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# Rice Weekly Research Report

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## **Outlook and Review:**

### **Domestic Front**

**Average weekly wholesale rice prices in India stood at around Rs.3005 per quintal in 02<sup>nd</sup> week of October-2017, firm about 0.90% from around Rs.2978 per quintal in last week, and up about 5.48% from around Rs.2848/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 sowing in all India is almost over and as per latest data available area is 380.96 lakh hectares which is down by 1.02% from last year area of 384.92 lakh hectares and up about 0.76% from normal area as on date of area of 378.08 lakh hectares. Main drop in sown area is reported from paddy growing states like Andhra Pradesh, Assam, Haryana, Karnataka, Maharashtra and Madhya Pradesh.**

**India's April-Aug rice exports rise 7.4 % in which Non-basmati rice exports jumped 9.4 percent to 3.29 million tonnes in MY-2017-18, while premium basmati rice exports rose 4 percent to 1.85 million tonnes. India, the world's biggest rice exporter, mainly exports non-basmati rice to African countries and premier basmati rice to the Middle East.**

**All-India progressive procurement of Rice as on 06.10.2017 for 2016-17 was 381.06 lakh tonnes against the procurement of 341.78 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 (28th September, 2017 – 04th October, 2017) has been 03% 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 42% in South Peninsula and 23% in East & North East India but lower than LPA by 95% in North West India and 36% in Central India.**

**Bangladesh is ready to import of 250,000 tons of rice from Thailand and India to fulfil their country's demand. Out of 250,000 tons, 150,000 tons of parboiled rice from Thailand @ USD 465/T and rest from India @USD 455/T will import. After flood damage the main paddy crop, Bangladesh emerged as major rice importer.**

**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.**

**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.**

**Weather Watch:**

**Advance of Southwest Monsoon-2017**

The cumulative rainfall in the country during the monsoon season i.e. 01st June to 30th September, 2017 has been 05% lower than Long Period Average (LPA). Rainfall in the four broad geographical divisions of the country during the above period have been lower than LPA by 10% in North West India, 06% in Central India, 04% in East & North East India and equal to LPA in South Peninsula.

**State wise Paddy Crop Situation - Kharif (2017-18) as on 06.10.2017**

State	Normal Area	Normal Area as on date	Area sown reported			Absolute Change
			This Year	% of Normal	Last Year	
Andhra Pradesh	15.68	14.50	14.10	89.9	14.48	-0.38
Arunachal Pradesh	1.27	1.38	1.31	102.4	1.30	0.00
Assam	20.91	21.01	20.28	97.0	20.74	-0.46
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	15.09	17.35	120.0	17.67	-0.32
Karnataka	10.36	9.89	7.32	70.7	9.50	-2.18
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	14.47	95.3	15.56	-1.09
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	1.31	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	4.69	4.73	29.0	5.43	-0.70
Telangana	9.75	8.35	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	378.08	380.96	96.2	384.92	-3.96

**Rice Sowing Update as on 06<sup>th</sup> October-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).

**State wise Wholesale Prices weekly for 02<sup>nd</sup> Week of October-2017**

State	Prices 09-15 Oct 2017	Prices 01-08 Oct 2017	Prices 24-30 Sep 2017	Prices 09-15 Oct 2016	% Change(Over Previous Week)	% Change(Over Previous to Previous Week)	% Change(Over Previous Year)
Andhra Pradesh	2511.21	3136.88	1785.78	4579.94	-19.95	40.62	-45.17
Assam	3115.98	3145.88	2875.08	3285.28	-0.95	8.38	-5.15
Gujarat	3223.58	3213.48	3153.84	3301.06	0.31	2.21	-2.35
Jharkhand	2733.33		2733.33	2703.01	—	0	1.12
Karnataka	3816.06	3706.05	3618.47	3348.92	2.97	5.46	13.95
Kerala	3830.37	3802.31	3836.63	3192.84	0.74	-0.16	19.97
Maharashtra	3408.95	3746.61	3425.11	2667.43	-9.01	-0.47	27.8
Manipur	3100	3106.25	3105.33	3039.01	-0.2	-0.17	2.01
Meghalaya	2846.34	2804.19	2787.77	2946.43	1.5	2.1	-3.4
NCT of Delhi		2000	1869.63	2000	—	—	—
Orissa	2522.92	2619.48	2532.38	2201.14	-3.69	-0.37	14.62
Tripura	3043.78	3023.84	2988.17	2837.24	0.66	1.86	7.28
Uttar Pradesh	2233.14	2230.57	2225.46	2207.79	0.12	0.35	1.15
Uttarakhand	2915.42	2337.19	2551.03	1995.36	24.74	14.28	46.11
West Bengal	2765.48	2818.29	2779.59	2422.96	-1.87	-0.51	14.14
Average	3004.75	2977.93	2817.84	2848.56			

**Price Projection for October 03<sup>rd</sup> Week in Domestic Market:**

Duration	Trend	Average Price Range	Reason
03 <sup>rd</sup> 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	15-Oct-2017)	06-Oct-2017)	Month Ago(15-Sept-2017)	% ch. From last week	% Change from last Month
1121 Steam	7300	7500	6600	-2.67	10.61
1121 Sella	5900	6800	5700	-13.24	3.51
1121 Raw	7200	7800	6800	-7.69	5.88

### 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	15-Oct-2017)	06-Oct-2017)	Month Ago(15-Sept-2017)	% ch. From last week	% Change from last Month
White Rice 5%	422	425	412	-0.71	2.43
White Rice 25%	398	412	375	-3.40	6.13
Parboiled 5%	425	430	420	-1.16	1.19

### 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
<b>Total</b>	<b>13 Crore</b>	<b>65</b>

### Major Mandi Arrival in September-2017

Figure in Tons

Fig. in TonsMandi	Sept-17(Cumulative)	Aug-17(Cumulative)	Sept-16-Cumullatiive)	% Change(Over Previous Month)	% Change(Over Previous year)
<b>Burdwan</b>	161796.57	153516.57	137545.53	5.39	17.63
<b>Midnapore</b>	6249.27	5706.39	4662.26	9.51	34.04
<b>Banaganapalli</b>	21819.96	17253.77	17795.99	26.46	22.61
<b>Ramachandrapuram</b>	5527.75	4929.75	5504.75	12.13	0.42
<b>Devariya</b>	37117.48	36236.38	33753.1	2.43	9.97
<b>Sitapur</b>	30431.85	29760.94	29170.26	2.25	4.32
<b>Mysore</b>	146667.1	136149.04	137836.65	7.73	6.41
<b>Raichur</b>	205090.15	197875.82	85866.92	3.65	138.85
<b>Villupuram</b>	#VALUE!	#VALUE!	#VALUE!	#VALUE!	#VALUE!
<b>Thiruchirappalli</b>	#VALUE!	#VALUE!	#VALUE!	#VALUE!	#VALUE!

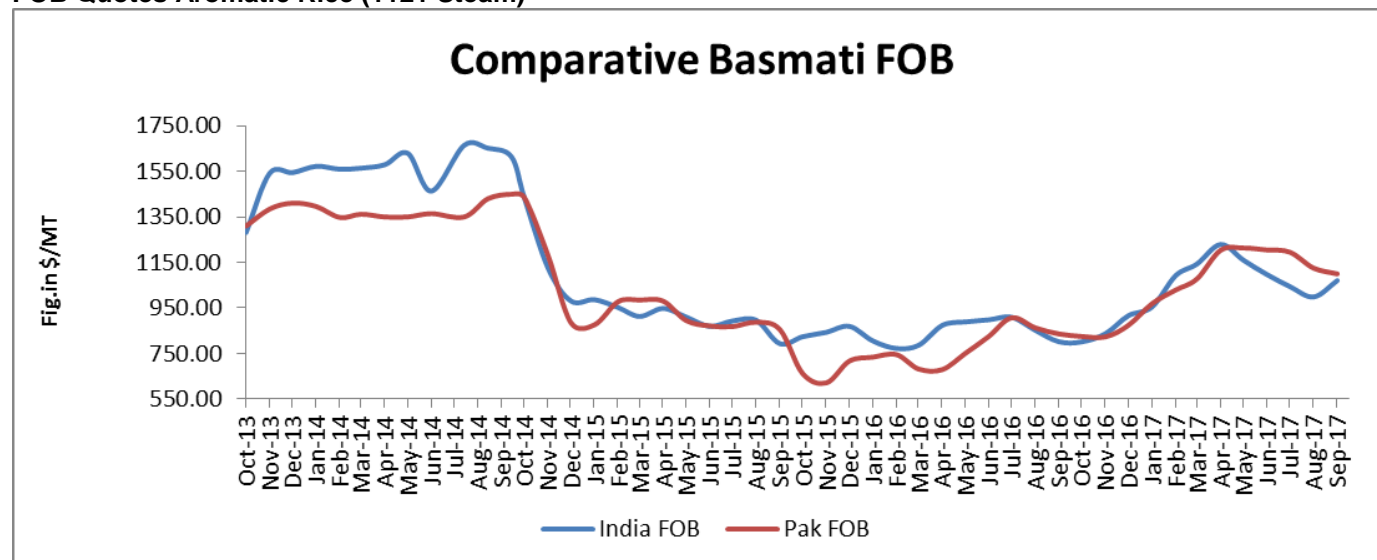
### State wise Progressive Procurement

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
<b>Total</b>	<b>380.00</b>	<b>381.05</b>	<b>341.66</b>

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 September moved firm from last month and currently is in the range of USD 1070-1072/MT which is up by 7.20% from last month price of USD 998.59/T. Average basmati rice price too firmed this month with active demand from international markets, however sentiments for basmati rice price may change in coming months due to fresh arrival of crop. 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 1100/MT which is down by 2.22% from last month FOB of USD 1125/MT.



## Global Updates

**Cambodia exported 421,966 tons of milled rice in the first nine months of 2017, a 17 percent rise compared with the same period last year.** Cambodia exported 421,966 tons of milled rice in the first nine months of 2017, a 17 percent rise compared with the same period last year. Export to China accounted for 124,760 tons, or 29.5 percent of the total exports, during the January-September period this year. Cambodia is expected to export 200,000 tons and 300,000 tons to China in 2017 and 2018, respectively.

**Unofficial and preliminary Thai rice exports (excluding premium white and fragrant rice) for September 18- 24, 2017, totaled 202,172 metric tons, up 1,688 metric tons from the previous week and up 8,162 metric tons from the four-week moving average of 194,010 metric tons.** Rice exports from January 1 – September 24, 2017, totaled 6,531,772 metric tons.

**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.

**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)**

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

Attributes ( Fig in Million Tons)	2014-15	2015-16 Estimate	2016-17 F'cast	2017-18 Proj. 27.07.2017	(2017-18) Proj. 28.09.2017
<b>Production</b>	480	473	484	485	483
<b>Trade</b>	41	39	42	42	43
<b>Consumption</b>	475	474	484	487	486
<b>Carryover stocks</b>	121	120	120	118	117
<b>Y-O-Y change</b>	4	-1	0		-3
<b>Major Exporters</b>	37	32	30	26	26

**IGC Rice Balance sheet Highlights**

Reflecting bigger than anticipated shipments to markets in Asia and Africa, world rice trade in 2017 is forecast 0.9m t higher than in August, at a new peak of 42.8m, up by 9% y/y. Owing to modest downgrades for some Asian producers, the projection of 2017/18 global output is trimmed by 2m t, to 483m, a small annual fall, but still the second largest outturn on record. The cut to total supplies is channeled to reduced figures for uptake and stocks, with major exporters' reserves the least in a decade. Trade in 2018 is lifted fractionally from before, and is seen edging up to a new high. Linked to strong demand from buyers in South Asia in particular, global rice trade in 2017 is forecast to expand by 9% y/y, to an all-time high of 42.8m t. The 2017/18 world outturn could be slightly smaller y/y, at 483m t, but still the second largest on record, stemming from potentially above-average crops in key producers. With consumption trending up on a food-driven increase in demand, carryovers are anticipated to contract by 3% y/y, to 117m t. This includes a drop in major exporters' stocks to a decade low, including steep falls in Thailand, Vietnam and the USA. Trade is likely to stay high in 2018 on buying interest from importers in Africa and Asia. As Thailand's availabilities tighten following heavy disposals of government reserves, India should retain its position as the biggest exporter.

**IGC Forecast the World Rice Production Up in 2017-18**

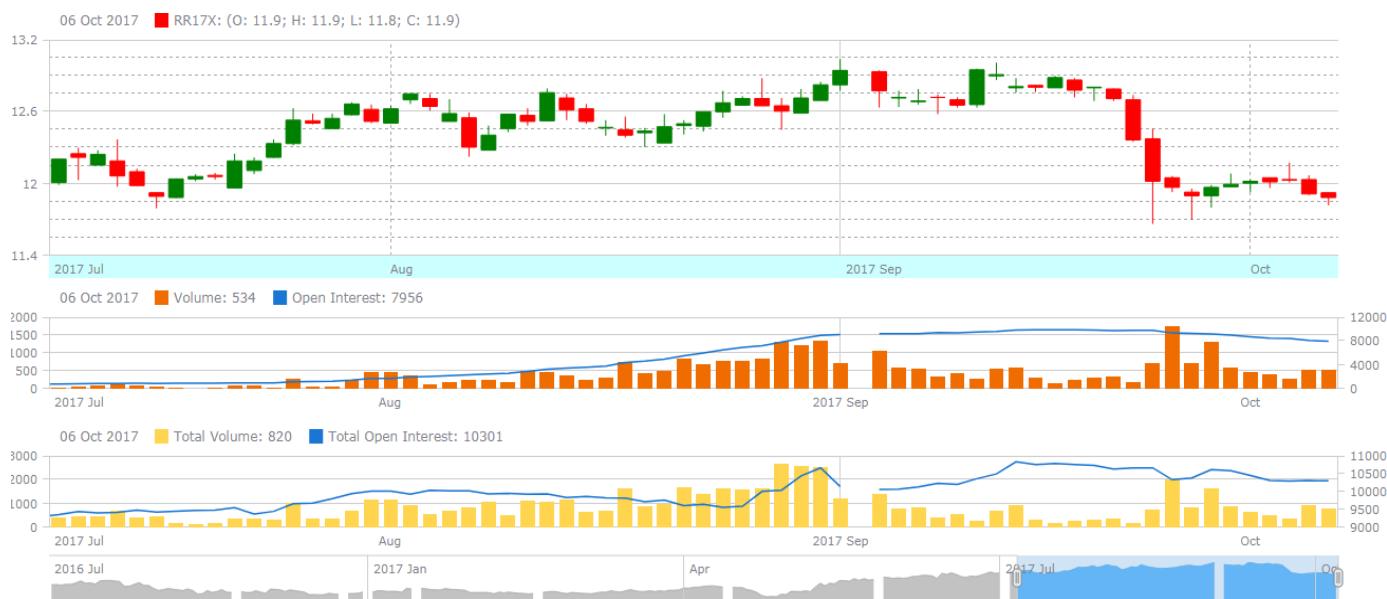
In its September 2017 Grain Market Report (GMR), the International Grains Council (IGC) projection for 2017-18 global rice production at around 483 million tons, up about 0.60% from an estimated 485 million tons in 2016-17 on improved Asian production.

**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 11.50-13.20 hundred weights in coming sessions.

**Price Projection (International-CBOT)**

Duration	Trend	Price Range
03 <sup>rd</sup> Week of October-,2017	Steady	USD/ Hundred Weight 11.50-13.20

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