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.3050 per quintal in fourth week of March- 2018; firm about 0.5% from last week price of Rs.3033/quintal and firm by about 1.65% from Rs.3000 per quintal a year ago. Agriwatch expects non-basmati rice market to move range bound in coming month due to millers demand.

No major developments happened in last week in Indian rice markets as mostly markets closed due to March ending and long holidays.

India's rice stocks in the central pool as on March- 1, 2017 stood at around 33.32 million tons up by about 6% from around 31.43 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 down about by 1.88% from around 33.96 million tons recorded on February-01, 2018. Highest stock could be seen in the state of Punjab (85.28 lakh tons) followed by Uttar Pradesh (24.20 Lakh Tons), Andhra Pradesh (19.06 lakh tons) and Haryana (19.98 lakh tons).

All-India progressive procurement of Rice as on 23.03.2018 for 2017-18 was at 303.71 lakh tons against the procurement of 307 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 (28.74 lakh tons) and in south it is picking up in Telangana (12.23 Lakh Tons). Andhra Pradesh Government procurement has reached to 27.15 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 23.96 lakh tons respectively. Procurement in West Bengal and other rice growing states is still underway and reached to 0.27 lakh tons.

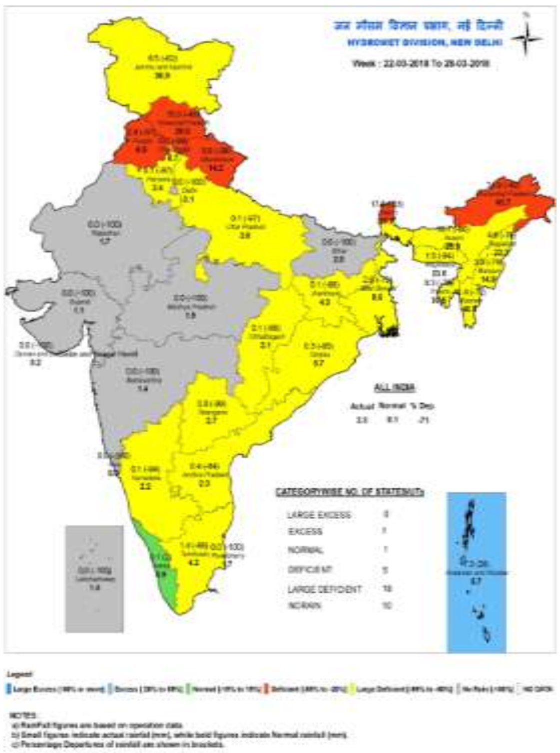
Agriwatch has updated the rice exports in the month of March based on data released by APEDA. Rice export in MY-2017-18 starting from Oct-17 to Jan-17 was 43.89 lakh tons which is 55% higher than export of 28.43 lakh tons, till January last year. Higher export demand from Middle East, Sri-lanka, Bangladesh and African countries led to increase in rice export. Non-basmati rice export in MY-2017-18(Oct-Jan) was 32.69 lakh tons which is higher than 97% from last year export of 16.63 lakh tons of corresponding months, while basmati rice in these months were 11.2 lakh tons against 11.8 lakh tons of corresponding period last year.

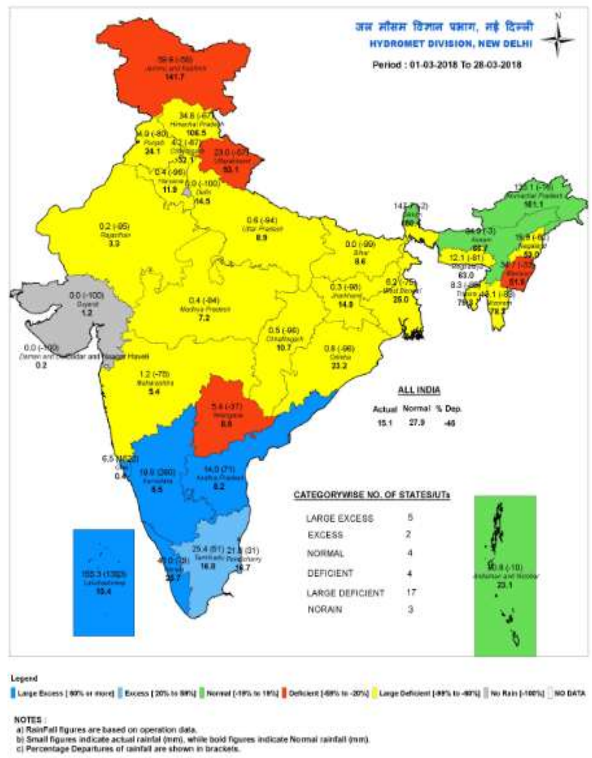
Rice exports have continued strong since the last quarter of CY 2017 on strong export demand from neighboring Bangladesh, Iran and African markets. Assuming no significant change in the export competitiveness of Indian rice and a stable value of the Indian rupee vis-a-vis the US Dollar, MY 2017/18 rice exports are estimated to reach a record 13 MMT (9 MMT of coarse rice and 4.0 MMT of Basmati rice) at the current pace of monthly exports. Basmati rice is mostly exported to Middle Eastern countries and Europe, while coarse rice is mostly exported to African and neighboring countries.

As per second advance estimate released by government, 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.

Weather Watch:





Advance of Southwest Monsoon-2018

The cumulative rainfall in the country during the pre-monsoon season i.e. 01st March to 21st March, 2018 has been 35% lower 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 142% in South Peninsula and lower than LPA by 90% in Central India, 58% in North West India, 20% in East & North East India.

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 March-2018

State	Prices 24-31 Mar 2018	Prices 16-23 Mar 2018	Prices 09-15 Mar 2018	Prices 24-31 Mar 2017	% Change(Over Previous Week)	% Change(Over Previous to Previous Week)	% Change(Over Previous Year)
Andhra Pradesh		4116.67	4116.67	4116.67	__	__	__
Assam	3422.74	3422.74	3422.74	3422.74	0	0	0
Jharkhand	2734.05	2734.05	2734.05	2760.94	0	0	-0.97
Karnataka	3625.86	3641.93	3773.68	3774.61	-0.44	-3.92	-3.94
Kerala	3716.79	3725.07	3725.07	3725.07	-0.22	-0.22	-0.22
Maharashtra	3836.71	3836.71	3836.71	3836.71	0	0	0
Orissa	2875.31	2875.31	2875.31	2875.31	0	0	0
Tamil Nadu	1546	1546	1615	1615	0	-4.27	-4.27
Tripura	2810.22	2884.06	2884.06	2884.06	-2.56	-2.56	-2.56
Uttar Pradesh	2269.65	2269.65	2269.65	2269.65	0	0	0
West Bengal	2839.54	2839.54	2839.54	2839.54	0	0	0
Average	2967.69	3081.07	3099.32	3020.37			

Price Projection for April 01st Week in Domestic Market:

Duration	Trend	Average Price Range	Reason
01st Week of April, 2018	Steady	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	31-Mar-2018)	24-Mar-2018)	28-Feb-2018)	% ch. From last week	% Change from last Month
1121 Steam	7200	7100	6900	1.41	4.35
1121 Sella	6800	6800	6700	0.00	1.49
1121 Raw	7000	7100	7000	-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	31-Mar-2018)	24-Mar-2018)	28-Feb-2018)	% ch. From last week	% Change from last Month
White Rice 5%	442	440	438	0.45	0.91
White Rice 25%	421	420	425	0.24	-0.94
Parboiled 5%	430	428	430	0.47	0.00

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 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 reduced 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 the lowest in last five years. Basmati crop is about 10% lower than last year, because 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 31-Mar-18	Yesterday 30-Mar-18	Week Ago 24-Mar-18	Month Ago 28-Feb-18	Year Ago 31-Mar-17	Source
Divi(A.P)	Grade-A	125	4125	4100	4000	3800	3925	APMC
Visakhapatnam	Grade-A	40	3800	3755	3760	3900	3875	APMC
Chirala(A.P)	Super Fine	300	4100	4110	3800	3800	3850	APMC
Burdwan(W.B)	Miniket	75	3900	3800	3825	3675	3800	APMC
Delhi	PR-14	0	3000	3000	3000	3100	2900	AGRIWATCH
Amritsar	1121 Steam	100	7100	7100	7000	6900	6950	AGRIWATCH
Karnal	Sarbati Steam	100	5200	5100	5100	5000	4900	AGRIWATCH

*Difference between current and previous week prices.

Arrivals at Major Markets (Quintals):

Paddy Arrivals (In Quintal)	Grade	Change	Current Week	Last Week	Source
Cuddapah	All Paddy	-33	0	33	APMC
Srikakulam	All Paddy	-375.6	0	375.6	APMC
Guntur	All Paddy	0	0	0	APMC
Burdwan(W.B)	All Paddy	0	5726	5726	APMC
Delhi	All Paddy	-2324	2635.9	4959.9	APMC
Amritsar	All Paddy	-42	0	42	APMC
Karnal	All Paddy	72.3	231.3	159	APMC

*Difference between current and previous week arrival.

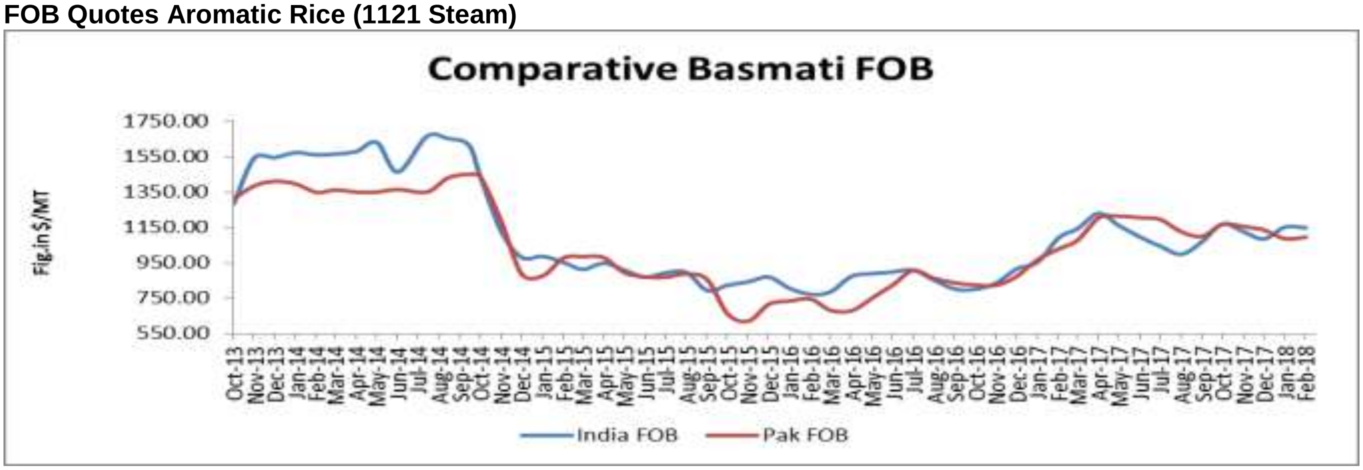
State wise Progressive Procurement

State/UTs (in Lakh T)	Target (only kharif crop) in marketing season 2017-18 (Oct. – Sept.)	Progressive Procurement as on 23.03.2018 In Marketing season 2017-18	Progressive Procurement as on 23.03.2018 In Marketing season 2016-17
AP	43.00	27.15	25.55
Telangana	34.00	12.23	11.02
Bihar	12.00	6.77	9.42
Chhattisgarh	48.00	32.07	40.22
Haryana	30.00	39.67	35.70
Kerala	2.32	1.59	1.79
M.P	13.00	10.96	13.14
Maharashtra	4.34	1.59	2.38

Odessa	37.00	23.96	22.59
Punjab	115.00	118.33	110.52
Tamilnadu	15.00	4.50	1.33
U.P	37.00	28.75	23.54
Uttrakhand	7.00	0.38	7.06
West Bengal	27.00	0.27	8.51
Others	0	0.87	0.46
Total	**430.00**	**309.76**	**313.97**

All-India progressive procurement of Rice as on 23.03.2018 for 2017-18 was at 309.76 lakh tons against the procurement of 313.97 lakh tons in the corresponding period of last year. The procurement of wheat for the rabi marketing season (RMS) 2018-19 was 0.48 lakh tons which was lower than the procurement of 1.87 lakh tons in the corresponding period of RMS 2017-18. 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.

Prices edged lower in Vietnam as well, with the benchmark five-percent broken rice rates slipping to $405-$415 a ton from $410-$415 a week earlier, as the harvest peaked, Vietnam is likely to work on new government-to-government deals with Indonesia and Malaysia, without giving further details.

Meanwhile, in Thailand, the world's second-biggest rice exporter, benchmark 5 percent broken rice rates inched slightly lower to about $430-432 a ton, free on board (FOB) Bangkok, versus $432-$435 last week. Local prices were buoyed by new orders from China and Indonesia this week, but a slight depreciation of the Thai baht, with the domestic currency having fallen about 0.3 percent thus far this week, meant weaker dollar prices

Thailand's main rice crop output in 2018-19 is estimated to rise more than 7 percent to 25.81 million tons. Thailand, the world's second-largest rice exporter, is estimated to have produced 24.07 million tons of rice in its last main crop. The current 2017-18 off-season crop, harvested between February and April, is also estimated at 8.16 million tons, 180,000 tons more than an earlier forecast in December due to heavy rainfall.

Thailand MY2017-18 and MY2018-19 rice stocks are likely to decline to around 3 million metric tons due to the reduction in government rice stocks. The government is expected to sell the remaining 1.5 million metric tons of feed-quality rice stocks and 0.6 million metric tons of deteriorated rice stocks in 2018. Traders expect that most of these remaining feed-quality government rice stocks will be used for swine feed while the deteriorated rice stocks will be used for fertilizer and power generation. The sale of the remaining government stocks in 2018 means that ending stocks for MY2017-18 and MY2018-19 are all private stocks. Normally, private sector maintains stocks for around 2 months of use. However, due to the large quantities of government stocks, private industry has been carrying a lot less the last couple of years.

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.

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 to be 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 May- 18, Rough Rice)
(Prices in US$/hundredweight)

Market Analysis

The CBOT May-18 month rough chart for rice indicates steady movement from last week. We expect market to hover in the range of USD 11.00-12.90 hundred weights in coming sessions.

Price Projection (International-CBOT)

Duration	Trend	Price Range
01st Week of April-2018	Steady	USD/ Hundred Weight 11.00-12.90