Rice Weekly Research Report

Contents

Outlook and Review:

Domestic Front

Average wholesale weekly non-basmati rice prices in India stood at around Rs.3146 per quintal in fourth week of February- 2018; firm about 5.58% from last week price of Rs.2980/quintal, and up by about 12.92% from Rs.2785 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.

India's 5 percent broken parboiled rice prices fell by $6 to $414-$418 per ton, after rising earlier this month to the highest since September 2011. The rates were also pressured by declines in the local currency. As per market sources, Prices are falling across Asia. Buyers are waiting to see where they stabilize. The rupee has fallen about 2.3 percent so far, this month, increasing exporters' margins from overseas sales.

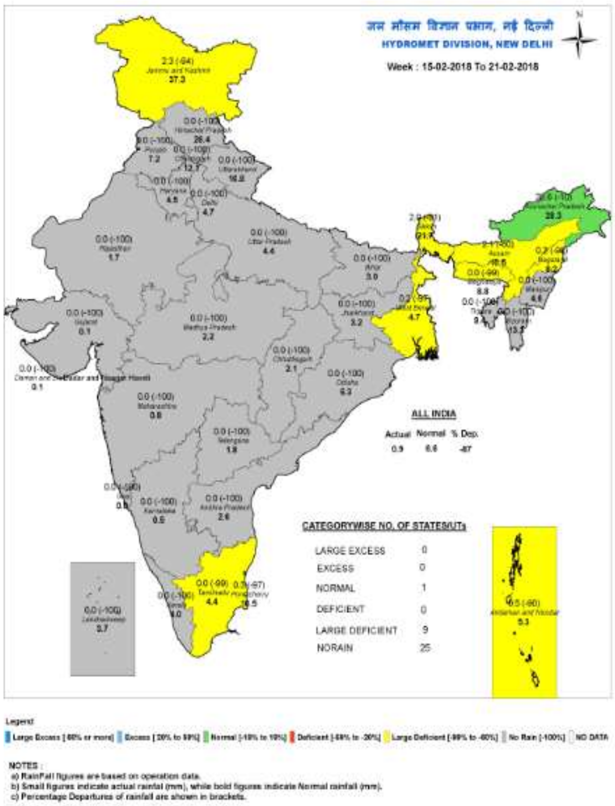
All India progressive procurement of Rice as on 21 .02.2018 for 2017-18 was 296.87 lakh tons against the procurement of 290 lakh tons in the corresponding period of last year. Higher procurement has been received from northern states of Punjab (118.33 lakh Tons), Haryana (39.67 lakh tons), and U.P (28.22 lakh tons) and in south, it is picking up in Telangana (12.24 Lakh Tons). Andhra Pradesh Government procurement has reached to 24. 40 lakh tons. Chhattisgarh government has also procured around 32.07 lakh tons of rice as of now. Madhya Pradesh and Odisha procurement has reached 10.96 and 21.42 lakh tons respectively. Procurement in West Bengal and other rice growing states is still underway and reached to 0.18 lakh tons.

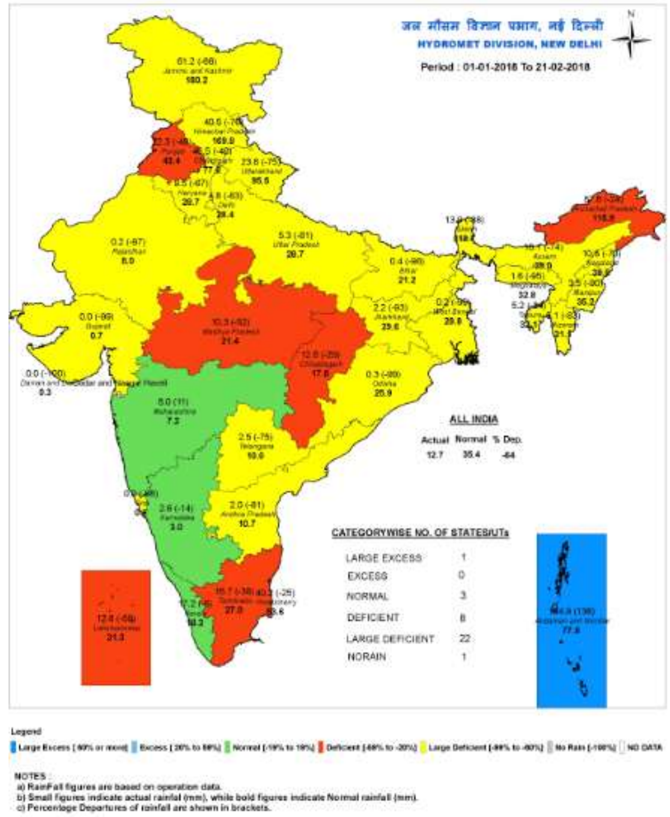
As on 09th February-2018, acreage under rice was reported at 31.89 lakh hectares compared to 27.32 lakh hectares, corresponding time last year, thus 4.57 lakh hectares more area has been covered compared to last year. States having higher acreage compared to last year are Tamil Nadu, Andhra Pradesh, Telangana, Odisha and Kerala. States where acreage has declined are West Bengal, Karnataka and Chhattisgarh.

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).

In the winter season, at All-India level, the rainfall during the week (08th February, 2018 – 14th February, 2018) has been 76% higher 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 255% in Central India, 184% in South Peninsula and 66% in North West India but lower than LPA by 47% in East & North East India.

Weather Watch:





Advance of Southwest Monsoon-2017

The cumulative rainfall in the country during the winter monsoon season i.e. 01st January to 14th February, 2018 has been 58% 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 65% in East & North East India, 64% in North West India, 41% in Central India and 19% in South Peninsula.

State wise Paddy Crop Situation - Rabi (2017-18) as on 09.02.2018

State	RICE				Over last year	
	Normal Area	Area sown reported			Absolute Change	% Change
		This Year	% of Normal	Last Year		
Andhra Pradesh	7.43	6.79	91.4	5.32	1.47	27.6
Arunachal Pradesh	0.01					
Assam	4.00		0.0		0.00	#DIV/0!
Bihar	0.86		0.0		0.00	#DIV/0!
Chhattisgarh		0.30		0.90	-0.60	-66.6

Gujarat	0.41					
Karnataka	2.58	0.24	9.3	0.29	-0.05	-17.2
Kerala	0.47	0.88	189.2	0.85	0.03	3.5
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	1.13	41.9	0.88	0.25	28.9
Tamil Nadu	1.52	12.71	834.2	8.52	4.19	49.2
Telangana	5.33	6.00	112.5	5.65	0.35	6.2
Tripura	0.62	0.00	0.6	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	3.70	29.2	4.80	-1.10	-22.9
Pondicherry	0.04					
Others	0.00	0.14		0.12	0.02	18.6
All-India	**41.07**	**31.89**	**77.6**	**27.32**	**4.57**	**16.7**

Rice: About **31.89 lakh ha** area coverage under Rice has been reported compared to last year **(27.32 lakh ha).** Thus **4.57 lakh ha** more area has been covered compared to last year. **Higher area** is reported from the States of Tamil Nadu (4.19 Lakh ha), Andhra Pradesh (1.47 Lakh ha), Telangana (0.35 Lakh ha), Odisha (0.25 Lakh ha) and Kerala (0.03 Lakh ha). **Less area** is reported from the States of West Bengal (1.10 Lakh ha), Chhattisgarh (0.60 Lakh ha) and Karnataka (0.05 Lakh ha).

State wise Wholesale Prices weekly for 04th Week of February-2018

State	Prices 24-28 Feb 2018	Prices 16-23 Feb 2018	Prices 24-28 Feb 2017	% Change(Over Previous Week)	% Change(Over Previous Year)
Andhra Pradesh	3950	3950	4006.36	0	-1.41
Assam	3068.22	3068.22	3068.22	0	0
Jharkhand	2733.33	2733.33	2749.69	0	-0.59
Karnataka	3950.88	3950.88	3950.88	0	0
Kerala	3686.23	3703.52	3706.91	-0.47	-0.56
Madhya Pradesh			1400	__	__
Maharashtra	3220.61	3498.08	3886.39	-7.93	-17.13
Orissa	2297.05	2650.91	2650.91	-13.35	-13.35
Tamil Nadu		980	1050	__	__
Tripura	2940.7	2997.64	3210.06	-1.9	-8.39
Uttar Pradesh	2230.61	2234.47	2236.96	-0.17	-0.28
West Bengal	2780.87	2780.87	2785.88	0	-0.18
Average	3085.85	2958.9	2782.16		

Price Projection for March 01st Week in Domestic Market:

Duration	Trend	Average Price Range	Reason
01st Week of March, 2018	Steady to Firm	Rs.3100-3500/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	24-Feb-2018)	18-Feb-2018)	24-Jan-2018)	% ch. From last week	% Change from last Month
1121 Steam	7100	7000	7400	1.43	-4.05
1121 Sella	6650	6600	6900	0.76	-3.62
1121 Raw	7100	7000	7400	1.43	-4.05

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	**24-Feb-2018)**	**18-Feb-2018)**	**24-Jan-2018)**	**% ch. From last week**	**% Change from last Month**
White Rice 5%	438	440	440	**-0.45**	**-0.45**
White Rice 25%	425	425	420	**0.00**	**1.19**
Parboiled 5%	425	428	428	**-0.70**	**-0.70**

State Wise initial estimated production of Basmati & Non-Basmati long grain Rice during Kharif 2017(production in 000 tons):

S. No	State	Total Basmati	Pusa-1121	PB-1	Pusa-1509	Pusa-1401	Basmati 370	CSR-30	Type-3 & Others	Non-Notified	
										Sharbati	Sugandha
1	Haryana	2535	1611.6	223	147.9	272.5		278.9		21.2	
2	Punjab	2142.2	1842.3	110.2	192.9					22.2	
3	Uttar Pradesh	763.2	403.2	133	206.3				20.7	528.24	308.8
4	Uttarakhand	39.05	9.12	7.62	10.1				12.22	49.73	1.93
5	Jammu & Kashmir	132	25		1		106			35.9	
6	Himachal Pradesh	30	7		22					0	
Total		5641	3898	474	580	273	106	279	33	657	311

In the current season PB 1121acreage in the 7 states have been reduced by 10.6% over last year. Farmer preferred high yielding Pusa-1509 in place of low yielding PB-1121. Moreover PB 1509 also has shorter time period and early maturity trait, compared to PB 1121. Basmati crop cutting experiment shows that PB 1121 yields were intact in Haryana and Punjab while some crop damage reported in UP / UK but over this year lesser pest infestation observed in the fields. Timely application on remedial action by farmers on brown plant hopper & White bagged plant hopper reduces the crop losses. This year farmers harvested about 39-40 lakh tons of PB 1121 against the 43-44 lakh tons of harvest happened last year.

Basmati Rice Production Conclusion for MY-2017-18:

This year overall Basmati production was lowest in last five years. Basmati crop is about 10% lower than last year on account of lower acreage and yield losses specifically at Uttar Pradesh & Uttaranchal. This year Agro-climatic conditions were favorable for the crop and no major crop losses has been reported in the states like Punjab & Haryana. Farmers received about 40% higher price than last year and they are quite upbeat on the next year Basmati crop. Farmers grip towards Pusa 1509 will increase while little shift could be seen on traditional varieties

Prices & Arrivals at Major Markets:

Rice Price (In Rs./ Quintal)	Grade	Change*	Today 24-Feb-18	Yesterday 23-Feb-18	Week Ago 17-Feb-18	Month Ago 24-Jan-18	Year Ago 24-Jan-17	Source
Divi(A.P)	Grade-A	20	4320	4300	4300	4300	4250	APMC
Visakhapatnam	Grade-A	170	3720	3560	3550	3450	3200	APMC
Chirala(A.P)	Super Fine	250	3800	3850	3550	3750	3600	APMC
Burdwan(W.B)	Miniket	130	3800	3700	3670	3450	3500	APMC
Delhi	PR-14	-100	3100	3150	3200	3100	2900	AGRIWATCH
Amritsar	1121 Steam	-50	7100	7100	7150	7000	6900	AGRIWATCH
Karnal	Sarbati Steam	-50	5100	5100	5150	4950	4850	AGRIWATCH

*Difference between current and previous week prices.

Paddy Arrivals (In Quintal)	Grade	Change	Current Week	Last Week	Source
Cuddapah	All Paddy	-22	0	22	APMC
Srikakulam	All Paddy	-446.04	1775.6	2221.64	APMC
Guntur	All Paddy	0	0	0	APMC
Burdwan(W.B)	All Paddy	61241.3	68775.3	7534	APMC
Delhi	All Paddy	56.1	6063.1	6007	APMC
Amritsar	All Paddy	1999	2000	1	APMC
Karnal	All Paddy	14	40	26	APMC

*Difference between current and previous week arrival.

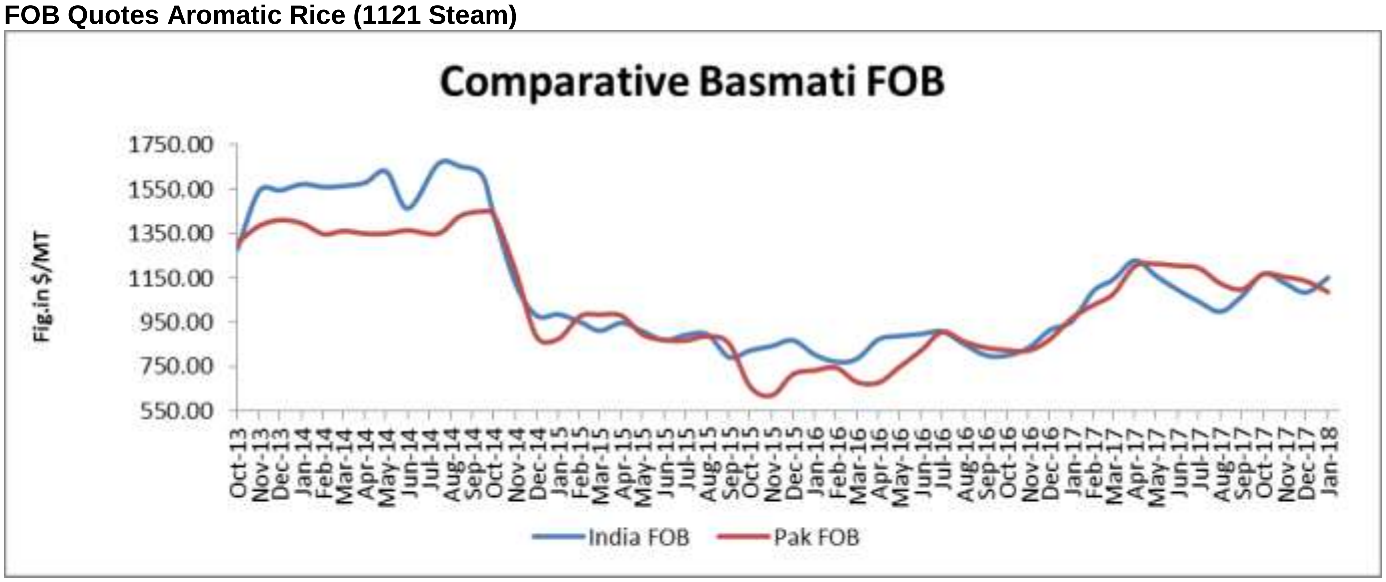
State wise Progressive Procurement

State/UTs	Target (only kharif crop) in marketing season 2017-18 (Oct. – Sept.)	Progressive Procurement as on 16.02.2018	
(in Lakh T)		In Marketing season 2017-18	In Marketing season 2016-17
AP	25.00	23.68	22.20
Telangana	15.00	12.23	10.99
Bihar	12.00	3.43	3.67
Chhattisgarh	48.00	32.07	40.22
Haryana	30.00	39.67	35.70
Kerala	1.00	1.04	1.35
M.P	13.00	10.96	12.97
Maharashtra	4.00	1.42	2.03
Odessa	30.00	27.91	18.43
Punjab	115.00	118.33	110.52

Tamilnadu	10.00	0.75	0.31
U.P	37.00	27.91	18.43
Uttrakhand	7.00	0.37	6.48
West Bengal	23.00	0.37	6.48
Others	0	0.87	0.46
Total	**375.00**	**293.94**	**285.05**

All-India progressive procurement of Rice as on 16.02.2018 for 2017-18 was 293.94 lakh tons against the procurement of 285.05 lakh tons in the corresponding period of last year. Higher procurement has been received from northern states of Punjab (118.33 lakh Tons), Haryana (39.67 lakh tons), and U.P (20.26 lakh tons) and in south it is started in Telangana (11.68 Lakh Tons). Andhra Pradesh Government procurement has reached to 14.16 lakh tons. Chhattisgarh government also procured around 27.69 lakh tons of rice as of now, Madhya Pradesh and Odessa procurement reached to 8.71 and 8.39 lakh tons respectively. Procurement in West Bengal and other rice growing states is still underway.

FOB Quotes Aromatic Rice (1121 Steam)



Source-FAO& Agriwatch

Indian FOB for 1121 steam in the month of January moved firm from last month and currently is in the range of USD 1152/MT which is up by 6.18% from last month price of USD 1085/T due to international demand. Aromatic rice prices are also traded firm with active buying by millers; 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 1087/MT which is down by 4.3% from last month FOB of USD 1136/MT.

Global Updates

Unofficial and preliminary Thailand rice exports (excluding premium white and fragrant rice) for January 29 – February 4, 2018, totaled 234,413 metric tons, up 23,272 metric tons from the previous week and up 17,838 metric tons from the four-week moving average of 216,575 metric tons. Rice exports from January 1- February 4, 2018, totaled 971,138 metric tons.

Rice exports seem to be on course to hit the four-million-tonne annual target during this fiscal year, fetching $2 billion in foreign exchange. During this fiscal year, Pakistan has managed to export more rice to traditional markets like Afghanistan, Kenya, Oman, Qatar, Saudi Arabia, Spain, Tanzania, Britain and the United States, according to senior officials of the Rice Exporters Association of Pakistan (REAP) and trade data based on banking transactions during the first half of this fiscal year. Rice exports to China plunged to $105m in the previous fiscal year from a peak of $277m in the 2015-16 fiscal years, mainly because of slow demand and in the face of stiff competition with Indonesia, Thailand, Vietnam and the Philippines. These rice exporting countries enjoy relaxed tariffs from China as they are members of the Association of Southeast Asian Nations.

Post's estimate for Ghana's domestic rice production in MY 2017/18 is 450,000 MT, up from 390,000 MT in MY 2016/17. This is due to favorable conditions, GOG commitments to increase rice production through the introduction of improved high yielding and disease resistant rice varieties, and the adoption of low cost water management practices. However, domestic rice production is still faced with challenges such as availability and cost of rice seeds and fertilizer, leading to low fertilizer use and poor agronomic practices. Lack of farm mechanization and proper processing facilities also contributes to a poor quality domestic crop. The average yield of paddy rice has been between 2-3 tons per hectare and could increase to 4-5 tons per hectare if improved practices and resources are available to producers (GOG sources).

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.

MY 2017/18 (May-April) Bangladesh rice production estimate is reduced slightly to 32.65 million metric tons (MMT) on lower Aman production (planted in July/August and harvested in November/December) due to three days of unusually heavy rains from December 10-12, 2017. Due to an atmospheric depression in the Bay of Bengal during December, more than 508 mm (20 inches) of rain in downpours, caused damage to the Aman rice crop. Some farmers reported that they had yield loss due to 75 percent lodging during the grain maturing stage caused by heavy rains combined with high speed winds.

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. 18.01.2018	(2017-18) Proj. 22.02.2018
Production	481	474	487	484	484
Trade	41	39	45	44	45
Consumption	476	473	487	485	486
Carryover stocks	122	123	123	123	122
Y-O-Y change	5	1	0		-2
Major Exporters	37	32	29	24	24

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

IGC Rice Balance sheet Highlights

The forecast for rice output in 2017/18 is maintained at 484m t, marginally below last year's high. With opening stocks cut, coupled with an upgrade for use, carryovers are lowered to 122m t. Major exporters' reserves are revised down to 23.5m t, a contraction of one-fifth y/y. Owing to expected firm demand from buyers in Asia and Africa, the 2018 trade forecast is lifted to 44.8m t, only fractionally below the 2017 peak. In 2018/19, marginal area growth is anticipated, led by key exporters, namely India, Thailand and the USA. With the exception of rice, global export prices posted solid gains in February, boosting the IGC Grains and Oilseeds Index (GOI) by 5% since last month's GMR. The 2017/18 global rice outturn is seen 1% smaller than last season's peak, mostly on falls in key exporters, namely India and the USA. With supplies expected to tighten as consumption stays close to an all-time high, stocks are set to decline marginally, but including a steep drop – of about one-fifth y/y – in the major exporters. Following a year in which trade grew by 5.6m t y/y, volumes could retreat slightly in 2018, albeit remaining well above average. Global rice acreage is predicted to expand in 2018/19, with advances expected in leading exporters as traded volumes remain elevated.

IGC Forecast the World Rice Production steady in 2017-18

In its February 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 45 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 slightly down in 2017-18

The IGC forecasts 2017-18 global rice consumption same around 486 million tons from 2017-18. 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
01st Week of March-2018	Steady	USD/ Hundred Weight 11.00-13.50