Rice Weekly Research Report

Contents

Outlook and Review:

Domestic Front

Average weekly wholesale rice prices in India stood at around Rs.3109 per quintal in 04th week of August-2017, firmed about 7.73*% from around Rs.2885 per quintal in last week, and up about 9.42% from around Rs.2840/ 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 25th August 2017, as per reports received from States, stands at 1013.83 lakh hectare as compared to *1019.60 lakh hectare at this time last year. It is reported that rice has been sown/transplanted in 358.28 lakh ha, pulses in 135.96 lakh ha, coarse cereals in 178.85 lakh ha, sugarcane in 49.78 lakh hectare and cotton in 119.78 lakh ha.*

Among the food-grains, the inflation for Cereals has decreased to 0.63% from the previous month's level of 1.93%, Pulses to *(-) 32.56% from the previous month's level of (-) 25.47%, Paddy to 3.47% from the previous month's level of 4.36% and Wheat (-) 1.16% from the previous month's level of (-) 0.29%.*

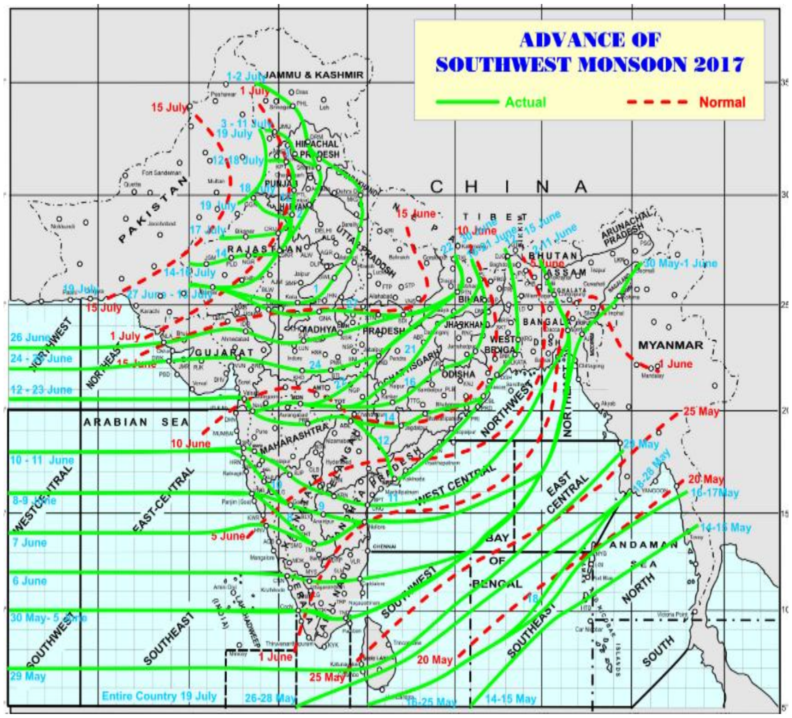
All-India progressive procurement of Rice as on 18.08.2017 for 2016-17 was 387.32 lakh tonnes against the procurement *of 341.12 lakh tonnes in the corresponding period of last year. The procurement of wheat for the rabi marketing season (RMS) 2017-18 was 308.01 lakh tonnes against the procurement of 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 (10th August, 2017 – 16th August, 2017) has been 16*% 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 96% in East & North East India and 01% in South Peninsula but lower than LPA by 63% in Central India and 50% in North West India.*

Basmati rice has regained its position after MY-2014-15 as the top commodity export from India. The fine rice variety replaced buffalo *meat to become the top most export for the April-June quarter. Basmati rice export volume were lower than buffalo meat due to import ban from Iran which is largest basmati rice importer from India, now Iran continuing importing basmati even during its harvest season. Another factor behind Basmati grabbing the top spot in exports is the decline in the export of buffalo meat due to ban on the sale of cattle in mandis hit the buffalo trade. The basmati exports increased from Rs 6,196 crore of last year's April-June quarter to Rs 8168 crore in the same quarter this year.*

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,*



Weather Watch:

Advance of Southwest Monsoon-2017

The southwest monsoon was vigorous over Haryana, Chandigarh & Delhi, Jammu & Kashmir, Madhya Maharashtra and Marathwada on one or two days of the week. It was active over Kerala on many days; over Assam & Meghalaya, Nagaland, Manipur, Mizoram & Tripura and Coastal Andhra Pradesh on a few days and over Arunachal Pradesh, Gangetic West Bengal, Odessa, Bihar, Himachal Pradesh, Gujarat Region, Saurashtra & Kutch, Vidarbha, Chhattisgarh, Telangana, Rayalaseema and Tamilnadu & Puducherry on one or two days of the week. The axis of monsoon trough at mean sea level shifted southwards gradually and remained south of its normal position most of the days during the week.

State wise Paddy Crop Situation - Kharif (2017-18) as on 25.08.2017

State	Normal Area	Normal Area as on date	Area sown reported			Absolute Change
			This Year	% of Normal	Last Year	
Andhra Pradesh	15.68	10.31	10.52	67.1	9.86	0.66
Arunachal Pradesh	1.27	1.17	1.31	102.4	1.18	0.13
Assam	20.91	19.69	18.02	86.2	19.63	-1.61
Bihar	31.64	30.86	34.12	107.8	32.29	1.83
Chhattisgarh	37.97	36.02	36.15	95.2	35.66	0.50
Goa	0.44	0.14	0.27	60.5	0.27	-0.01
Guajrat	7.35	7.05	7.88	107.1	7.63	0.25
Haryana	12.64	11.86	12.87	101.8	13.13	-0.26
Himachal Pradesh	0.75	0.76	0.76	101.5	0.75	0.01
J&K	2.75	1.42	1.16	42.0	1.16	0.00
Jharkhand	14.46	13.49	17.17	118.7	16.61	0.56
Karnataka	10.36	7.33	4.46	43.1	7.00	-2.54
Kerala	1.54	0.93	0.62	40.4	0.60	0.02
Madhya Pradesh	19.30	19.15	20.23	104.8	20.81	-0.58

Maharashtra	15.18	13.30	12.58	82.8	14.80	-2.22
Manipur	0.68	1.81	1.69	248.3	1.84	-0.15
Meghalaya	0.97	0.97	1.10	114.2	0.97	0.13
Mizoram	0.33	0.38	0.33	101.4	0.36	-0.03
Nagaland	1.87	1.88	2.10	112.4	2.00	0.10
Odisha	37.94	32.74	32.72	86.2	31.52	1.21
Punjab	28.77	28.92	29.26	101.7	30.46	-1.20
Rajasthan	1.51	1.30	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	2.46	1.98	12.1	2.93	-0.95
Telangana	9.75	5.61	6.20	63.6	5.11	1.09
Tripura	1.98	1.51	1.29	65.2	1.36	-0.07
Uttar Pradesh	58.79	58.61	59.78	101.7	59.61	0.17
Uttarakhand	2.51	2.52	2.50	99.7	2.49	0.01
West Bengal	41.91	38.27	38.93	92.9	39.18	-0.25
Puducherry	0.13					
Others	0.29	0.48	0.49	170.1	0.43	0.06
All-India	**395.94**	**351.04**	**358.28**	**90.5**	**361.24**	**-2.96**

Rice Sowing Update as on 25th August-2017:

Rice: About **358.28 lakh ha** area coverage under rice has been reported compared to normal of corresponding week (**351.04 lakh ha**). Thus **7.24 lakh ha more area** has been covered compared to normal of corresponding week. **Higher area** is reported from the States of Jharkhand (3.68 lakh ha), Bihar (3.26 lakh ha), Uttar Pradesh (1.17 lakh ha), Madhya Pradesh (1.08 lakh ha), Haryana (1.01 lakh ha), Gujarat (0.83 lakh ha), West Bengal (0.66 lakh ha), Telangana (0.59 lakh ha), Rajasthan (0.39 lakh ha), Punjab (0.34 lakh ha), Nagaland (0.22 lakh ha), Andhra Pradesh (0.21 lakh ha), Meghalaya (0.14 lakh ha), Arunachal Pradesh (0.13 lakh ha), Chhattisgarh (0.13 lakh ha) and Goa (0.13 lakh ha). **Less area** is reported from the States of Karnataka (2.87 lakh ha), Assam (1.67 lakh ha), Maharashtra (0.72 lakh ha), Tamil Nadu (0.48 lakh ha), Kerala (0.31 lakh ha), Jammu & Kashmir (0.26 lakh ha), Tripura (0.22 lakh ha), Manipur (0.12 lakh ha), Mizoram (0.05 lakh ha), Odisha (0.02 lakh ha) and Uttarakhand (0.02 lakh ha).

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CIF Rice Price as on 21st August-2017:

	Parboiled Rice		White Rice		100% Brokens
	Vizag	KPT	Raipur		Raipur
Destination	IR 36 PB 5%	IR 64 PB 5%	IR 36 5%	IR 36 25%	Normal Brokens
Cotonou	470	465	468	441	402
Lome	470	465	468	441	402
Tema	470	465	468	441	402
Dakar	472	473	470	443	404
Banjul	499	499	497	470	431
Bissau	501	498	498	472	433
Conakry	482	483	479	452	414
Durban	443	446	441	414	375
Abidjan	470	464	468	441	402

FOB @ Kakinada as on 21st August:

Rice Market & Prices	
21 August 2017	
BULK VARIETY	FOB KAKINADA - Bulk
AP/Chattisgarh Region	Price in US$/MT
Long Grain PARBOILED - 5% - Sortex	408
100% Brokens	332
Packing -	50 kg - Normal PP - 140 gms

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

State	Prices 24-31 Aug 2017	Prices 16-23 Aug 2017	Prices 09-15 Aug 2017	Prices 24-31 Aug 2016	% Change(Over Previous Week)	% Change(Over Previous to Previous Week)	% Change(Over Previous Year)
Andhra Pradesh	4043.33	3614.38	4030	3860	11.87	0.33	4.75
Assam	3354.73	2928.45	2976.72	3332.65	14.56	12.7	0.66
Gujarat	4289.05	3134.56	3123.73	3284.56	36.83	37.31	30.58
Jharkhand	2733.33	2756.24	2719.82	2629.68	-0.83	0.5	3.94
Karnataka	3386.23	3560.67	3636.62	3376.98	-4.9	-6.89	0.27
Kerala	3879.29	3849.97	3855.4	3222.72	0.76	0.62	20.37
Maharashtra	3126.7	3085.21	3703.12	2701.53	1.34	-15.57	15.74
Manipur	3100	3107.44	3100	3041.38	-0.24	0	1.93
Meghalaya	2897.53	2974.52	3597.87	3403.36	-2.59	-19.47	-14.86
Delhi		2000	2000	2000	__	__	__

Orissa	2669.12	2319.47	2623.36	2268.24	15.07	1.74	17.67
Tripura	2929.09	2914.55	2922.82	2752.24	0.5	0.21	6.43
Uttar Pradesh	2258.54	2229.66	2218.9	2234.89	1.3	1.79	1.06
Uttrakhand	2245.4	2203.2	2067.98	2096.37	1.92	8.58	7.11
West Bengal	2606.64	2599.83	2605.51	2406.9	0.26	0.04	8.3
Average	3108.5	2885.21	3012.12	2840.77			

Price Projection for September 01st Week in Domestic Market

Duration	Trend	Average Price Range	Reason
01st Week of Sept, 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	26-Aug-2017)	19-Aug-2017)	Month Ago(26-July-2017)	% ch. From last week	% Change from last Month
1121 Steam	6200	6500	6350	-4.62	-2.36
1121 Sella	5300	5300	5175	0.00	2.42
1121 Raw	6100	6400	6250	-4.69	-2.40

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

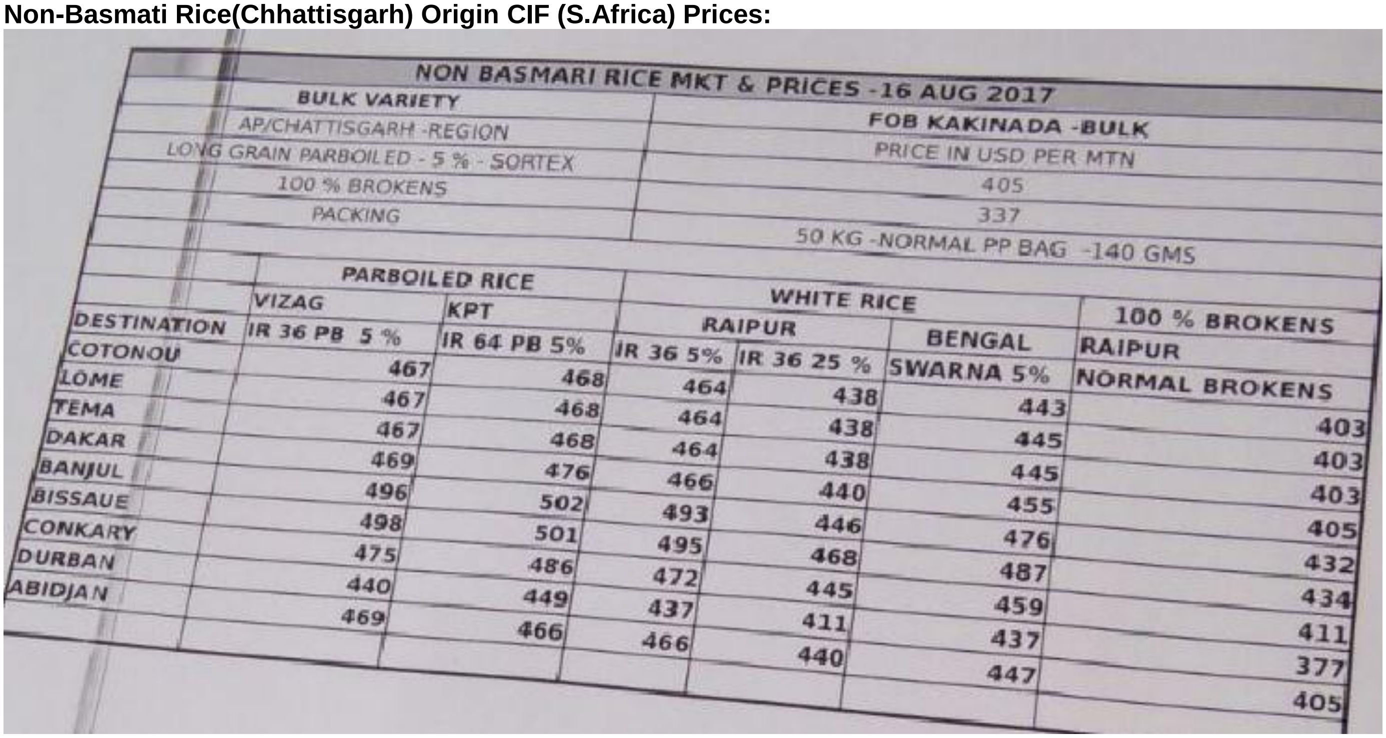
Indian White Rice 5%, 25% High Quality, Long grain parboiled 5%					
Variety	26-Aug-2017)	19-Aug-2017)	Month Ago(26-July-2017)	% ch. From last week	% Change from last Month
White Rice 5%	420	415	405	1.20	3.70
White Rice 25%	413	410	395	0.73	4.56
Parboiled 5%	435	430	425	1.16	2.35

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**

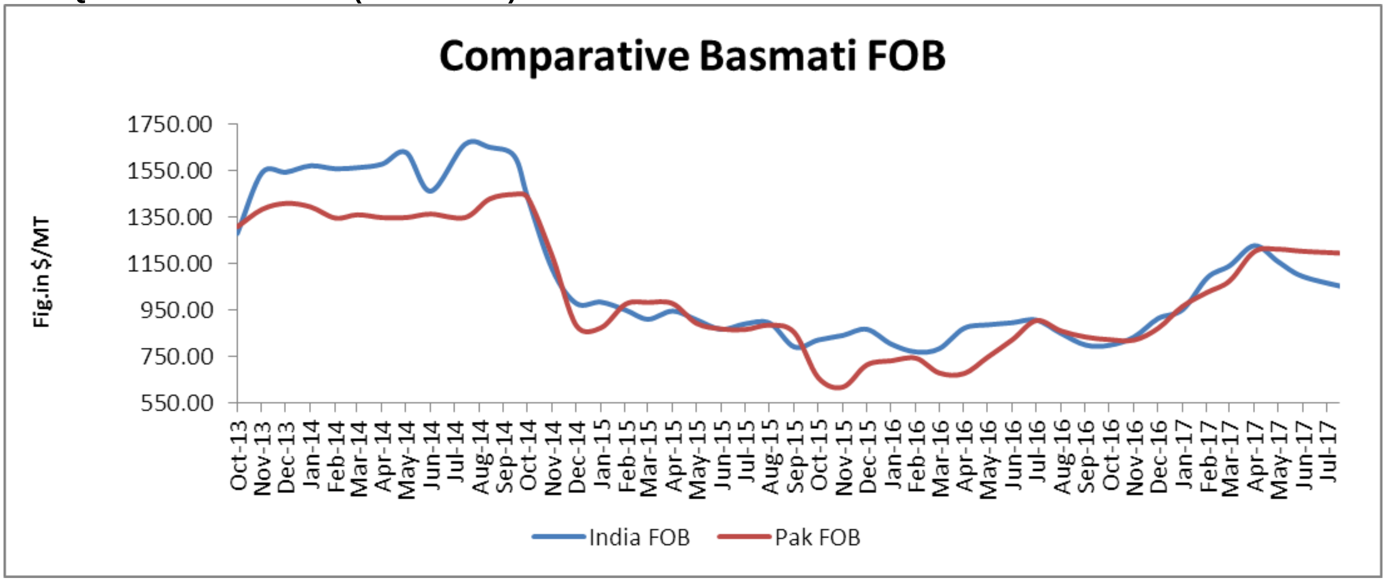
Fig. in TonsMandi	July-17(Cumulative)	June-17(Cumulative)	July-16-Cumullatiive)	% Change(Over Previous Month)	% Change(Over Previous year)
Burdwan	144144.57	134928.57	123385.54	**6.83**	**16.82**
Midnapore	5177.19	4639.19	4074.17	**11.60**	**27.07**
Banaganapalli	16296.77	15833.77	15579.33	**2.92**	**4.61**
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 (Oct. – Sept.)**	**Progressive Procurement as on 18.08.2017**	
(in Lakh T)		**In Marketing season 2016-17**	**In Marketing season 2015-16**
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 18, 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

The Ghana government is determined to see a significant cut in the volume of foreign rice imported into the country by 6 -10 percent by the end of 2017. Currently, an average of $500,000,000 of rice is brought into the country annually, representing an estimated 70 percent of the local consumption of rice. Also, government is seeking to reduce the general food import through its flagship “Planting for Food and Jobs” policy, the percentage of targeted reduction in rice import could increase to 15 percent next year.

Taiwan Rice production is forecast to remain stable in MY2017/18 and MY2016/17 at 1.114 million tons. COA has set a realistic rice area target for these years of 260,000 hectares. Government support has kept rice production relatively stable despite high-production costs and falling demand. In 2015, 295,000 tons of rice was sold to the government under Taiwan’s voluntary purchase program, accounting for 19 percent of total production. MY2015/16 production is lowered slightly to 1.112 million tons on 274,000 hectares according to preliminary COA statistics. Typhoons damaged the second rice crop in MY2015/16, lowering yields and overall production despite an increase in acreage. The increase in area was caused by farmers returning fields to production in early 2016 following a draught the previous year.

Around 760,000 tons of rice was imported into Iran during the last fiscal year that ended on March 20, 2017. This is a remarkable achievement, as four years ago when President Hassan Rouhani took office, rice imports stood at 2 million tons [per year. Iranians consume about 3.2 million tons of rice every year. The government periodically places a ban on imports during the harvest season to support local farmers.

Bangladesh will import 250,000 tonnes of white rice at $453.00 a tonne from Cambodia in a government-to-government deal. The country produces around 34 million tonnes of rice annually but uses almost all its production to feed its population, and often requires imports to cope with shortages caused by floods or droughts. Rice is a staple food for Bangladesh’s 160 million people and high prices pose a problem for the government which faces a national election next year. Early this month, the government agreed to buy 1 million tonnes of rice from Cambodia, its first-ever deal with the country, over the next five years. It has so far imported 200,000 tonnes of white rice at $430 a tonne and 50,000 tonnes of parboiled rice at $470 a tonne from Vietnam in a state-to-state deal at rates much higher than in tenders.

Iraq's state grain buyer has issued an international tender to buy 30,000 tonnes of rice. Iraq made no purchase in its previous attempt to buy rice, which closed on July 30. The country has been struggling to import grain for its food subsidy programme after introducing new payment and quality terms that left trading houses unwilling to participate in its international tenders. Iraq is expected to produce about 250,000 tonnes of rice this year, suggesting that there will be a shortfall of about 1 million tonnes that will need to be covered by imports.

Unofficial and preliminary Thailand rice exports (excluding premium white and fragrant rice) for June 26 – July 2, 2017, totaled 186,618 metric tons, up 10,573 metric tons from the previous week, and up 12,963 metric tons from the four-week moving average of 173,655 metric tons. Rice exports from January 1 – July 2, 2017, totaled 4,387,239 metric tons.

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. 27.07.2017	(2017-18) Proj. 24.08.2017
Production	480	473	484	486	485
Trade	41	39	42	42	42
Consumption	475	474	484	488	487
Carryover stocks	121	120	120	118	118
Y-O-Y change	4	-1	0	-	-2
Major Exporters	37	32	30	27	26

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

IGC Rice Balance sheet Highlights

The global rice supply and demand backdrop is unchanged for 2016/17 but, owing to fractional adjustments, world output in 2017/18 is placed a little lower, at 485m t, albeit potentially a new high. The outlook for consumption is trimmed, but end-season stocks are maintained at 118m t, down by 2m y/y. The modest annual fall in inventories stems from an anticipated drop in major exporters' reserves to a ten-year low, mainly on a drawdown in Thailand. Trade in 2018 is projected to stay elevated on firm demand from buyers in Africa, Asia and the EU. Global rice ending stocks in 2016/17 are seen broadly steady y/y, although exporters' inventories could decline, led by Thailand, where the government is expected to sell the bulk of its state reserves by the end of the current calendar year. On the basis of marginal area gains in Asia, global rice output is projected to edge up in 2017/18 but, with uptake increasing by 3m t, to a record, aggregate end-season carryovers could fall slightly. Major exporters' stocks are projected to contract by 11% y/y, to a ten-year low of 26.4m t, nearly 10m below the five-year average. At 42.4m t, trade in 2018 is tentatively anticipated to be close to an all-time high on demand from Asia and Africa, while another year of heavy imports by the EU is likely.

IGC Forecast the World Rice Production Up in 2017-18

In its August 2017 Grain Market Report (GMR), the International Grains Council (IGC) projection for 2017-18 global rice production at around 485 million tons, up about 0.20% 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 0.62% to around 487 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
01st Week of September-,2017	Steady to Firm	USD/ Hundred Weight 11.80-13.20