Rice Weekly Research Report

Contents

Outlook and Review:

Domestic Front

Average wholesale weekly non-basmati rice prices in India stood at around Rs.3196 per quintal in first week of March- 2018; firm about 7.26% from last week price of Rs.2980/quintal, and up by about 5.63% from Rs.3025 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.

Rice prices in top exporter India snapped a three-week losing streak on lower supplies and a slight improvement in demand, while rates for the staple grain eased in Thailand and Vietnam due to lack of deals and the beginning of a new harvest. India's 5 percent broken parboiled rice prices RI-INBKN5-P1 rose by $5 per ton to $419-$423 per ton.

All India progressive procurement of Rice as on 27 .02.2018 for 2017-18 was 300.39 lakh tons against the procurement of 295 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 (28.52 lakh tons) and in south it is picking up in Telangana (12.23 Lakh Tons). Andhra Pradesh Government procurement has reached to 25.22 lakh tons. Chhattisgarh government has also procured around 32.07 lakh tons of rice as of now. Madhya Pradesh and Odisha procurement has reached 10.95 and 22.38 lakh tons respectively. Procurement in West Bengal and other rice growing states is still underway and reached to 0.18 lakh tons.

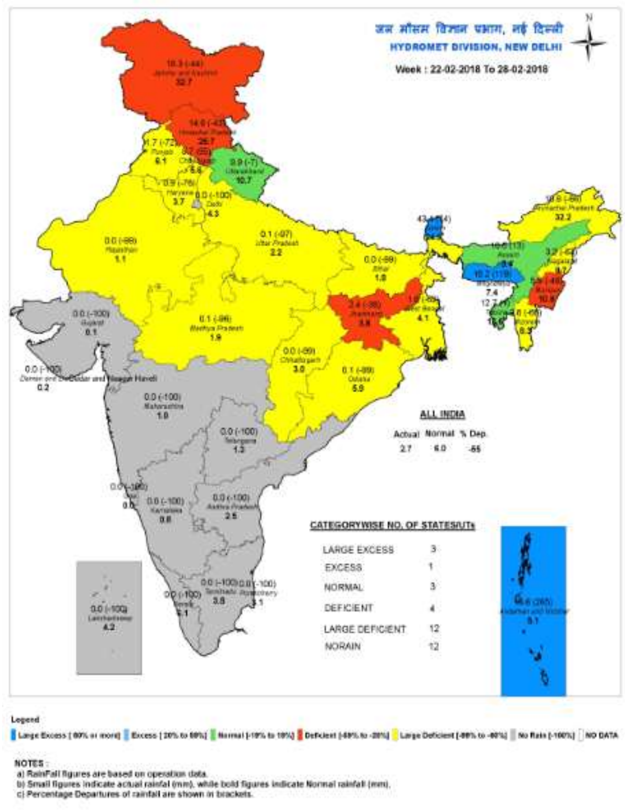
As per second advance estimate released by government on Tuesday, India's food grains output is estimated to reach a record 277.49 million ton in 2017-18. Rice production is estimated at record 111.01 million tons, including 96.48 million tons in kharif and 14.53 million tons in Rabi, as against 109.70 million tons during 2016-17. The kharif (summer) crops are harvested from October while Rabi (winter) crops have already started arriving in mandis and arrival will increase from April onwards.

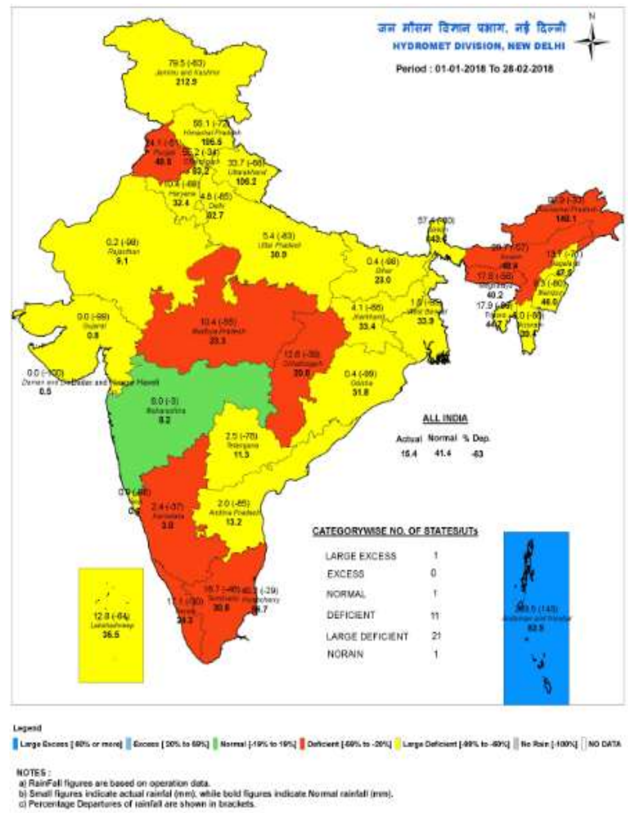
As on 09th February-2018, acreage under rice was reported at 31.89 lakh hectares compared to 27.32 lakh hectares, corresponding time last year, thus 4.57 lakh hectares more area has been covered compared to last year. States having higher acreage compared to last year are Tamil Nadu, Andhra Pradesh, 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 February- 1, 2017 stood at around 33.96 million tons up by about 16% from around 29.29 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 2.13% from around 33.25 million tons recorded on January-01, 2017. Highest stock could be seen in the state of Punjab (66.93 lakh tons) followed by Uttar Pradesh (22 Lakh Tons), Andhra Pradesh (17.55 lakh tons) and Haryana (16.34 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-2018

The cumulative rainfall in the country during the winter monsoon season i.e. 01st January to 21st February, 2018 has been 64% 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 70% in North West India, 62% in East & North East India, 52% in Central India and 34% in South Peninsula.

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

	RICE				Over last year	
State	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 3-Mar-18	Yesterday 1-Mar-18	Week Ago 24-Feb-18	Month Ago 3-Feb-18	Year Ago 3-Mar-17	Source
Divi(A.P)	Grade-A	30	4350	4300	4320	NA	4180	APMC
Visakhapatnam	Grade-A	95	3815	3816	3720	3600	3345	APMC
Chirala(A.P)	Super Fine	20	3820	3825	3800	3775	3650	APMC
Burdwan(W.B)	Miniket	100	3900	3875	3800	3600	3620	APMC
Delhi	PR-14	-50	3050	3000	3100	3100	2950	AGRIWATCH
Amritsar	1121 Steam	0	7100	7100	7100	7000	6900	AGRIWATCH
Karnal	Sarbati Steam	-50	5050	5000	5100	4900	4900	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	-647.06	1128.54	1775.6	APMC
Guntur	All Paddy	180	180	0	APMC
Burdwan(W.B)	All Paddy	-63433.8	5341.5	68775.3	APMC
Delhi	All Paddy	-3408.2	2654.9	6063.1	APMC
Amritsar	All Paddy	-2000	0	2000	APMC
Karnal	All Paddy	-35	5	40	APMC

*Difference between current and previous week arrival.

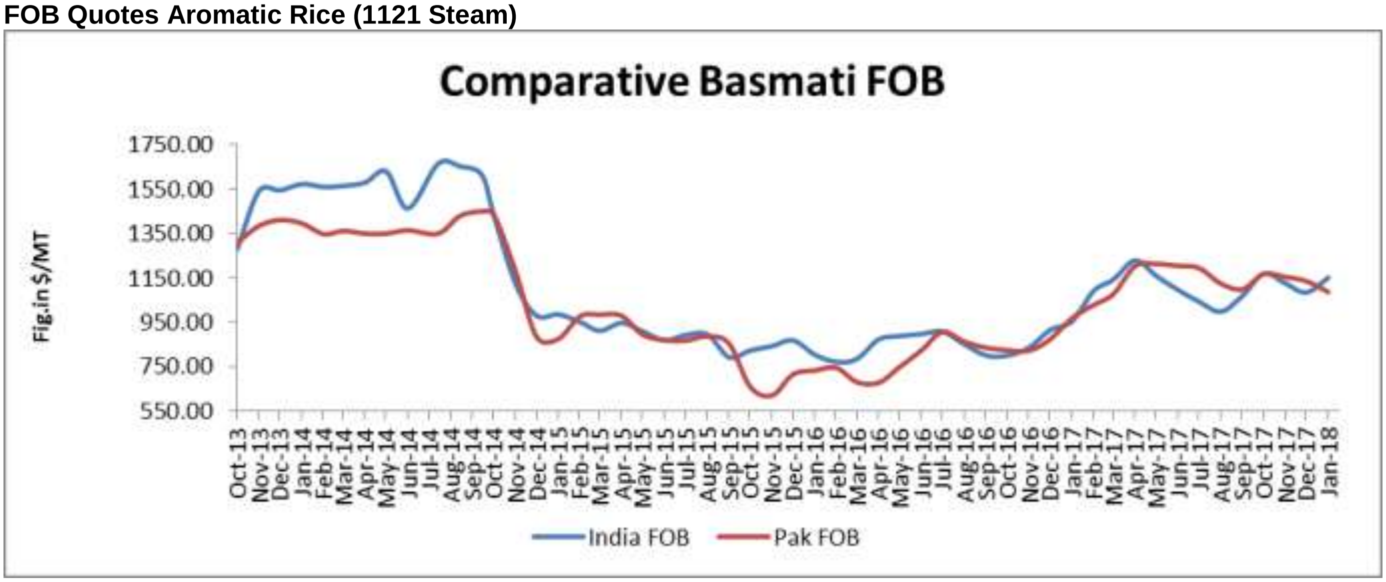
State wise Progressive Procurement

State/UTs	Target (only kharif crop) in marketing season 2017-18 (Oct. – Sept.)	Progressive Procurement as on 23.02.2018	
(in Lakh T)		In Marketing season 2017-18	In Marketing season 2016-17
AP	25.00	24.75	23.16
Telangana	15.00	12.23	11.02
Bihar	12.00	4.15	4.81
Chhattisgarh	48.00	32.07	40.22
Haryana	30.00	39.67	35.70
Kerala	1.00	1.09	1.42
M.P	13.00	10.96	12.97
Maharashtra	4.00	1.47	2.14
Odessa	30.00	21.99	18.82
Punjab	115.00	118.33	110.52

Tamilnadu	10.00	1.49	0.64
U.P	37.00	28.34	19.78
Uttrakhand	7.00	0.37	6.48
West Bengal	23.00	0.18	4.13
Others	0	0.87	0.46
Total	**375.00**	**298.37**	**292.57**

All-India progressive procurement of Rice as on 23.02.2018 for 2017-18 was higher at 298.37 lakh tons against the procurement of 292.57 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 February 12-18, 2018, totaled 177,819 metric tons, down 83,213 metric tons from the previous week and down 43,282 metric tons from the four-week moving average of 221,101 metric tons. Rice exports from January 1- February 18, 2018, totaled 1,409,989 metric tons.

Thailand Export prices of all grades of rice remain unchanged from the previous week as trading is quiet. Foreign buyers are reportedly waiting until supplies of MY2017/18 off-season rice enter the market in early March 2018. The government decided to delay its plan to issue a tender for the remaining 2 million metric ton non-food quality rice stocks until April 2018 in order to avoid any downward impact on domestic rice prices during the MY2017/18 off-season rice harvest peak in March 2018.

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