Rice Weekly Research Report

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Outlook and Review:

Domestic Front

Average monthly wholesale non-basmati rice prices in India stood at around Rs.2999 per quintal in second week of December- 2017, up by about 0.52% from around Rs.2984 per quintal in previous week, and up by about 4.33% from around Rs.2875 per quintal a year ago. Agriwatch expects non-basmati rice market to move range bound with firm tone in coming month due to overseas and local demand.

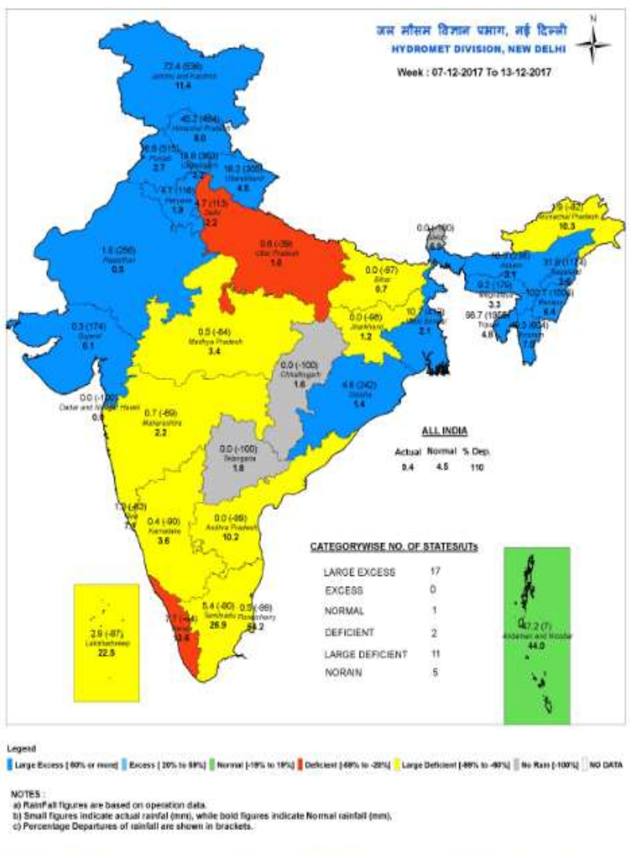
As per FCI latest data, progressive paddy procurement as on 15th December-2017 for KMS-2017-18 reached to 209.04 lakh tons which is up by 4.5% from corresponding period last year procurement of 200 Lakh tons. Higher procurement has been received from northern states of Punjab (118.20 lakh Tons), Haryana (39.67 lakh tons), and U.P (12.39 lakh tons) and in south it is started in Telangana (10.09 Lakh Tons). Andhra Pradesh Government procurement also increasing day by day and it has reached 6.54 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.

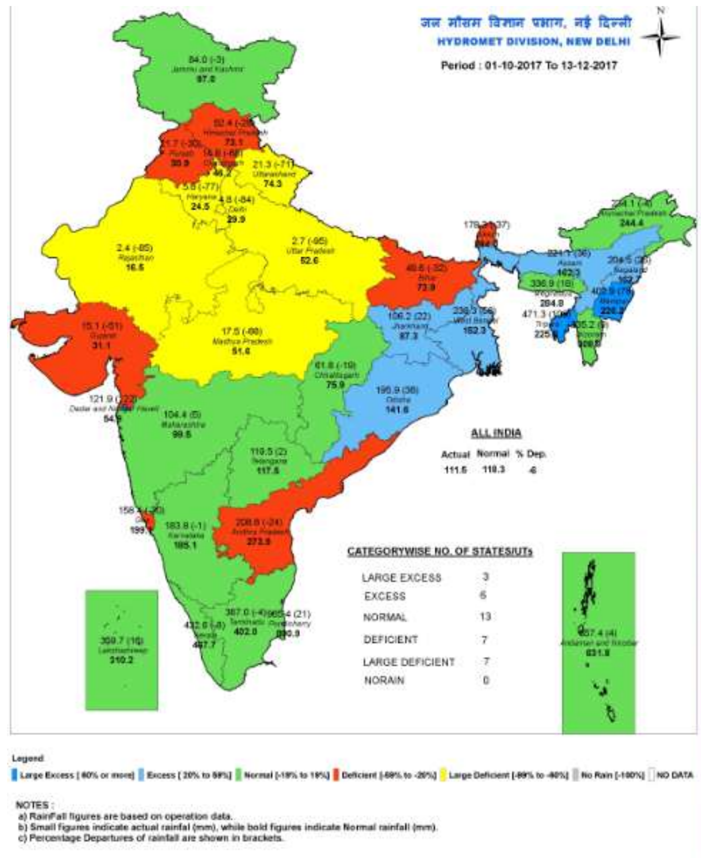
Indian FOB for 1121 steam in the month of November moved weak from last month and currently is in the range of USD 1126/MT which is down by 3.7% from last month price of USD 1169/T due to supply pressure in local markets. Aromatic rice prices are also traded weak with arrival season this month; however 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:





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 15.12.2017

	RICE				Over last year	
State	**Normal Area**	**Area sown reported**			**Absolute Change**	**% Change**
		This Year	**% of Normal**	**Last Year**		
Andhra Pradesh	7.43	1.54	20.7	0.67	0.87	129.9
Arunachal Pradesh	0.01	129.85				
Assam	4.00		0.0		0.00	#DIV/0!
Bihar	0.86		0.0		0.00	#DIV/0!
Gujarat	0.41					

Jharkhand					0.00	#DIV/0!
Karnataka	2.58	0.17	6.6	0.18	-0.01	-5.6
Kerala	0.47	0.58	124.7	0.53	0.05	9.4
Maharashtra	0.35				0.00	#DIV/0!
Manipur	1.73					
Meghalaya	0.13				0.00	#DIV/0!
Mizoram	0.01					
Nagaland	0.04					
Odisha	2.69	0.01	0.4	0.00	0.01	233.3
Tamil Nadu	1.52	10.28	675.0	7.69	2.59	33.6
Telangana	5.33	0.30	5.6	0.17	0.13	76.5
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!
All-India	**41.07**	**142.73**	**347.5**	**9.25**	**133.48**	**1443.7**

The rabi paddy sowing has started all over India and as per latest data available acreage for MY 2017-18 is 12.88 lakh hectares- up 39.30% from last year's acreage of 9.25 lakh hectares and up about 31% from normal area as on date of 10.2 lakh hectares. Andhra Pradesh rabi paddy area is up by 129% from last year and 1.54 lakh hectares is completed till date. The area covered by rice, though small compared with other rabi crops, was up 40% at 12.88 lh, thanks to a spurt in rice acreage in Tamil Nadu, which received bountiful rains after three years of continuous drought.

State wise Wholesale Prices weekly for 02nd Week of December-2017

State	Prices 09-15 Dec 2017	Prices 01-08 Dec 2017	Prices 09-15 Dec 2016	% Change(Over Previous Week)	% Change(Over Previous Year)
Andhra Pradesh	4225.22	3297.73	3822.2	28.13	10.54
Assam	3332.21	3150.16	3213.21	5.78	3.7
Gujarat	3177.84	3176.78	3190.76	0.03	-0.4
Jharkhand	2733.33	2733.33	2684.64	0	1.81
Karnataka	3590.54	3528.71	3657.08	1.75	-1.82
Kerala	3798.85	3833.38	3241.43	-0.9	17.2
Maharashtra	3317.62	3400.67	3211.81	-2.44	3.29
Manipur	2747.83	2840.43	2804.24	-3.26	-2.01
Meghalaya	2781.63	3058.21	2536.73	-9.04	9.65
Orissa	2245.51	2460.82	2497.68	-8.75	-10.1
Tripura	2953.45	2962.56	2797.63	-0.31	5.57
Uttar Pradesh	2209.05	2225.27	2218.5	-0.73	-0.43
Uttrakhand	2107.62	2337.1	2035.43	-9.82	3.55
West Bengal	2770.43	2765.57	2333.89	0.18	18.7
Average	2999.37	2983.62	2874.66		

Price Projection for December 03rd Week in Domestic Market:

Duration	Trend	Average Price Range	Reason
03rd Week of Dec, 2017	Steady to Firm	Rs.3150-3250/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	**16-Dec-2017)**	**09-Dec-2017)**	**Month Ago(16-Nov-2017)**	**% ch. From last week**	**% Change from last Month**
1121 Steam	6900	7000	7100	**-1.43**	**-2.82**
1121 Sella	6500	6400	6200	**1.56**	**4.84**
1121 Raw	7300	7200	7200	**1.39**	**1.39**

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	**16-Dec-2017)**	**09-Dec-2017)**	**Month Ago(16-Nov-2017)**	**% ch. From last week**	**% Change from last Month**
White Rice 5%	435	430	428	**1.16**	**1.64**
White Rice 25%	400	395	392	**1.27**	**2.04**
Parboiled 5%	412	410	403	**0.49**	**2.23**

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 16-Dec-17	Yesterday 15-Nov-17	Week Ago 8-Dec-17	Month Ago 16-Nov-17	Year Ago 16-Dec-16	Source
Divi(A.P)	Grade-A	-50	3500	3500	3550	3800	3550	APMC
Visakhapatnam	Grade-A	20	3320	3320	3300	3725	3750	APMC
Chirala(A.P)	Super Fine	50	4100	4000	4050	3825	3800	APMC
Burdwan(W.B)	Miniket	0	3800	3840	3800	3125	3200	APMC
Delhi	PR-14	10	3210	3200	3200	3200	3100	AGRIWATCH
Amritsar	1121 Steam	50	7150	6900	7100	7200	5600	AGRIWATCH
Karnal	Sarbati Steam	-50	4950	5000	5000	4800	3600	AGRIWATCH

*Difference between current and previous week prices.

Paddy Arrivals (In Quintal)	Grade	Change	Current Week	Last Week	Source
Cuddapah	All Paddy	0	0	0	APMC
Srikakulam	All Paddy	-3385.04	8075.9	11460.94	APMC
Guntur	All Paddy	-17.4	0	17.4	APMC
Burdwan(W.B)	All Paddy	-2501	3547	6048	APMC
Delhi	All Paddy	-15828.2	5082.7	20910.9	APMC
Amritsar	All Paddy	-5430	5596	11026	APMC
Karnal	All Paddy	-4324.82	701.31	5026.13	APMC

*Difference between current and previous week arrival.

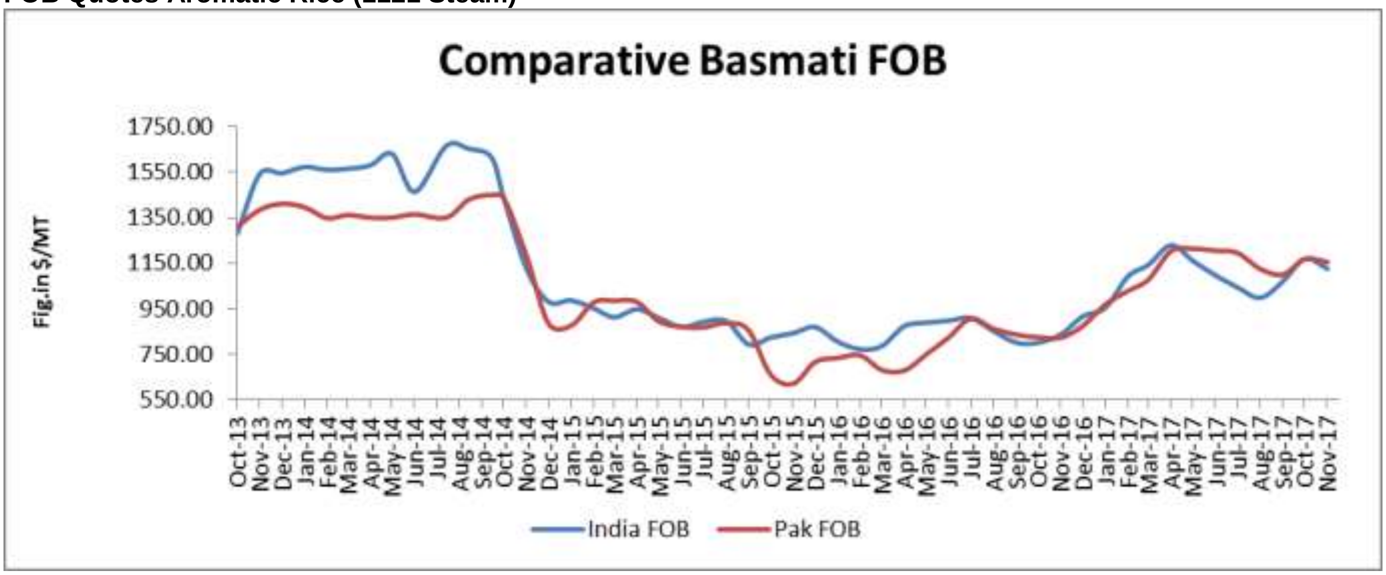
State wise Progressive Procurement

State/UTs	Target (only kharif crop) in marketing season 2017-18 (Oct. – Sept.)	Progressive Procurement as on 01.12.2017	
(in Lakh T)		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
Total	**375.00**	**176.95**	**159.16**

All-India progressive procurement of Rice as on 01.12.2017 for 2017-18 was 176.95 lakh tons against the procurement of 159.16 lakh tons in the corresponding period of last year. The procurement of wheat for the rabi marketing season (RMS) 2017-18 was 308.25 lakh tons against the procurement of 229.62 lakh tons in the corresponding period of RMS 2016-17.

FOB Quotes Aromatic Rice (1121 Steam)



Source-FAO& Agriwatch

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Global Updates

Philippines rice inventory continued its downward trend, declining anew by10 percent to 2.95 million metric tons (MT) in November. Total rice inventory was lower than the 3.3 million MT recorded a year earlier, but was 53 percent higher than the 1.9 million MT in October, stock inventory of Filipinos' main staple will be sufficient for 87 days. Stocks are expected to boost until the end of the year as the main crop harvest season began in October.

The Sri-lanka government has decided to continue import rice and other essential items so that consumers can obtain them at affordable prices during the forthcoming holiday seasons. Accordingly the Cabinet Sub-Committee on Economic Management chaired by Prime Minister Ranil Wickremesinghe has taken a decision to import 100,000 metric tons of rice monthly until the Sinhala Tamil New Year season. The government will import rice 100,000 metric tons of rice per month until the paddy harvest reaches the market in sufficient quantities. Sri Lanka's annular rice requirement is about 2.4 million metric tons and due to the shortage of paddy harvest this year, 670,000 metric tons of rice, which is about 30 percent of the rice requirement, has been imported.

Unofficial and preliminary Thai rice exports (excluding premium white and fragrant rice) for November 20- 26, 2017, totaled 235,516 metric tons, up 56,194 metric tons from the previous week and up 37,542 metric tons from the four-week moving average of 197,974 metric tons. Rice exports from January 1 – November 26, 2017, totaled 8,326,932 metric tons. White rice export prices did not change from the previous week as trading was fairly quiet during the holiday week. Fragrant rice prices increased by 3 percent as exporters are securing fragrant rice supplies to fulfill outstanding shipment contracts to China.

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.

According to the Vietnam Food Association, Vietnam exported nearly 5.2 million tons of rice in the first 11 months of the year, surpassing the figure of the entire 2016 at 4.9 million tons. In November, rice export volume exceeded 371,000 tons, down from over 437,000 tons in October. The drop was attributed to limited supply after harvest of the autumn-winter crop completed in the Mekong Delta, the main source of rice for export. The USDA forecast that India and Thailand will continue to lead the world in rice export, while Vietnam's rice exports could reach six million tons in 2018, an increase of 6.6 percent from this year, driven by demand in Southeast Asia, particularly in the Philippines.

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 11.30-12.30 hundred weights in coming sessions.

Price Projection (International-CBOT)

Duration	Trend	Price Range
03rd Week of December-,2017	Steady to Weak	USD/ Hundred Weight 11.30-12.30