
Rice Weekly Research Report

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Outlook and Review:

Domestic Front

Average weekly wholesale rice prices in India stood at around Rs.2978 per quintal in 04th week of November-2017, up about 2.90 from around Rs.2893 per quintal in last week, and up about 5.99% from around Rs.2809/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 rabi paddy sowing in all India is started and as per latest data available area for MY-2017-18 is 9.49 lakh hectares which is up by 30% from last year area of 7.32 lakh hectares and up about 12.73% from normal area as on date of area of 8.42 lakh hectares. Sufficient moisture in soil and favourable weather are the main criteria for increase in acreage under rabi paddy.

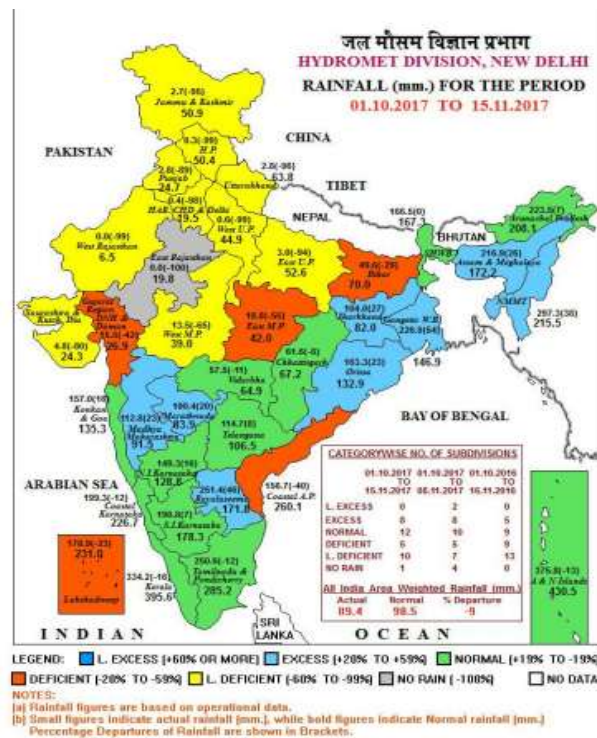
India's rice stocks in the central pool as on November- 1, 2017 stood at around 27.19 million tons down by about 12.85% from around 31.2 million tons recorded during the corresponding period last year, according to data from the Food Corporation of India (FCI). India's rice stocks in the central pool are up about 64% from around 16.56 million tons recorded on October-01, 2017. Highest stock could be seen in the state of Punjab(44.33 lakh tons) followed by Madhya Pradesh(52.43 lakh tons) and Andhra Pradesh(12.06 Lakh Tons).

As per FCI latest data, progressive Paddy procurement as on 21st November-2017 for KMS-2017-18 reached to 166.22 lakh tons which is up by 5% from corresponding period last year procurement of 158 Lakh tons. Higher procurement has been received from northern states of Punjab (114.64 lakh Tons), Haryana (39.66 lakh tons), and U.P (4.61 lakh tons) and in south it is started only in Telangana (5.99 Lakh Tons). Andhra Pradesh Government has just started the procurement of paddy and it is reached to 0.16 lakh tons. Government agencies have procured 98.5 per cent of the paddy arriving in the grain markets in Punjab and nearly 95 per cent in Haryana. The remaining paddy has been procured by rice millers and private traders. Punjab is expecting a record procurement of over 182 lakh tons of paddy this year compared with over 168 lakh tons of the bumper crop last year.

As per Rice Exporters Association of Pakistan (REAP), Pakistan can target India's basmati rice share in the EU market, following the stringent policies placed by the European Union on the presence of hazardous pesticides in the commodity. From January 1, 2018, all countries that export basmati rice to the EU must bring down the maximum residue limit (MRL) level for Tricyclazole to 0.01 mg per kg. Up till now, the EU was accepting 1mg per kg from different countries, including India. India had exported rice of around 350,000 tons worth \$260 million to the European Union countries in last fiscal year, 70 percent of which has tricyclazole limit of 1mg/1kg.

In the Post-monsoon season, at All-India level, the rainfall during the week (09th November, 2017 – 15th November, 2017) has been 74% 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 97% in East & North East India, 91% in Central India, 64% in South Peninsula and 53% in North West India.

Weather Watch:



Advance of Southwest Monsoon-2017

The cumulative rainfall in the country during the Post-monsoon season i.e. 01st October to 15th November, 2017 has been 9% 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 21% in East & North East India and lower than LPA by 96% in North West India, 6% in South Peninsula and 4% in Central 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 November-2017

State	Prices 24-30 Nov 2017	Prices 16-23 Nov 2017	Prices 24-30 Nov 2016	% Change(Over Previous Week)	% Change(Over Previous Year)
Andhra Pradesh	3738.24	2287.67	3841.09	63.41	-2.68
Assam	2687.43	3294.28	3156.58	-18.42	-14.86
Gujarat	3185.68	3113.95	3176.29	2.3	0.3
Jharkhand	2733.33	2733.33	2705.59	0	1.03
Karnataka	3665.66	3806.99	3742.77	-3.71	-2.06
Kerala	3842.31	3871.54	3212.47	-0.75	19.61
Maharashtra	3210.78	3319.54	3058.31	-3.28	4.99
Manipur		3100	3040.73	—	—
Meghalaya	3617.28	2887.9	2633.24	25.26	37.37
NCT of Delhi	1800	2000	2000	-10	-10
Orissa	2814.95	2679.34	2211.88	5.06	27.27
Punjab			2250	—	—
Tripura	2933.54	2961.8	2854.03	-0.95	2.79
Uttar Pradesh	2222.83	2211.34	2238	0.52	-0.68
Uttarakhand	2172.23	2330.66	2423.38	-6.8	-10.36
West Bengal	2783.8	2790.63	2388.54	-0.24	16.55
Average	2976.54	2892.6	2808.31		

Price Projection for December 01st Week in Domestic Market:

Duration	Trend	Average Price Range	Reason
1 st Week of Dec, 2017	Steady	Rs.2850-3150/Quintal	Rice prices are expected to trade steady in coming weeks as fresh demand from various overseas markets.

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	25-Nov-2017)	18-Nov-2017)	Month Ago(25-Oct-2017)	% ch. From last week	% Change from last Month
1121 Steam	7000	7300	7300	-4.11	-4.11
1121 Sella	6100	6200	6000	-1.61	1.67
1121 Raw	7050	7350	7100	-4.08	-0.70

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	25-Nov-2017)	18-Nov-2017)	Month Ago(25-Oct-2017)	% ch. From last week	% Change from last Month
White Rice 5%	440	438	428	0.46	2.80
White Rice 25%	390	392	390	-0.51	0.00
Parboiled 5%	407	405	405	0.49	0.49

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

Prices & Arrivals at Major Markets:

Rice Price (In Rs./ Quintal)	Grade	Change*	Today 24-Nov- 17	Yesterday 23-Nov- 17	Week Ago 17-Nov- 17	Month Ago 24-Oct- 17	Year Ago 17-Nov- 16	Source
Divi(A.P)	Grade-A	50	3600	3600	3550	3750	3450	APMC
Visakhapatnam	Grade-A	-30	3200	3200	3230	3800	3800	APMC
Chirala(A.P)	Super Fine	50	4200	4200	4150	3900	3780	APMC
Burdwan(W.B)	Miniket	0	3350	3350	3350	3000	3100	APMC
Delhi	PR-14	-200	3100	3150	3300	3200	3100	AGRIWATCH
Amritsar	1121 Steam	-300	6800	6900	7100	7200	5400	AGRIWATCH
Karnal	Sarbati Steam	-100	4900	4900	5000	4750	3400	AGRIWATCH

*Difference between current and previous week prices.

Paddy Arrivals (In Quintal)	Grade	Change	Current Week	Last Week	Source
Cuddapah	All Paddy	-21	21	42	APMC
Srikakulam	All Paddy	152.66	2660.56	2507.9	APMC
Guntur	All Paddy	-1	1.3	2.3	APMC
Burdwan(W.B)	All Paddy	519	5179	4660	APMC
Delhi	All Paddy	-41162.2	32521.3	73683.5	APMC
Amritsar	All Paddy	1370	18028	16658	APMC
Karnal	All Paddy	433.67	9248.37	8814.7	APMC

*Difference between current and previous week arrival.

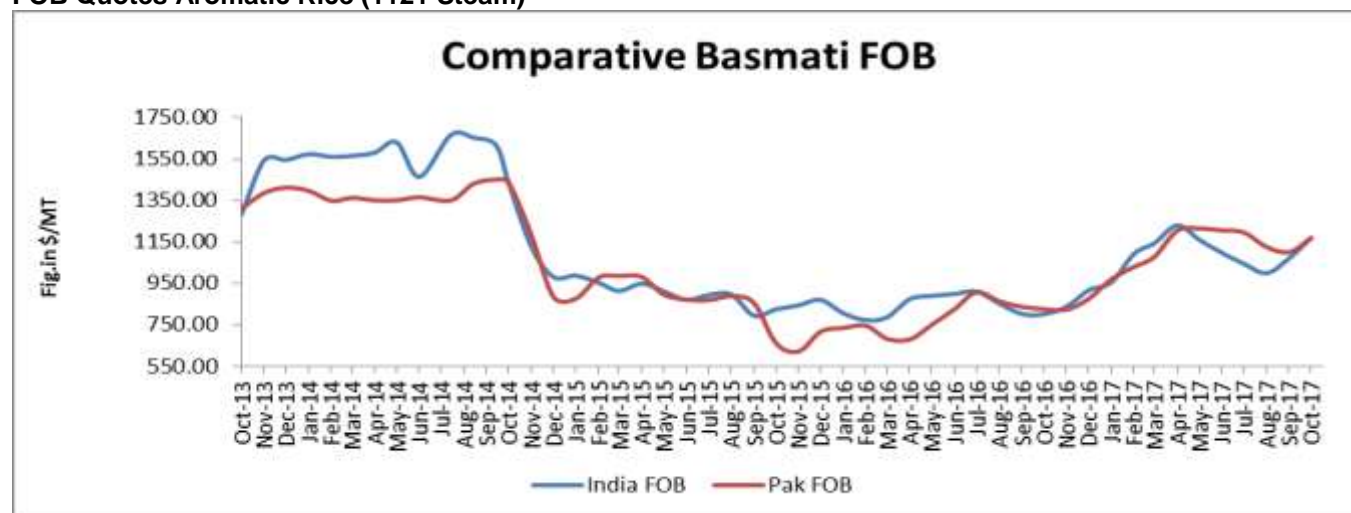
State wise Progressive Procurement

State/UTs	Total procurement in marketing season 2016-17 (Oct. – Sept.)	Progressive Procurement as on 15.11.2017	
		In Marketing season 2017-18	In Marketing season 2016-17
(in Lakh T)			
AP	37.24	0	0
Telangana	35.96	4.10	1.25
Bihar	12.34	0	0
Chhattisgarh	40.22	0	0

Haryana	35.83	39.30	35.11
Kerala	3.08	0.46	0.50
M.P	13.14	0	0
Maharashtra	3.09	0	0
Odessa	36.3	0	0
Punjab	110.52	111.49	103.72
Tamilnadu	1.44	0	0
U.P	23.54	3.08	0.78
Uttarakhand	7.06	0.20	0.43
West Bengal	19.23	0	0
Others	0	0	3.76
Total	381.07	158.85	141.99

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 November-15, 2017, is estimated at 15.85 MMT compared to 14.19 MMT during the corresponding period of MY 2016-17. Most of the procurement is from the northern states of Punjab (11.14 MMT vs 10.37 MMT last year) and Haryana (3.93 MMT vs 3.51 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 firmer 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 firmer 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 30 – November 5, 2017, totaled 190,599 metric tons, down 11,877 metric tons from the previous week and down 14,689 metric tons from the four-week moving average of 205,288 metric tons. Rice exports from January 1 – November 5, 2017, totaled 7,725,634 metric tons.

Thailand Export prices for premium white and fragrant rice declined 1-4 percent due to larger available supplies of main crop rice during the peak harvest. Traders expect that the harvest of the fragrant and white rice crops will be mostly complete by mid-December. The government has suspended the sales of the remaining government stocks of 0.7 – 0.8 million metric tons in an effort to prevent declining domestic prices during the peak harvest.

As per a directive by the Ministry of Industries, Mining and Trade, Iran government has temporary ban on rice imports has been lifted from Nov. 22 up until July 22, 2018. Every year and during the rice harvest season, the government bans rice imports in support of local farmers and production. Import tariffs have increased from 22% four years ago to 40% at present for the same reason. Iranians consume 3 million tons of rice a year while domestic production stands at 2.2 million tons. Therefore, there is need for around 800,000 tons of imports every year.

The Philippines paddy production for 2017 would settle at 19.4 million metric tons (MMT), 10.11 percent higher than the 18.15 MMT produced last year, Probable palay production for the October-to-December period may surpass the 2016 level by 6.26 percent. The anticipated increment in output may be attributed to increase in yield resulting from sustained use of high-yielding varieties coupled with sufficient water supply during the early stages of crop development.

Unmilled rice production in the Philippines, one of the world's biggest buyers of the grain, is expected to rise 10.1 percent to a record 19.409 million tonnes this year from 17.627 million tonnes last year, In the first quarter of 2018, rice output is forecast to rise by 2.6 percent to 4.533 million tonnes from 4.419 million tonnes this year. Expectations of an increase in annual output, based on standing crop, were attributed to higher yields in most growing regions. A bumper harvest has limited the Philippines' rice purchases overseas. The state grains agency last purchased 250,000 tonnes of rice via a tender in July.

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. 28.09.2017	(2017-18) Proj. 26.10.2017
Production	480	473	486	483	482
Trade	41	39	43	43	43
Consumption	475	473	483	486	485
Carryover stocks	121	121	123	117	120
Y-O-Y change	4	0	2		-3
Major Exporters	37	32	30	26	25

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

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 January- 18, Rough Rice) (Prices in US\$/hundredweight)



Market Analysis

The CBOT January-18 month rough chart for rice indicates steady movement from last week. We expect market to hover in the range of USD 11.50-12.50 hundred weights in coming sessions.

Price Projection (International-CBOT)

Duration	Trend	Price Range
01 st Week of December-,2017	Steady	USD/ Hundred Weight 11.50-12.50

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