Rice Weekly Research Report

Contents

Outlook and Review:

Domestic Front

- **Average wholesale weekly non-basmati rice prices in India stood at around Rs.3158 per quintal in first week of May- 2018;** weak about 1.11% from last week price of Rs.3193/quintal and from last year price of Rs.3157/quintal. Agriwatch expects non-basmati rice market to move range bound in coming month due to steady demand.

- **India's rice stocks in the central pool as on April- 1, 2018 stood at around 30.04 million tons down by about 10% from** around 33.32 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 3.33% about by from around 29.78 million tons recorded on April-01, 2017. 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).

- **Rice export prices in India rose as demand picked up, while rates for the Thai variety eased amid prospects of a healthy harvest,** even as top exporters looked to clinch a possible deal with the Philippines. Rates for India's 5 percent broken parboiled rice rose from the 4-1/2 month lows hit last week, gaining $3 to $412-$416 a ton, as demand improved from African buyers. Indian rice is currently very competitive compared with supplies from Thailand and Vietnam; a weaker Indian rupee had allowed exporters to lower prices in the past few weeks. India's exports jumped by 18% from a year ago to a record 12.7 million tons in the 2017/18 financial year to March 31, lifted by demand for non-basmati rice from Bangladesh, Benin and Sri Lanka.

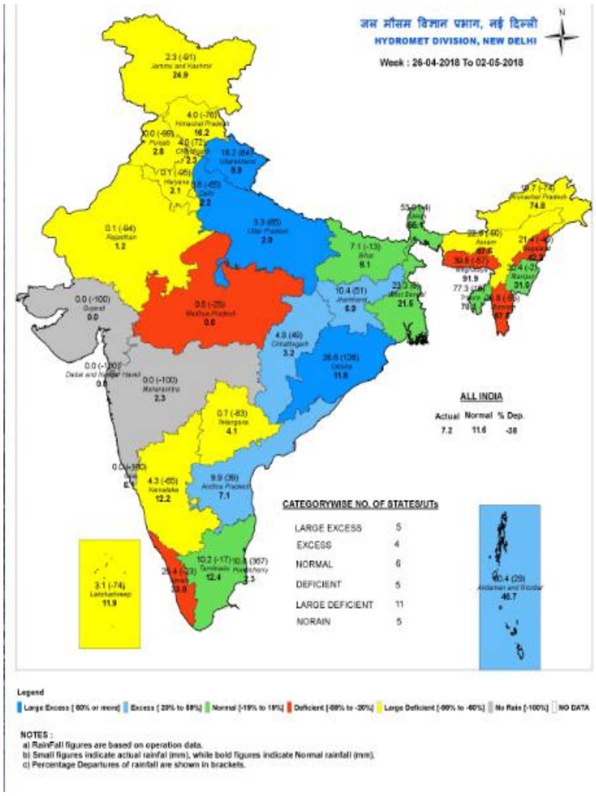
- **All-India progressive procurement of Rice as on 26.04.2018 for 2017-18 was at 321.62 lakh tons against the procurement of 336.09 lakh tons in the corresponding period of last year**. The procurement of wheat for the rabi marketing season (RMS) 2018-19 was 234.61 lakh tons which was higher than the procurement of 214.52 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 (28.75 lakh tons) and in south it is picking up in Telangana (13.15 Lakh Tons). Andhra Pradesh Government procurement has reached to 28.89 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 25.16 lakh tons respectively. Procurement in West Bengal and other rice growing states is still underway and reached to 0.35 lakh tons.

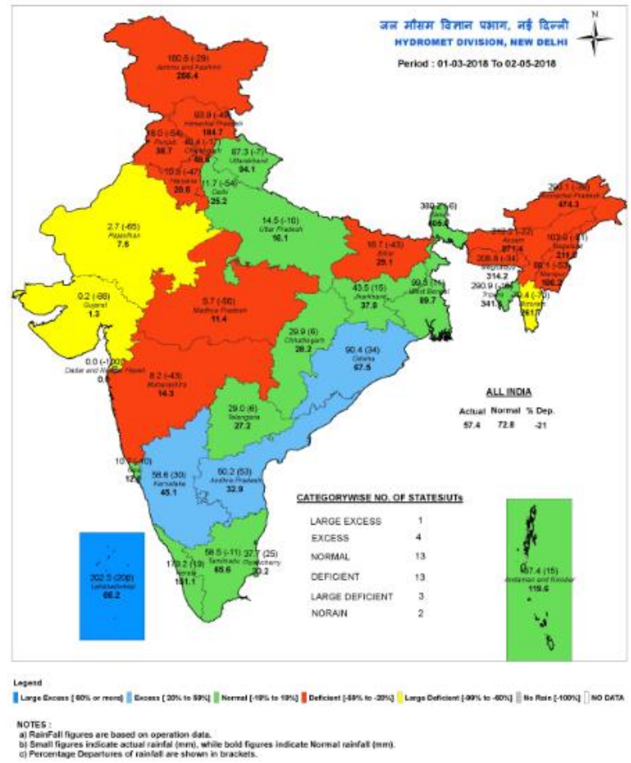
- **With paddy procurement of the 2017 Kharif marketing season ending on April 30, Orissa government decided to start the Rabi procurement from May 1.** Rabi paddy procurement will be confined to 18 districts and district-level procurement committees will decide the date of purchase basing on the status of harvest. Odisha State Civil Supplies Corporation had set a target to procure total 53 lakh tons of paddy for both seasons38 lakh tons of Kharif paddy.

- **As per trade sources, total rice export in the month of March was 13.03 lakh tons, in which basmati rice contribution is 33.05%** of total with quantity of 4.30 lakh tons and non-basmati contribution was 66.94% with quantity of 8.72 lakh tons. Major buyers of basmati rice were Iran, Saudi Arabia, UAE, Yemen and Iraq whereas non-basmati buyers from India in the month were Senegal, Saudi, Bangladesh, Sri-lanka and UAE.

- **In the pre monsoon season, at All-India level, the rainfall during the week (19th April, 2018 – 25th April, 2018) has been** 1% 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 63% in North West India but lower than LPA by 41% in Central India, 21% in South Peninsula and 3% in East & North East India.

Weather Watch:





Advance of Southwest Monsoon-2018

The cumulative rainfall in the country during the pre-monsoon season i.e. 01st March to 25th April, 2018 has been 18% 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 32% in South Peninsula but lower than LPA by 28% in North West India, 25% in East & North East India and 9% in Central 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 01st Week of May-2018

State	Prices 01-08 May 2018	Prices 24-30 Apr 2018	Prices 16-23 Apr 2018	Prices 01-08 May 2017	% Change(Over Previous Week)	% Change(Over Previous to Previous Week)	% Change(Over Previous Year)
Assam	2543.19	2543.19	2590.74	3177	0	-1.84	-19.95
Gujarat	4376.16	4376.16	4376.16	4376.16	0	0	0
Jharkhand	2742.16	2742.16	2742.16	2771.14	0	0	-1.05
Karnataka	3546.98	3546.98	3774.25	4060.05	0	-6.02	-12.64
Kerala	3712.31	3712.31	3774.6	3774.6	0	-1.65	-1.65
Maharashtra	4043.91	4043.91	4043.91	4043.91	0	0	0
Orissa	2496.98	2799.25	2883.92	2883.92	-10.8	-13.42	-13.42
Tamil Nadu			1576	1576	__	__	__
Tripura	3016.86	3032.72	3032.72	3032.72	-0.52	-0.52	-0.52
Uttar Pradesh	2298.04	2298.04	2298.04	2298.04	0	0	0
West Bengal	2797.16	2834.34	2834.34	2834.34	-1.31	-1.31	-1.31
Average	3157.38	3192.91	3084.26	3157.17			

Price Projection for May 02nd Week in Domestic Market:

Duration	Trend	Average Price Range	Reason
02nd Week of May, 2018	Steady	Rs.3000-3500/Quintal	Rice prices are expected to trade steady in coming weeks due to sufficient stocks with millers, however demand from international market push the price upward.

Weekly Price Change of 1121 Steam, Raw and Sella Rice Price Delhi Market (Figure: in Rs. /Quintal)

Rice Price Comparison Delhi Market(in Rs./Qtl)					
Variety	**2-May-18**	**25-Apr-18**	**02-Apr-2018)**	**% ch. From last week**	**% Change from last Month**
1121 Steam	6900	7000	7200	**-1.43**	**-4.17**
1121 Sella	6350	6450	6800	**-1.55**	**-6.62**
1121 Raw	7000	7000	7000	**0.00**	**0.00**
Basmati Raw	7000	7000	7400	**0.00**	**-5.41**

1509 Steam Wand	6800	6800	6800	0.00	0.00
Sugandh Steam	5500	5700	5900	-3.51	-6.78
Sharbati Raw	4900	5050	4900	-2.97	0.00
Pusa Raw Wand	6100	6200	6200	-1.61	-1.61
Parmal Sella	2950	2950	2900	0.00	1.72

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	**02-May-2018)**	**28-Apr-2018)**	**2-Apr-18**	**% ch. From last week**	**% Change from last Month**
White Rice 5%	430	432	440	-0.46	-2.27
White Rice 25%	385	383	380	0.52	1.32
Parboiled 5%	415	419	430	-0.95	-3.49

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 4-May-18	Yesterday 3-May-18	Week Ago 27-Apr-18	Month Ago 4-Apr-18	Year Ago 4-May-17	Source
Divi(A.P)	BPT(Raw)	-250	3200	3200	3450	3350	3100	APMC
Visakhapatnam	HMT(Raw)	-200	3900	3900	4100	3800	3850	APMC
Chirala(A.P)	Vishnubhog	50	5600	5600	5550	5400	5350	APMC
Burdwan(W.B)	Miniket	-320	3600	3550	3920	3700	3750	APMC
Delhi	PR-14	-100	2950	2950	3050	2900	2800	AGRIWATCH
Amritsar	1121 Steam	-100	6900	6900	7000	6800	7200	AGRIWATCH
Karnal	Sarbati Steam	-150	4900	4900	5050	4800	5100	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	0	0	0	APMC
Srikakulam	All Paddy	0	0	0	APMC
Guntur	All Paddy	0	0	0	APMC
Burdwan(W.B)	All Paddy	-3119	1569	4688	APMC
Delhi	All Paddy	-82.3	1539	1621.3	APMC
Amritsar	All Paddy	1100	1100	0	APMC
Karnal	All Paddy	-2.1	0	2.1	APMC

*Difference between current and previous week arrival.

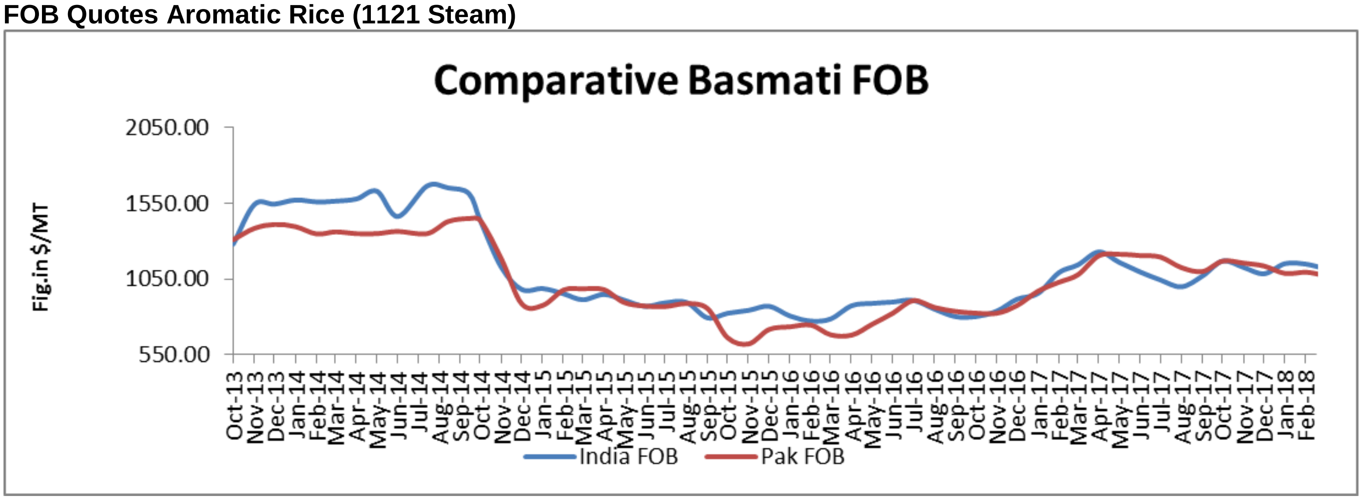
State wise Progressive Procurement

State/UTs	Target (only kharif crop) in marketing season 2017-18 (Oct. – Sept.)	Progressive Procurement as on 23.03.2018	
(in Lakh T)		In Marketing season 2017-18	In Marketing season 2016-17
AP	43.00	30.15	29.59
Telangana	34.00	14.98	13.11
Bihar	12.00	7.96	12.34
Chhattisgarh	48.00	32.07	40.22
Haryana	30.00	39.67	35.70

Kerala	2.32	2.82	2.78
M.P	13.00	10.96	13.14
Maharashtra	4.34	1.61	2.46
Odessa	37.00	25.32	26.84
Punjab	115.00	118.33	110.52
Tamilnadu	15.00	6.43	1.41
U.P	37.00	28.75	23.54
Uttrakhand	7.00	0.38	7.06
West Bengal	27.00	0.35	15.67
Others	0	0.87	0.46
Total	**430.00**	**321.62**	**336.09**

All-India progressive procurement of Rice as on 26.04.2018 for 2017-18 was at 321.62 lakh tons against the procurement of 336.09 lakh tons in the corresponding period of last year. The procurement of wheat for the rabi marketing season (RMS) 2018-19 was 234.61 lakh tons which was higher than the procurement of 214.52 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 April moved weak from last month and currently is in the range of USD 1111.06/MT which is down by 0.57% from last month price of USD 1117/T due to drop of rice price in the local market. Aromatic rice prices are also traded weak with sluggish buying from 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 1052.5/MT which is down by 1.81% from last month FOB of USD 1072/MT.

Global Updates

Unofficial and preliminary Thailand rice exports (excluding premium white and fragrant rice) for April 9-15, 2018, totaled 104,982 metric tons, up 7,307 metric tons from the previous week and down 40,659 metric tons from the four-week moving average of 145,641 metric ton. Rice exports from January 1- April 15, 2018, totaled 2,792,454 metric tons.

Thailand Export prices for all grades of rice remain unchanged from the previous week as most businesses were closed during the Thai New Year. The Thai Rice Exporters Association revised up its 2018 rice export forecast to 10 million metric tons from the previous forecast of 9.5 million metric tons due to higher than expected import demand, especially from China, Indonesia, and the Philippines.

In MY 2016/17, the official Cambodian rice export volume increased by 17 percent over the previous year, driven by increased purchases from China, as well as newly implemented incentive policies by the Government of Cambodia. In the past three years, export demand from the expanding Chinese and emerging markets have counterbalanced plunging demand from traditional markets.

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 Balance Sheet:

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

Attributes (Fig in Million Tons)	2015-16	2016-17 Estimate	2017-18 Forecast 22.02.2018	(2018-19) Proj. 22.03.2018	(2018-19) Proj. 26.04.2018
Production	474	487	486	492	493
Trade	39	47	46	46	47
Consumption	473	487	487	491	493
Carryover stocks	124	123	123	123	123
Y-O-Y change	1	-1	-1		0
Major Exporters	32	29	26	25	25

(Fig. In Million Tons)

IGC Rice Balance sheet Highlights:

With upward revisions for key Asian buyers offsetting reductions for others, world rice trade in 2018 is seen unchanged m/m, at 46mt. The 2018/19 global rice output projection is lifted fractionally from March, at a record 493mt, the 7m y/y rise mainly on potential gains in major exporters. Since the increase in supplies is channeled to higher consumption, carryovers are broadly steady m/m; at 123mt. Trade is tentatively projected to remain elevated in 2019. World rice production in 2017/18 is seen only fractionally lower y/y, at 486mt, as larger harvests in Asia mostly offset falls elsewhere. With accumulation in China contrasting with a reduction in key exporters, global reserves are expected to hold steady, at 123mt. Given state efforts to ensure ample local supplies in Asia, trade should stay high in 2018. Prospects for 2018/19 remain tentative since fieldwork is many months away. Nevertheless, given firmer international values, area gains are possible in leading exporters as production reaches a high of 493mt, up by 1% y/y. With the predicted expansion of supplies matched by a population-driven rise in demand, stocks are seen unchanged y/y. Trade is expected to remain at peak levels in 2019, with India maintaining its position as the dominant exporter.

IGC Forecast the World Rice Production Down in 2017-18

In its April 2018 Grain Market Report (GMR), the International Grains Council (IGC) projection for 2018-19 global rice production at around 493 million tons, up about 07 MMT from an estimated 486 million tons in 2017-18 on favorable Asian weather condition.

Global Trade of Rice Unchanged from Last Year

The IGC forecasts 2018-19 global rice trades at around 46 million tons, unchanged from its estimates for 2017-18. It expects world rice trade in 2018 to remain same on normal demand from buyers in Africa and Asia.

Global Consumption of Rice Increases in 2017-18

The IGC forecasts 2018-19 global rice trades at around 47 million tons, around 1 Mt up from its estimates for 2017-18. It expects world rice trade in 2018 to remain same on normal demand from buyers in Africa and Asia.

Rice Price Trend @ CBOT May- 18, Rough Rice)
(Prices in US$/hundredweight)

Market Analysis

The CBOT May-18 month rough chart for rice indicates weak movement from last week. We expect market to hover in the range of USD 11.50-13.35 hundred weights in coming sessions.

Price Projection (International-CBOT)

Duration	Trend	Price Range
02nd Week of May-2018	Steady	USD/ Hundred Weight 11.50-13.35