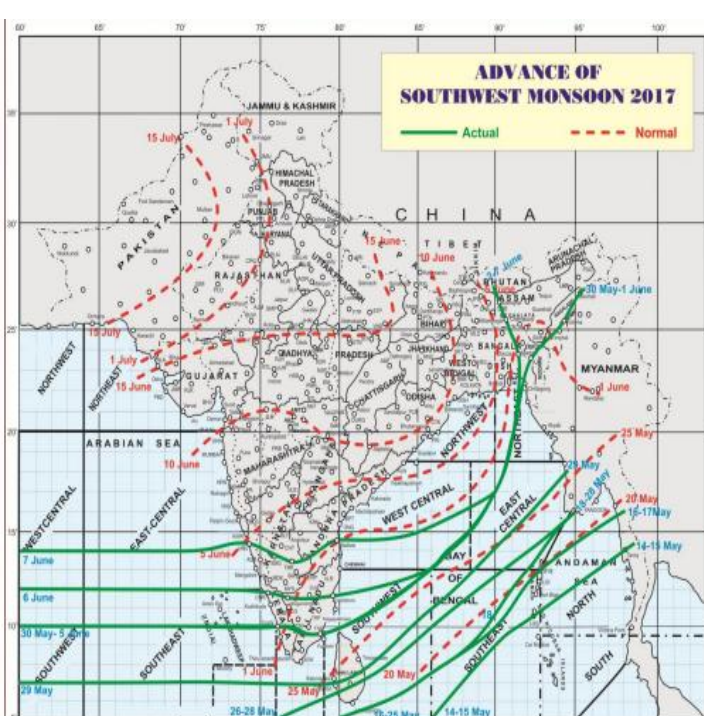
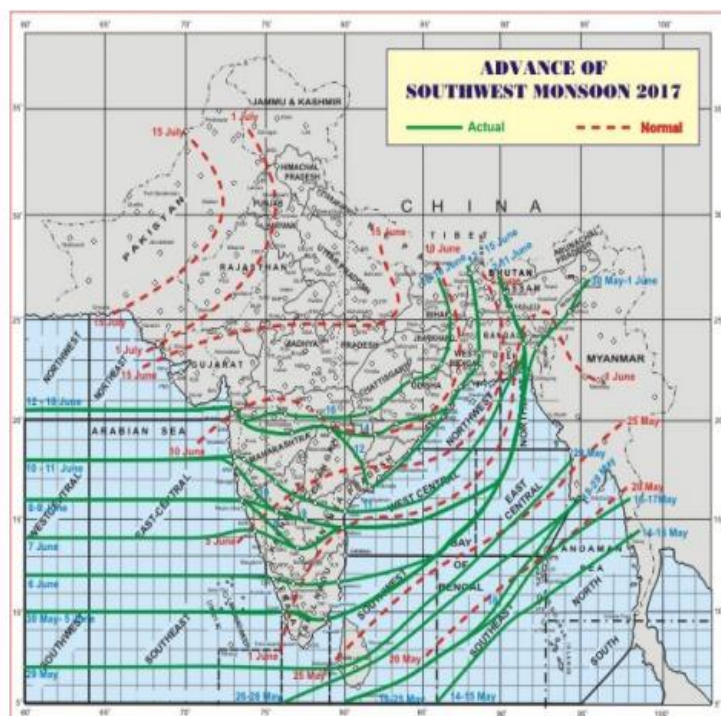
**Indian rice exports from October 2016 to March 2017 were estimated at 5.2 MMT compared to 4.8 MMT for the corresponding** period last year, largely on strong resurgence in the demand for both Basmati and non-Basmati rice since December 2016. Assuming no significant changes in the price parity for Indian rice during the remaining marketing year, MY 2016-17 exports are likely to reach 11 MMT compared to 10.2 MMT in the previous year. However, any change in the import policy of the major destination country or in the value of Indian rupee against the US dollar may affect the export prospects in the second half of the marketing year. MY 2017-18 rice exports are forecast at 10 MMT on sufficient domestic supplies, assuming continued export demand and international price parity for Indian rice.

**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.

**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.

**India's rice stocks in the central pool as on June- 1, 2017 stood at around 28.84 million tons up by about 6% from around 27.21 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 0.79% from around 29.07 million tons recorded on May-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 monsoon season, at All-India level, the rainfall during the week (01st June, 2017 – 07th June, 2017) has been 18% higher** than Long Period Average (LPA). Rainfall in the four broad geographical divisions of the country during the above period have been higher than LPA by 98% in North West India, 18% in East & North East India, 11% in South Peninsula and lower than LPA by 11% in Central India .

**Weather Watch:**
**Advance of Southwest Monsoon This week Vs. Previous Week-2017:**


As per second forecast of the 2017 Southwest Monsoon (June to September), with 50 percent probability, the IMD now forecasts that monsoon rainfall is likely to be 98 percent of the LPA. The monthly rainfall over the country as a whole is forecast to be 96 percent of LPA in July and 99 percent of LPA during August. This forecast, IMD's second, is an update from its April forecast when it forecast a near normal monsoon with monsoon rainfall likely to be 96 percent of the LPA

**State wise Paddy Crop Situation - Kharif (2017-18) as on 16.06.2017**

State	Normal Area	Normal Area as on date	Area sown reported			Absolute Change
			This Year	% of Normal	Last Year	
Andhra Pradesh	16.48	0.07	0.09	0.5	0.11	-0.02
Arunachal Pradesh	1.26	0.45	0.97	76.9	0.85	0.12
Assam	21.10	1.72	0.96	4.6	1.67	-0.71
Bihar	30.82	0.00		0.0		0.00
Chhattisgarh	37.74	0.01	0.41	1.1	0.07	0.34
Goa	0.45	0.00		0.0		0.00
Guajrat	7.33	0.00	0.00	0.0	0.00	0.00
Haryana	12.42	0.00	0.00	0.0	0.00	0.00

Himachal Pradesh	0.76	0.05	0.38	50.3	0.23	0.15
J&K	2.67	0.06	0.07	2.7	0.11	-0.04
Jharkhand	12.72	0.00		0.0		0.00
Karnataka	10.66	0.24	0.57	5.3	0.61	-0.04
Kerala	1.56	0.21	0.32	20.6	0.30	0.02
Madhya Pradesh	18.46	0.00		0.0		0.00
Maharashtra	15.21	0.31	0.28	1.9	0.33	-0.05
Manipur	1.02	0.12	0.68	66.5	0.60	0.08
Meghalaya	0.96	0.20	0.20	20.8	0.30	-0.10
Mizoram	0.34	0.00	0.00	0.0	0.00	0.00
Nagaland	1.84	1.05	1.43	77.8	1.32	0.11
Odisha	38.39	0.48	0.19	0.5	0.16	0.03
Punjab	28.48	0.00		0.0		0.00
Rajasthan	1.41	0.00		0.0		0.00
Sikkim	0.12	0.00		0.0		0.00
Tamil Nadu	16.14	0.39	0.52	3.2	0.65	-0.13
Telangana	10.50	0.00		0.0		0.00
Tripura	1.98	0.08	0.36	18.0	0.42	-0.06
Uttar Pradesh	58.40	0.06	0.31	0.5	0.28	0.03
Uttarakhand	2.55	0.70	0.98	38.4	0.91	0.07
West Bengal	40.63	0.10	0.50	1.2	0.48	0.02
Puducherry	0.13	0.00	0.01	5.2	0.01	0.00
Others	0.29					0.00
All-India	392.67	6.30	9.22	2.3	9.40	-0.18

Preliminary reports of crop coverage in the Kharif season have started coming in. The total paddy sown area as on 16<sup>th</sup> June-2017, as per reports received from States, stands at 9.22 lakh hectare compared to 9.40 lakh hectare at the corresponding time last year. It is reported that paddy area has been sown/transplanted is down by 1.90% from last year and higher by around 47% from normal area till date of 6.3 lakh hectares.

State wise Wholesale Prices weekly for 02<sup>nd</sup> Week of June-2017

State	Prices 09-15 Jun 2017	Prices 01-08 Jun 2017	Prices 09-15 Jun 2016	% Change(Over Previous Week)	% Change(Over Previous Year)
Andhra Pradesh	4530.86	5104.07	4065.33	-11.23	11.45
Assam	3190.39	3078.86	3098.79	3.62	2.96
Gujarat	3138.04	3175.27	2865.46	-1.17	9.51
Jharkhand	2740.95	2759.33	2418	-0.67	13.36
Karnataka	3690.18	3659.69	3557.63	0.83	3.73
Kerala	3798.82	3740.87	3067.25	1.55	23.85
Maharashtra	3537.55	3457.83	2225.97	2.31	58.92
Manipur	3086.78	3089.25	3048.65	-0.08	1.25
Meghalaya	2949.45	3037.5	2817.07	-2.9	4.7
Orissa	2239.06	2365.51	2060.49	-5.35	8.67
Tripura	2844.06	2845.98	2524.26	-0.07	12.67
Uttar Pradesh	2252.76	2250.74	2173.23	0.09	3.66
Uttarakhand	2017.76	2182.53	2610.57	-7.55	-22.71
West Bengal	2498.97	2497.47	2334.8	0.06	7.03
Average	3036.83	3088.92	2776.25		

Price Projection for June 03<sup>rd</sup> Week in Domestic Market

Duration	Trend	Average Price Range	Reason
03 <sup>rd</sup> Week of June, 2017	Steady	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	17-Jun-2017)	09-Jun-2017)	Month Ago(17-May-2017)	% ch. From last week	% Change from last Month
1121 Steam	6700	6900	7000	-2.90	-4.29
1121 Sella	5650	5750	6350	-1.74	-11.02
1121 Raw	6650	7000	7150	-5.00	-6.99

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	17-Jun-2017)	09-Jun-2017)	Month Ago(17-May-2017)	% ch. From last week	% Change from last Month
White Rice 5%	445	430	420	3.49	5.95
White Rice 25%	400	390	398	2.56	0.50
Parboiled 5%	425	420	415	1.19	2.41

Rice Export Price Destination wise (CnF) for 05<sup>th</sup> June-2017:

USD/MT	Parboiled Rice				White Rice		100% Broken
Destination	Vizag	KPT	Bengal		Bengal		Raipur
	IR 36 PB-5%	IR-64-PB-5%	IR 36 PB-5%	Swarna PB5%	Swarna 5%	Swarna 25%	Normal Broken
Cotonou	462	469	459	460	448	421	390
Lorne	464	469	461	461	450	423	392
Tema	466	469	461	461	450	423	394
Dakar	471	476	470	470	459	432	400
Banjul	500	502	491	491	481	453	429
Bissau	498	501	497	497	486	459	427
Conakry	478	486	474	iuu474	463	436	407
Durban	446	450	453	453	442	415	375
Abidjan	464	467	463	463	452	425	393
Nacala	462	469	461	461	450	423	390
Maputo	462	469	461	461	450	423	390
Dar-es-salam	444	451	443	444	433	405	373
Freetown	477	484	476	477	465	438	406
Luanda	493	500	491	492	481	453	421
Monrovia	477	484	476	477	465	438	406

Major Mandi Arrival in May-2017

Figure in Tons

Fig. in Tons Mandi	May-17(Cumulative)	Apr-17(Cumulative)	May-16-Cumullative)	% Change(Over Previous Month)	% Change(Over Previous year)
Burdwan	124256.61	114110.61	99937.72	8.89	24.33
Midnapore	4264.13	3903.05	3647.99	9.25	16.89
Banaganapalli	15688.45	15298.45	15080.17	2.55	4.03
Ramachandrapuram	3733.75	3463.75	3178.75	7.80	17.46



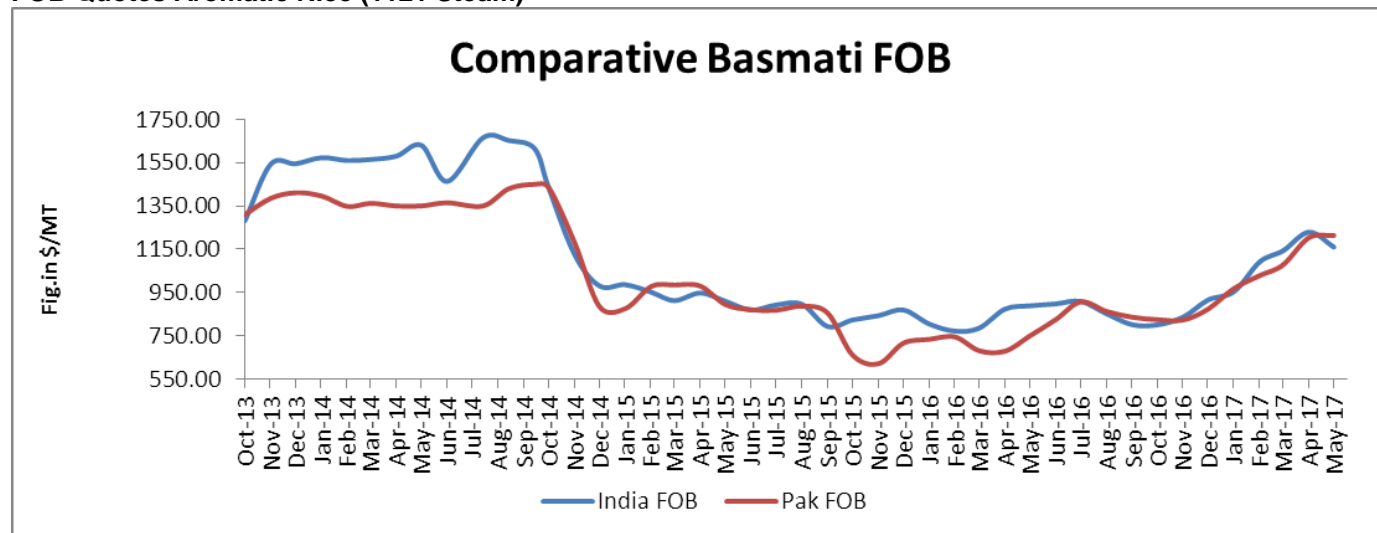
Devariya	31612.94	30193.94	25195.43	4.70	25.47
Sitapur	28352.8	27969.76	25113.76	1.37	12.90
Mysore	60528.02	53044.97	43232.97	14.11	40.00
Raichur	178022.03	119322.03	61624	49.19	188.88
Villupuram	NA	#VALUE!	#VALUE!	#VALUE!	#VALUE!
Thiruchirappalli	NA	#VALUE!	#VALUE!	#VALUE!	#VALUE!

### State wise Progressive Procurement

State/UTs (in Lakh T)	Total procurement in marketing season 2015-16 (Oct. – Sept.)	Progressive Procurement as on 01.06.2017	
		In Marketing season 2016-17	In Marketing season 2015-16
AP	43.36	36.20	42.73
Telangana	15.79	35.34	15.64
Chhattisgarh	34.42	46.62	34.42
Haryana	28.61	35.83	28.61
Kerala	3.82	3.08	3.83
M.P	8.49	13.14	8.41
Maharashtra	2.3	2.77	1.70
Odessa	33.69	31.48	33.69
Punjab	93.5	110.52	93.5
Tamilnadu	11.92	1.41	10.70
U.P	29.1	23.54	29.10
Uttarakhand	5.98	7.06	5.97
West Bengal	15.68	18.92	15.36
Others	1.81	0	3.76
<b>Total</b>	<b>342.18</b>	<b>380.24</b>	<b>339.00</b>

Riding a record harvest, public rice procurement in MY 2016/17 through June 09, 2017, was estimated at 38.02 MMT, an increase over the 33.9 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

**Rice export prices in Vietnam, the world's third-largest exporter of the grain, have risen to \$400-\$410 a ton this week, the highest in nearly 30 months, spurred by robust buying demand from Bangladesh and the Philippines and a domestic shortage of fresh grain between crops. Vietnam's 5-percent broken rice price has risen around 10 percent since the end of May to \$410 a ton this week, free-on-board basis, its highest since November 19, 2014 when the grain was quoted at \$410-\$410, FOB Saigon Port.**

**Unofficial preliminary Thailand rice exports (excluding premium white and fragrant rice) for May 29 – June 4, 2017, totaled 171,786 metric tons, up 20,777 metric tons from the previous week, and down 4,172 metric tons from the four-week moving average of 175,958 metric tons. Rice exports from January 1 – June 4, 2017 totaled 3,692,620 metric tons.**

**Thailand export prices further increased 3-4 percent from the previous week, reaching a price point last recorded in September 2013. This is the sixth straight week that rice prices have increased, driven by numerous inquiries for white rice and parboiled rice from Middle Eastern and African countries, as well as the strengthening Thai baht which is now exchanged at 33.8 baht/USD, compared to 34.4 baht/USD in early May 2017. However, exporters expect export prices will likely level off over the next couple of weeks when the outstanding shipments of white rice and fragrant rice to Iran are completed.**

**Recently Thailand sold 1.66 million tons of rice worth \$49 million from state stockpiles. World's second-biggest rice exporter after India, Thailand still has stocks of about 3 million tons left over from the previous government's rice-buying scheme, which paid farmers well above market rates. Thailand officially aims to export 9.5 million tons of rice this year, but the commerce ministry said 10 million tons was also achievable. Thailand's benchmark 5-percent broken rice was quoted at \$440-\$457 a tonne, free-on-board (FOB) Bangkok, up from \$430 last week. Thailand has exported 5.09 million tonnes of rice so far this year, up 15.7 percent from the same period last year.**

**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.**

**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 from last month. We expect market to hover in the range of USD 10.50-11.50 hundred weights in coming sessions.

**Price Projection (International-CBOT)**

Duration	Trend	Price Range
03 <sup>rd</sup> Week of June, 2017	Steady to Firm	USD/ Hundred Weight 10.50-11.60

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