
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 wholesale weekly non-basmati rice prices in India stood at around Rs.3257 per quintal in third week of January- 2018, up by about 0.07% from Rs.3253 per quintal in previous week, and up by about 7.18% from Rs.3038 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 19th January-2018 for KMS-2017-18 reached 272.87 lakh tons, 1.49% higher than 268.85 lakh tons during the corresponding period last year at. Higher procurement has been received from northern states of Punjab (118.33 lakh Tons), Haryana (39.67 lakh tons), and U.P (23.99 lakh tons) and in south it is picking up in Telangana (12.10 Lakh Tons). Andhra Pradesh Government procurement has reached to 16.81 lakh tons. Chhattisgarh government has also procured around 31.45 lakh tons of rice as of now. Madhya Pradesh and Odisha procurement has reached 10.95 and 14.59 lakh tons respectively. Procurement in West Bengal and other rice growing states is still underway.

Rice prices in Thailand and Vietnam received a major increase this week from a potential deal with Indonesia, while robust demand from Bangladesh pushed rates higher for the staple grain in top exporter India. In Thailand, the world's second-biggest rice exporter, benchmark 5 percent broken rice was quoted at \$415-\$420, free-on-board (FOB) Bangkok, up from \$395-\$410 last week. Rice prices in India jumped on strong demand from neighboring Bangladesh, which has emerged as a major importer of the grain since 2017, after floods damaged its own crops. India's rice exports jumped 22% in 2017 to a record 12.3 million tons as Bangladesh ramped up purchases. In India, the 5 percent broken parboiled rice prices rose by \$9 to \$432-\$436 per ton, with the gains also supported by expectations of demand from Philippines and Indonesia.

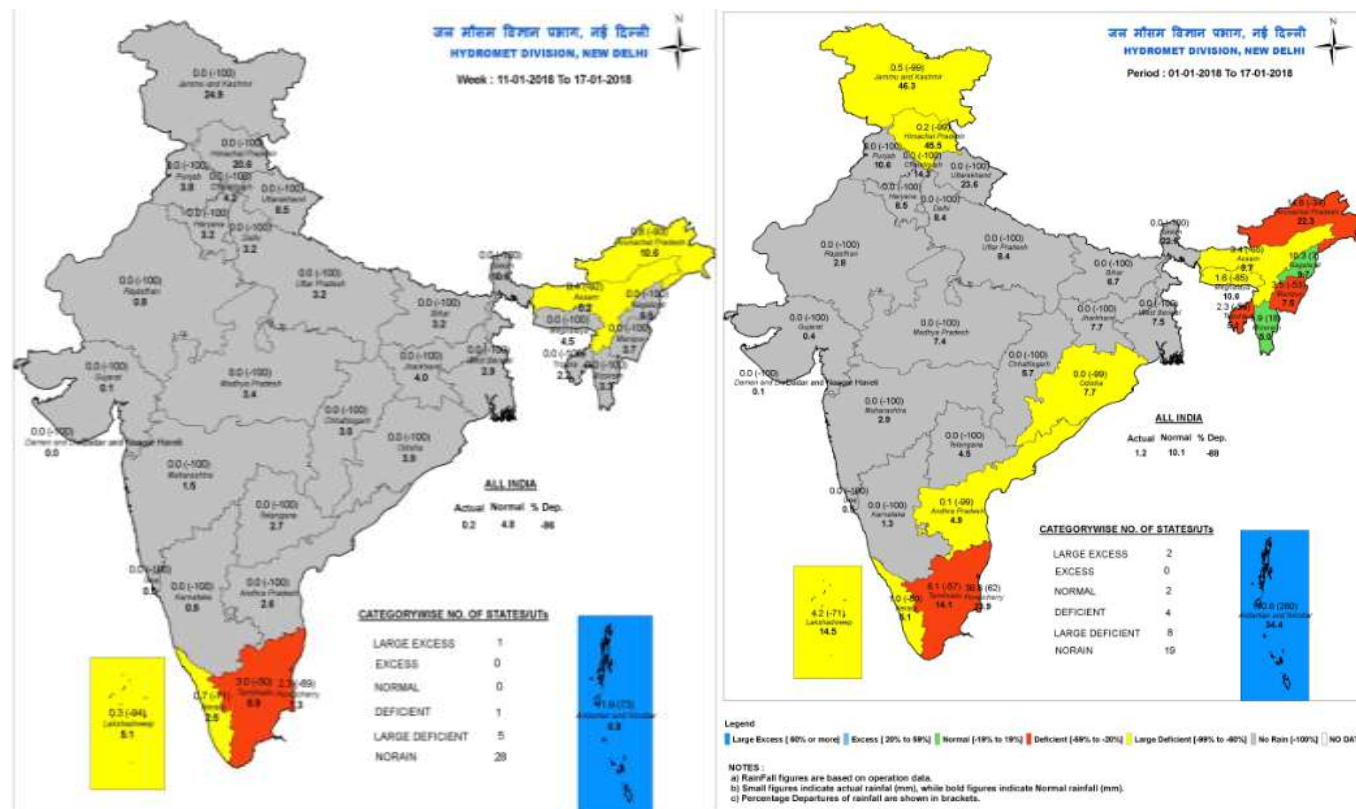
As on 19th January-2018, acreage under rice was reported at 22.32 lakh hectares compared to 15.99 lakh hectares corresponding time last year, thus 6.33 lakh hectares more area has been covered compared to last year. States having higher acreage compared to last year are Tamil Nadu, Andhra Pradesh, Telangana, Odisha, Kerala and Chhattisgarh. States where acreage has declined are West Bengal and Karnataka.

Basmati rice prices are seen rising in the international market with Iran likely to begin import of the cereal soon. According to rice exporters, who are already getting 20% higher price for basmati compared with last year, Rice exporters, who are already getting 20% higher price for basmati compared to last year. India exports about 4 million tons of basmati rice every year to more than 100 countries, of which Saudi Arabia, Iran, the UAE, Kuwait, the US and the UK are the main buyers. This year, basmati prices are firm mainly due to lower harvest in India and higher cost of raw paddy in states like Punjab and Haryana. Basmati output this season is lower by 10%. According to exporters, the spike in basmati price is also, in part, due to the increase in price of crude oil, which has strengthened the economies in the Gulf region.

In the winter season, at All-India level, the rainfall during the week (04th January, 2018 – 10th January, 2018) has been 80% 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 98% in North West India, 44% in East & North East India, 13% in South Peninsula and 100% in Central India.

Weather Watch:



Advance of Southwest Monsoon-2017

The cumulative rainfall in the country during the winter monsoon season i.e. 01st January to 10th January, 2018 has been 81% 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 99% each in North West India & Central India, 33% in East & North East India and 29% in South Peninsula.

State wise Paddy Crop Situation - Rabi (2017-18) as on 19.01.2018

State	RICE			Over last year	
	Area sown reported			Absolute Change	% Change
	This Year	% of Normal	Last Year		
Andhra Pradesh	6.07	81.7	4.71	1.36	28.9
Bihar	0.02	2.3	0.01	0.01	100.0
Karnataka	0.24	9.3	0.29	-0.05	-17.2

Kerala	0.88	189.2	0.85	0.03	3.5
Odisha	0.26	9.5	0.16	0.10	64.4
Tamil Nadu	11.97	785.9	8.15	3.82	46.8
Telangana	2.46	46.1	1.15	1.31	113.9
Tripura	0.00		0.00	0.00	3900.0
West Bengal	0.42	3.3	0.67	-0.25	-37.3
All-India	22.32	54.4	15.99	6.33	39.6

Rice: About **22.32 lakh ha** area coverage under Rice has been reported compared to last year (**15.99 lakh ha**). Thus **6.33 lakh ha** more area has been covered compared to last year. Higher area is reported from the States of Tamil Nadu (3.82 Lakh Ha.), Andhra Pradesh (1.36 Lakh Ha.), Telangana (1.31 Lakh Ha.), Odisha (0.10 Lakh Ha.), Kerala (0.03 Lakh Ha.) and Chhattisgarh (0.01 Lakh Ha). **Less area** is reported from the States of West Bengal (0.25 Lakh Ha.) and Karnataka (0.05 Lakh Ha).

State wise Wholesale Prices weekly for 03rd Week of January-2018

State	Prices 16-23 Jan 2018	Prices 09-15 Jan 2018	Prices 16-23 Jan 2017	% Change(Over Previous Week)	% Change(Over Previous to Previous Week)	% Change(Over Previous Year)
Andhra Pradesh	4350	4350	4350	0	0	0
Assam	3145.95	3286.51	3333.77	-4.28	-4.28	-5.63
Jharkhand	2733.33	2733.33	2733.77	0	0	-0.02
Karnataka	3553.32	3553.32	3777.5	0	0	-5.93
Kerala	3790.9	3790.9	3790.9	0	0	0
Maharashtra	4012.56	4012.56	4012.56	0	0	0
Orissa	2458.25	2610.75	2610.75	-5.84	-5.84	-5.84
Tripura	2952.21	3192.94	3192.94	-7.54	-7.54	-7.54
Uttar Pradesh	2255.72	2255.72	2255.72	0	0	0
West Bengal	2742.5	2743.71	2743.71	-0.04	-0.04	-0.04
Average	3199.47	3252.97	3037.6			

Price Projection for January 04th Week in Domestic Market:

Duration	Trend	Average Price Range	Reason
04 th Week of Jan, 2018	Firm	Rs.3100-3450/Quintal	Rice prices are expected to trade steady to firm in coming weeks as fresh demand from various overseas markets and lifting of rice ban from Iran.

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	20-Jan-2018)	12-Jan-2018)	20-Dec-2017)	% ch. From last week	% Change from last Month
1121 Steam	7400	7200	7000	2.78	5.71
1121 Sella	6750	6550	6450	3.05	4.65
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	20-Jan-2018)	12-Jan-2018)	20-Dec-2017)	% ch. From last week	% Change from last Month
White Rice 5%	430	425	420	1.18	2.38
White Rice 25%	415	405	370	2.47	12.16
Parboiled 5%	420	415	410	1.20	2.44

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 19-Jan- 18	Yesterday 18-Jan-18	Week Ago 12-Jan- 18	Month Ago 19-Dec-17	Year Ago 19-Jan- 17	Source
Divi(A.P)	Grade-A	5	4125	4100	4120	3950	4020	APMC
Visakhapatnam	Grade-A	155	3500	3600	3345	3700	3725	APMC
Chirala(A.P)	Super Fine	-120	3980	3900	4100	3850	3875	APMC
Burdwan(W.B)	Miniket	-365	3600	3550	3965	3700	3725	APMC
Delhi	PR-14	50	3300	3300	3250	3150	3100	AGRIWATCH
Amritsar	1121 Steam	300	7300	7000	7000	6890	6300	AGRIWATCH
Karnal	Sarbati Steam	100	5100	5100	5000	5000	4300	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	-2086.7	1178.4	3265.1	APMC
Guntur	All Paddy	0	0	0	APMC
Burdwan(W.B)	All Paddy	536.4	5955	5418.6	APMC
Delhi	All Paddy	6329.4	14511.9	8182.5	APMC
Amritsar	All Paddy	-796	100	896	APMC
Karnal	All Paddy	-15.4	515.6	531	APMC

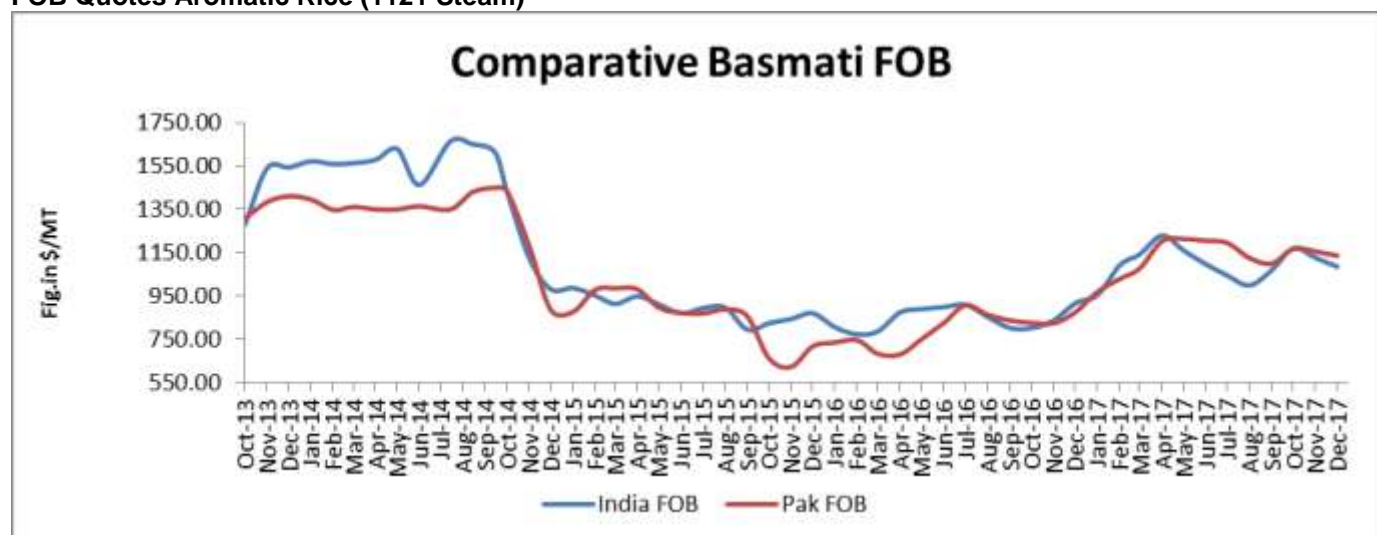
*Difference between current and previous week arrival.

State wise Progressive Procurement

State/UTs (in Lakh T)	Target (only kharif crop) in marketing season 2017-18 (Oct. – Sept.)	Progressive Procurement as on 12.01.2018	
		In Marketing season 2017-18	In Marketing season 2016-17
AP	25.00	14.16	11.04
Telangana	15.00	11.68	10.10
Bihar	12.00	1.12	0.21
Chhattisgarh	48.00	27.69	34.11
Haryana	30.00	39.67	35.70
Kerala	1.00	0.91	1.25
M.P	13.00	8.71	9.26
Maharashtra	4.00	1.00	1.22
Odessa	30.00	8.38	4.89
Punjab	115.00	118.33	110.44
Tamilnadu	10.00	0	0.08
U.P	37.00	20.26	7.17
Uttarakhand	7.00	0.34	3.38
West Bengal	23.00	0	0
Others	0	0	3.76
Total	375.00	252.68	229.20

All-India progressive procurement of Rice as on 12.01.2018 for 2017-18 was 266.36 lakh tons against the procurement of 243.22 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

Indian FOB for 1121 steam in the month of December moved weak from last month and currently is in the range of USD 1080-1085/MT which is down by 3.65% from last month price of USD 1126/T due to supply pressure in local markets, however prices of aromatic is likely to move up in coming months due to higher overseas demand. Local aromatic rice prices too, are weak this month even with active demand from international markets. 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 1135.6/MT which is down by 1.67% from last month FOB of USD 1155/MT.

Global Updates

Indonesia will import 500,000 tons of rice from Vietnam and Thailand, to contain rice price hikes and declining supply in the local market. The country's current rice stocks were estimated at some 950,000 tons, most of which is low-grade rice to be distributed as aid for low-income people. Meanwhile, rice stocks for commercial purposes were only 11,000 tons.

Unofficial and preliminary Thai rice exports (excluding premium white and fragrant rice) for December 25- 31, 2017, totaled 118,850 metric tons, down 111,626 metric tons from the previous week and down 61,903 metric tons from the four-week moving average of 180,753 metric tons. Rice exports from January 1 – December 31, 2017, totaled 9,257,262 metric tons.

Harvesting of the MY2017/18 rice crop is complete and production is estimated at 7.2 MMT, up 350,000 tons from a year ago. According to preliminary data during MY 2016/17, Pakistan exported 3.6 MMT of rice compared to 4.2 MMT during MY 15/16. Lower exports are mainly due to stiff competition from other suppliers such as Thailand, Vietnam, and India which continue to supply rice more competitively than Pakistan.

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.

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. 23.11.2017	(2017-18) Proj. 18.01.2018
Production	480	473	486	482	484
Trade	41	39	43	43	44
Consumption	475	473	483	484	485
Carryover stocks	121	121	123	121	123
Y-O-Y change	4	0	2	-	-2
Major Exporters	37	32	30	25	24

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

IGC Rice Balance sheet Highlights

Reflecting upgrades for some producers, including China, the outlook for world rice output in 2017/18 is lifted by 2m t, to 484m, fractionally lower y/y. Together with a larger figure for carry-ins, the overall increase in supplies is channeled to higher consumption, mainly in Africa, and ending stocks, which are placed at 123m t, down by 1% y/y. In part, due to firmer than anticipated buying in the latter stages of the prior year, trade in 2018 is placed up slightly from November, at 43.8m t, a marginal y/y fall but still the second largest on record. World rice production in 2017/18 is forecast to be only marginally short of the previous year's peak as larger crops in some countries, including China and Thailand, only partially offset reductions for others, notably India. Owing to modest falls in Asia, rice uptake may be slightly below the previous season's high, while inventories are likely to tighten. However, top line data mask underlying trends; China's stocks could increase to a nominal 75m t, but, in contrast, major exporters' reserves are set to drop sharply on reductions in India and Thailand. Trade in 2018 is projected to contract slightly from last year's record on a potential drop in shipments to Asia and Africa. Since availabilities in Thailand are anticipated to be thinner after the completion of state stockpile releases, India should be the world's biggest exporter.

IGC Forecast the World Rice Production steady in 2017-18

In its January 2018 Grain Market Report (GMR), the International Grains Council (IGC) projection for 2017-18 global rice production at around 484 million tons, down about 03 MMT from an estimated 487 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 44 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 movement from last week. We expect market to hover in the range of USD 11.00-12.00 hundred weights in coming sessions.

Price Projection (International-CBOT)

Duration	Trend	Price Range
04 th Week of January-,2018	Steady	USD/ Hundred Weight 11.00-12.00

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