Rice Weekly Research Report

Contents

- Outlook and Review
- Weekly Price Change
- Weekly Rice Export
- Progressive Procurement
- FOB-1121 Steam
- International Rice Market Summary
- IGC Balance Sheet
- CBOT Trend

Outlook and Review:

Domestic Front

Average weekly wholesale rice prices in India stood at around Rs.2902 per quintal in 03rd week of August-2017, weak about 3.66*% from around Rs.3012 per quintal in last week, and up about 0.14% from around Rs.2887per 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.*

The total sown area as on 18th August 2017, as per reports received from States, stands at 976.34 lakh hectare as compared to *984.57 lakh hectare at this time last year. It is reported that rice has been sown/transplanted in 341.58 lakh ha, pulses in 130.68 lakh ha, coarse cereals in 171.75 lakh ha, sugarcane in 49.78 lakh hectare and cotton in 118.14 lakh ha.*

All-India progressive procurement of Rice as on 11.08.2017 for 2016-17 was 387.32 lakh tonnes against the procurement *of 341.12 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.*

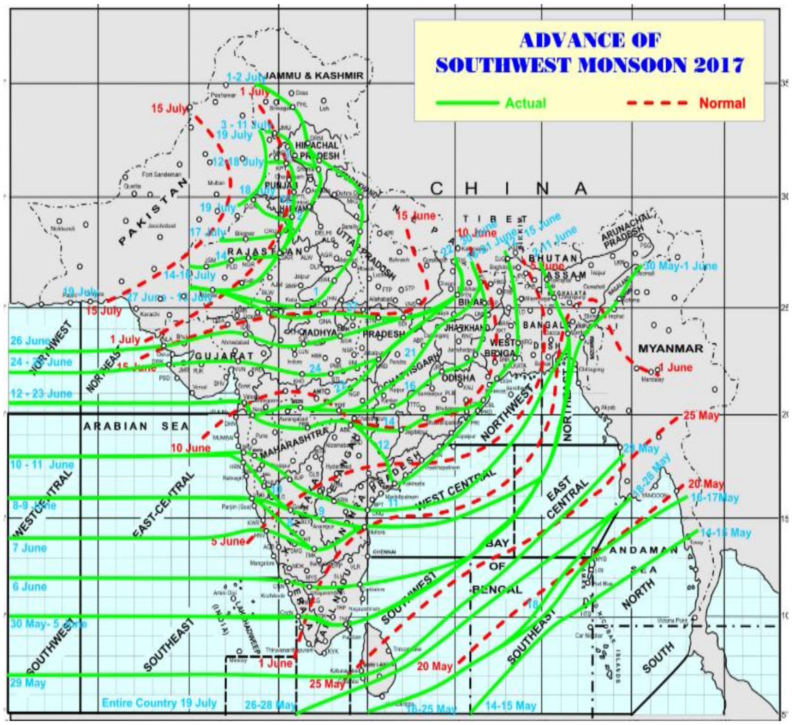
In the monsoon season, at All-India level, the rainfall during the week (03rd August, 2017 – 09th August, 2017) has been 29% *lower than Long Period Average (LPA). Rainfall in the four broad geographical divisions of the country during the above period have been-higher than LPA by 8% in East & North East India but lower than LPA by 54% in Central India, 22% in North West India and 17% in South Peninsula India.*

The 4th Advance Estimates of production of major crops for 2016-17 have been released by the Department of Agriculture*, Cooperation and Farmers Welfare on 16th August, 2017. As per 4th Advance Estimates, the estimated production of major crops during 2016-17 for food grains is 275.68 million tons and for Rice it is 110.15 million tons.*

Uttar Pradesh Government decided to give bonus of Rs.15 on the support price of Paddy so that farmers must get right of their *produce. Cabinet increases the paddy MSP by Rs.80/quintal for both common grade and fine grade variety to Rs. 1470/quintal and 1510/quintal respectively,*

As INR is getting stronger against US dollar, rice export is getting influenced, demand from Bangladesh is increasing *to fulfill the country demand, and however demand from African countries is weakened as parity with competitive countries like Thailand is lower, India is selling at USD 410/T against USD400/T for Thai white rice.*

India's agri exports for the April-June quarter rose by almost a tenth in dollar terms and 7% in rupee terms on strong overseas *demand for products such as basmati rice and guargum. Basmati rice, the largest product in the agri-exports basket, increased buying from Iran during the period. Basmati volumes for the April-June quarter stood at 1.25 million tons, a growth of 6% over last year's 1.18 million tons. As per by APEDA, besides increased buying from Iran, the higher per unit realization fetched by basmati shipments also contributed to the overall export growth in value terms. As against per ton realization of around $850 last year, basmati rice has commanded an average price of $1009 per ton in the April-June quarter this year. Higher realizations for non-basmati rice have also pushed up the growth in exports of the cereal as volumes saw a marginal dip at 1.72 million tons (against 1.78 million tons).*



Weather Watch:
Advance of Southwest Monsoon-2017

Southwest monsoon has been Active over Andaman & Nicobar Islands, Himachal Pradesh, Vidarbha, Chhattisgarh, Coastal Andhra Pradesh, Telangana, Tamil nadu & Puduchery and Kerala. The low pressure area over northwest Bay of Bengal and adjoining coastal Odisha, now lies over north Coastal Andhra Pradesh and adjoining areas of south coastal Odisha & west central Bay of Bengal. Associated upper air cyclonic circulation now extends upto7.6 km above mean sea level tilting South westwards with height. The axis of monsoon trough at mean sea level passes through Ferozpur, Hissar, Gwalior, Damoh, Raipur, centre of low pressure area and thence east south eastwards to east central Bay of Bengal and extends up to 0.9 Km above mean sea level.

State wise Paddy Crop Situation - Kharif (2017-18) as on 18.08.2017

State	Normal Area	Normal Area as on date	Area sown reported			Absolute Change
			This Year	% of Normal	Last Year	
Andhra Pradesh	15.68	8.28	8.78	56.0	8.68	0.10
Arunachal Pradesh	1.27	1.17	1.31	102.4	1.18	0.13
Assam	20.91	19.26	17.26	82.5	18.64	-1.38
Bihar	31.64	28.73	33.79	106.8	31.39	2.40
Chhattisgarh	37.97	34.50	34.77	91.6	34.46	0.31
Goa	0.44	0.13	0.26	59.4	0.25	0.01
Guajrat	7.35	6.65	7.70	104.7	6.57	1.13
Haryana	12.64	11.61	12.85	101.7	12.46	0.39
Himachal Pradesh	0.75	0.76	0.76	101.5	0.75	0.01
J&K	2.75	1.41	1.16	42.0	1.16	0.00
Jharkhand	14.46	12.83	16.68	115.4	14.43	2.25
Karnataka	10.36	5.85	3.81	36.8	6.15	-2.34

Kerala	1.54	0.93	0.62	40.4	0.60	0.02
Madhya Pradesh	19.30	17.35	19.24	99.7	20.33	-1.09
Maharashtra	15.18	10.87	9.89	65.2	10.86	-0.97
Manipur	0.68	1.81	1.69	248.3	1.84	-0.15
Meghalaya	0.97	0.96	1.10	114.2	0.97	0.13
Mizoram	0.33	0.38	0.33	101.4	0.36	-0.03
Nagaland	1.87	1.85	2.10	112.4	2.00	0.10
Odisha	37.94	29.91	29.93	78.9	28.25	1.69
Punjab	28.77	29.03	29.26	101.7	30.46	-1.20
Rajasthan	1.51	1.28	1.69	111.8	1.50	0.19
Sikkim	0.11	0.11	0.11	96.5	0.11	0.00
Tamil Nadu	16.31	2.35	1.95	12.0	2.86	-0.91
Telangana	9.75	5.03	4.94	50.7	4.58	0.36
Tripura	1.98	1.51	1.29	65.2	1.36	-0.07
Uttar Pradesh	58.79	58.40	59.09	100.5	58.94	0.15
Uttarakhand	2.51	2.52	2.50	99.7	2.49	0.01
West Bengal	41.91	36.20	36.48	87.0	36.29	0.19
Puducherry	0.13					
Others	0.29	0.41	0.24	82.3	0.23	0.01
All-India	**395.94**	**332.05**	**341.58**	**86.3**	**340.14**	**1.44**

Rice Sowing Update as on 11th August-2017:

Rice: About **341.58 lakh ha** area coverage under rice has been reported compared to normal of corresponding week **(332.05 lakh ha**). Thus **9.53 lakh ha more area** has been covered compared to normal of corresponding week. **Higher area** is reported from the States of Bihar (5.06 lakh ha), Jharkhand (3.85 lakh ha), Madhya Pradesh (1.89 lakh ha), Haryana (1.24 lakh ha), Gujarat (1.05 lakh ha), Uttar Pradesh (0.69 lakh ha), Andhra Pradesh (0.50 lakh ha), Rajasthan (0.41 lakh ha), West Bengal (0.28 lakh ha), Chhattisgarh (0.27 lakh ha), Nagaland (0.25 lakh ha), Punjab (0.23 lakh ha), Meghalaya (0.14 lakh ha), Goa (0.13 lakh ha), Arunachal Pradesh (0.13 lakh ha) and Odisha (0.02 lakh ha). **Less area** is reported from the States of Karnataka (2.04 lakh ha), Assam (2.00 lakh ha), Maharashtra (0.97 lakh ha), Tamil Nadu (0.40 lakh ha), Kerala (0.31 lakh ha), Jammu & Kashmir (0.25 lakh ha), Tripura (0.22 lakh ha), Manipur (0.12 lakh ha), Telangana (0.09 lakh ha), Mizoram (0.05 lakh ha) and Uttarakhand (0.02 lakh ha).

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

State	Prices 16-23 Aug 2017	Prices 09-15 Aug 2017	Prices 16-23 Aug 2016	% Change(Over Previous Week)	% Change(Over Previous Year)
Andhra Pradesh	4029.35	4030	4123.82	-0.02	-2.29
Assam	2975.5	2976.72	3228.96	-0.04	-7.85
Gujarat	3374.56	3123.73	3247.34	8.03	3.92
Jharkhand	2733.33	2719.82	2665.9	0.5	2.53
Karnataka	3349.96	3636.62	3606.27	-7.88	-7.11
Kerala	3838.53	3855.4	3286.9	-0.44	16.78
Maharashtra	2843.45	3703.12	2938.23	-23.21	-3.23
Manipur	3107.69	3100	3037.7	0.25	2.3
Meghalaya	3033.33	3597.87	3379.1	-15.69	-10.23
Delhi	2000	2000	2000	0	0
Orissa	2212.7	2623.36	2359.13	-15.65	-6.21
Tripura	2935.14	2922.82	2737	0.42	7.24
Uttar Pradesh	2227.15	2219.07	2207.83	0.36	0.88
Uttrakhand	2242.15	2067.98	2070.86	8.42	8.27
West Bengal	2622.92	2605.32	2414.97	0.68	8.61
Average	2901.72	3012.12	2886.93		

Price Projection for August 04th Week in Domestic Market

Duration	Trend	Average Price Range	Reason
04th 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.

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	**19-Aug-2017)**	**12-Aug-2017)**	**Month Ago(19-July-2017)**	**% ch. From last week**	**% Change from last Month**
1121 Steam	6500	6100	6500	6.56	0.00
1121 Sella	5300	4900	5350	8.16	-0.93
1121 Raw	6400	6000	6400	6.67	0.00

Weekly Price (FOB) Change of Rice 5% broken high quality (Figure in USD/ MT):

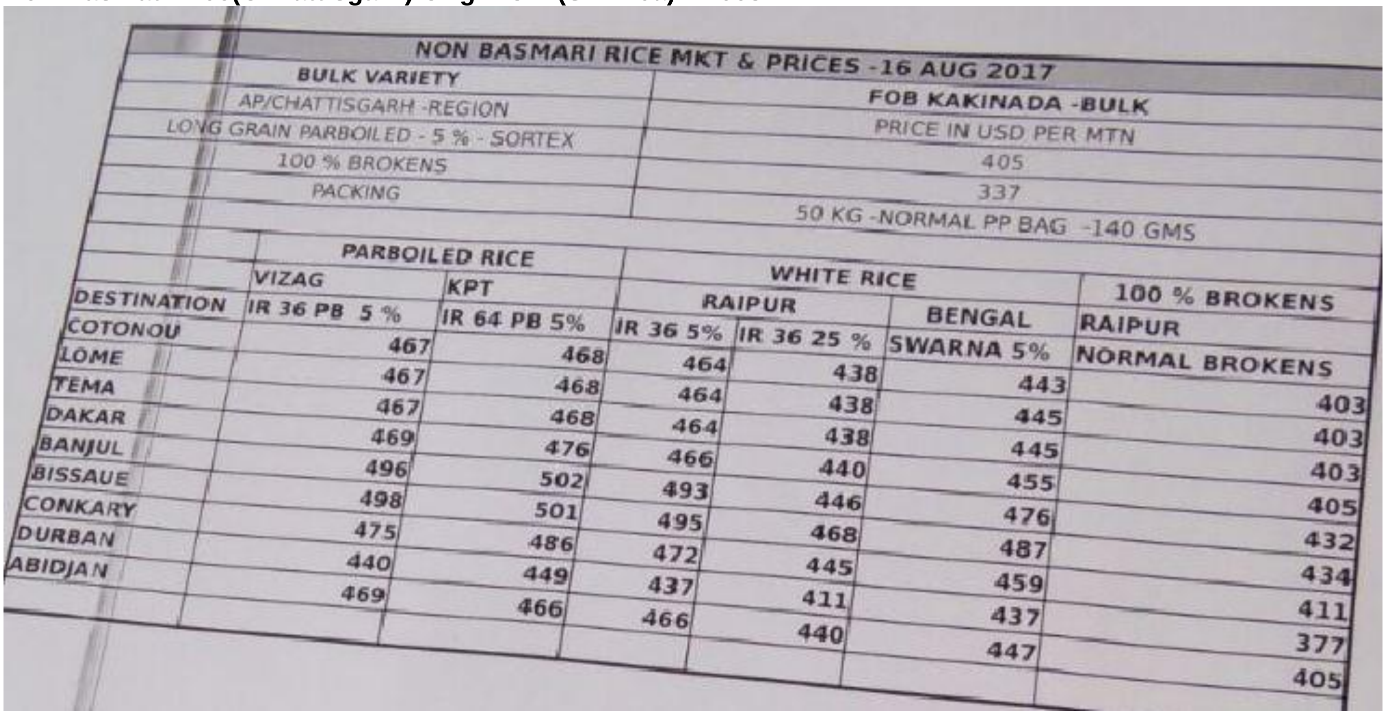
Indian White Rice 5%, 25% High Quality, Long grain parboiled 5%					
Variety	**19-Aug-2017)**	**12-Aug-2017)**	**Month Ago(19-July-2017)**	**% ch. From last week**	**% Change from last Month**
White Rice 5%	410	410	400	0.00	2.50
White Rice 25%	370	372	380	-0.54	-2.63
Parboiled 5%	430	430	435	0.00	-1.15

Basmati Rice Preliminary Production Survey for MY-2017-18:

Variety	**Production in Bags(50 Kgs)**	**Lakh Tons**	**Milled Whole Rice(Lakh Tons)**	**Domestic /Export Demand**	**Up/Down**
1509	2.5 Crore	12.5	5.625	42	21 Lakh Tons Down
1121	6.5 Crore	32.5	14.625		
Sharbati, Sugandha, DP and other varieties	4 Crore	20	9	16	7 Lakh Tons Down
Total	**13 Crore**	**65**	**29.25**	**58**	28 Lakh 75 Thousand Down

Statewise Basmati Rice Production		
States	**Production Expectation in Bags(50 Kgs)**	**Lakh Tons**
Haryana	5 Crore	25
Punjab	3.5Crore	17.5
Uttar Pradesh	2.5 Crore	12.5
Rajsthan	0.5 Crore	2.5
Madhya Pradesh	1 Crore	5
Hiamchal,Uttrakhand,Jammu & Kashmir	0.5 Crore(50 lakh)	2.5
Total	**13 Crore**	**65**

Non-Basmati Rice(Chhattisgarh) Origin CIF (S.Africa) Prices:



NON BASMARI RICE MKT & PRICES -16 AUG 2017						
BULK VARIETY	FOB KAKINADA -BULK					
AP/CHATTISGARH -REGION	PRICE IN USD PER MTN					
LONG GRAIN PARBOILED - 5 % - SORTEX	405					
100 % BROKENS	337					
PACKING	50 KG -NORMAL PP BAG -140 GMS					
	PARBOILED RICE		WHITE RICE			100 % BROKENS
	VIZAG	KPT	RAIPUR		BENGAL	RAIPUR
DESTINATION	IR 36 PB 5 %	IR 64 PB 5%	IR 36 5%	IR 36 25 %	SWARNA 5%	NORMAL BROKENS
COTONOU	467	468	464	438	443	403
LOME	467	468	464	438	445	403
TEMA	467	468	464	438	445	403
DAKAR	469	476	466	440	455	405
BANJUL	496	502	493	446	476	432
BISSAUE	498	501	495	468	487	434
CONKARY	475	486	472	445	459	411
DURBAN	440	449	437	411	437	377
ABIDJAN	469	466	466	440	447	405

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

Fig. in TonsMandi	July-17(Cumulative)	June-17(Cumulative)	July-16-Cumullatiive)	% Change(Over Previous Month)	% Change(Over Previous year)
Burdwan	144144.57	134928.57	123385.54	6.83	16.82
Midnapore	5177.19	4639.19	4074.17	11.60	27.07
Banaganapalli	16296.77	15833.77	15579.33	2.92	4.61
Ramachandrapuram	4581.75	4028.75	3733.75	13.73	22.71
Devariya	34868.34	33312.87	28500.43	4.67	22.34
Sitapur	29133.94	28709.38	27881.31	1.48	4.49
Mysore	79816	69738	58404.62	14.45	36.66
Raichur	187226.82	186457.74	67477.88	0.41	177.46
Villupuram	#VALUE!	#VALUE!	#VALUE!	#VALUE!	#VALUE!
Thiruchirappalli	#VALUE!	#VALUE!	#VALUE!	#VALUE!	#VALUE!

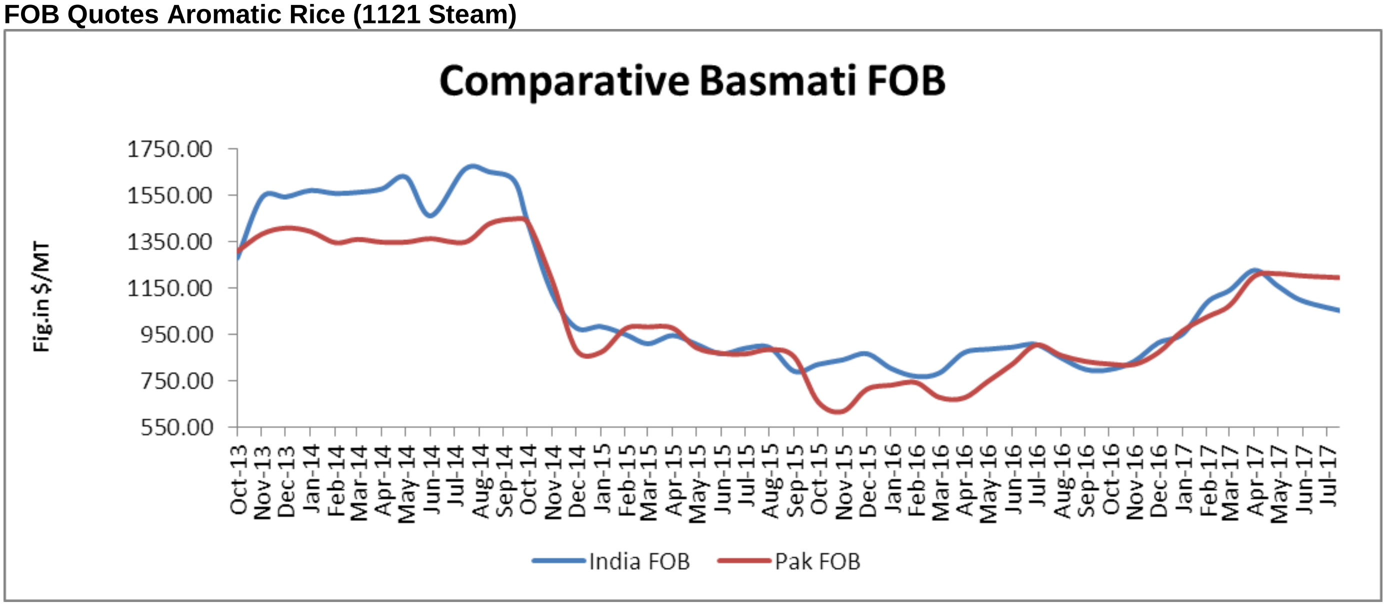
State wise Progressive Procurement

State/UTs	Total procurement Target in marketing season 2016-17	Progressive Procurement as on 11.08.2017	
(in Lakh T)		In Marketing season 2016-17	In Marketing season 2015-16

	(Oct. – Sept.)		
AP	42.00	37.15	43.26
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	3.09	2.30
Odessa	31.00	36.30	33.69
Punjab	94.5	110.52	93.5
Tamilnadu	15.00	1.44	11.39
U.P	33.50	23.54	29.10
Uttrakhand	6.00	7.06	5.97
West Bengal	25.00	19.23	15.45
Others	1.81	0	3.76
Total	**380.00**	**387.32**	**341.12**

Riding a record harvest, public rice procurement in MY 2016/17 through August 11, 2017, was estimated at 38.73MMT, an increase over the 34.11 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.

FOB Quotes Aromatic Rice (1121 Steam)



Source-FAO& Agriwatch

Indian FOB for 1121 steam in the month of July moved weak from last month and currently is in the range of USD 1043-1045/MT which is down by 4.80% from last month price of USD 1096/T. Average basmati rice price too frail this month with lower demand from international markets, 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 1195/MT which is also down by 0.82% from last month FOB of USD 1205/MT.

Global Updates

Recently Bangladesh signed an agreement with Cambodia to purchase 1 million tonnes of rice within the next five years, Bangladesh will purchase 200,000 tonnes of white rice and 50,000 parboiled rice this year. Cambodia exported 288,562 tonnes of rice in the first six months this year, an increase of 7.6 percent compared with the same period last year.

Unofficial and preliminary Thailand rice exports (excluding premium white and fragrant rice) for July 17-23, 2017, totaled 215,663 metric tons, up 13,024 metric tons from the previous week, and up 18,460 metric tons from the four-week moving average of 197,203 metric tons. Rice exports from January 1 – July 23, 2017, totaled 4,989,434 metric tons.

Thailand Export prices further declined 2-3 percent from the previous week despite the Thai baht strengthening to 33.1 baht/USD from 33.3 baht/USD last week. This is largely due to a lack of new inquiries. Additionally, trade sources report that the Philippines' National Food Authority (NFA) will only buy approximately 25,000 metric tons of Thai rice for their July 25 import tender of 250,000 metric tons of new-crop 25% grade white rice. The remainder of the tender will be filled by Vietnamese rice. The received bids were reportedly 432 USD/MT for Thai rice and 409-435 USD/MT for Vietnamese rice. The shipment will take place during August – September 2017.

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.

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. 27.07.2017
Production	480	473	484	486	486
Trade	41	39	42	42	42
Consumption	475	474	484	488	488
Carryover stocks	121	120	120	118	118
Y-O-Y change	4	-1	0	-	-2
Major Exporters	37	32	30	27	27

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

IGC Rice Balance sheet Highlights

The outlook for rice supply and demand in 2016/17 is broadly unchanged from June, traded volumes seen rising by 7% y/y on firm demand from Asian buyers in particular. Projections for the following season are mostly maintained, with end-season carryovers set to fall slightly as a 12% drop in major exporters' stocks outweighs likely accumulation in China. The prediction for trade is lifted marginally, to 42.4m t, a modest increase y/y and in line with the 2014 peak on anticipated good buying interest from African and Asian importers. With exporter shipments data indicating continued firm demand, global rice trade in 2017 is seen up by 7% y/y, including significantly larger sales to Bangladesh, Sri Lanka and the Philippines. Tied to area growth in Asia, notably in Thailand and India, 2017/18 output could edge up to a high of 486m t. Population increases are set to push food use to a fresh peak and end-season carryovers are likely to fall; while inventory accumulation is anticipated in China, major exporters' stocks are seen contracting by 12% y/y. Partly reflecting government old crop sales, Thailand's stocks are projected to be down by almost 30%, to a nine-year low. Trade in 2018 is predicted to be up modestly, with volumes in line with the record of four years earlier.

IGC Forecast the World Rice Production Up in 2017-18

In its July 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**.** World rice stocks are projected to tighten in 2017/18 on a contraction in the major exporters, led by Thailand.

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 11.80-13.20 hundred weights in coming sessions.

Price Projection (International-CBOT)

Duration	Trend	Price Range
04th Week of August,2017	Steady to Firm	USD/ Hundred Weight 11.80-13.20