
Rice Weekly Research Report

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Outlook and Review:**Domestic Front**

Average weekly wholesale rice prices in India stood at around Rs.2930 per quintal in 04th week of October- 2017, weak about 2.42% from around Rs.3005 per quintal in last week, and up about 2.84 % from around Rs.2850/quintal a year ago. Due to fresh arrival from major producing states, price has dropped in this week and is likely to stay steady to weak in coming week.

The government's rice procurement rose marginally to 69.89 lakh tons (LT) so far in the 2017–18 marketing year that started this month, compared to 69.31 LT in the year-ago. Food Corporation of India (FCI), the nodal agency for procurement and distribution, had procured 381 LT in the 2016–17 marketing season (October–September). For the current year, the government has fixed a higher rice procurement target at 375 LT on hopes of good production. The arrival of paddy is picking up in mandis. Till last week, about 111 LT of paddy had arrived in Haryana, Punjab and Uttar Pradesh.

The Bangladesh government has decided to import 100,000 tons of parboiled rice from India in January to meet the growing domestic demand created by crop losses in recent floods. The rice will be supplied by Project and Equipment Corporation of India Ltd, under the Indian Commerce Ministry. This demand could influence rice price to a certain extent.

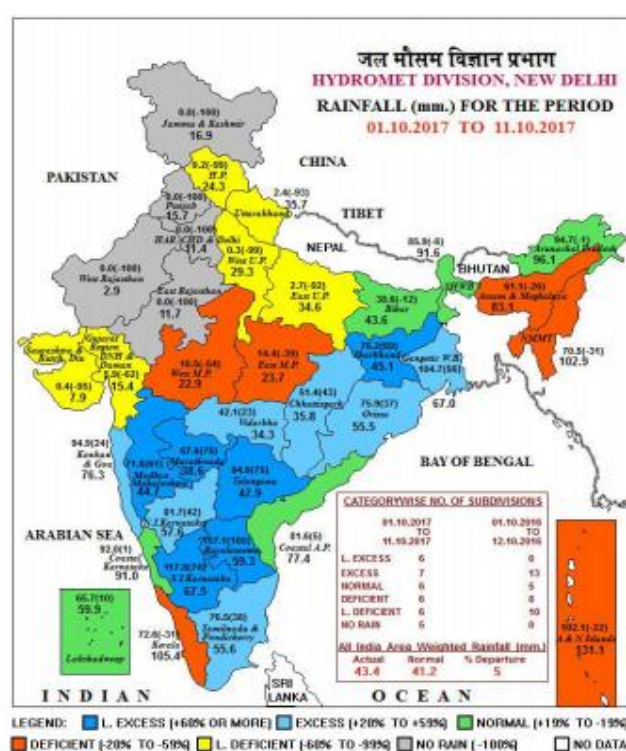
The total paddy sowing in India is almost over and as per latest data available area is 380.96 lakh hectares which is down by 1.02% from last year area of 384.92 lakh hectares and up about 0.76% from normal area as on date of area of 378.08 lakh hectares. Main drop in sown area is reported from paddy 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 for MY-2016-17 of Rice as on 13.10.2017 for 2016-17 was 381.07 lakh tons against the procurement of 341.77 lakh tons in the corresponding period of 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, public rice procurement in MY 2016/17 is already exceed the target of 38 MMT for MY 2016-17.

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 because 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.

Weather Watch:



Advance of Southwest Monsoon-2017

The cumulative rainfall in the country during the Post-monsoon season i.e. 01st October to 11th October, 2017 has been 5% 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 46% in South Peninsula & 18% in Central India but lower than LPA by 97% in North West India and 01% in East & North East India.

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 06th 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 04th Week of October-2017

State	Prices 24-31 Oct 2017	Prices 16-23 Oct 2017	Prices 09-15 Oct 2017	Prices 24-31 Oct 2016	% Change(Over Previous Week)	% Change(Over Previous to Previous Week)	% Change(Over Previous Year)
Andhra Pradesh	2300.98	3600.62	3907.58	3843.33	-36.09	-41.11	-40.13
Assam	3126.69	3135.52	3126.14	3183.93	-0.28	0.02	-1.8
Gujarat	3156.87	3252.6	3190.63	3296.61	-2.94	-1.06	-4.24
Jharkhand	2733.33	2733.33	2734.74	2729.53	0	-0.05	0.14
Karnataka	3705.42	3696.17	3782.4	3759.52	0.25	-2.04	-1.44
Kerala	3810.09	3797.25	3795.39	3211.9	0.34	0.39	18.62
Maharashtra	3181.49	3321.82	3392.74	2538.88	-4.22	-6.23	25.31
Manipur	3100	3110.32	3100	3053.87	-0.33	0	1.51
Meghalaya	2750	2661.62	2864.73	3037.5	3.32	-4	-9.47
Orissa	2948.25	2499.72	2567.5	2529.39	17.94	14.83	16.56
Tripura	3057.13	3070.85	3046.64	2875.86	-0.45	0.34	6.3
Uttar Pradesh	2213.06	2219.7	2232.95	2233.7	-0.3	-0.89	-0.92
Uttarakhand	2142.06	2136.54	2734.59	2043.74	0.26	-21.67	4.81
West Bengal	2803.63	2813.56	2771.69	2406.26	-0.35	1.15	16.51
Average	2930.64	3003.54	3016.51	2849.6			

Price Projection for November 01st Week in Domestic Market:

Duration	Trend	Average Price Range	Reason
01 st Week of Nov, 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	28-Oct-2017)	21-Oct-2017)	Month Ago(28-Sept-2017)	% ch. From last week	% Change from last Month
1121 Steam	7700	7500	7100	2.67	8.45
1121 Sella	6400	6050	6000	5.79	6.67
1121 Raw	7800	7600	7200	2.63	8.33

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	28-Oct-2017)	21-Oct-2017)	Month Ago(28-Sept-2017)	% ch. From last week	% Change from last Month
White Rice 5%	435	438	410	-0.68	6.10
White Rice 25%	390	400	380	-2.50	2.63
Parboiled 5%	405	407	410	-0.49	-1.22

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 September-2017

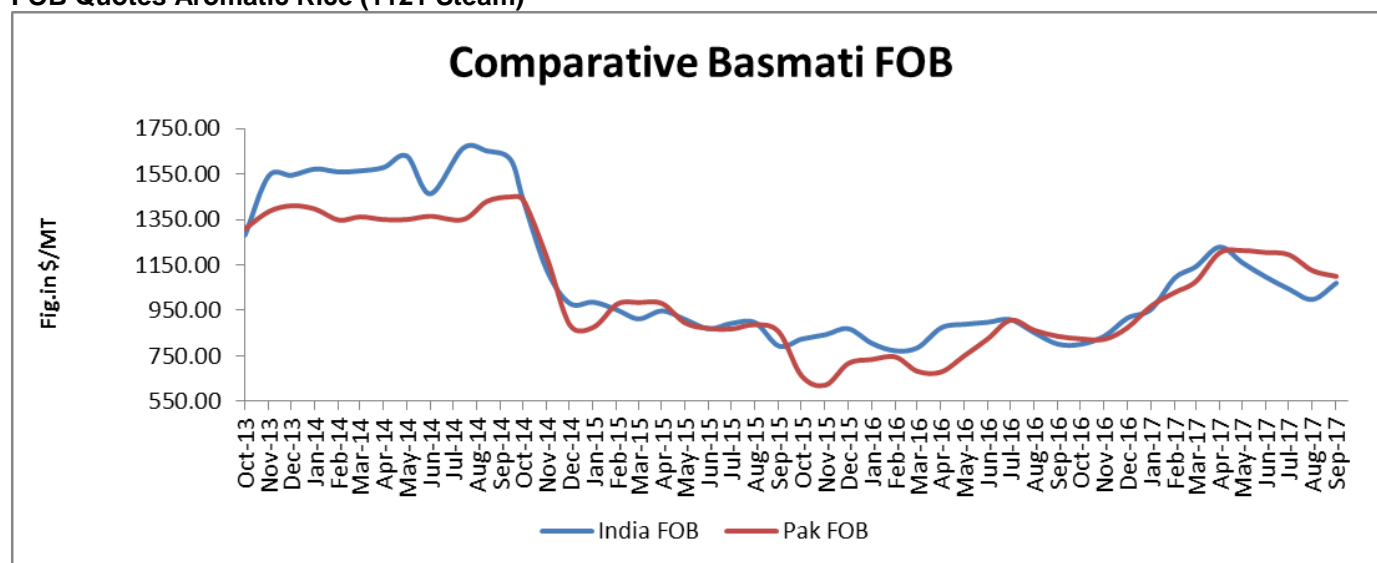
Figure in Tons

Fig. in TonsMandi	Sept-17(Cumulative)	Aug-17(Cumulative)	Sept-16-Cumullatiive)	% Change(Over Previous Month)	% Change(Over Previous year)
Burdwan	161796.57	153516.57	137545.53	5.39	17.63
Midnapore	6249.27	5706.39	4662.26	9.51	34.04
Banaganapalli	21819.96	17253.77	17795.99	26.46	22.61
Ramachandrapuram	5527.75	4929.75	5504.75	12.13	0.42
Devariya	37117.48	36236.38	33753.1	2.43	9.97
Sitapur	30431.85	29760.94	29170.26	2.25	4.32
Mysore	146667.1	136149.04	137836.65	7.73	6.41
Raichur	205090.15	197875.82	85866.92	3.65	138.85
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 13.10.2017	
(in Lakh T)		In Marketing season 2016-17	In Marketing season 2015-16
AP	42.00	37.24	43.36
Telangana	30.00	35.96	15.79
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	11.92
U.P	33.50	23.54	29.10
Uttarakhand	6.00	7.06	5.97
West Bengal	25.00	19.23	15.45
Others	1.81	0	3.76
Total	380.00	381.07	341.77

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

Bangladesh has approved the purchase of 150,000 tonnes of parboiled rice from Thailand at \$465 a tonne. Traditionally the world's fourth-biggest rice producer, Bangladesh has emerged as a major importer of the grain, with imports set to hit their highest levels in a decade after floods damaged its crops.

Unofficial and preliminary Thai rice exports (excluding premium white and fragrant rice) for October 2-8, 2017, totaled 175,716 metric tons, down 21,327 metric tons from the previous week and down 18,138 metric tons from the four-week moving average of 193,854 metric tons. Rice exports from January 1 – October 8, 2017, totaled 6,904,531 metric tons.

Argentine rice harvested area for MY 2017/18 is projected at 185,000 hectares, 15,000 hectares lower than USDA. This is due to the combination of two main factors: 1) excessive rain prior and during the planting season which is delaying significantly the sowing (to date, Corrientes planted roughly 50 percent of the area, while Entre Rios only 30 percent, half of what it is normally covered). Efficient producers will not plant beyond the end of the optimal date (early November); therefore, contacts estimate that several thousand hectares will not be planted. Planted area in Chaco, Santa Fe and Formosa is expected to remain relatively unchanged; and 2) higher energy costs which in some cases, especially Entre Rios province, are making producers plant other alternatives. Producers report that returns under current market conditions are very thin, almost breakeven. Therefore, rice production for the new crop is projected at 1.2 million tons (rough production), equivalent to 782,000 tons (milled basis) and practically 100,000 tons lower than USDA. Several weather forecasts are predicting normal to drier weather in the summer and fall. This is normally quite beneficial for rice production.

Japan's MAFF regularly maintains 828,100 MT of rice in reserve. An additional 640,000 MT (actual tonnage) of MA rice stocks were held (as of October 2016), of which 350,000 MT (actual tonnage) is set aside for the GOJ contingency feed grain reserve. Due to the decline in table rice production, private stocks have decreased in 2016 and 2017. Accordingly, aggregated ending stocks are expected to total 2.4 million MT in MY2016/17, and are forecast to further decline to 2.2 million MT in MY2017/18 (given an anticipated decrease in production).

Cambodia exported 421,966 tons of milled rice in the first nine months of 2017, a 17 percent rise compared to the corresponding period last year. Cambodia exported 421,966 tons of milled rice in the first nine months of 2017, a 17 percent rise compared to the corresponding 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.

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 it made a downward revision of 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.

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
Production	480	473	484	485	483
Trade	41	39	42	42	43
Consumption	475	474	484	487	486
Carryover stocks	121	120	120	118	117
Y-O-Y change	4	-1	0		-3
Major Exporters	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 earlier, and is seen edging up to a new high. Linked to strong demand, particularly from buyers in South Asia, 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 steady to weak movement from last month. We expect market to hover in the range of USD 11.50-12.20 hundred weights in coming sessions.

Price Projection (International-CBOT)

Duration	Trend	Price Range
01 st Week of November-,2017	Steady	USD/ Hundred Weight 11.50-12.20

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