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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.3150 per quintal in 01<sup>st</sup> week of November-2017, firm** about 7.48% from around Rs.2930 per quintal in last week, and up about 9.6% from around Rs.2874/quintal a year ago. Due to fresh demand from major countries like Bangladesh, Iran, Sri-lanka, price has firmed in this week and is likely to stay steady in coming week.

**The latest available official trade for MY 2016-17 rice exports through From October-2016 to September 2017 at 11.15 MMT,** mostly non-Basmati coarse rice to Bangladesh and African continent. Agriwatch previously estimated total rice export for 11 MMT, of which about 4 MMT is long grain Basmati rice and 7 MMT is coarse rice.

**As per commerce minister, The European Union has given time to India till December 31 to meet the bloc's new norms** on importing Basmati rice. The new norms set by European Commission bring down the maximum residue limit (MRL) level for Tricyclazole (a fungicide) in Basmati rice to 0.01 mg per kg from next year which is 0.03mg per kg now. The norms are applicable on all rice-exporting countries. The European Union probed India that not to send Basmati rice to them because of some plague or technical points, but government requested them for some time till Dec-31 to aware farmers that not the use of this particular pesticides, However, it is believe that it may take two crop cycles for India to meet the new import norms.

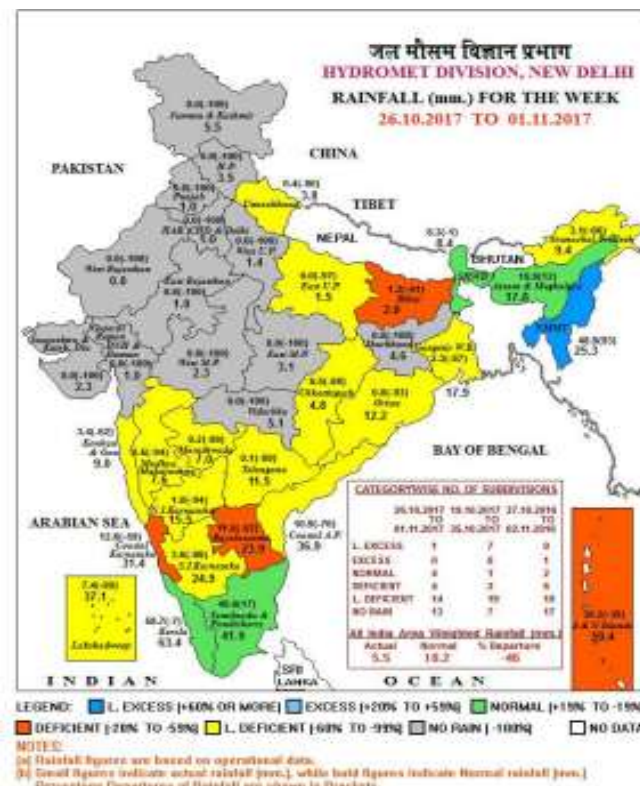
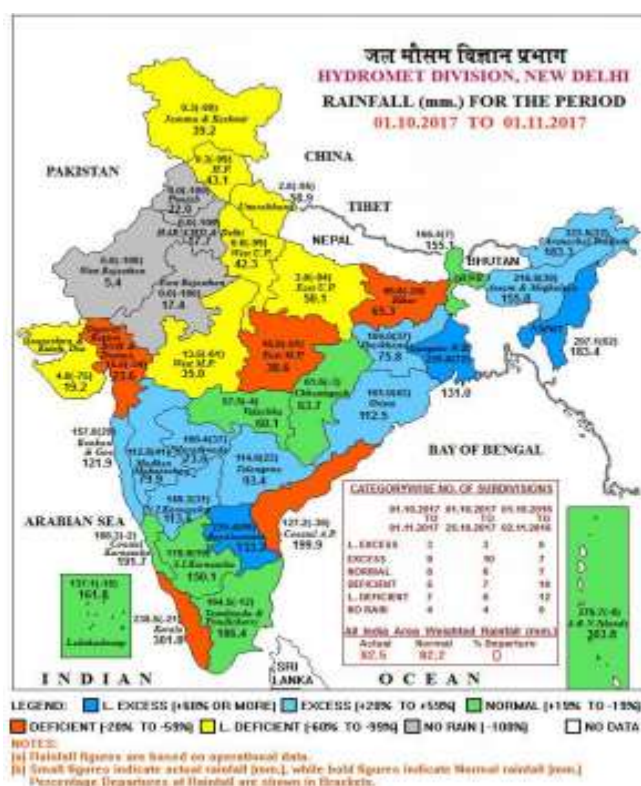
**The government's rice procurement rose marginally to 69.89 lakh tons (LT) so far in the 2017-18 marketing year that started** this month, compared to 69.31 LT in the year-ago. Food Corporation of India (FCI), the nodal agency for procurement and distribution, had procured 381 LT in the 2016-17 marketing 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.

**Iran's state grains buyer GTC has issued an international invitation to tender to buy 30,000 tons of rice to be sourced** from India for shipment in early 2018.

**International prices in India slipped amid increasing supplies from the new season's crop, India's 5 percent broken parboiled** rice prices fell by \$2 per ton to \$400-\$403 per ton as supplies from a new season crop were starting to pick up in some spot markets. Demand of Indian rice is coming from Bangladesh and Sri Lanka is continuous but they are quoting low prices. Bangladesh, which has become a major importer this year after floods hit its crops, has imported more than 1.4 million tons of rice in the July-October period.

### Weather Watch:



### Advance of Southwest Monsoon-2017

The cumulative rainfall in the country during the Post-monsoon season i.e. 01st October to 25th October, 2017 has been 6% 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 36% in East & North East India, 18% in Central India & 12% in South Peninsula but lower than LPA by 98% in North West 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 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 01<sup>st</sup> Week of November-2017

State	Prices 01-08 Nov 2017	Prices 24-31 Oct 2017	Prices 01-08 Nov 2016	% Change(Over Previous Week)	% Change(Over Previous Year)
Andhra Pradesh	3962.22	3078.13	3187.25	28.72	24.31
Assam	3262.71	3153.32	3191.46	3.47	2.23
Gujarat	3383.81	3132.08	2586.19	8.04	30.84
Jharkhand	2733.33	2733.33	2711.62	0	0.8
Karnataka	3730.57	3635.99	3862.99	2.6	-3.43
Kerala	3907.44	3834.34	3248.94	1.91	20.27
Maharashtra	3419.67	3276.82	3585.63	4.36	-4.63
Manipur	3100	3102.53	3051.29	-0.08	1.6
Meghalaya	4066.1	2717.62	2726.29	49.62	49.14
Orissa	2329.03	2877.13	2511.66	-19.05	-7.27
Punjab	3100	3168.73		-2.17	—
Tripura	3012.34	3072.91	2855.94	-1.97	5.48
Uttar Pradesh	2263.01	2216.97	2231.81	2.08	1.4
Uttarakhand	2158.91	2279.22	2044.15	-5.28	5.61
West Bengal	2817.6	2805.95	2432.75	0.42	15.82
Average	3149.78	2930.32	2873.43		

### Price Projection for November 02<sup>nd</sup> Week in Domestic Market:

Duration	Trend	Average Price Range	Reason
02 <sup>nd</sup> Week of Nov, 2017	Steady to Weak	Rs.2850-3150/Quintal	Rice prices are expected to ease to some extent in November with the arrival of the new crop across the country. However, domestic prices during the

marketing year will also depend on the export demand and international price movement.

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

**Prices & Arrivals at Major Markets:**

Rice Price (In Rs./ Quintal)	Grade	Change*	Today 3-Nov-17	Yesterday 2-Nov-17	Week Ago 28-Oct-17	Month Ago 3-Oct-17	Year Ago 3-Nov-16	Source
Divi( A.P)	Grade-A	0	3500	3500	3500	3450	2950	APMC
Visakhapatnam	Grade-A	-200	3200	3300	3400	3745	3725	APMC
Chirala(A.P)	Super Fine	-220	4080	4233	4300	4190	4235	APMC
Burdwan(W.B)	Miniket	30	3350	3300	3320	3000	3050	APMC
Delhi	PR-14	100	3300	3300	3200	3400	3200	AGRIWATCH
Amritsar	1121 Steam	200	7400	7400	7200	6900	4900	AGRIWATCH
Karnal	Sarbati Steam	0	5000	5000	5000	4600	3650	AGRIWATCH

\*Difference between current and previous week prices.

Paddy Arrivals (In Quintal)	Grade	Change	Current Week	Last Week	Source
Cuddapah	All Paddy	-490	160	650	APMC
Srikakulam	All Paddy	-306	714	1020	APMC
Guntur	All Paddy	-4.2	1.3	5.5	APMC
Burdwan(W.B)	All Paddy	573	5061	4488	APMC
Delhi	All Paddy	-16703.6	16161.4	32865	APMC
Amritsar	All Paddy	-765948	40032	805980	APMC
Karnal	All Paddy	-898934	24406	923340	APMC

\*Difference between current and previous week arrival.

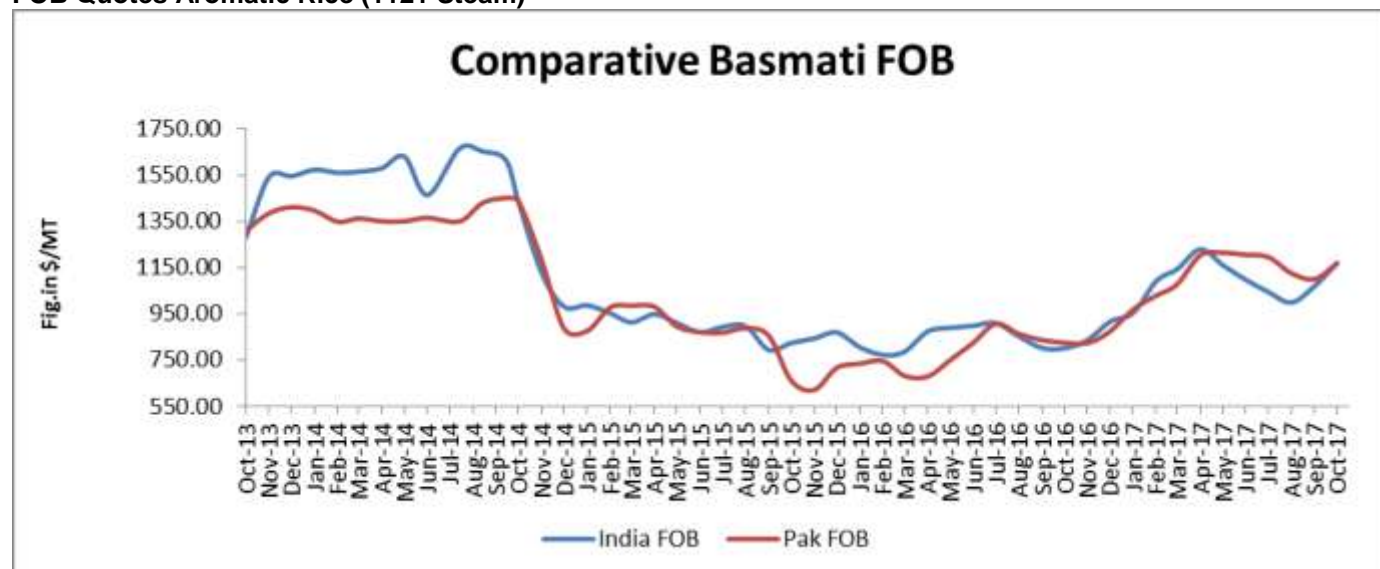
**State wise Progressive Procurement**

State/UTs	Total procurement in marketing season 2016-17 (Oct. – Sept.)	Progressive Procurement as on 27.10.2017	
(in Lakh T)		In Marketing season 2017-18	In Marketing season 2016-17
AP	37.24	0	0

Telangana	35.96	0	0
Bihar	12.34	0	0
Chhattisgarh	40.22	0	0
Haryana	35.83	33.93	30.86
Kerala	3.08	0.04	0.06
M.P	13.14	0	0
Maharashtra	3.09	0	0
Odessa	36.3	0	0
Punjab	110.52	68.49	68.58
Tamilnadu	1.44	0	0
U.P	23.54	0.54	0.06
Uttrakhand	7.06	0.03	0.14
West Bengal	19.23	0	0
Others	0	0	3.76
<b>Total</b>	<b>381.07</b>	<b>103.15</b>	<b>100</b>

Government procurement of MY 2017/18 rice under the minimum support price (MSP) is slightly ahead of last year on timely harvest and good yield realization in the northern states. Rice procurement through October 27, 2017, is estimated at 10.31 MMT compared to 10.00 MMT during the corresponding period of MY 2016-17. Most of the procurement is from the northern states of Punjab (6.84 MMT vs 6.85 MMT last year) and Haryana (3.39 MMT vs 3.08 MMT last year), and will gradually spread to other states from November onwards.

#### FOB Quotes Aromatic Rice (1121 Steam)



Source-FAO& Agriwatch

Indian FOB for 1121 steam in the month of October moved firm from last month and currently is in the range of USD 1170/MT which is up by 9.22% from last month price of USD 1070/T due to increased price in local markets. Aromatic rice price too firm this month with active demand from international markets and lower production aspects. According to the UN's Food and Agriculture Organization (FAO), Currently Pakistani basmati FOB is moving



firmer from last month and now it's hovering in the range of USD 1168/MT which is up by 6.25% from last month FOB of USD 1100/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. 28.09.2017	(2017-18) Proj. 26.10.2017
<b>Production</b>	480	473	486	483	482
<b>Trade</b>	41	39	43	43	43
<b>Consumption</b>	475	473	483	486	485
<b>Carryover stocks</b>	121	121	123	117	120
<b>Y-O-Y change</b>	4	0	2		-3
<b>Major Exporters</b>	37	32	30	26	25

**IGC Rice Balance sheet Highlights**

With reductions for leading producers, notably India, only partially offset by an increased outlook for Thailand, world rice output in 2017/18 is projected slightly lower than before, at 482m t, down by 4m y/y. Total use is trimmed a little but, due to increased carry-ins – linked to historic adjustments for some countries – global end-season carryovers are raised by 3m t m/m, to 120m. However, this would still represent a modest contraction as continued growth in China is outweighed by a sharp fall in the major exporters. Trade is expected to remain high in 2018 on firm demand from Asian buyers. Due to accumulation in China, the global rice carry-out in 2016/17 is seen up by 2% y/y. World trade is forecast to rise by 9% y/y to a new peak in 2017 on strong demand from importers in Africa and Asia, notably Bangladesh, Sri Lanka and the Philippines. Although marginal area gains are likely, the 2017/18 global rice outturn could be slightly smaller y/y on lower yields in key producers, including India. Since consumption is expected to reach a fresh high, stocks are predicted to drop by 2% y/y, to 120m t. Tied to drawdowns in India, Thailand and the USA, major exporters' inventories are seen falling sharply, and may be only partially offset by further stock building in China. At a nominal 73m t, that country's reserves would be equivalent to some 60% of the world total. Trade in 2018 is projected to remain elevated, with India and Thailand each exporting in excess of 10m t.

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

In its October 2017 Grain Market Report (GMR), the International Grains Council (IGC) projection for 2017-18 global rice production at around 483 million tons, down about 0.60% from an estimated 486 million tons in 2016-17 on adverse Asian weather condition.

**Global Trade of Rice Unchanged from Last Month**

The IGC forecasts 2017-18 global rice trades at around 43 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 485 million tons from an estimated 483 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 11.20-12.20 hundred weights in coming sessions.

### Price Projection (International-CBOT)

Duration	Trend	Price Range
02 <sup>nd</sup> Week of November-,2017	Steady	USD/ Hundred Weight 11.20-12.20

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