Rice Weekly Research Report

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Outlook and Review:

Domestic Front

Average weekly wholesale rice prices in India stood at around Rs.3059 per quintal in third week of June-2017, firm about 2% from *around Rs.2971 per quintal in last week, and up about 9.25% from around Rs.2800 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 16.06.2017 for 2016-17 was 382.70 lakh tonnes against the procurement *of 339.17 lakh tonnes in the corresponding period of last year. The procurement of wheat for the rabi marketing season (RMS) 2017-18 was 306.46 lakh tonnes against the procurement of 229.62 lakh tonnes in the corresponding period of RMS 2016-17.*

*I**ndian 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.*

Among the food grains, the inflation for Paddy has decreased to 6.33% from the previous month's level of 8.29%. The inflation *for Cereals has decreased to 4.15% from the previous month's level of 6.88%, Pulses to (-) 19.73% from the previous month's level of (-) 13.64% and Wheat to 2.23% from the previous month's level of 6.09%.*

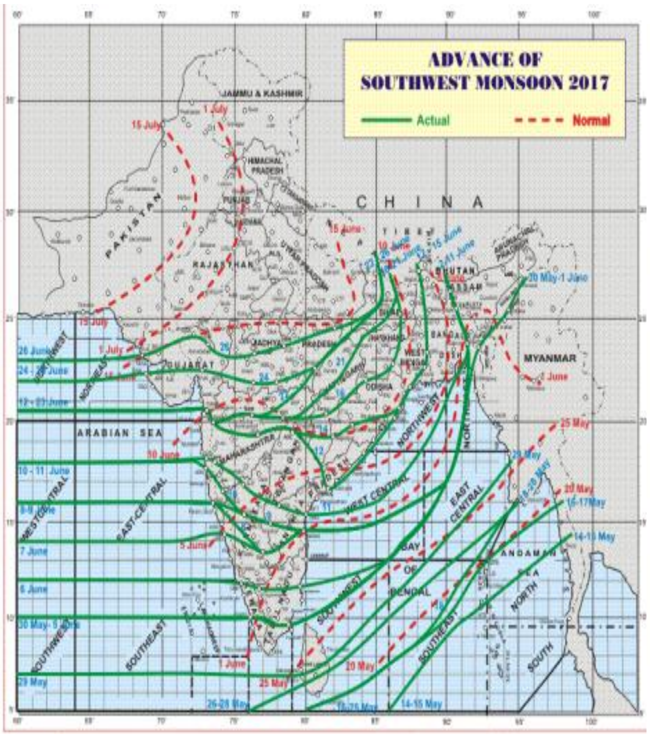
The government has approved Rs 80 per quintal hike in paddy MSP to encourage farmers increase area sown under Kharif *crops this season. According to the letter to the states, the Centre has approved Rs 80 per quintal hike in paddy MSP at Rs 1,550 for common grade variety and Rs 1,590 for 'A' grade variety. The country achieved record foodgrains production of 273.38 million tonnes in the 2016-17 crop year, but bumper output has resulted in fall in market price and distress to farmers.*

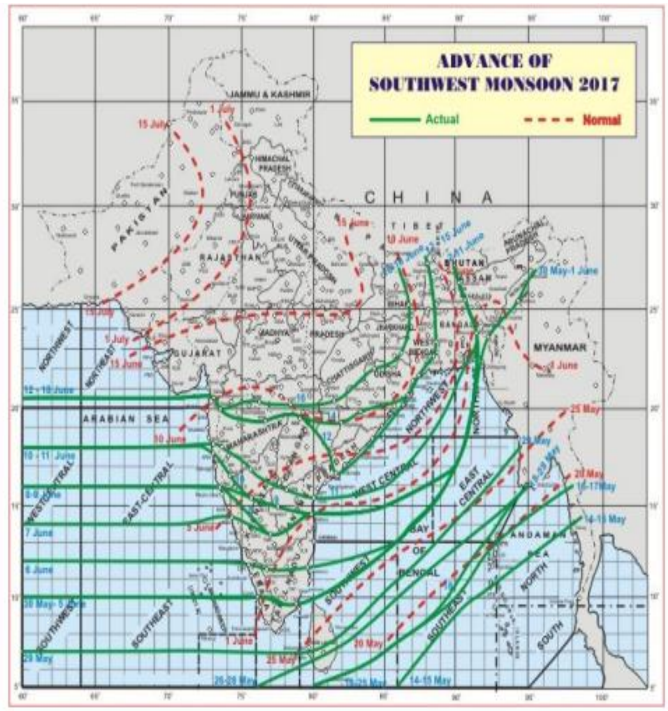
India's rice stocks in the central pool as on June- 1, 2017 stood at around 28.84 million tons up by about 6% from around 27.21 *million tons recorded during the corresponding period last year, according to data from the Food Corporation of India (FCI). India's rice stocks in the central pool are down 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 (08th June, 2017 – 14th June, 2017) has been 12% 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 64% in Central India, 37% in South Peninsula but lower than LPA by 27% in East & North East India and 22% in North West India.*

Weather Watch:

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





Favorable conditions are developing for the rapid advance of southwest monsoon into most parts north-west India, including remaining parts of Gujarat, Madhya Pradesh, Bihar, East Uttar Pradesh, and entire West Uttar Pradesh,Haryana,Chandigarh & Delhi, Punjab, Uttrakhand, Himachal Pradesh and Jammu & Kashmir and some parts of Rajasthan during next 3to4 days. This is expected, in view of the likely west northwestward movement of the cyclonic circulation which is currently located over north Odessa and neighborhood, towards northwest India and its likely interaction with an approaching Western Disturbance

State wise Paddy Crop Situation - Kharif (2017-18) as on 23.06.2017

State	Normal Area	Normal Area as on date	Area sown reported			Absolute Change
			This Year	% of Normal	Last Year	
Andhra Pradesh	15.68	0.14	0.18	1.1	0.25	-0.07
Arunachal Pradesh	1.27	0.69	0.97	76.1	1.31	-0.34
Assam	20.91	1.81	1.06	5.1	1.70	-0.64
Bihar	31.64	0.02	0.36	1.1	0.10	0.26
Chhattisgarh	37.97	0.01	0.70	1.8	0.07	0.63
Goa	0.44	0.00		0.0		0.00
Guajrat	7.35	0.01	0.03	0.4	0.06	-0.03

Haryana	12.64	0.10	0.36	2.8	0.50	-0.14
Himachal Pradesh	0.75	0.21	0.38	50.7	0.23	0.15
J&K	2.75	0.12	0.19	6.8	0.15	0.04
Jharkhand	14.46	0.00	0.03	0.2	0.00	0.03
Karnataka	10.36	0.69	0.75	7.2	1.08	-0.33
Kerala	1.54	0.29	0.34	22.1	0.34	0.00
Madhya Pradesh	19.30	0.00		0.0		0.00
Maharashtra	15.18	0.55	0.43	2.8	0.67	-0.24
Manipur	0.68	0.32	0.68	100.0	0.60	0.08
Meghalaya	0.97	0.20	0.20	20.7	0.30	-0.10
Mizoram	0.33	0.23	0.00	0.0	0.36	-0.36
Nagaland	1.87	1.05	1.43	76.5	1.32	0.11
Odisha	37.94	1.29	0.19	0.5	0.16	0.03
Punjab	28.77	3.14	4.35	15.1	2.80	1.55
Rajasthan	1.51	0.00	0.06	4.0	0.02	0.04
Sikkim	0.11	0.00		0.0		0.00
Tamil Nadu	9.75	0.55	0.70	4.3	0.87	-0.18
Telangana	1.98	0.00		0.0		0.00
Tripura		0.08	0.36	18.0	0.42	-0.06
Uttar Pradesh	58.79	0.32	0.60	1.0	0.28	0.32
Uttarakhand	2.51	1.01	1.85	73.8	1.90	-0.05
West Bengal	41.91	0.10	0.50	1.2	0.48	0.02
Puducherry	0.13			7.8		0.00
Others	0.29	0.00	0.01		0.01	0.00
All-India	**395.94**	**12.95**	**16.70**	**4.2**	**15.97**	**0.73**

Preliminary reports of crop coverage in the Kharif season have started coming in. The total paddy sown area as on 23rd June-2017, as per reports received from States, stands at 16.70 lakh hectare compared to 15.97 lakh hectare at the corresponding time last year. It is reported that paddy area has been sown/transplanted is up by 1.4.57% from last year and higher by around 29% from normal area till date of 12.95 lakh hectares.

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

State	Prices 16-23 Jun 2017	Prices 09-15 Jun 2017	Prices 01-08 Jun 2017	Prices 16-23 Jun 2016	% Change(Over Previous Week)	% Change(Over Previous to Previous Week)	% Change(Over Previous Year)
Andhra Pradesh	4412.1	4530.5	5104.07	4255.7	-2.61	-13.56	3.68
Assam	3184.5	3188.36	3078.86	3062.12	-0.12	3.43	4
Gujarat	3187.05	3138.04	3175.27	2973.35	1.56	0.37	7.19
Jharkhand	2739.52	2740.95	2759.33	2277.37	-0.05	-0.72	20.29
Karnataka	3653.15	3690.18	3657.25	3391.5	-1	-0.11	7.71
Kerala	3828.56	3798.82	3740.87	3071.02	0.78	2.34	24.67
Maharashtra	3392.57	3545.45	3457.83	2219.92	-4.31	-1.89	52.82
Manipur	3067.98	3086.78	3089.25	3070.82	-0.61	-0.69	-0.09
Meghalaya	3054.04	2994.54	3037.5	3430.82	1.99	0.54	-10.98
NCT of Delhi		2000		2000	__	__	__
Orissa	2355.4	2244.96	2365.51	2231.37	4.92	-0.43	5.56
Tripura	2845.44	2841.23	2845.98	2519.65	0.15	-0.02	12.93
Uttar Pradesh	2254.62	2253.43	2251.17	2186.6	0.05	0.15	3.11
Uttrakhand	2339.22	2017.76	2182.53	2961.87	15.93	7.18	-21.02
West Bengal	2518.35	2498.97	2497.47	2353.23	0.78	0.84	7.02
Average	3059.46	2971.33	3088.78	2800.36			

Price Projection for June 04th Week in Domestic Market

Duration	Trend	Average Price Range	Reason
04th Week of June, 2017	Steady	Rs.3100-3250/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	**27-Jun-2017)**	**17-Jun-2017)**	**Month Ago(27-May-2017)**	**% ch. From last week**	**% Change from last Month**
1121 Steam	6600	6700	6800	**-1.49**	**-2.94**
1121 Sella	6000	5650	6200	**6.19**	**-3.23**
1121 Raw	6700	6650	6900	**0.75**	**-2.90**

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	**27-Jun-2017)**	**17-Jun-2017)**	**Month Ago(27-May-2017)**	**% ch. From last week**	**% Change from last Month**
White Rice 5%	490	465	440	**5.38**	**11.36**
White Rice 25%	405	400	395	**1.25**	**2.53**
Parboiled 5%	460	440	435	**4.55**	**5.75**

Rice Export Price Destination wise (CnF) for 05th 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**

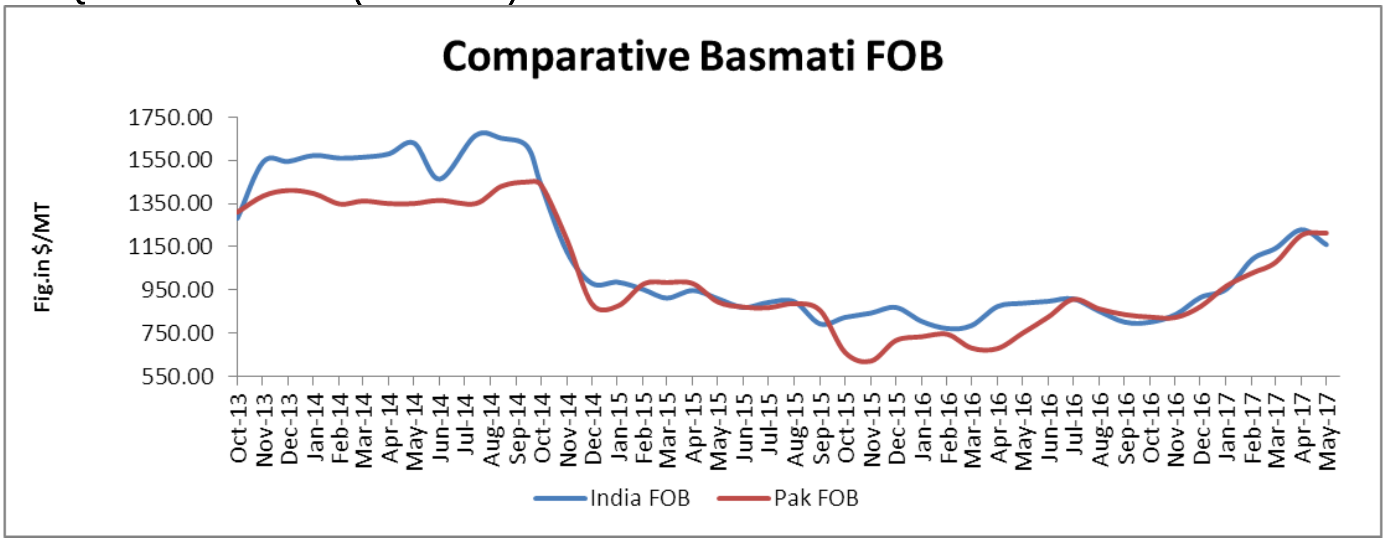
Fig. in Tons Mandi	May-17(Cumulative)	Apr-17(Cumulative)	May-16-Cumullatiive)	% Change(Over Previous Month)	% Change(Over Previous year)
Burdwan	124256.61	114110.61	99937.72	8.89	24.33
Midnapore	4264.13	3903.05	3647.99	9.25	16.89
Banaganapalli	15688.45	15298.45	15080.17	2.55	4.03
Ramachandrapuram	3733.75	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	Total procurement in marketing season 2015-16 (Oct. – Sept.)	Progressive Procurement as on 16.06.2017	
(in Lakh T)		In Marketing season 2016-17	In Marketing season 2015-16
AP	43.36	36.56	42.95
Telangana	15.79	35.71	15.76
Bihar	12.38	12.34	12.23
Chhattisgarh	34.42	46.62	34.42
Haryana	28.61	35.83	28.61
Kerala	3.82	3.08	3.77
M.P	8.49	13.14	8.41
Maharashtra	2.3	2.89	1.70
Odessa	33.69	32.99	33.69
Punjab	93.5	110.52	93.5
Tamilnadu	11.92	1.41	10.79
U.P	29.1	23.54	29.10
Uttrakhand	5.98	7.06	5.97
West Bengal	15.68	19.01	15.38
Others	1.81	0	3.76
Total	**342.18**	**382.70**	**339.17**

Riding a record harvest, public rice procurement in MY 2016/17 through June 16, 2017, was estimated at 38.27 MMT, an increase over the 33.91 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

Unofficial preliminary rice exports (excluding premium white and fragrant rice) for June 5-11, 2017, totaled 153,274 metric tons, *down 18,512 metric tons from the previous week, and down 10,343 metric tons from the four-week moving average of 163,617 metric tons . Rice exports from January 1 – June 11, 2017 totaled 3,845,893 metric tons.*

Bangladesh has cut import duty on rice to 10 percent from 28 percent in a bid to rein the instability in prices of the staple food item *in the domestic market. prices of rice are expected to fall by 6 taka per kilogram as a result of the duty reduction. Officials say a gazette will be issued in this regard soon. Owing to higher import duty placed back in 2015 and 2016 in a bid to safeguard local farmers amid cheap prices from neighboring countries, rice import has dropped to a four-year low this year.*

Thailand Export prices began to level off this week due to fewer new inquiries and the near completion of the Iranian shipments*. The government is expected to sell 2.1 million metric tons of feed-quality rice from the July 15, 2017, 2.2 million metric ton tender.*

Pakistan Rice exports continue their decline vis-à-vis the mounting trade deficit. For the eleven months ended FY17, Pakistan's total *rice exports are down by 17 percent year-on-year in terms of quantity, and 15 percent in terms of dollars earned. Basmati exports continued their decline, and were lower by six percent over 11MFY16. The same fundamental reasons are there as always - lack of research and development into new varieties and better yields, competition from India, and the loss of the Irani market. However, the Irani market has opened up again recently and Basmati has been seeing a rebound lately - notwithstanding the decline in May due to the transporters' strike (Read: "Basmati exports up with Iran," published May 04, 2017).*

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 10.50-11-80 hundred weights in coming sessions.

Price Projection (International-CBOT)

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