Rice Weekly Research Report

Contents

Outlook and Review:

Domestic Front

Average wholesale weekly non-basmati rice prices in India stood at around Rs.3120 per quintal in first week of March- 2018; firm about 4.86% from last week price of Rs.2975/quintal, and up by about 3.12% 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.

Prices of India's 5 percent broken parboiled rice, rose by $3 per ton to $422-$426, the second straight week of gains. Inquiries are rising from African countries. Asian buyers are also showing interest. Supplies are falling, forcing exporters to quote higher prices. India's non-basmati rice exports during April-December jumped 39.5 percent from a year ago, as Bangladesh and Benin raised purchases. Meanwhile, demand for the grain from Bangladesh, which has emerged as a major rice importer since 2017 after floods damaged its crops, would stay strong for the next few months, given the high domestic rates.

All India progressive procurement of Rice as on 05 .03.2018 for 2017-18 was 301.39 lakh tons against the procurement of 298 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 (28.61 lakh tons) and in south it is picking up in Telangana (12.23 Lakh Tons). Andhra Pradesh Government procurement has reached 25.59 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 0.19 lakh tons.

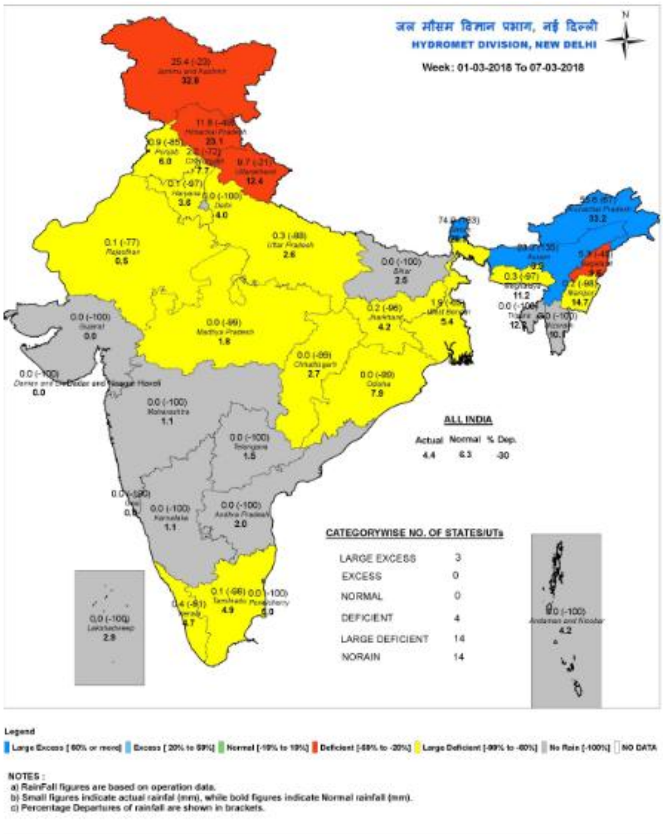
As per second advance estimate released by government on Tuesday, India's food grains output is estimated to reach a record 277.49 million ton in 2017-18. Rice production is estimated at record 111.01 million tons, including 96.48 million tons in kharif and 14.53 million tons in Rabi, as against 109.70 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.

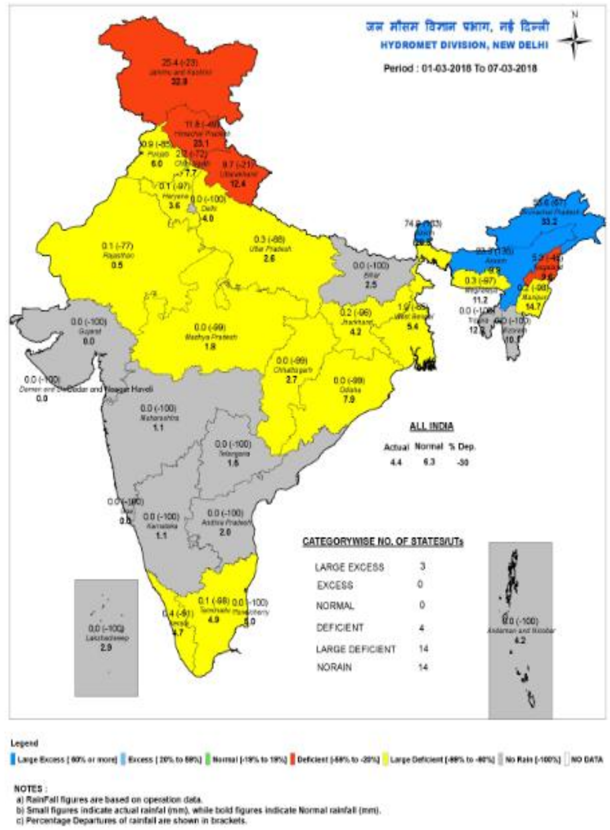
As on 09th February-2018, acreage under rice was reported at 31.89 lakh hectares compared to 27.32 lakh hectares, corresponding time last year, thus 4.57 lakh hectares more area has been covered compared to last year. States having higher acreage compared to last year are Tamil Nadu, Andhra Pradesh, 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 by about 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 (22nd February, 2018 – 28th February, 2018) has been 55% lower than Long Period Average (LPA). Rainfall in the four broad geographical divisions of the country during the above period has been lower than LPA, by 98% in Central India, 90% in South Peninsula, 49% in North West India and 41% 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 28th February, 2018 has been 63% 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 67% in North West India, 59% in East & North East India, 58% in Central India and 43% 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 01st Week of March-2018

State	Prices 01-08 Mar 2018	Prices 24-28 Feb 2018	Prices 01-08 Mar 2017	% Change(Over Previous Week)	% Change(Over Previous Year)
Andhra Pradesh	3550	3550	4423.18	0	-19.74
Assam	3283.56	3283.56	3283.56	0	0
Jharkhand	2742.64	2742.64	2752.88	0	-0.37
Karnataka	3708.72	3824.97	3824.97	-3.04	-3.04
Kerala	3728.85	3728.85	3728.85	0	0
Maharashtra	3537.56	3537.56	3637.08	0	-2.74
Orissa	2546.3	2647.13	2652.18	-3.81	-3.99
Tamil Nadu		1309	1309	__	__
Tripura	3022.89	3022.89	3022.89	0	0
Uttar Pradesh	2248.38	2248.38	2248.38	0	0
West Bengal	2820.09	2820.09	2820.09	0	0
Average	3118.9	2974.1	3024.52		

Price Projection for March 02nd Week in Domestic Market:

Duration	Trend	Average Price Range	Reason
02nd 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	**09-Mar-2018)**	**24-Feb-2018)**	**09-Feb-2018)**	**% ch. From last week**	**% Change from last Month**
1121 Steam	7200	7100	7200	**1.41**	**0.00**
1121 Sella	6800	6650	6700	**2.26**	**1.49**
1121 Raw	7200	7100	7200	**1.41**	**0.00**

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	09-Mar-2018)	24-Feb-2018)	09-Feb-2018)	% ch. From last week	% Change from last Month
White Rice 5%	440	438	438	0.46	0.46
White Rice 25%	430	425	423	1.18	1.65
Parboiled 5%	428	425	426	0.71	0.47

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. Farmers preferred high yielding Pusa-1509 in place of low yielding PB-1121. Moreover PB 1509 also has a 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 have 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 10-Mar-18	Yesterday 9-Mar-18	Week Ago 3-Mar-18	Month Ago 10-Feb-18	Year Ago 10-Mar-17	Source
Divi(A.P)	Grade-A	-100	4250	4200	4350	4160	4200	APMC
Visakhapatnam	Grade-A	5	3820	3800	3815	3800	3645	APMC
Chirala(A.P)	Super Fine	-220	3600	3700	3820	3670	3680	APMC
Burdwan(W.B)	Miniket	-100	3800	3820	3900	3700	3650	APMC
Delhi	PR-14	300	3350	3300	3050	3200	3000	AGRIWATCH
Amritsar	1121 Steam	0	7100	7100	7100	7200	7000	AGRIWATCH
Karnal	Sarbati Steam	50	5100	5050	5050	4950	4850	AGRIWATCH

*Difference between current and previous week prices.

Paddy Arrivals (In Quintal)	Grade	Change	Current Week	Last Week	Source
Cuddapah	All Paddy	200	200	0	APMC
Srikakulam	All Paddy	-239.54	889	1128.54	APMC
Guntur	All Paddy	-180	0	180	APMC
Burdwan(W.B)	All Paddy	42.5	5384	5341.5	APMC
Delhi	All Paddy	1258.7	3913.6	2654.9	APMC
Amritsar	All Paddy	514	514	0	APMC
Karnal	All Paddy	113	118	5	APMC

*Difference between current and previous week arrival.

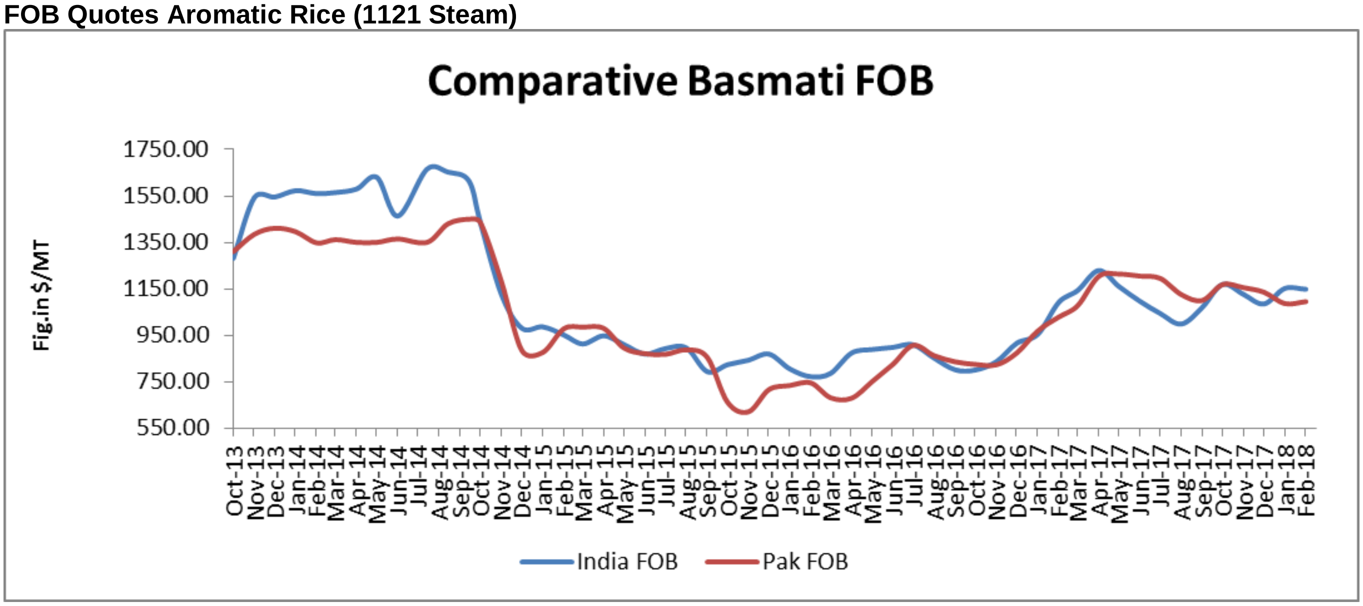
State wise Progressive Procurement

State/UTs	Target (only kharif crop) in marketing season 2017-18 (Oct. – Sept.)	Progressive Procurement as on 01.03.2018	
(in Lakh T)		In Marketing season 2017-18	In Marketing season 2016-17
AP	25.00	25.47	23.70
Telangana	15.00	12.23	11.02
Bihar	12.00	4.79	5.61
Chhattisgarh	48.00	32.07	40.22
Haryana	30.00	39.67	35.70
Kerala	1.00	1.15	1.46
M.P	13.00	10.96	12.97
Maharashtra	4.00	1.47	2.14
Odessa	30.00	22.38	18.82

Punjab	115.00	118.33	110.52
Tamilnadu	10.00	2.14	0.88
U.P	37.00	28.61	20.61
Uttrakhand	7.00	0.38	6.48
West Bengal	23.00	0.19	5.46
Others	0	0.87	0.46
Total	**375.00**	**301.20**	**296.46**

All-India progressive procurement of Rice as on 01.03.2018 for 2017-18 was higher at 301.20 lakh tons against the procurement of 296.46 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 February, moved weak from last month and currently is in the range of USD 1148/MT which is down by 0.32% from last month price of USD 1152/T due to correction in the market. Aromatic rice prices are also traded weak with lethargic buying from millers; Agriwatch expects that international price of aromatic rice 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 firmer from last month and is now hovering in the range of USD 1095/MT which is up by 0.75% from last month FOB of USD 1086.75/MT.

Global Updates

Unofficial and preliminary Thailand rice exports (excluding premium white and fragrant rice) for February 5-11, 2018, totaled 261,032 metric tons, up 26,619 metric tons from the previous week and up 29,095 metric tons from the four-week moving average of 231,937 metric tons. Rice exports from January 1- February 11, 2018, totaled 1,232,170 metric tons.

In Thailand, benchmark 5 percent broken rice rates climbed to $408-$410 per ton, free on board (FOB) Bangkok, from $395-$400 last week, amid a stronger (baht) and hopes of a prospective deal with the Philippines. Speculation is rife that the Philippines will hold an auction later this month to import 250,000 tons and many Thai exporters are interested in this deal.

Prices rose in Vietnam as well, with rates for its 5 percent broken variety gaining to $418-$425 a ton from $410-$415 a week earlier, as farmers pinned their hopes on new government-to-government deals, even though shipments out of the country were falling. Vietnam exported 339,706 tons of rice in February, down 31 percent from January, but exports in the first two months 2018 rose 13.2 percent from a year earlier to 831,504 tons. As per Vietnam news agency, the country could export 6.5 million tons of rice in 2018.

Vietnam expects to harvest around 11 million tons of paddy this winter–spring rice crop, one million tons more than last year, according to the Ministry of Agriculture and Rural Development. The region has planted 1.6 million hectares and expects an average yield of 6.66 tons per hectare, 454kg higher than last year. Fragrant, specialty, and high-quality rice varieties have been planted on around 62 per cent of the total area, glutinous rice varieties on 9.8 per cent and other varieties on the rest.

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, which 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. Except for 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.

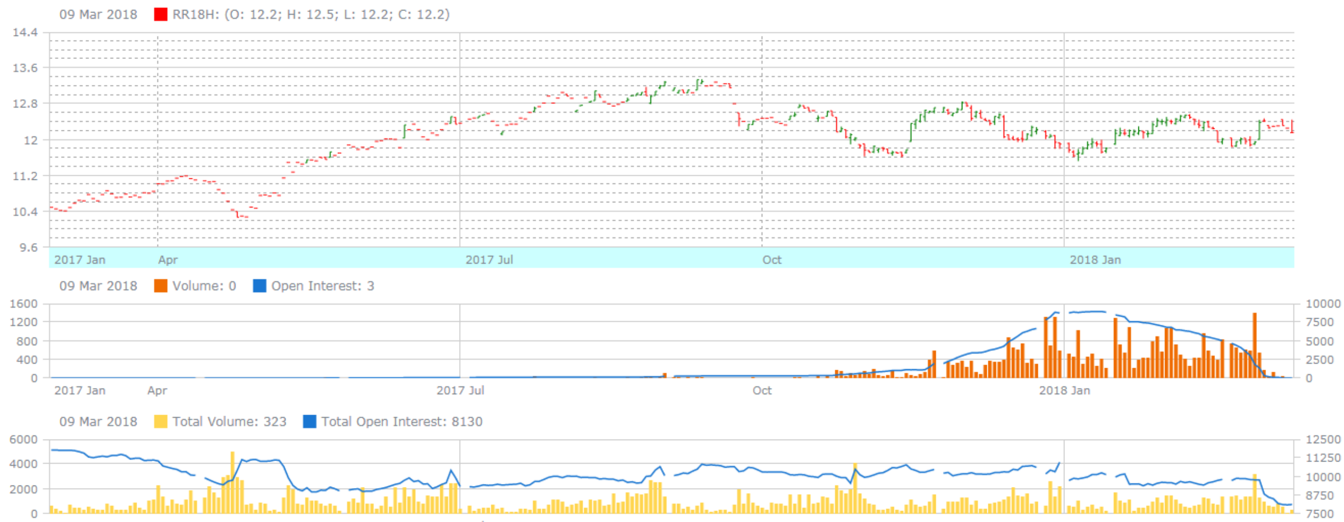
Global Trade of Rice Unchanged from Last Month

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
02nd Week of March-2018	Steady	USD/ Hundred Weight 11.00-13.50