

---

# Rice Weekly Research Report

---

---

## Contents

- ❖ Outlook and Review
- ❖ Weekly Price Change
- ❖ Weekly Rice Export
- ❖ Progressive Procurement
- ❖ FOB-1121 Steam
- ❖ International Rice Market Summary
- ❖ IGC Balance Sheet
- ❖ CBOT Trend

### ***Outlook and Review:***

#### ***Domestic Front***

**Average weekly wholesale rice prices in India stood at around Rs.3008 per quintal in 04<sup>th</sup> week of November-2017, up about 4.02 from around Rs.2892 per quintal in last week, and up about 7.11% 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.**

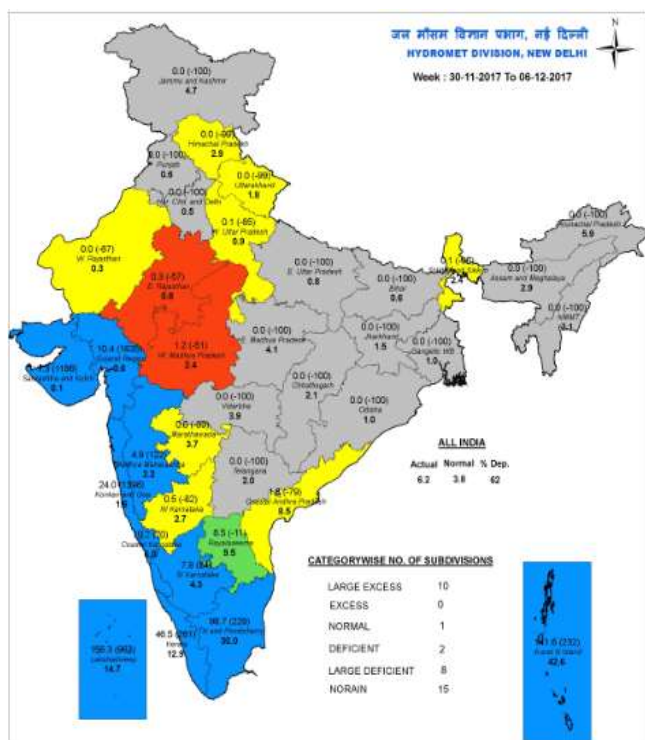
**As per FCI latest data, progressive paddy procurement as on 06th December-2017 for KMS-2017-18 reached to 188.77 lakh tons which is up by 5% from corresponding period last year procurement of 178 Lakh tons. Higher procurement has been received from northern states of Punjab (117.87 lakh Tons), Haryana (39.67 lakh tons), and U.P (9.02 lakh tons) and in south it is started in Telangana (8.59 Lakh Tons). Andhra Pradesh Government procurement also increasing day by day and it has reached 3.23 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.**

**Indian FOB for 1121 steam in the month of November moved weak from last month and currently is in the range of USD 1126/MT which is down by 3.7% from last month price of USD 1169/T due to supply pressure in local markets. Aromatic rice prices are also traded weak with arrival season this month; however Agriwatch expects that aromatic international rice price is likely to trade firm in coming months with good overseas demand. According to the UN's Food and Agriculture Organization (FAO), Currently Pakistani basmati FOB is moving weaker from last month and is now hovering in the range of USD 1155/MT which is down by 1.17% from last month FOB of USD 1169/MT.**

**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).**

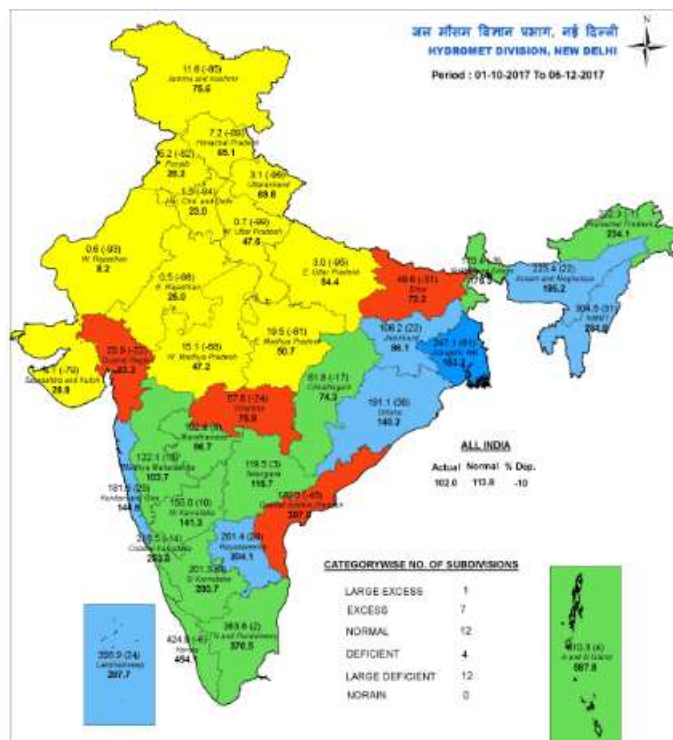
**Agriwatch has updated the rice exports in the month of December based on data released by APEDA. Rice export in MY-2017-18 starting from Oct-17 was 9.61 lakh tons which is 45.6% higher than last year Oct export of 6.6 lakh tons, higher export demand from Middle East, Sri-lanka, Bangladesh and African countries led to increase in rice export. We expect that total rice export for MY-2017-18 till Sept-2018 reach to 11 million tons; however it could only hamper export when parity from our competitors will be lower than us. Total rice exports for MY-2016-17 till Sept-17 were 111.53 lakh tons, around 10.30% higher than last year's export of 101.11 lakh tons for the corresponding period (Oct-Sept). Non- basmati rice exports in MY 2016-17 which started from October 2016 to Sept-2017 was 71.79 lakh tons and basmati exports in these months were 40.6 lakh tons.**

### Weather Watch:



Legend  
Large Excess (80% or more) Excess (20% to 80%) Normal (10% to 20%) Deficient (20% to 80%) Large Deficient (80% to 100%) No Rain (100%) NO DATA

NOTES:  
a) Rainfall figures are based on operation data.  
b) Small figures indicate actual rainfall (mm), while bold figures indicate Normal rainfall (mm).  
c) Percentage Departures of rainfall are shown in brackets.



Legend  
Large Excess (80% or more) Excess (20% to 80%) Normal (10% to 20%) Deficient (20% to 80%) Large Deficient (80% to 100%) No Rain (100%) NO DATA

NOTES:  
a) Rainfall figures are based on operation data.  
b) Small figures indicate actual rainfall (mm), while bold figures indicate Normal rainfall (mm).  
c) Percentage Departures of rainfall are shown in brackets.

### Advance of Southwest Monsoon-2017

The cumulative rainfall in the country during the Post-monsoon season i.e. 01st October to 29th November, 2017 has been 13% 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 19% in East & North East India and lower than LPA by 90% in North West India, 12% in South Peninsula and 06% in Central India.

### State wise Paddy Crop Situation - Rabi (2017-18) as on 06.12.2017

State	Normal Area	RICE			Over last year	
		Area sown reported			Absolute Change	% Change
		This Year	% of Normal	Last Year		
Andhra Pradesh	7.43	1.09	14.7	0.58	0.51	87.9
Arunachal Pradesh	0.01					
Assam	4.00		0.0		0.00	#DIV/0!
Bihar	0.86		0.0		0.00	#DIV/0!
Gujarat	0.41					

Karnataka	2.58	0.14	5.4	0.12	0.02	16.7
Kerala	0.47	0.55	118.3	0.48	0.07	14.6
Maharashtra	0.35				0.00	#DIV/0!
Meghalaya	0.13				0.00	#DIV/0!
Mizoram	0.01					
Nagaland	0.04					
Odisha	2.69		0.0	0.00	0.00	-100.0
Tamil Nadu	1.52	9.93	652.2	7.69	2.24	29.1
Telangana	5.33	0.16	3.0	0.10	0.06	60.0
Tripura	0.62				0.00	#DIV/0!
Uttar Pradesh	0.26				0.00	#DIV/0!
Uttarakhand	0.14				0.00	#DIV/0!
West Bengal	12.67		0.0		0.00	#DIV/0!
Pondicherry	0.04					
Others	0.00				0.00	#DIV/0!
<b>All-India</b>	<b>41.07</b>	<b>11.87</b>	<b>28.9</b>	<b>8.98</b>	<b>2.90</b>	<b>32.3</b>

The rabi paddy sowing in all India is started and as per latest data available area for MY-2017-18 is 11.87 lakh hectares which is up by 32% from last year area of 8.98 lakh hectares and up about 29% from normal area as on date of area of 9.02 lakh hectares. Sufficient moisture in soil and favorable weather are the main criteria for increase in acreage under rabi paddy.

**State wise Wholesale Prices weekly for 01<sup>st</sup> Week of December-2017**

State	Prices 01-08 Dec 2017	Prices 24-30 Nov 2017	Prices 16-23 Nov 2017	Prices 01-08 Dec 2016	% Change(Over Previous Week)	% Change(Over Previous to Previous Week)	% Change(Over Previous Year)
Andhra Pradesh	4087.5	3963.89	2287.67	4399.83	3.12	78.68	-7.1
Assam	3286.33	3192.29	3287.95	3118	2.95	-0.05	5.4
Chhattisgarh		3240			—	—	—
Gujarat	4300	3159.99	3113.95	3191.56	36.08	38.09	34.73
Jharkhand	2733.33	2715.77	2733.33	2676.03	0.65	0	2.14
Karnataka	3347.14	3657.22	3806.99	3480.23	-8.48	-12.08	-3.82
Kerala	4048.17	3850.16	3871.54	3214.81	5.14	4.56	25.92
Maharashtra	3281.6	3215.63	3313.54	3362.13	2.05	-0.96	-2.4
Manipur		3100	3100	2928.36	—	—	—
Meghalaya	3700	3063.21	2887.9	2796.6	20.79	28.12	32.3
Delhi		1882.05	2000	1500	—	—	—
Orissa	2863.92	2763.77	2679.34	2462.74	3.62	6.89	16.29
Punjab				2532.91	—	—	—
Tripura	3045.76	3279.62	2961.8	2824.73	-7.13	2.83	7.82
Uttar Pradesh	2182.78	2207.51	2211.34	2227.49	-1.12	-1.29	-2.01
Uttarakhand	3076.17	2063.21	2330.66	1894.04	49.1	31.99	62.41
West Bengal	2781.9	2778.59	2790.63	2331.39	0.12	-0.31	19.32
Average	3287.28	3008.31	2891.78	2808.8			

**Price Projection for December 02<sup>nd</sup> Week in Domestic Market:**

Duration	Trend	Average Price Range	Reason
02 <sup>nd</sup> Week of Dec, 2017	Steady to Firm	Rs.3100-3250/Quintal	Rice prices are expected to trade steady to firm 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	09-Dec-2017)	01-Dec-2017)	Month Ago(09-Nov-2017)	% ch. From last week	% Change from last Month
1121 Steam	7000	7000	7100	0.00	-1.41
1121 Sella	6400	6300	6200	1.59	3.23
1121 Raw	7200	7100	7300	1.41	-1.37

**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	09-Dec-2017)	01-Dec-2017)	Month Ago(09-Nov-2017)	% ch. From last week	% Change from last Month
White Rice 5%	430	430	425	0.00	1.18
White Rice 25%	395	393	390	0.51	1.28
Parboiled 5%	410	405	400	1.23	2.50

**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
<b>Total</b>	<b>13 Crore</b>	<b>65</b>	<b>29.25</b>	<b>58</b>	<b>28 Lakh 75 Thousand Down</b>

**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 8-Dec-17	Yesterday 7-Nov-17	Week Ago 1-Dec-17	Month Ago 8-Nov-17	Year Ago 8-Dec-16	Source
Divi( A.P)	Grade-A	-100	3550	3500	3650	3750	3500	APMC
Visakhapatnam	Grade-A	-40	3300	3320	3340	3700	3725	APMC
Chirala(A.P)	Super Fine	-175	4050	4000	4225	3850	3780	APMC
Burdwan(W.B)	Miniket	400	3800	3840	3400	3000	3100	APMC
Delhi	PR-14	50	3200	3200	3150	3200	3100	AGRIWATCH
Amritsar	1121 Steam	100	7100	7100	7000	7300	5500	AGRIWATCH
Karnal	Sarbati Steam	50	5000	5000	4950	4750	3400	AGRIWATCH

\*Difference between current and previous week prices.

Paddy Arrivals (In Quintal)	Grade	Change	Current Week	Last Week	Source
Cuddapah	All Paddy	-36	0	36	APMC
Srikakulam	All Paddy	6592.14	11460.94	4868.8	APMC
Guntur	All Paddy	16.3	17.4	1.1	APMC
Burdwan(W.B)	All Paddy	-748	6048	6796	APMC
Delhi	All Paddy	-6022.2	20910.9	26933.1	APMC
Amritsar	All Paddy	-14758	11026	25784	APMC
Karnal	All Paddy	-3416.52	5026.13	8442.65	APMC

\*Difference between current and previous week arrival.

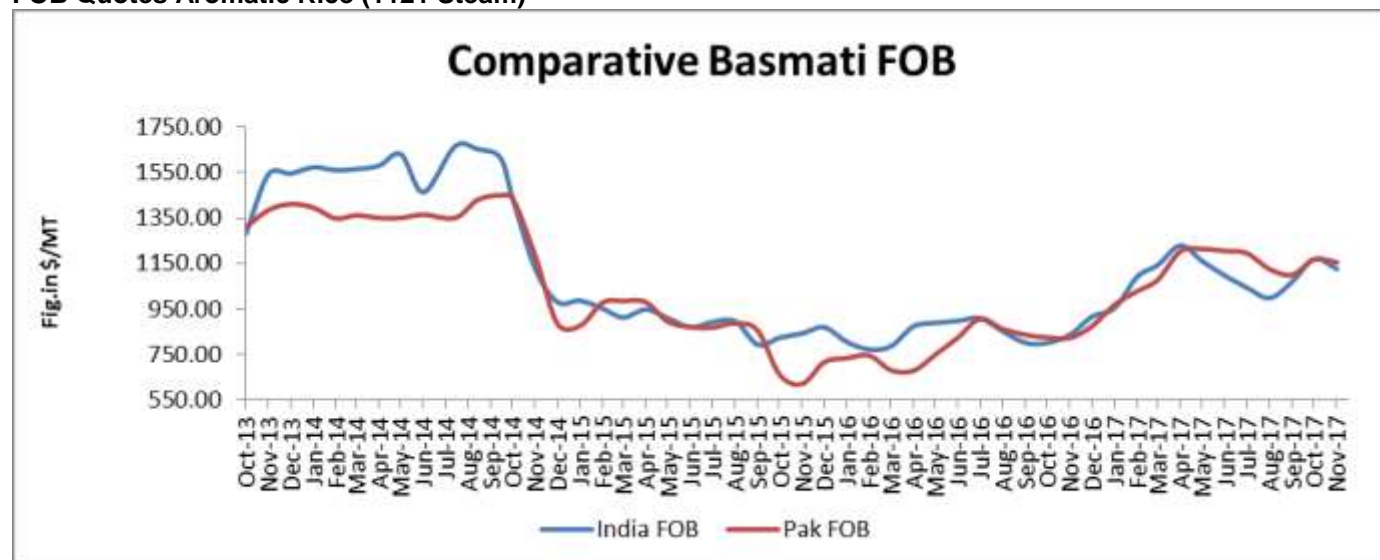
**State wise Progressive Procurement**

State/UTs  (in Lakh T)	Target (only kharif crop) in marketing season 2017-18 (Oct. – Sept.)	Progressive Procurement as on 01.12.2017	
		In Marketing season 2017-18	In Marketing season 2016-17
AP	25.00	1.85	1.44
Telangana	15.00	7.97	5.69
Bihar	12.00	0	0
Chhattisgarh	48.00	0	0
Haryana	30.00	39.67	35.68
Kerala	1.00	0.68	0.97
M.P	13.00	0.88	0.84
Maharashtra	4.00	0.35	0.45
Odessa	30.00	0	0
Punjab	115.00	117.62	110.08

Tamilnadu	10.00	0	0.08
U.P	37.00	7.45	1.99
Uttrakhand	7.00	0.26	1.75
West Bengal	23.00	0	0
Others	0	0	3.76
<b>Total</b>	<b>375.00</b>	<b>176.95</b>	<b>159.16</b>

All-India progressive procurement of Rice as on 01.12.2017 for 2017-18 was 176.95 lakh tonnes against the procurement of 159.16 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.

### FOB Quotes Aromatic Rice (1121 Steam)



Source-FAO& Agriwatch

Indian FOB for 1121 steam in the month of November moved weak from last month and currently is in the range of USD 1126/MT which is down by 3.7% from last month price of USD 1169/T due to supply pressure in local markets. Aromatic rice prices are also traded weak with arrival season this month; however Agriwatch expects that aromatic international rice price is likely to trade firm in coming months with good overseas demand. According to the UN's Food and Agriculture Organization (FAO), Currently Pakistani basmati FOB is moving weaker from last month and is now hovering in the range of USD 1155/MT which is down by 1.17% from last month FOB of USD 1169/MT.



## Global Updates

**Rice prices in India climbed this week as strong demand from neighboring Bangladesh counteracted fresh supplies from a new** season crop in the world's top exporter. Bangladeshi demand has improved sentiment. That is nullifying the impact of higher supplies from the new crop. Bangladesh, which has emerged as a major importer this year after floods hit its crops, will import 150,000 tons of rice from India in a state deal priced at \$440 a ton. Meanwhile, Thailand's benchmark 5 percent broken rice was quoted at \$401-405 a ton, free-on-board (FOB) Bangkok, up from \$395-\$400 last week.

**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. 26.10.2017	2017-18 Proj. 23.11.2017
Production	480	473	486	482	482
Trade	41	39	43	43	43
Consumption	475	473	483	485	484
Carryover stocks	121	121	123	120	121
Y-O-Y change	4	0	2	-	-2
Major Exporters	37	32	30	25	25

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

**IGC Rice Balance sheet Highlights**

The outlook for world rice production in 2017/18 is maintained at 482m t, the 4m y/y fall stemming from potentially smaller crops in Asia. With uptake trimmed marginally, aggregate end-season carryovers are placed fractionally higher m/m, at 121m t, albeit still representing a slight drop y/y. While further stock accumulation is anticipated in China, this may be outweighed by reductions elsewhere, with major exporters' reserves seen falling by 14%, to a decade low. Trade is projected unchanged m/m, at around 43m t, down modestly y/y but well above average. Global rice import demand is projected to expand by 11% y/y in 2017, to about 44m t, on exceptionally firm demand from buyers in Africa and Asia. World production in 2017/18 is seen falling by 1% y/y, to 482m t, on smaller outturns in Asia. With consumption seen unchanged from the prior season's record, global carryovers are predicted to tighten by 2%, to 121m t, as gains in China only partly offset reductions elsewhere. Due to falls in India, Thailand, Vietnam and the USA, major exporters' rice inventories are predicted to contract by 14% y/y, to a decade low. Trade in 2018 is projected to edge lower as African buyers likely source less following heavy purchases in the prior year. India is expected to remain the biggest exporter, especially given prospects for tighter availabilities in Thailand following the completion of government food grade stock disposals.

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

In its November 2017 Grain Market Report (GMR), the International Grains Council (IGC) projection for 2017-18 global rice production at around 482 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 Steady in 2017-18

The IGC forecasts 2017-18 global rice consumption same around 484 million tons from 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 to weak 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
02 <sup>nd</sup> Week of December-,2017	Steady to Weak	USD/ Hundred Weight 11.50-12.50

## Disclaimer

The information and opinions contained in the document have been compiled from sources believed to be reliable. The company does not warrant its accuracy, completeness and correctness. Use of data and information contained in this report is at your own risk. This document is not, and should not be construed as, an offer to sell or solicitation to buy any commodities. This document may not be reproduced, distributed or published, in whole or in part, by any recipient hereof for any purpose without prior permission from the Company. IASL and its affiliates and/or their officers, directors and employees may have positions in any commodities mentioned in this document (or in any related investment) and may from time to time add to or dispose of any such commodities (or investment). Please see the detailed disclaimer at <http://www.agriwatch.com/Disclaimer.asp> © 2017 Indian Agribusiness Systems Pvt Ltd.