



Rice Weekly Research Report

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Outlook and Review:***Domestic Front***

Average wholesale weekly non-basmati rice prices in India stood at around Rs.3055 per quintal in fourth week of December- 2017, up by about 8.24% from around Rs.2822 per quintal in previous week, and up by about 5.5% from around Rs.2895 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 28th December-2017 for KMS-2017-18 reached to 234.68 lakh tons which is up by 11% from corresponding period last year procurement of 210 Lakh tons. Higher procurement has been received from northern states of Punjab (118.33 lakh Tons), Haryana (39.67 lakh tons), and U.P (17.39 lakh tons) and in south it is started in Telangana (11.04 Lakh Tons). Andhra Pradesh Government procurement also increasing day by day and it has reached 9.33 lakh tons. Chhattisgarh government also procured around 22 lakh tons of rice as of now.

Rice markets in major Asian centres remained muted this week, with trades few and far between due to the holiday season and the approaching year-end, while Bangladesh awaited shipments from India as part of a previously announced deal. Bangladesh, which has emerged as a major importer this year after floods damaged its crops, has signed a deal, announced earlier this month, to import 150,000 tonnes of rice from India at US\$440 a ton. In top exporter India, the 5 per cent broken parboiled rice prices were unchanged from last week's US\$418-US\$421 per ton level. The Indian rupee was trading near its highest level in three months, slashing exporters' returns from overseas sales.

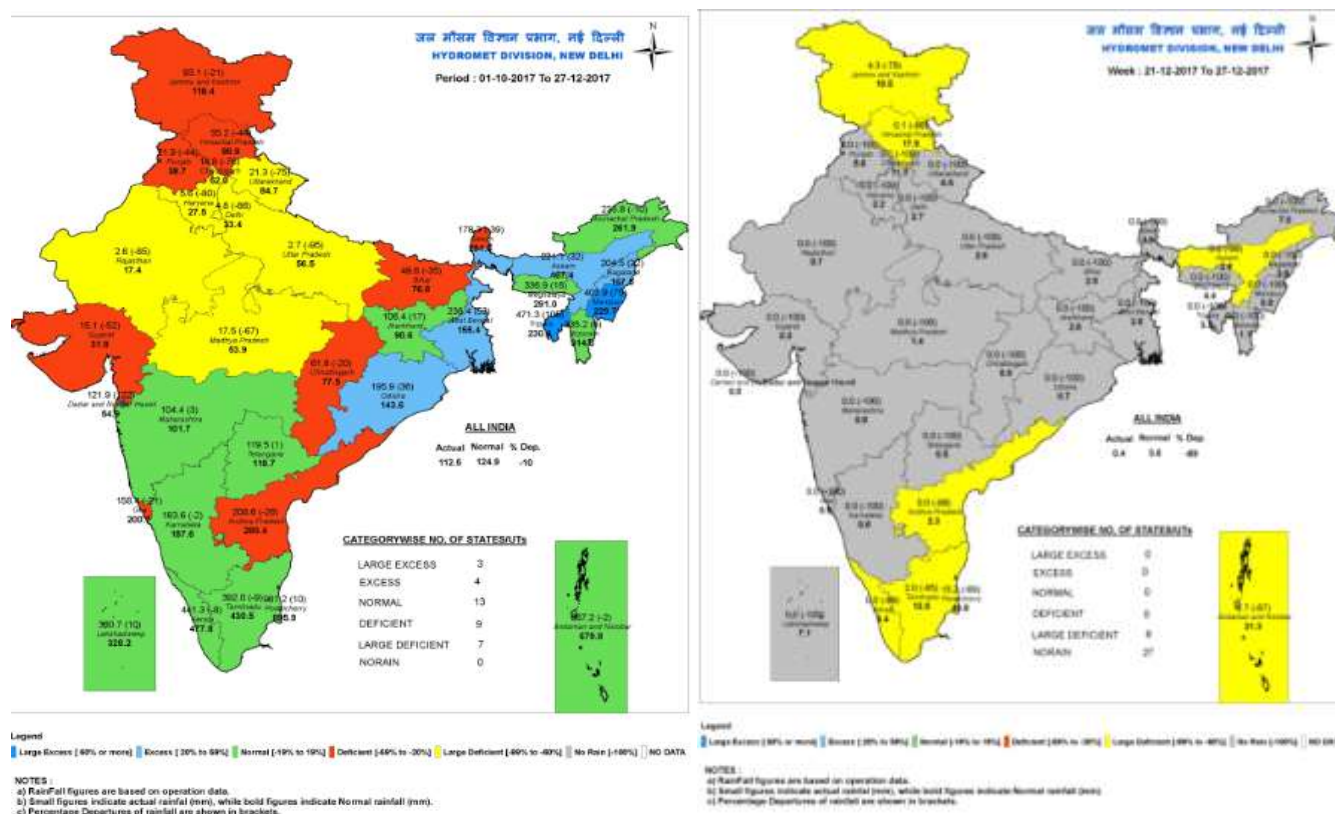
India's rice stocks in the central pool as on December- 1, 2017 stood at around 30.13 million tons up by about 11.79% from around 26.95 million tons recorded during the corresponding period last year, according to data from the Food Corporation of India (FCI). India's rice stocks in the central pool are up about 10.81% from around 27.19 million tons recorded on November-01, 2017. Highest stock could be seen in the state of Punjab(40.93 lakh tons) followed by Uttar Pradesh(10.67 lakh tons) and Andhra Pradesh(9.69 Lakh Tons).

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.

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 20th December, 2017 has been 08% 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 but lower than LPA by 49% in North West India, 09% in South Peninsula and 08% in Central India.

State wise Paddy Crop Situation - Rabi (2017-18) as on 28.12.2017

State	RICE				Over last year	
	Normal Area	Area sown reported			Absolute Change	% Change
		This Year	% of Normal	Last Year		
Andhra Pradesh	7.43	3.76	36.1	2.30	1.43	114.4
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					
Jharkhand					0.00	#DIV/0!
Karnataka	2.58	0.22	7.4	0.21	-0.02	-9.5
Kerala	0.47	0.88	176.3	0.85	0.02	2.5
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	0.014	0.3	0.01	0.00	50.0
Tamil Nadu	1.52	10.64	687.9	7.71	2.82	36.8
Telangana	5.33	0.81	11.2	0.46	0.22	57.9
Tripura	0.62	0.004		0.00	0.00	3900.0
Uttar Pradesh	0.26				0.00	#DIV/0!
Uttrakhand	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	16.33	36.0	11.55	4.47	43.4

The rabi paddy sowing is on full swing and as per latest data available acreage for MY 2017-18 is 16.33 lakh hectares- up by 41% from last year's acreage of 11.55 lakh hectares and up about 38% from normal area as on date of 11.05 lakh hectares. Andhra Pradesh rabi paddy area is up by 63% from last year and 3.76 lakh hectares is completed till date. The increase was reported mainly from Tamil Nadu which planted the cereal on an additional area of 2.93 lh and from Andhra Pradesh which brought an additional 1.46 lh under rice cultivation as compared to the corresponding period last year.



State wise Wholesale Prices weekly for 04th Week of December-2017

State	Prices 24-31 Dec 2017	Prices 16-23 Dec 2017	Prices 24-31 Dec 2016	% Change(Over Previous Week)	% Change(Over Previous Year)
Andhra Pradesh	4326.09	4310	4443.42	0.37	-2.64
Assam	2974.97	3199.48	3409.53	-7.02	-12.75
Gujarat	3160.92	3120.2	3182.33	1.31	-0.67
Jharkhand	2733.33	2733.33	2713.02	0	0.75
Karnataka	3513.09	3553.05	3695.91	-1.12	-4.95
Kerala	3783.02	3765.14	3397.42	0.47	11.35
Maharashtra	3322.38	3377.08	3172.12	-1.62	4.74
Manipur	2836.79	2826.57	2808.15	0.36	1.02
Meghalaya	3700	2967.99		24.66	—
Orissa	2110.66	2182.28	2423.22	-3.28	-12.9
Tripura	2935.41	2009.02	2742.13	46.11	7.05
Uttar Pradesh	2206.86	2217.66	2212.24	-0.49	-0.24
Uttarakhand	2453.54	2306.13	2035.79	6.39	20.52
West Bengal	2754.46	2746.06	2301.72	0.31	19.67
Average	3057.97	2950.22	2964.38		

Price Projection for January 01st Week in Domestic Market:

Duration	Trend	Average Price Range	Reason
01 st Week of Jan, 2018	Steady to Firm	Rs.3150-3280/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	28-Dec-2017)	16-Dec-2017)	Month Ago(28-Nov-2017)	% ch. From last week	% Change from last Month
1121 Steam	6900	6900	6900	0.00	0.00
1121 Sella	6300	6500	6100	-3.08	3.28
1121 Raw	7100	7300	7000	-2.74	1.43

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-Dec-2017)	16-Dec-2017)	Month Ago(28-Nov-2017)	% ch. From last week	% Change from last Month
White Rice 5%	420	435	428	-3.45	-1.87
White Rice 25%	370	400	392	-7.50	-5.61
Parboiled 5%	410	412	403	-0.49	1.74

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, Uttarakhand, 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 29-Dec- 17	Yesterday 28-Nov- 17	Week Ago 22-Dec- 17	Month Ago 29-Nov- 17	Year Ago 29-Dec- 16	Source
Divi(A.P)	Grade-A	-70	3920	3960	3990	3870	4010	APMC
Visakhapatnam	Grade-A	35	3235	3220	3200	3760	3800	APMC
Chirala(A.P)	Super Fine	-10	4035	4020	4045	3870	3900	APMC
Burdwan(W.B)	Miniket	50	3900	3900	3850	3310	3320	APMC
Delhi	PR-14	10	3310	3300	3300	3250	3150	AGRIWATCH
Amritsar	1121 Steam	-200	6900	6950	7100	7300	5900	AGRIWATCH
Karnal	Sarbati Steam	0	5000	5000	5000	4850	3800	AGRIWATCH

*Difference between current and previous week prices.

Paddy Arrivals (In Quintal)	Grade	Change	Current Week	Last Week	Source
Cuddapah	All Paddy	-15	0	15	APMC
Srikakulam	All Paddy	-3613.57	5221.1	8834.67	APMC
Guntur	All Paddy	0.2	0.2	0	APMC
Burdwan(W.B)	All Paddy	1848.5	6923	5074.5	APMC
Delhi	All Paddy	3854.7	14215.4	10360.7	APMC
Amritsar	All Paddy	-2528	1106	3634	APMC
Karnal	All Paddy	-1027.8	822.5	1850.3	APMC

*Difference between current and previous week arrival.

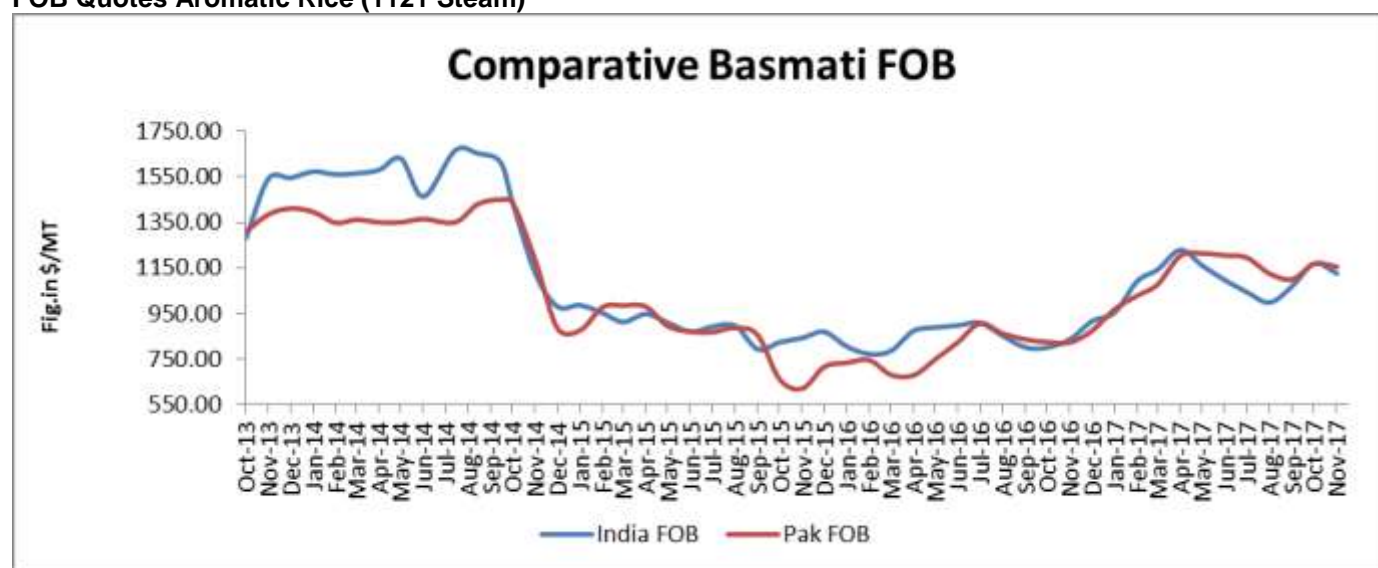
State wise Progressive Procurement

State/UTs	Target (only kharif crop) in marketing season 2017-18 (Oct. – Sept.)	Progressive Procurement as on 22.12.2017	
(in Lakh T)		In Marketing season 2017-18	In Marketing season 2016-17
AP	25.00	8.72	6.84
Telangana	15.00	10.77	8.83
Bihar	12.00	0.36	0.02
Chhattisgarh	48.00	18.86	23.20
Haryana	30.00	39.67	35.70
Kerala	1.00	0.89	1.20
M.P	13.00	5.57	5.45
Maharashtra	4.00	0.74	0.86
Odessa	30.00	5.69	0.56
Punjab	115.00	118.33	110.44

Tamilnadu	10.00	0	0.08
U.P	37.00	15.21	3.88
Uttrakhand	7.00	0.31	2.89
West Bengal	23.00	0	0
Others	0	0	3.76
Total	375.00	225.40	200.14

All-India progressive procurement of Rice as on 22.12.2017 for 2017-18 was 225.40 lakh tonnes against the procurement of 200.14 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

As per USDA latest report, The Philippines is expected to import more rice next year as local production will still not be enough to cover the national demand. The Philippines was seen to import 1.3 million metric tons (MT) of rice next year, lower than the original import target of 1.7 million MT. This year's rice import level, however, is 38 percent higher than the 800,000 MT of rice that entered the country in 2016. The lower importation is expected as production of milled-rice next year is seen increasing two percent to 11.97 million MT from 11.68 million MT.

Philippines rice inventory continued its downward trend, declining anew by 10 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.

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 11.05-12.30 hundred weights in coming sessions.

Price Projection (International-CBOT)

Duration	Trend	Price Range
01 st Week of January-,2018	Steady	USD/ Hundred Weight 11.02-12.30

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