
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.3205 per quintal in First week of February- 2018; weak about 0.61% from last week price of 3225, and up by about 6.36% from Rs.3013 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 on 02nd february-2018, acreage under rice was reported at 28.61 lakh hectares compared to 24.21 lakh hectares same time last year, thus 4.41 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 and Kerala. States where acreage has declined are West Bengal, Karnataka and Chhattisgarh.

As per FCI latest data, progressive paddy procurement as on 02nd February-2018 for KMS-2017-18 reached 284.64 lakh tons, 1.65% higher than corresponding period last year at 280 lakh tons. Higher procurement has been received from northern states of Punjab (118.33 lakh Tons), Haryana (39.67 lakh tons), and U.P (26.34 lakh tons) and in south it is picking up in Telangana (12.24 Lakh Tons). Andhra Pradesh Government procurement has reached to 20.74 lakh tons. Chhattisgarh government has also procured around 31.93 lakh tons of rice as of now. Madhya Pradesh and Odisha procurement has reached 10.95 and 18.28 lakh tons respectively. Procurement in West Bengal and other rice growing states is still underway.

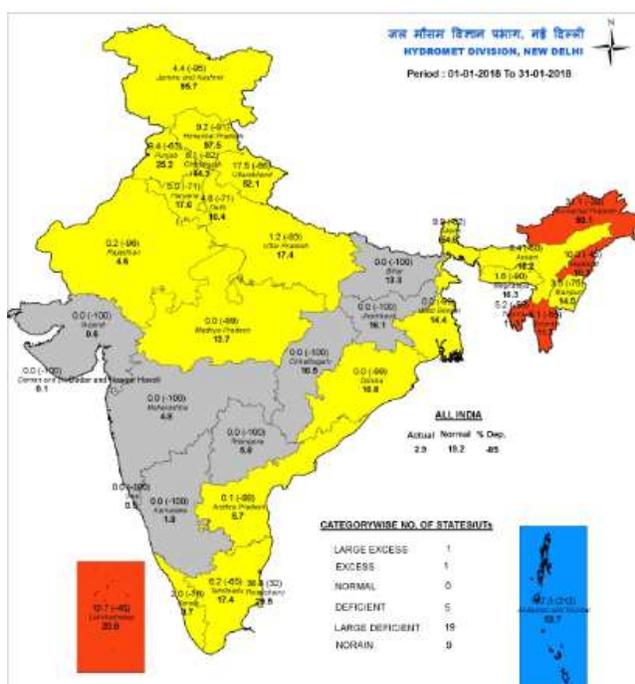
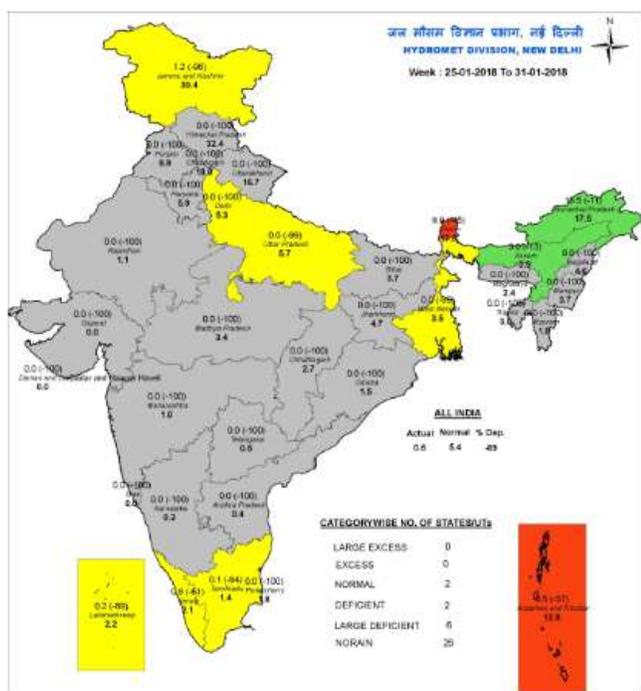
Rice prices in India, the world's biggest exporter of the staple, extended a recent rally this week to reach their highest in 6-1/2 years on robust overseas demand and limited supply amid a stronger local currency. India's 5 percent broken parboiled rice prices raised by \$3 per ton to \$447-\$451, the maximum since September 2011, when India lifted a four-year-old ban on non-basmati rice shipments. The Indian rupee was trading near its highest in 32 months, slashing exporters' returns from overseas sales. India's rice exports likely jumped 22 percent in 2017 to a record 12.3 million tons as Bangladesh ramped up purchases.

India's rice stocks in the central pool as on January- 1, 2017 stood at around 33.25 million tons up by about 12% from around 29.69 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 by 10.35% from around 30.13 million tons recorded on December-01, 2017. Highest stock could be seen in the state of Punjab (134.25 lakh tons) followed by Haryana (34.87 lakh tons) and Chhattisgarh (24 Lakh Tons).

Among the food-grains, the inflation for Cereals has decreased to (-) 3.00% from the previous month's level of (-) 2.13% and Wheat (-) 8.47% from the previous month's level of (-) 5.75%, for Pulses increased to (-) 34.60% from the previous month's level of (-) 35.48%.

In the winter season, at All-India level, the rainfall during the week (11th January, 2018 – 17th January, 2018) has been 96% 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 100% in North West India, 100% in Central India, 96% in East & North East India and 72% in South Peninsula.

Weather Watch:



Legend
 Large Excess (≥80% or more) Excess (20% to 80%) Normal (10% to 19%) Deficient (10% to 20%) Large Deficient (≥20% to 40%) No Rain (<10%) 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.

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Advance of Southwest Monsoon-2017

The cumulative rainfall in the country during the winter monsoon season i.e. 01st January to 17th January, 2018 has been 88% 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, 64% in East & North East India and 49% in South Peninsula.

State wise Paddy Crop Situation - Rabi (2017-18) as on 02.02.2018

State	RICE		
	Area sown reported		
	This Year	% of Normal	Last Year
Andhra Pradesh	6.60	88.9	5.22
Chhattisgarh	0.13		0.47
Karnataka	0.24	9.3	0.29
Kerala	0.88	189.2	0.85
Odisha	0.84	31.2	0.61

Tamil Nadu	12.24	803.7	8.26
Telangana	5.43	101.8	5.21
Tripura	0.32	51.1	0.28
West Bengal	1.80	14.2	2.90
Others	0.14		0.12
All-India	28.61	69.7	24.21

Rice: About **28.61 lakh ha** area coverage under Rice has been reported compared to last year (**24.21 lakh ha**). Thus **4.40 lakh ha** more area has been covered compared to last year. Higher area is reported from the States of Tamil Nadu (3.98 Lakh Ha), Andhra Pradesh (1.38 Lakh Ha), Odisha (0.23 Lakh Ha), Telangana (0.22 Lakh Ha), Tripura (0.03 Lakh Ha) and Kerala (0.03 Lakh Ha). **Less area** is reported from the States of West Bengal (1.10 Lakh Ha), Chhattisgarh (0.34 Lakh Ha) and Karnataka (0.05 Lakh Ha).

State wise Wholesale Prices weekly for 01st Week of February-2018

State	Prices 01-08 Feb 2018	Prices 24-31 Jan 2018	Prices 01-08 Feb 2017	% Change(Over Previous Week)	% Change(Over Previous Year)
Andhra Pradesh	3480	3506.25	4150	-0.75	-16.14
Assam	3414.89	3414.89	3414.89	0	0
Jharkhand	2733.33	2733.33	2733.33	0	0
Karnataka	3753.93	3753.93	3753.93	0	0
Kerala	3759.41	3761.38	3785.74	-0.05	-0.7
Maharashtra	4069.89	4069.89	4069.89	0	0
NCT of Delhi		3400	3400	—	—
Orissa	2756.49	2756.49	2756.49	0	0
Tamil Nadu			1101	—	—
Tripura	2975.23	2988.24	2988.24	-0.44	-0.44
Uttar Pradesh	2232.85	2232.85	2233.65	0	-0.04
Uttarakhand			2114.22	—	—
West Bengal	2744.03	2744.03	2749.88	0	-0.21
Average	3192	3214.66	3007.56		

Price Projection for February 02nd Week in Domestic Market:

Duration	Trend	Average Price Range	Reason
02 nd Week of Feb, 2018	Steady to 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	03-Feb-2018)	27-Jan-2018)	03-Jan-2018)	% ch. From last week	% Change from last Month
1121 Steam	7000	7200	6900	-2.78	1.45
1121 Sella	6800	6550	6300	3.82	7.94
1121 Raw	7200	7200	7100	0.00	1.41

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	03-Feb-2018)	27-Jan-2018)	03-Jan-2018)	% ch. From last week	% Change from last Month
White Rice 5%	435	430	425	1.16	2.35
White Rice 25%	420	410	385	2.44	9.09
Parboiled 5%	422	420	415	0.48	1.69

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 MY-2017-18

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 27-Jan- 18	Yesterday 25-Jan-18	Week Ago 27-Jan- 18	Month Ago 27-Dec-17	Year Ago 27-Jan- 17	Source
Divi(A.P)	Grade-A	15	4165	4160	4150	4280	4250	APMC
Visakhapatnam	Grade-A	33	3570	3580	3537	3500	3520	APMC
Chirala(A.P)	Super Fine	#VALUE!	NA	3910	3850	3825	3800	APMC
Burdwan(W.B)	Miniket	-100	3620	3600	3720	3680	3675	APMC
Delhi	PR-14	20	3320	3300	3300	3200	3100	AGRIWATCH
Amritsar	1121 Steam	-100	7400	7300	7500	7100	6600	AGRIWATCH
Karnal	Sarbati Steam	100	5300	5300	5200	5000	4600	AGRIWATCH

*Difference between current and previous week prices.

Paddy Arrivals (In Quintal)	Grade	Change	Current Week	Current Week	Source
Cuddapah	All Paddy	0	0	0	APMC
Srikakulam	All Paddy	367.9	1652.7	1284.8	APMC
Guntur	All Paddy	0.5	0.6	0.1	APMC
Burdwan(W.B)	All Paddy	1224.5	5675	4450.5	APMC
Delhi	All Paddy	-359.1	7098.7	7457.8	APMC
Amritsar	All Paddy	-78.5	1.5	80	APMC
Karnal	All Paddy	-54.6	233.7	288.3	APMC

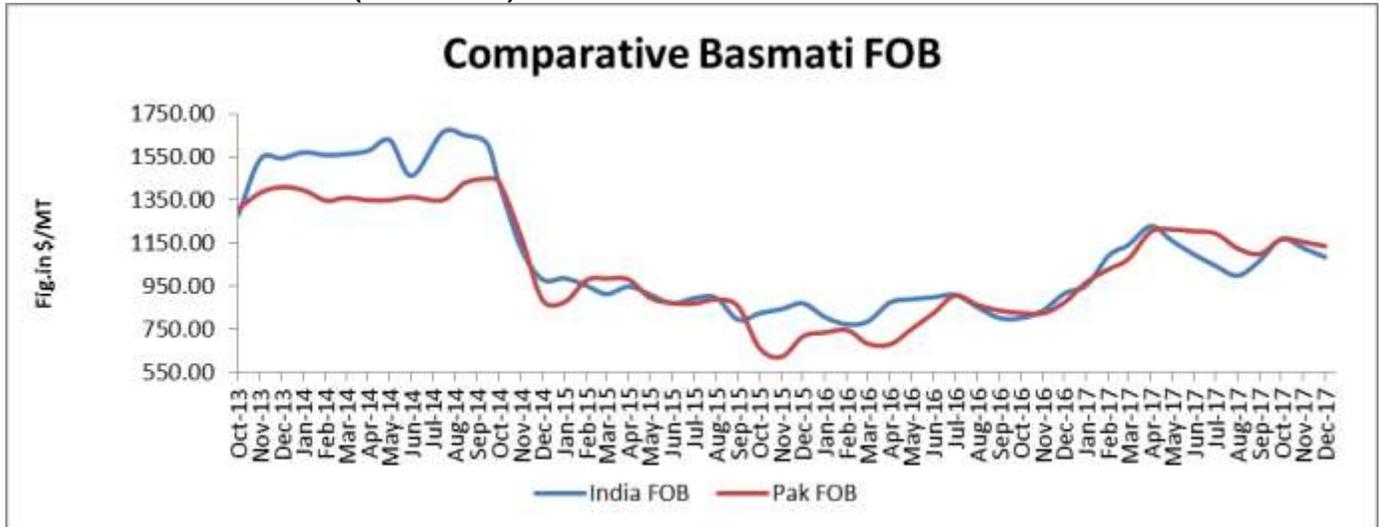
*Difference between current and previous week arrival.

State wise Progressive Procurement

State/UTs (in Lakh T)	Target (only kharif crop) in marketing season 2017-18 (Oct. – Sept.)	Progressive Procurement as on 19.01.2018	
		In Marketing season 2017-18	In Marketing season 2016-17
AP	25.00	16.81	14.84
Telangana	15.00	12.10	10.75
Bihar	12.00	1.82	1.15
Chhattisgarh	48.00	31.45	39.38
Haryana	30.00	39.67	35.70
Kerala	1.00	0.95	1.26
M.P	13.00	10.96	12.97
Maharashtra	4.00	1.20	1.50
Odessa	30.00	14.59	8.07
Punjab	115.00	118.33	110.44
Tamilnadu	10.00	0.01	0.08
U.P	37.00	23.99	11.03
Uttrakhand	7.00	0.35	4.29
West Bengal	23.00	0.05	0.67
Others	0	0	3.76
Total	375.00	272.89	252.45

All-India progressive procurement of Rice as on 19.01.2018 for 2017-18 was 272.89 lakh tons against the procurement of 252.45 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

Thailand is expected to have some 9.5 million tons of rice for export this year. The 9.5 million tons of the Thai rice will bring some 4.7 billion U.S. dollars in export value throughout 2018. That compared to last year's 11.48 million tons of the Thai rice which secured 5.1 billion U.S. dollars in export value, However, Thailand has remained the world's largest exporter of Hom-Mali (fragrant jasmine) quality rice.

Unofficial and preliminary Thai rice exports (excluding premium white and fragrant rice) for January 1-7, 2018, totaled 132,358 metric tons, up 13,508 metric tons from the previous week and down 35,428 metric tons from the four-week moving average of 167,786 metric tons. Rice exports from January 1-7, 2018, totaled 132,358 metric tons.

Thailand rice export prices increased 4-10 percent from the previous week due to strong demand for white and parboiled rice. Sources report that the Indonesian government is seeking 0.5 million metric tons of 5% and 25% grade white rice from Thailand and Vietnam for immediate shipment during January – February 2018. Also, traders are actively sourcing Thai parboiled rice for African markets due to tighter supplies of Indian parboiled rice. Additionally, the Thai baht strengthened to 31.80 baht/U.S. \$1.00, compared to 32.09 baht/U.S. \$1.00 from the previous week.

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.

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.

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



Market Analysis

The CBOT March-18 month rough chart for rice indicates steady movement from last week. We expect market to hover in the range of USD 11.00-13.50 hundred weights in coming sessions.

Price Projection (International-CBOT)

Duration	Trend	Price Range
02 nd Week of February-,2018	Steady to Firm	USD/ Hundred Weight 11.00-13.50

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