Rice Weekly Research Report

Contents

Outlook and Review:

Domestic Front

Average weekly wholesale rice prices in India stood at around Rs.2863 per quintal in fourth week of July-2017, weak about 1.44*% from around Rs.2905 per quintal in last week, and up about 0.77% from around Rs.2840 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 and lower stock.*

On hopes of good production, the Centre today fixed higher rice procurement target at 37.5 million tons for the 2017-18 marketing season *beginning October. This year rice procurement crossed its target of 33 million tons and reached to 38.67 million tons. The target for each rice producing states was also fixed in the meeting: Punjab to procure 115 lakh tonnes, Chhattisgarh (48 lakh tonnes), Uttar Pradesh (37 lakh tonnes), Haryana and Odisha (30 lakh tonnes each), Andhra Pradesh is 25 lakh tonnes and West Bengal (23 lakh tonnes).*

The total sown area as on 28th July 2017, as per reports received from States, stands at 791.34 lakh hectare as compared *to 765.79 lakh hectare at this time last year. It is reported that rice has been sown/transplanted in 216.23 lakh ha, pulses in 114.88 lakh ha, coarse cereals in 150.19 lakh ha*

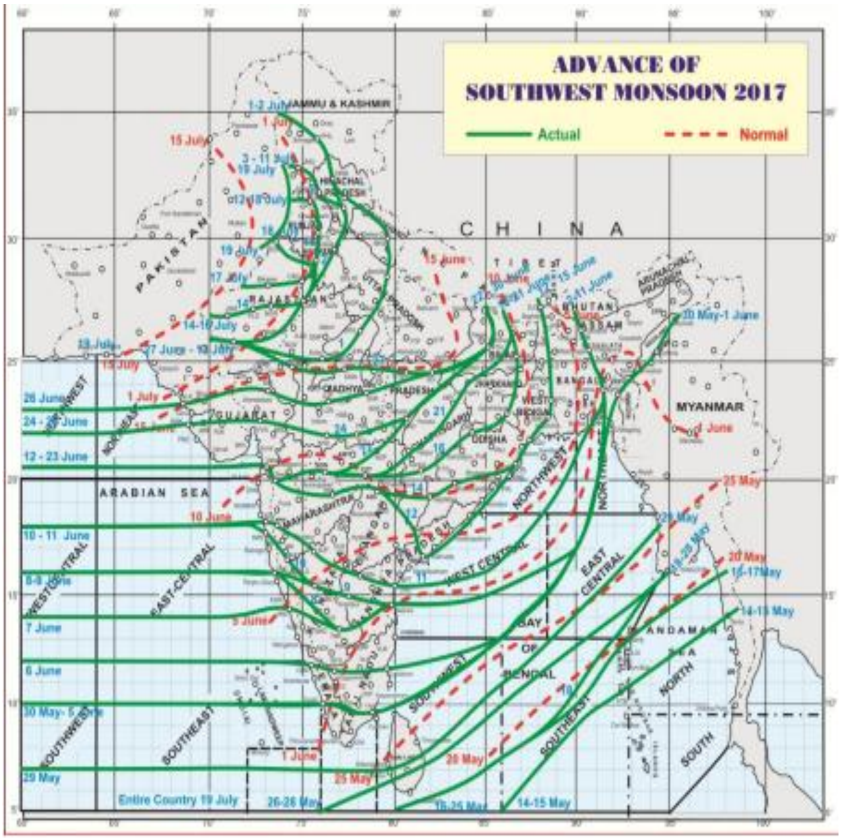
All-India progressive procurement of Rice as on 21.07.2017 for 2016-17 was 386.73 lakh tonnes against the procurement of *340.81 lakh tonnes in the corresponding period of last year. The procurement of wheat for the rabi marketing season (RMS) 2017-18 was 308.01 lakh tonnes against the procurement of 229.62 lakh tonnes in the corresponding period of RMS 2016-17.*

In the monsoon season, at All-India level, the rainfall during the week (13th July, 2017 – 19th July, 2017) has been 11% 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 70% in Central India and 13% in South Peninsula but lower than LPA by 52% in East & North East India and 20% in North West India.*

Among the food-grains, the inflation for Cereals has decreased to 1.93% from the previous month's level of 4.15%, Pulses to *(-) 25.47% from the previous month's level of (-) 19.73%, Paddy to 4.36% from the previous month's level of 6.33% and Wheat (-) 0.29% from the previous month's level of 2.23%.*

As per Bangladesh food minister, Bangladesh could suspend a plan to import rice from India due to high prices, Bangladesh, the world's fourth-*biggest rice producer, has emerged as a major importer of rice this year due to depleted stocks and record local prices following flash floods. Bangladesh, the world's fourth-biggest rice producer, has emerged as a major importer of rice this year due to depleted stocks and record local prices following flash floods, but deals with the world's biggest rice exporter, India, might not happen.*

India's rice stocks in the central pool as on July- 1, 2017 stood at around 26.46 million tons down by about 8.75% from around 29 *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 8.25% from around 28.84 million tons recorded on June-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.*



Weather Watch:

Advance of Southwest Monsoon-2017

According to the Indian Meteorological Department (IMD), heavy rains are expected next week in the Central Indian states of Gujarat, Madhya Pradesh, Rajasthan and Maharashtra. The Government of India has issued advisories regarding the rapid rise in water levels of rivers in these states. The IMD second forecast for the Southwest Monsoon predicts a normal monsoon for 2017 and suggests that June to September rainfall will be 98 percent of the Long Period Average (LPA). May 30, 2017, was the official onset date for the 2017 Southwest Monsoon when showers hit southern India

State wise Paddy Crop Situation - Kharif (2017-18) as on 28.07.2017

State	Normal Area	Normal Area as on date	Area sown reported			Absolute Change
			This Year	% of Normal	Last Year	
Andhra Pradesh	15.68	3.63	3.07	19.6	4.48	-1.41
Arunachal Pradesh	1.27	1.14	1.31	102.4	1.18	0.13
Assam	20.91	12.73	9.75	46.6	11.42	-1.67
Bihar	31.64	17.26	21.39	67.6	18.15	3.24
Chhattisgarh	37.97	28.00	28.88	76.1	27.65	1.23
Goa	0.44	0.09	0.22	50.2	0.21	0.01
Guajrat	7.35	3.41	4.73	64.3	3.67	1.06
Haryana	12.64	10.29	12.08	95.6	10.18	1.90
Himachal Pradesh	0.75	0.75	0.76	101.5	0.76	0.00
J&K	2.75	1.30	1.07	38.9	1.02	0.05
Jharkhand	14.46	4.92	5.31	36.7	4.31	1.00

Karnataka	10.36	3.05	2.56	24.7	2.99	-0.43
Kerala	1.54	0.74	0.57	37.1	0.55	0.02
Madhya Pradesh	19.30	10.15	13.20	68.4	11.09	2.11
Maharashtra	15.18	5.13	6.06	39.9	5.37	0.69
Manipur	0.68	1.84	1.69	248.3	1.84	-0.15
Meghalaya	0.97	0.93	1.10	114.2	0.97	0.13
Mizoram	0.33	0.36	0.20	61.2	0.36	-0.16
Nagaland	1.87	1.81	2.10	112.4	2.00	0.10
Odisha	37.94	18.80	18.31	48.3	17.21	1.10
Punjab	28.77	28.67	28.65	99.6	29.94	-1.29
Rajasthan	1.51	0.82	0.81	53.6	0.84	-0.03
Sikkim	0.11	0.09	0.06	52.6	0.11	-0.05
Tamil Nadu	16.31	1.76	1.33	8.2	2.15	-0.82
Telangana	9.75	2.14	1.72	17.6	1.05	0.67
Tripura	1.98	0.81	0.68	34.3	0.70	-0.02
Uttar Pradesh	58.79	47.50	38.88	66.1	41.06	-2.18
Uttarakhand	2.51	2.16	2.12	84.6	2.10	0.02
West Bengal	41.91	14.59	7.43	17.7	7.66	-0.23
Puducherry	0.13					
Others	0.29	0.21	0.20	69.4	0.18	0.02
All-India	**395.94**	**225.10**	**216.23**	**54.6**	**211.20**	**5.04**

Preliminary reports of crop coverage in the Kharif season have started coming in and paddy sowing is in its full swing. The total paddy sown area as on 28-July-2017, as per reports received from States, stands at 216.23 lakh hectare compared to 211.20 lakh hectare at the corresponding time last year. It is reported that paddy area has been sown/transplanted is up by 2.38% from last year and lower by around 3.92% from normal area till date of 225.10 lakh hectares.

State wise Wholesale Prices weekly for 04th Week of July-2017

State	Prices 24-31 Jul 2017	Prices 16-23 Jul 2017	Prices 24-31 Jul 2016	% Change(Over Previous Week)	% Change(Over Previous Year)
Andhra Pradesh	2420.2	3962.73	3587.67	-38.93	-32.54
Assam	3206.83	2899.04	3221.11	10.62	-0.44
Gujarat	3305.52	3193.37	3252.67	3.51	1.62
Jharkhand	2722.75	2767.01	2594.66	-1.6	4.94
Karnataka	3685.06	3707.35	3342.48	-0.6	10.25
Kerala	3820.43	3836.77	3260.48	-0.43	17.17
Maharashtra	3697.36	3227.9	3251.05	14.54	13.73
Manipur	3100	3100	3035.71	0	2.12
Meghalaya	2760.31	2665.94	3357.12	3.54	-17.78
Delhi	2025	2279.31	2000	-11.16	1.25
Orissa	2417.8	2466.73	2293.51	-1.98	5.42
Tripura	2885.28	2845.22	2687.81	1.41	7.35
Uttar Pradesh	2251.35	2270.55	2208.16	-0.85	1.96
Uttrakhand	2067.36	1771.91	2164.16	16.67	-4.47
West Bengal	2579.07	2580.65	2355.37	-0.06	9.5
Average	2862.95	2904.97	2840.8		

Price Projection for August 01st Week in Domestic Market

Duration	Trend	Average Price Range	Reason
01st Week of Aug, 2017	Steady to Firm	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.

Rice Price:

MARKET UPDATE

DATE: 20.07.2017

CROP	BASMATI		1121				1509			SUGANDHA		
	RAW	WHITE PARBOILED	RAW	STEAM	WHITE PARBOILED	GOLDEN PARBOILED	STEAM	WHITE PARBOILED	GOLDEN PARBOILED	STEAM	WHITE PARBOILED	GOLDEN PARBOILED
PADDY PRICE NEW	35500	34500	30500	30500	29500	29500	27500	27500	27000	27000	26500	26500
RICE @PMT MARKET PRICE	65000	60000	64000	64000	51500	54000	59000	48000	51000	55000	46000	48000
MARKET PRICE IN USD: 64.32	1119	1041	1104	1104	910	948	1026	855	902	964	824	855

CROP	PUSA				1401		SARBATI		PR-11 OR 14		PR-106		SAMBHA MANS.
	RAW	STEAM	WHITE PARBOILED	GOLDEN PARBOILED	STEAM	WHITE PARBOILED	STEAM	WHITE PARBOILED	STEAM	WHITE PARBOILED	RAW	WHITE PARBOILED	STEAM
PADDY PRICE NEW	28500	28500	27500	27500	28500	27500	19500	19500	15500	15500	13500	13500	17500
RICE @PMT MARKET PRICE	57000	58000	48000	51000	58000	49000	46000	38000	31000	29000	24000	24000	30000
MARKET PRICE IN USD :64.32	995	1011	855	902	1011	871	824	700	591	560	482	482	575

1). ALL PRICES ARE FOR CNF DAMMAM,OMAN,BAHRAIN,KUWAIT,QATAR,SAME PRICE

2). YEMEN ADEN EXTRA 50 USD,HODEIDAH EXTRA 70 USD AND JEDDAH 5 USD.

NOTE: ALL PRICES ARE FOR 40KG DOUBLE JUTE BAGS.

USD@64.32

COUNTRY	PORT	CNF PRICE
KSA	DAMMAN	SAME PRICE
KSA	JEDDAH	EXTRA 5 USD
OMAN	SOHAR	SAME PRICE
BAHRAIN	BAHRAIN	SAME PRICE
YEMEN	ADEN	EXTRA 50 USD
YEMEN	HODEIDAH	EXTRA 70 USD
KUWAIT	KUWAIT	SAME PRICE
DOHA	QATAR	SAME PRICE

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	**29-July-2017)**	**22-July-2017)**	**Month Ago(29-June-2017)**	**% ch. From last week**	**% Change from last Month**
1121 Steam	6100	6400	6500	**-4.69**	**-6.15**
1121 Sella	5300	5150	5400	**2.91**	**-1.85**
1121 Raw	6250	6300	6400	**-0.79**	**-2.34**

Major Mandi Arrival in June-2017 **Figure in Tons**

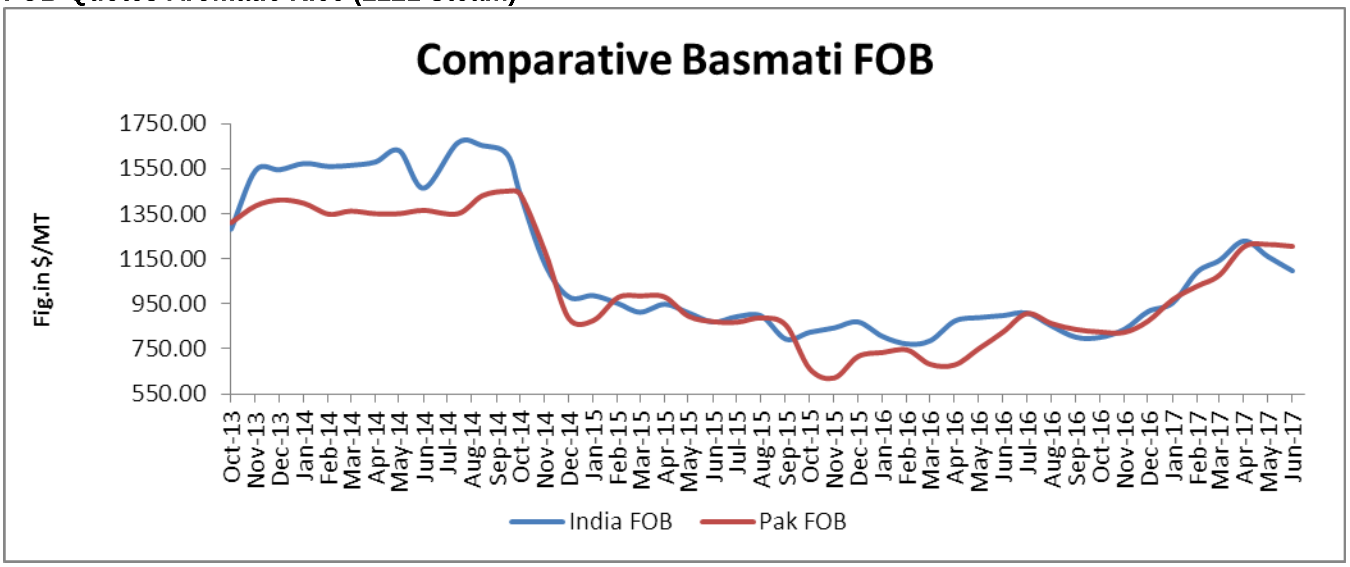
Fig. in TonsMandi	June-17(Cumulative)	May-17(Cumulative)	June-16-Cumullatiive)	% Change(Over Previous Month)	% Change(Over Previous year)
Burdwan	134928.57	124256.61	112566.64	**8.59**	**19.87**
Midnapore	4639.19	4264.13	3912.17	**8.80**	**18.58**
Banaganapalli	15833.77	15688.45	15307.33	**0.93**	**3.44**
Ramachandrapuram	4028.75	3733.75	3388.75	**7.90**	**18.89**
Devariya	33312.87	31612.94	26990.41	**5.38**	**23.42**
Sitapur	28709.38	28352.8	26690.79	**1.26**	**7.56**
Mysore	69738	60528.02	53722.93	**15.22**	**29.81**
Raichur	186457.74	178022.03	66636	**4.74**	**179.82**
Villupuram	#VALUE!	NA	#VALUE!	**#VALUE!**	**#VALUE!**
Thiruchirappalli	#VALUE!	NA	#VALUE!	**#VALUE!**	**#VALUE!**

State wise Progressive Procurement

State/UTs	**Total procurement Target in marketing season 2016-17 (Oct. – Sept.)**	**Progressive Procurement as on 21.07.2017**	
(in Lakh T)		**In Marketing season 2016-17**	**In Marketing season 2015-16**
AP	42.00	37.15	43.28
Telangana	30.00	35.93	15.80
Bihar	20.00	12.34	12.23
Chhattisgarh	35.00	46.62	34.42
Haryana	29.00	35.83	28.61
Kerala	2.22	3.08	3.76
M.P	9.00	13.14	8.41
Maharashtra	3.25	3.06	2.30
Odessa	31.00	35.80	33.69
Punjab	94.5	110.52	93.5
Tamilnadu	15.00	1.42	11.10
U.P	33.50	23.54	29.10
Uttrakhand	6.00	7.06	5.97
West Bengal	25.00	19.22	15.45
Others	1.81	0	3.76
Total	**380.00**	**386.73**	**340.81**

Riding a record harvest, public rice procurement in MY 2016/17 through July-21, 2017, was estimated at 38.67 MMT, an increase over the 34.08 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 target of 38 MMT for MY 2016-17 and it is expected to procure around 40 MMT rice in this season.

FOB Quotes Aromatic Rice (1121 Steam)



Source-FAO& Agriwatch

Indian FOB for 1121 steam in the month of June moved weak from last month and currently is in the range of USD 1096-1097/MT which is down by 5.48% from last month price of USD 1160/T. Average basmati rice price too frail this month with lower demand and current GST issues 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 weak and now it's hovering in the range of USD 1205/MT which is also down by 0.72% from last month FOB of USD 1214/MT.

Global Updates

Eleven rice exporters of Thailand planned to buy all 160,000 tonnes of edible rice in the country's national reserves, which was put for the third rice auction this year, The Thai Government is also planning to hold the fourth auction of inedible rice in 2017, with an estimated volume of 2.6 million tonnes. If the auction is held early and the government decides to sell the entire amount, Thailand could fulfil its goal of selling all rice in stock right in July. Bangladesh and Sri Lanka had held talks to purchase about 400,000 tonnes of rice from Thailand to replenish their falling stocks which were caused by severe droughts and floods.

Turkey forecasts rice production at 776,000 MT in MY2017/18. Rice planting finished in May 2017. Although planting area is similar with last year, some farmers are hopeful about yields due to new seed varieties. Rice imports during the first nine months of MY 2016/17 were about 250,000 MT. Rice import into Turkey will be 300,000 tons, milled equivalent. According to Turkish Statistic Institute, Turkey imported 146,000 Mt of paddy rice (102,000 MT milled equivalent) from United States during the first nine months of MY 2016/17. When comparing importer and exporter data regarding Turkish rice trade, there are some differences due to transshipments. Also, another reason is that Turkish importers store the rice in bonded warehouses for 2-3 months until they find buyers to avoid advance payment of the 45 percent tariffs and VAT. Rice exports during the first nine months of MY 2016/17 were about 50,000 MT. Libya is the main destination with 18,300 MT, followed by Sudan with 7,300 MT. Rice export forecast at 75,000 MT in MY2016/17, milled equivalent due to strong demand from neighboring and African counties.

Bangladesh rice production in marketing year (MY) 2017/18 is forecast lower at 34.18 million metric tons (MMT). Unfavorable weather conditions during critical development stages drove yields lower for the Boro rice season. MY 2017/18 rice imports are forecast up at 1.2 MMT due to significantly reduced domestic production. MY 2017/18 projected wheat imports are raised to 6 MMT on increased consumption demand and lower domestic production in MY 2016/17. Corn consumption as feed is raised to 3.8 MMT in MY 2017/18 on expanding aqua culture production and increased feed processing capacity.

It is forecasts that Egyptian milled rice production in MY2017/18 will decrease to 4.0 MMT from an estimated 5.1 MMT in MY2016/17 which was revised upward from USDA’s official estimate of 4.5 MMT.The projected reduction is attributed to a decrease in the planted area to 700,000 ha in MY2017/18 down from 920,000 ha in MY 2016/17, which was revised upward from USDA official estimate of 750,000 ha. For this year’s crop, farmers are expected to shift to cotton and yellow corn production due to attractive prices for these crops. Moreover, the Ministry of Water Resources (MWRI) is expected to step up enforcement of the limit on rice area by issuing hefty fines to those farmers found planting outside the government’s specified rice acreage.

IGC Rice Balance Sheet **(Fig. In Million Tons)**

Attributes (Fig in Million Tons)	2014-15	2015-16 Estimate	2016-17 F'cast	2017-18 Proj. 25.05.2017	(2017-18) Proj. 29.06.2017
Production	480	473	484	487	486
Trade	41	39	42	41	42
Consumption	475	474	484	488	488
Carryover stocks	121	120	120	119	118
Y-O-Y change	4	-1	0	-	-2
Major Exporters	37	32	31	28	27

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

IGC Rice Balance sheet Highlights

Reflecting recent data which show large shipments to Asian and African markets in the early months of this year, the Council's outlook for rice trade in 2017 is now placed at a three-year high of 41.6m t, up by 6% y/y. The global production outlook for 2017/18 is trimmed from before, but because of bigger carry-ins, supplies are seen little changed m/m. World ending stocks are pegged slightly lower, at 118m t, a modest contraction y/y, but trade in 2018 is projected to climb to 41.8m t, only slightly short of the 2014 all-time peak. Global rice trade is forecast to expand by 6% y/y in 2017 on firm demand from Asian and African buyers (see Market Focus). Prospects for 2017/18 are highly provisional, but production is seen edging up amid modest area expansion in Asia, notably in India and Thailand. Population growth is likely to underpin food use, while stocks might contract slightly, tied to a reduction in the major exporters. In Thailand, where the government continues to dispose of old crop reserves, inventories are projected at a ten-year low. Trade in 2018 is anticipated to remain elevated and only slightly below the peak of four seasons earlier.

IGC Forecast the World Rice Production Up in 2017-18

In its June 2017 Grain Market Report (GMR), the International Grains Council (IGC) projection for 2017-18 global rice production at around 486 million tons, up about 0.72% 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 42 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 1.0% to around 488 million tons from an estimated 484 million tons in 2016-17

Rice Price Trend @ CBOT September- 17, Rough Rice)
(Prices in US$/hundredweight)

Market Analysis
The CBOT September-17 month rough chart for rice indicates firm movement from last month. We expect market to hover in the range of USD 11.30-12.80 hundred weights in coming sessions.

Price Projection (International-CBOT)

Duration	Trend	Price Range
01st Week of August,2017	Steady to Firm	USD/ Hundred Weight 11.30-12.80