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# Rice Weekly Research Report

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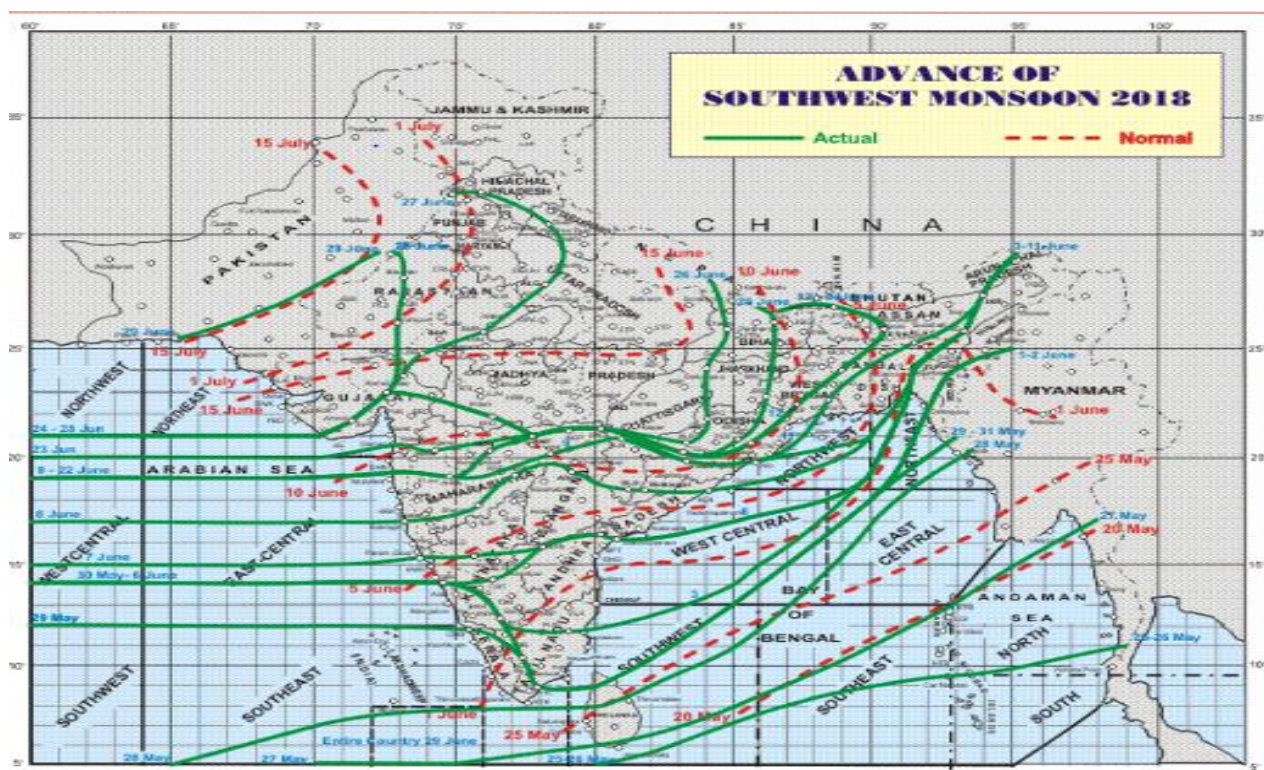
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**Outlook and Review:****Domestic Front**

- **Average weekly wholesale prices of rice in India stood at Rs.3112 per quintal second week, down 2.05% from Rs.3175 per quintal from the previous week, and down 4.21 % from Rs.3154 per quintal a year ago.** Agriwatch expects non-basmati rice market to move steady to slightly firm on lower kharif acreage estimates in coming weeks.
- **Rice export prices in India slumped this week as the rupee fell and demand remained weak with buyers expecting further dips,** while low supplies and the prospect of a new deal with the Philippines pushed up prices for the Vietnamese variety. In top exporter India, rates for the 5 percent broken parboiled variety fell by \$5 to \$371-\$375 per ton this week, the lowest in 17 months. Rates are down due to the rupee and weak demand. Buyers are postponing purchases expecting further falls in prices; The Indian rupee has fallen 13 percent so far in 2018 and hit a record low on last Wednesday, increasing exporter's margins.
- **All-India progressive procurement of Rice as on 14.09.2018 for 2017-18 was at 381.38 lakh tons against the procurement of 380.80 lakh tons in the corresponding period of last year.** Higher procurement has been received from northern states of Punjab (118.33 lakh Tons), Haryana (39.92 lakh tons), and U.P (28.75 lakh tons) and in south it is started in Telangana (36.18 Lakh Tons). Andhra Pradesh government's procurement has reached 39.91 lakh tons. Chhattisgarh government also procured around 32.55 lakh tons of rice as of now. Procurement in Madhya Pradesh and Odisha has reached 10.96 and 32.87 lakh tons respectively. Procurement in West Bengal rice procurement is also picking up and now reached to 16.73 lakh tons.
- **India's rice stocks in the central pool as on Sep- 1, 2018 stood at around 22.61 million tons up by 10.89% from 20.39 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 by 9.34% by from 24.94 million tons recorded on Aug-01, 2018. Highest stock could be seen in the state of Punjab (80.61 lakh tons) followed by Andhra Pradesh (19.58 lakh tons) and Haryana (17.16 lakh tons) and Uttar Pradesh (14.48 Lakh Tons). The highest stock recorded of 339.6 lakh tons recorded in Feb- 2018.
- **One of the leading buyers of Indian basmati rice, Government of Iran- GTC has issued an international tender for the procurement of 30 thousand tons of Indian rice.** Anybody can be a tenderer, but he only has to buy rice from India and shipment it. The last date for submission of tender has been fixed October 9. In the two consignments, the amount of 1121 Pusa rice samples of 15-15 thousand tons of sela rice was sent there. The period of shipment has been fixed between October 15 and November 15. Generally there are restrictions on the import of rice there for a few months as there are paddy harvesting and government procurement there. But after the new ban by the US, it is felt that India needs to import rice so that its reserves can be made.
- **Two Indian companies — Sukhbir Agro Energy and Pattabhi Agro Foods — have bagged export orders of 600 tons of non-basmati rice from China,** paving the way for the first shipment of the cereal to the neighboring country after it agreed last month to import it from India. The exports will take place soon after the rice processing plants of these two companies are approved by China.
- **The Chhattisgarh government announced to give 300 rupees / quintal bonus on the purchase of paddy to the farmers by** electing the election. Chhattisgarh farmers will now get 2,070 on A-grade paddy and Rs 2,050 / quintal on normal grade paddy.

**Weather Watch:**

**Advance of Southwest Monsoon-2018**

In the monsoon season, at All-India level, the rainfall during the week i.e. 30<sup>th</sup> August, 2018 – 05<sup>th</sup> September, 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 20% in North West India but lower than LPA by 54% in South Peninsula, 31% in Central India and 9% in East & North East India. The cumulative rainfall in the country during the monsoon season i.e. 01<sup>st</sup> June, 2018 to 05<sup>th</sup> September, 2018 has been 7% lower than LPA. Rainfall in the four broad geographical divisions of the country during the above period have been higher than LPA by 6% in South Peninsula but lower than LPA by 24% in East & North East India, 3% in North West India and 2% in Central India.

*State wise Paddy Crop Situation - Kharif (2018-19) as on 07.09.2018*

State	Normal Area	Normal Area as on date	Area sown reported			Absolute Change
			This Year	% of Normal	Last Year	
Andhra Pradesh	15.30	13.37	13.48	88.1	13.11	0.37
Arunachal Pradesh	1.29	1.29	1.31	101.7	1.31	0.01
Assam	20.73	20.54	19.47	93.9	19.95	-0.48
Bihar	31.64	32.18	32.56	102.9	34.18	-1.62
Chhattisgarh	38.08	36.77	37.39	98.2	37.12	0.27
Goa	0.29	0.20	0.28	97.9	0.27	0.02
Gujarat	7.41	7.88	8.04	108.5	8.06	-0.01
Haryana	12.94	12.27	13.29	102.7	12.87	0.42
Himachal Pradesh	0.74	0.76	0.74	99.5	0.76	-0.02
J&K	2.80	1.60	1.14	40.9	1.16	-0.01
Jharkhand	14.94	15.54	15.11	101.1	17.35	-2.24
Karnataka	10.00	8.75	11.35	113.5	5.88	5.47
Kerala	1.48	0.63	0.57	38.6	0.62	-0.05
Madhya Pradesh	20.50	20.13	21.65	105.6	20.23	1.42
Maharashtra	15.08	14.40	15.04	99.7	13.40	1.64
Manipur	0.33	1.84	0.32	96.7	1.69	-1.37
Meghalaya	0.97	0.99	1.01	104.3	1.10	-0.09
Mizoram	0.32	0.36	0.35	107.8	0.33	0.02
Nagaland	1.91	1.92	2.08	109.1	2.07	0.01
Odisha	37.66	36.13	35.12	93.3	36.10	-0.98
Punjab	28.93	29.08	30.42	105.2	29.26	1.16
Rajasthan	1.64	1.46	1.15	70.2	1.69	-0.54
Sikkim	0.11	0.11	0.11	94.6	0.11	-0.01
Tamil Nadu	15.46	3.44	4.22	27.3	2.34	1.88
Telangana	9.20	7.49	10.18	110.6	7.33	2.85
Tripura	1.99	1.61	1.83	91.9	1.29	0.53
Uttar Pradesh	58.87	59.25	59.73	101.5	59.78	-0.05
Uttarakhand	2.47	2.50	2.48	100.5	2.50	-0.02
West Bengal	41.91	41.00	42.71	101.9	42.40	0.31
Pondicherry	0.12	0.00	0.00	0.0	0.00	0.00
Others	0.29	0.54	0.21	72.7	0.57	-0.36
<b>All-India</b>	<b>395.39</b>	<b>374.04</b>	<b>383.34</b>	<b>97.0</b>	<b>374.81</b>	<b>8.53</b>

Rice acreage in India as on 14<sup>th</sup> Sep 2018 increased to 383.34 lakh hectares as compared to 374.81 lakh hectares same period last year and also up by normal area as on date of 374.04 lakh hectares which seems that rice production is expected to be good if weather become favorable at the time of harvesting. Higher acreage is

mainly reported from the states of Andhra Pradesh (12.85lakh Ha.), Telangana (9.64 lakh Ha.), Haryana (13.29 lakh Ha.), Punjab (30.42 lakh Ha.), Chhattisgarh (37.30 lakh Ha.), Madhya Pradesh (21.06 lakh Ha.). Lower acreage is reported from the states of U.P, Bihar, Manipur, Assam and Tripura.

**State wise Wholesale Prices weekly for 02<sup>nd</sup> Week of Sept-2018**

State	Prices 09-15 Sep 2018	Prices 01-08 Sep 2018	Prices 24-31 Aug 2018	Prices 09-15 Sep 2017	% Change(Over Previous Week)	% Change(Over Previous to Previous Week)	% Change(Over Previous Year)
Assam	3054.16	3218.38	3520.53	3520.53	-5.1	-13.25	-13.25
Gujarat	3281.7	3281.7	3281.7	3281.7	0	0	0
Jharkhand	2723.73	2733.33	2733.33	2733.33	-0.35	-0.35	-0.35
Karnataka	3685.61	3685.61	3685.61	3685.61	0	0	0
Kerala	3703.65	3714.45	3732.65	3826.42	-0.29	-0.78	-3.21
Maharashtra	3057.82	3281.94	3396.93	3396.93	-6.83	-9.98	-9.98
Manipur		3369.21	3369.21	3369.21	—	—	—
Meghalaya	5500	5500	5500	5500	0	0	0
Delhi	2169.57	2200	2200	2200	-1.38	-1.38	-1.38
Odisha	2398.89	2601.69	2601.69	2601.69	-7.79	-7.79	-7.79
Tripura	3045.44	3045.44	3045.44	3045.44	0	0	0
Uttar Pradesh	2327.67	2327.67	2327.67	2327.67	0	0	0
Uttarakhand	2751.7	2751.7	2751.7	2751.7	0	0	0
West Bengal	2757.3	2773.08	2773.08	2773.08	-0.57	-0.57	-0.57
Average	3112.1	3177.44	3106.64	3248.91			

**Price Projection for Sept 3<sup>rd</sup> Week in Domestic Market:**

Duration	Trend	Average Price Range	Reason
03 <sup>rd</sup> Week of Sept, 2018	Steady	Rs.2900-3300/Quintal	Domestic rice prices is expected to rule steady during MY 2018-19 harvest season (Oct-Jan), and would likely to go slightly up in February-2019 onwards after the pick-up of export and diminishing of arrival which support the price in medium to long term.

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

Variety	15 Sep 2018	08 Sep 2018	(Month Ago) 16 Aug 2018	(Year Ago) 15 Sept 2017	% ch. From last week	% Change from last Month	% Change from last Year
1121 Steam	7800	7500	7400	6900	4.00	5.41	13.04
1121 Sella	6700	6650	6600	5800	0.75	1.52	15.52
1121 Raw	7100	7000	7200	6800	1.43	-1.39	4.41
Basmati Raw	7000	7000	7000	7300	0.00	0.00	-4.11
1509 Steam Wand	6900	6800	6900	NA	1.47	0.00	#VALUE!
Sugandh Steam	5500	5500	5700	NA	0.00	-3.51	#VALUE!
Sharbati Raw	5100	5000	5000	4900	2.00	2.00	4.08
Pusa Raw Wand	7000	6600	6600	6300	6.06	6.06	11.11
Parmal Sella	3100	3050	3000	3200	1.64	3.33	-3.13

**Prices & Arrivals at Major Markets:**

Rice Price	Grade	Change*	14 Sep 2018	13 Sep 2018	08 Sep 2018	14 Aug 2018	14 Sep 2017	Source
Assam(Dibrugarh)	Common	0	2920	2900	2920	2800	2600	APMC
Jharkhand(Ranchi)	Coarse	90	2440	2430	2350	2200	2200	APMC
Kerala	Jaya	0	2900	2900	2900	2900	2800	APMC
Divi( A.P)	BPT(Raw)	50	3650	3600	3600	3600	3500	APMC
Visakhapatnam	HMT(Raw)	50	4200	4160	4150	4200	4200	APMC
Chirala(A.P)	Vishnubhog	50	5650	5600	5600	5500	5500	APMC
Burdwan(W.B)	Miniket	150	3500	3500	3350	3200	3350	APMC
Delhi	PR-14	0	3200	3200	3200	3000	2950	AGRIWATCH
Amritsar	1121 Steam	0	7500	7600	7500	7200	6700	AGRIWATCH
Karnal	Sarbati Steam	0	5100	5000	5100	4900	5000	AGRIWATCH

\*Difference between current and previous week prices.

**Arrivals at Major Markets (Tons):**

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	-308.98	2297	2605.98	APMC
Delhi	All Paddy	-119.55	258.8	378.35	APMC
Amritsar	All Paddy	-40.5	64.5	105	APMC
Karnal	All Paddy	+43.62	637.14	593.52	APMC

\*Difference between current and previous week arrival

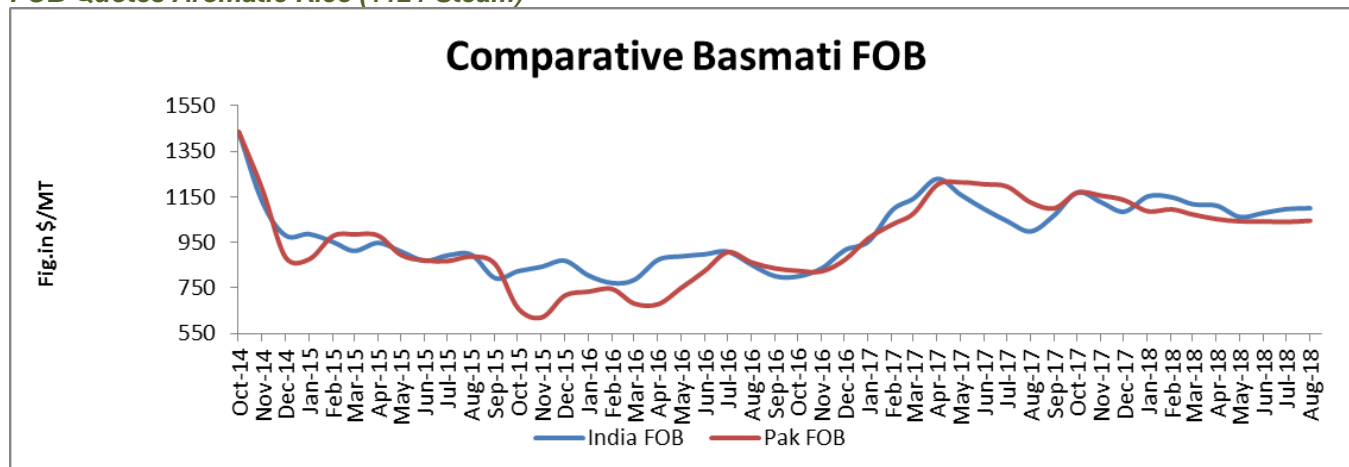


### State wise Progressive Procurement

State/UTs	Target (only kharif crop) in marketing season 2017-18 (Oct. – Sept.)	Progressive Procurement as on 31.08.2018	
(in Lakh T)		In Marketing season 2017-18	In Marketing season 2016-17
AP	43.00	39.81	37.19
Telangana	34.00	36.19	35.94
Bihar	12.00	7.93	12.34
Chhattisgarh	48.00	32.55	40.22
Haryana	30.00	39.92	35.83
Jharkhand	2.50	1.43	1.39
Kerala	2.32	3.29	3.03
M.P	13.00	10.96	13.14
Maharashtra	4.34	1.79	3.09
Odessa	37.00	32.87	36.30
Punjab	115.00	118.33	110.52
Tamilnadu	15.00	9.41	1.41
U.P	37.00	28.75	23.54
Uttrakhand	7.00	0.38	7.06
West Bengal	27.00	0.63	18.95
Others	0	0.87	0.46
<b>Total</b>	<b>430.00</b>	<b>364.85</b>	<b>380.62</b>

All-India progressive procurement of Rice as on 31.08.2018 for 2017-18 was at 364.85 lakh tons against the procurement of 380.62 lakh tons in the corresponding period of last year. The procurement of wheat for the Rabi Marketing Season (RMS) 2018-19 was 355.22 lakh tons which was higher than the procurement of 306.65 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 (39.92 lakh tons), and U.P (28.75 lakh tons) and in south it is started in Telangana (36.21 Lakh Tons). Andhra Pradesh Government procurement has reached to 39.19 lakh tons. Chhattisgarh government also procured around 32.07 lakh tons of rice as of now, Madhya Pradesh and Odessa procurement reached to 10.96 and 32.80 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 traded firm in the month of Aug and currently is in the range of USD 1099.9/MT which is up by 0.31% from last month price of USD 1096/T due to hike of rice price in the local market. Aromatic rice prices are also traded firm with active buying from millers; Agriwatch expects that aromatic international rice price is likely to trade steady to firm in coming months depends on kharif sowing intension by farmers. 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 1045/MT which is up by 0.48% from last month FOB of USD 1040/MT.



### Global Updates

**Indonesia's rice imports are expected to reach 2 million tons in 2017/18 due to low stock levels and increased competition** from corn plantings. Increased corn production and a weakening rupiah have slowed wheat imports, though demand from both the food and feed sectors are expected to increase in 2018/19.

**The 2017/18 harvested area for rice is estimated to decline slightly to 12.2 million hectares due to increased corn plantings.** Production for 2017/18 is estimated to remain at 37.0 million tons of milled rice equivalent as a result of better yields due to fewer incidents of pest and disease and increased use of higher yielding varieties. To replenish stocks, Government of Indonesia (GOI) is expected to continue issuing authorizations for importing rice to state-run procurement agency BULOG. Rice imports for 2017/18 are estimated to increase significantly to 2.0 million tons, over 2016/17 imported volumes.

**North Korea paddy field area was reported at 468,677 hectares in MY 2016/17, with just a modest increase over the sharply-reduced** levels in MY 2015/16, and still well below the 563,000 hectares in MY 2012/13, mainly due to limited availability of irrigation water during the planting season. Some paddy fields were diverted to alternative crops that require less water, such as sorghum, millet and soybeans. The area planted with soybeans in MY 2016/17 was estimated to have increased by 11 percent to 175,000 hectares, showing a strong increase for the third consecutive year. Unfavorable weather developments from July through August in 2016, had a negative impact on yields on the main season crops such as corn, potatoes and other grains, but rice crop production rebounded to the level of average yield thanks to irrigation of the paddy fields. Rice production in MY 2017/18 was estimated at 2.38 million metric tons on a paddy basis (equivalent to 1.57 million metric tons on milled basis), down six percent from the previous year.

**China remains the largest buyer of Vietnamese rice. It officially purchased about 2.4 MMT of Vietnamese rice in MY 2016/17,** and Post estimates it will buy about 2.5 MMT in MY 2017/18. In MY 2018/19, Post forecasts that official imports will remain at the same volume. For unofficial channels, the yearly volume has been about 1.5 MMT of milled rice in recent years. However, in MY 2017/18, Post estimates that exports of rice via unofficial channels will decrease to 1 MMT. In MY 2018/19, Post forecasts the volume will remain steady at 1 MMT.

**MY 2018/19 Turkish paddy rice area is about 100,000 hectares and production forecast is 806,000 MT. Rice planting finished in** May 2018. Planting area increased marginally compared to last year, however, farmers are hopeful about yields due to new seed varieties. So far, paddy germination and plant development is favorable, except some fields in Thrace region due to heavy rains. Fifty percent of the paddy rice crop is planted in the Thrace region.

### IGC Balance Sheet:

Attributes ( Fig in Million Tons)	2015-16	2016-17	2017-18 Estimate	(2018-19) Forecast. 26.07.2018	(2018-19) Forecast. 23.08.2018
Production	475	487	488	491	491
Trade	40	47	48	48	48
Consumption	474	486	487	493	492
Carryover stocks	123	123	124	121	123
Y-O-Y change	1	1	1		-2
Major Exporters	33	31	28	26	28

(Fig. In Million Tons)

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

### IGC Rice Balance sheet Highlights:

The projection for world rice output in 2018/19 is maintained at a record of 491m t, a 1% y/y increase. However, due to a higher figure for carry-in stocks – mainly owing to adjustments for India – and a small reduction to total use, aggregate inventories are raised by 2m t, to 123m, modestly tighter y/y. The outlook for trade in 2019 is broadly unchanged from before, at a record of about 48m t. Following the previous year's heavy expansion, world rice trade is set to grow further in 2018 on demand from buyers in Far East Asia in particular. Tentative prospects for 2018/19 place global rice output at a new peak as a drop in production in China is more than offset by bigger outturns elsewhere in the region. Carryovers may fall slightly on a modest tightening of China's reserves, but major exporters' inventories are likely to hold steady after the steep declines of the past. As trade stays high, India should maintain its position as the leading exporter.

### IGC Forecast the World Rice Production Down in 2017-18

In its Sept 2018 Grain Market Report (GMR), the International Grains Council (IGC) projection for 2018-19 global rice production at around 491 million tons, up about 03 MMT from an estimated 488 million tons in 2017-18 on favorable Asian weather condition.

### Global Trade of Rice Unchanged from Last Year

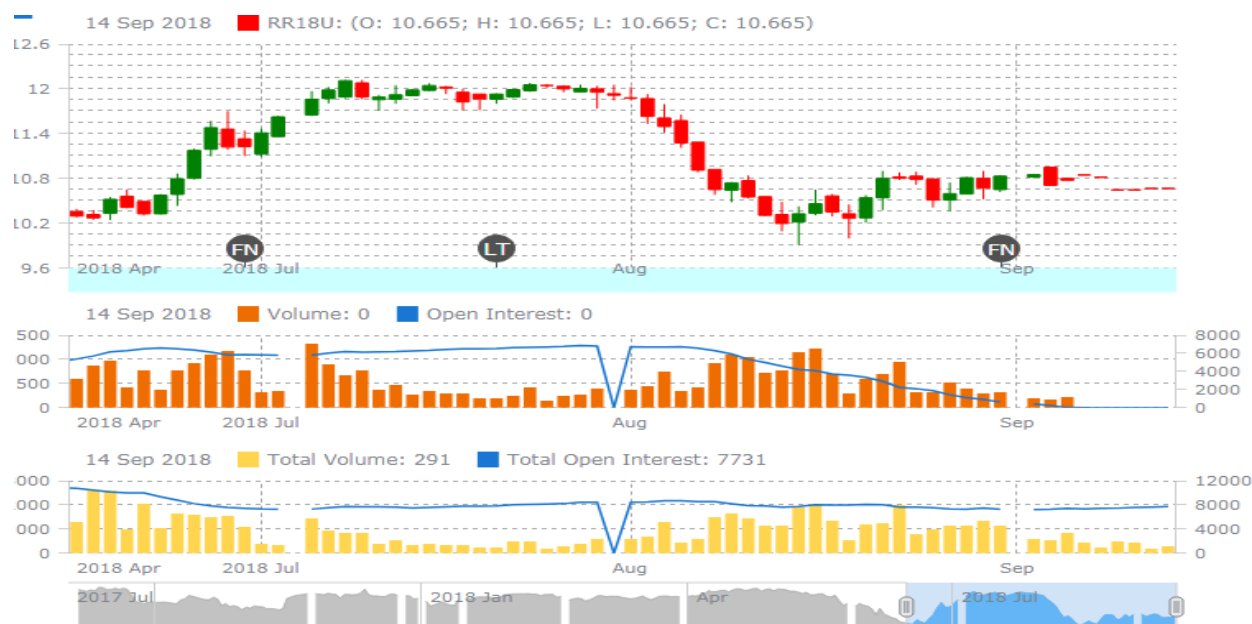
The IGC forecasts 2018-19 global rice trades at around 48 million tons, around 1 Mt up from its estimates for 2017-18. It expects world rice trade in 2018 to remain same on normal demand from buyers in Africa and Asia.

### Global Consumption of Rice Increases in 2017-18

The IGC forecasts 2018-19 global rice consumption up by 03 million tons around 491 million tons in 2018-19. World rice stocks are projected to tighten in 2017/18 on a contraction in the major exporters, led by Thailand and India.

**Rice Price Trend @ CBOT Sept- 18, Rough Rice)**

(Prices in US\$/hundredweight)


**Market Analysis**

The **CBOT Sept-18** month rough chart for rice indicates steady mode from last week. We expect market to hover in the range of USD 10.50-11.80 hundred weights in coming sessions.

**Price Projection (International-CBOT)**

Duration	Trend	Price Range
03 <sup>rd</sup> Week of Sept-2018	Steady	USD/ Hundred Weight 10.50-11.80

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