Rice Weekly Research Report

Contents

Outlook and Review:

Domestic Front

Average weekly wholesale rice prices in India stood at around Rs.2821.41 per quintal in 04th week of September- 2017, weak about 3.81*% from around Rs.2934 per quintal in last week, and up about 1.80% from around Rs.2772/ quintal a year ago. Due to fresh arrival from major producing states, price is come down in this week and likely to stay steady in coming week.*

The total paddy sown area as on 29th September-2017 was 279.08 lakh hectares which is down by 0.85% from last yea*r area of 382.37 lakh hectares and up about 0.67% from normal area as on date of area of 374.54 lakh hectares.*

As per first advance estimate for Kharif rice output for MY-2017-18, India's rice output is likely to fall by 1.9 million tons (*MT) to 94.48 MT in kharif season this year on account of poor rain as well as floods. Rice output is estimated to fall at 94.48 MT in the kharif season of the 2017-18 crop years (July-June) from the record 96.39 MT in last kharif. Assam, Bihar, Gujarat and Rajasthan witnessed floods, while parts of Karnataka, Chhattisgarh and Tamil Nadu faced dry spell.*

Among the food-grains, the inflation for Cereals has decreased to 0.21% from the previous month's level of 0.63%, Paddy to 2.70% *from the previous month's level of 3.47% and Wheat (-) 1.44% from the previous month's level of (-) 1.16% but Pulses has increased to (-) 30.16% from the previous month's level of (-) 32.56%*

All-India progressive procurement of Rice as on 22.09.2017 for 2016-17 was 381.05 lakh tonnes against the procurement *of 341.66 lakh tonnes in the corresponding period of last year. The procurement of wheat for the rabi marketing season (RMS) 2017-18 was 308.25 lakh tonnes against the procurement of 229.62 lakh tonnes in the corresponding period of RMS 2016-17.*

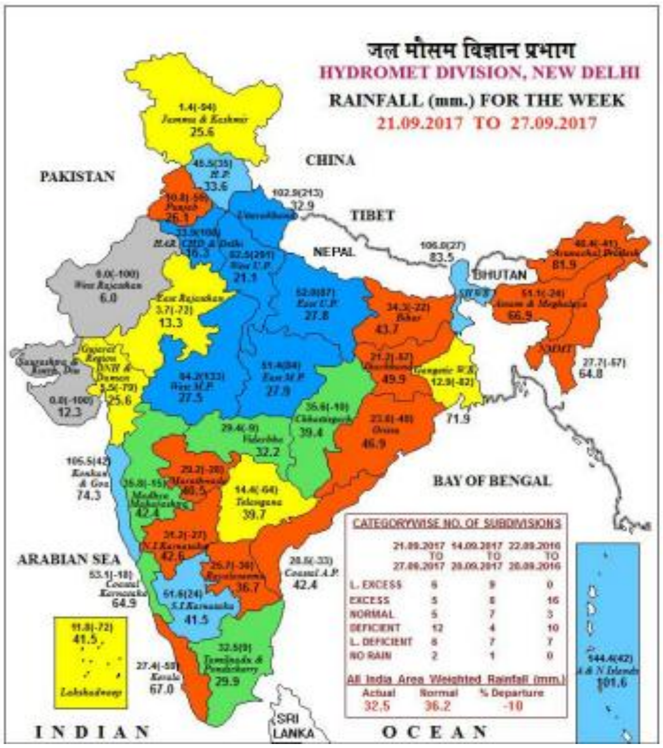
In the monsoon season, at All-India level, the rainfall during the week (14th September, 2017 – 20th September, 2017) *has been 13% higher than Long Period Average (LPA). Rainfall in the four broad geographical divisions of the country during the above period have been higher than LPA by 80% in Central India and 47% in South Peninsula but lower than LPA by 73% in North West India and 34% in East & North East India*.

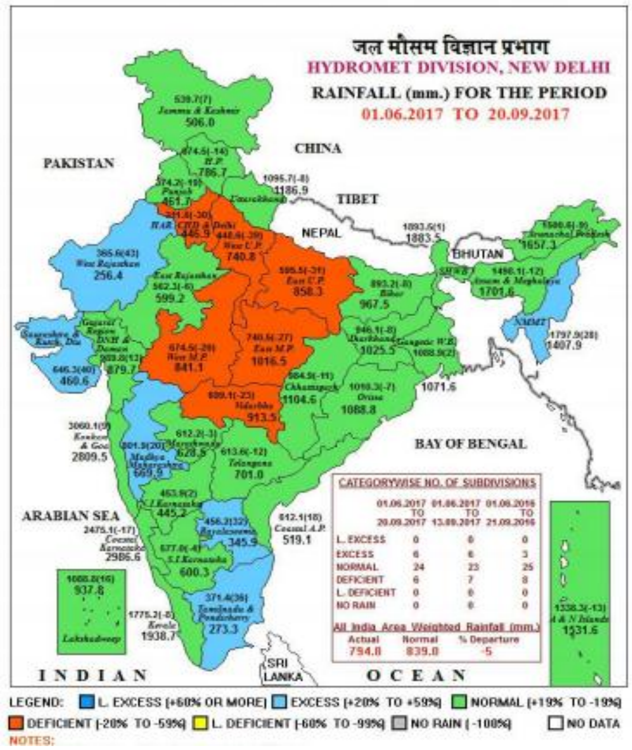
India's rice stocks in the central pool as on September- 1, 2017 stood at around 20.39 million tons up by about 3.34% *from around 19.73million tons recorded during the corresponding period last year, according to data from the Food Corporation of India (FCI). India's rice stocks in the central pool are down about 13.96% from around 23.70 million tons recorded on August-01, 2017. The current rice stocks are about ten million tons more than the required strategic reserve norms of around 10.25 million tons for this time of the year, according to the FCI.*

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.*

Weather Watch:





Advance of Southwest Monsoon-2017

In the monsoon season, at All-India level, the rainfall during the week (14th September, 2017 – 20th September, 2017) has been 13% 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 80% in Central India and 47% in South Peninsula but lower than LPA by 73% in North West India and 34% in East & North East India. Rainfall was large excess/excess in 11, normal in 5, and deficient/large deficient in 18 and no rain in 2 out of 36 meteorological sub-divisions.(All India Actual: 32.5 mm, Normal: 36.2 mm and departure: -10%).

State wise Paddy Crop Situation - Kharif (2017-18) as on 29.09.2017

State	Normal Area	Normal Area as on date	Area sown reported			Absolute Change
			This Year	% of Normal	Last Year	
Andhra Pradesh	15.68	13.94	13.97	89.1	13.51	0.46
Arunachal Pradesh	1.27	1.38	1.31	102.4	1.30	0.00
Assam	20.91	21.01	20.27	96.9	20.74	-0.47
Bihar	31.64	31.85	34.18	108.0	32.95	1.23
Chhattisgarh	37.97	36.88	36.73	96.7	36.45	0.28
Goa	0.44	0.15	0.27	60.5	0.27	-0.01

Gujarat	7.35	7.59	8.05	109.5	7.83	0.22
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	1.89	1.16	42.0	1.16	0.00
Jharkhand	14.46	14.96	17.35	120.0	17.00	0.34
Karnataka	10.36	9.80	7.05	68.1	9.43	-2.38
Kerala	1.54	0.70	0.62	40.4	0.60	0.02
Madhya Pradesh	19.30	19.46	20.23	104.8	20.81	-0.58
Maharashtra	15.18	15.18	14.40	94.8	15.56	-1.16
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	1.84	2.07	110.7	2.03	0.04
Odisha	37.94	36.37	36.26	95.6	36.32	-0.06
Punjab	28.77	28.88	29.26	101.7	30.46	-1.20
Rajasthan	1.51	1.34	1.69	111.8	1.65	0.04
Sikkim	0.11	0.11	0.11	96.5	0.11	0.00
Tamil Nadu	16.31	4.49	3.34	20.5	4.44	-1.10
Telangana	9.75	7.79	7.63	78.3	6.56	1.07
Tripura	1.98	1.79	1.29	65.2	1.36	-0.07
Uttar Pradesh	58.79	59.08	59.78	101.7	59.61	0.17
Uttarakhand	2.51	2.53	2.50	99.7	2.49	0.01
West Bengal	41.91	41.22	42.26	100.8	42.16	0.10
Puducherry	0.13					
Others	0.29	0.57	0.57	197.9	0.53	0.04
All-India	**395.94**	**376.56**	**379.08**	**95.7**	**382.37**	**-3.29**

Rice Sowing Update as on 29th September-2017:

Rice: About **379.08 lakh ha** area coverage under rice has been reported compared to normal of corresponding week (**376.56 lakh ha**). Thus **2.53 lakh ha more area** has been covered compared to normal of corresponding week. **Higher area** is reported from the States of Jharkhand (2.39 lakh ha), Bihar (2.33 lakh ha), West Bengal (1.04 lakh ha), Haryana (1.01 lakh ha), Madhya Pradesh (0.77 lakh ha), Uttar Pradesh (0.70 lakh ha), Gujarat (0.46 lakh ha), Punjab (0.38 lakh ha), Rajasthan (0.35 lakh ha), Nagaland (0.23 lakh ha), Meghalaya (0.14 lakh ha), Goa (0.12 lakh ha) and Andhra Pradesh (0.03 lakh ha). **Less area** is reported from the States of Karnataka (2.75 lakh ha), Tamil Nadu (1.16 lakh ha), Maharashtra (0.78 lakh ha), Assam (0.74 lakh ha), Jammu & Kashmir (0.73 lakh ha), Tripura (0.49 lakh ha), Telangana (0.16 lakh ha), Chhattisgarh (0.15 lakh ha), Manipur (0.12 lakh ha), Odisha (0.11 lakh ha), Kerala (0.08 lakh ha), Arunachal Pradesh (0.08 lakh ha), Mizoram (0.05 lakh ha) and Uttarakhand (0.03 lakh ha).

Rice Price as on 30th September-2017:

Crop	Basmati		1121			1509 New Crop		Sugandha		
	Raw	White	Raw	Steam	Golden	White	Golden	Steam	White	Golden
Paddy (New)	36000	36000	30500	30500	29000	27000	27000	23500	23000	23000
Rice @PMT Market Price	72000	64000	70000	72000	60000	61000	49000	53000	44000	48000
Market Price in USD(65.70)	1202	1081	1172	1202	1020	1035	852	913	776	837

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

State	Prices 24-30 Sep 2017	Prices 16-23 Sep 2017	Prices 24-30 Sep 2016	% Change(Over Previous Week)	% Change(Over Previous Year)
Andhra Pradesh	1762.48	3151.48	2983.95	-44.07	-40.93
Assam	2876.06	2982.12	3150.62	-3.56	-8.71
Gujarat	3174.56	3107.55	3255.8	2.16	-2.5
Jharkhand	2733.33	2738.66	2588.77	-0.19	5.58
Karnataka	3659.87	3771.08	3346.7	-2.95	9.36
Kerala	3880.03	3862.99	3230.89	0.44	20.09
Maharashtra	3378.26	3716.57	2702.79	-9.1	24.99
Manipur	3105.33	3103.4	3030.96	0.06	2.45
Meghalaya	2787.77	2771.74	3517.28	0.58	-20.74
Delhi	1780	2062.96	2000	-13.72	-11
Orissa	2526.26	2380.48	2286.66	6.12	10.48
Tripura	2988.17	3000.4	2799.6	-0.41	6.74
Uttar Pradesh	2215.96	2218.22	2209.31	-0.1	0.3
Uttrakhand	2675.86	2411.12	2054.36	10.98	30.25
West Bengal	2778.17	2720.03	2412.11	2.14	15.18
Average	2821.47	2933.25	2771.32		

Price Projection for October 01st Week in Domestic Market

Duration	Trend	Average Price Range	Reason

01st Week of Oct, 2017	Steady to Weak	Rs.2850-3150/Quintal	Non-basmati rice market likely to move steady in coming weeks due to fresh arrival starts hitting in the market which pressurizes the rice market to some extent.

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	**30-Sept-2017)**	**23-Sept-2017)**	**Month Ago(30-Aug-2017)**	**% ch. From last week**	**% Change from last Month**
1121 Steam	7200	6900	6000	**4.35**	**20.00**
1121 Sella	6000	5800	5200	**3.45**	**15.38**
1121 Raw	7200	7000	5900	**2.86**	**22.03**

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	**30-Sept-2017)**	**23-Sept-2017)**	**Month Ago(30-Aug-2017)**	**% ch. From last week**	**% Change from last Month**
White Rice 5%	425	425	400	**0.00**	**6.25**
White Rice 25%	410	410	370	**0.00**	**10.81**
Parboiled 5%	430	430	420	**0.00**	**2.38**

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

State-wise 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
Rajasthan	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**

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

Fig. in TonsMandi	Aug-17(Cumulative)	July-17(Cumulative)	Aug-16-Cumullatiive)	% Change(Over Previous Month)	% Change(Over Previous year)
Burdwan	153516.57	144144.57	130357.53	6.50	17.77
Midnapore	5706.39	5177.19	4355.18	10.22	31.03
Banaganapalli	17253.77	16296.77	16429.33	5.87	5.02
Ramachandrapuram	4929.75	4581.75	4285.75	7.60	15.03
Devariya	36236.38	34868.34	32248.1	3.92	12.37
Sitapur	29760.94	29133.94	28655.31	2.15	3.86
Mysore	136149.04	79816	131239.62	70.58	3.74
Raichur	197875.82	187226.82	77797.88	5.69	154.35
Villupuram	#VALUE!	#VALUE!	#VALUE!	#VALUE!	#VALUE!
Thiruchirappalli	#VALUE!	#VALUE!	#VALUE!	#VALUE!	#VALUE!

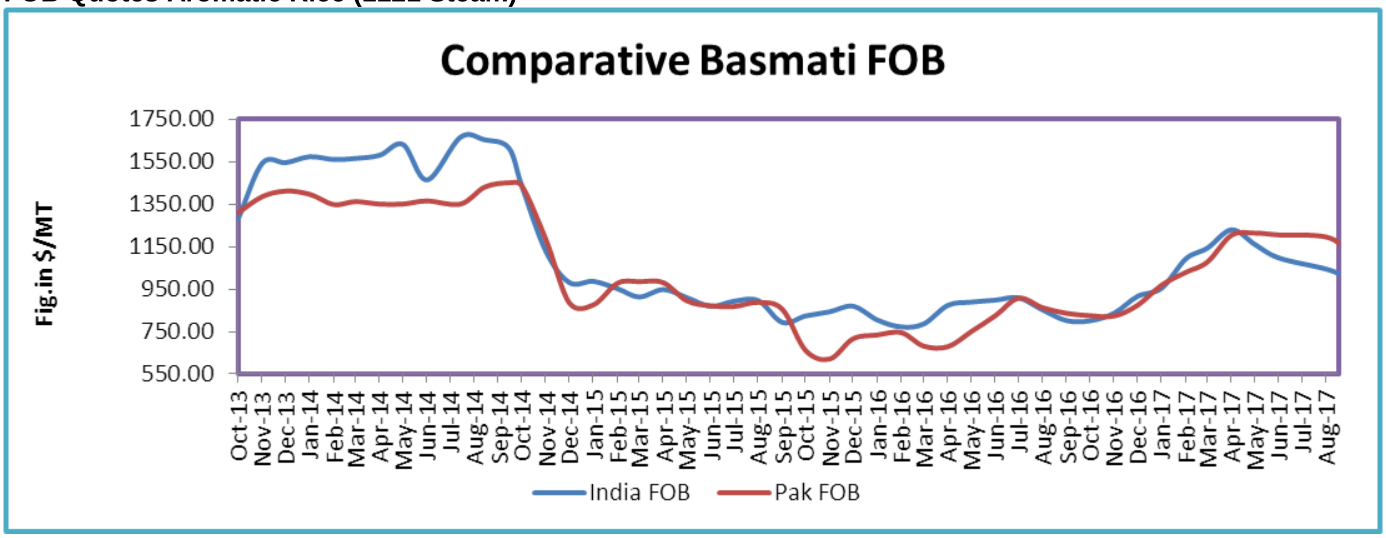
State wise Progressive Procurement

State/UTs	Total procurement Target in marketing season 2016-17 (Oct. – Sept.)	Progressive Procurement as on 22.09.2017	
(in Lakh T)		In Marketing season 2016-17	In Marketing season 2015-16
AP	42.00	37.25	43.26
Telangana	30.00	35.95	15.80
Bihar	20.00	12.34	12.23
Chhattisgarh	35.00	40.22	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	11.90
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**	**381.05**	**341.66**

Riding a record harvest, public rice procurement in MY 2016/17 through September 22, 2017, was estimated at 38.10 MMT, an increase over the 34.16 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 August moved weak from last month and currently is in the range of USD 998-1000/MT which is down by 4.32% from last month price of USD 1045/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 two months till the arrival of new crop which starts from October. 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 1125/MT which is also down by 5.85% from last month FOB of USD 1195/MT.

Global Updates

The government has decided to import 100,000 tonnes of white rice from Myanmar, the main reason behind is skyrocketing prices of rice in the local market. The rice will be imported at $442 a tonne.

Despite the projected reduction in palay harvest area and yield, the Philippine Statistics Authority (PSA) said paddy-rice output in the July-to-September period would still reach 3.36 million metric tons (MMT).after revised its estimates country downward its forecast for unmilled rice production to 3.36 MMT, from 3.39 MMT. In its Global Agriculture Information Network report, FAS said Philippine rice harvest area in marketing year 2016-2017 could expand to 4.705 million hectares, 2.28 percent bigger than the FAS's previous forecast of 4.6 million hectares.

Unofficial and preliminary Thailand rice exports (excluding premium white and fragrant rice) for August 28 – September 3, 2017, totaled 187,803 metric tons, down 6,682 metric tons from the previous week, and up 686 metric tons from the four-week moving average of 187,117 metric tons. Rice exports from January 1 – September 3, 2017, totaled 5,939,672 metric tons.

South Korea will increase the purchase of local rice that will be set aside for reserve purposes this year to help stabilize prices on the domestic market, The Ministry of Agriculture, Food and Rural Affairs said it will buy 350,000 tons of rice harvested this year from Sept. 25 to Dec. 31. It will increase the purchase of rice from last year's 82,000 tons to 90,000 tons and buy 260,000 tons of packaged rice.

Thailand Export prices increased 2-3 percent from the previous week due to new inquiries for white and parboiled rice from several African and Middle Eastern countries. Exporters are also actively fulfilling pending shipments to African countries using mostly old-crop white rice sourced from government stocks. The new tender for the remaining 0.6 million metric tons of government stocks has not yet been finalized due to the government's ongoing investigation on non-food quality rice being resold in the food chain.

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.

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 November- 17, Rough Rice)
(Prices in US$/hundredweight)

Market Analysis

The CBOT November-17 month rough chart for rice indicates firm movement from last month. We expect market to hover in the range of USD 11.70-13.20 hundred weights in coming sessions.

Price Projection (International-CBOT)

Duration	Trend	Price Range
01st Week of October-,2017	Steady	USD/ Hundred Weight 11.80-13.20