Rice Weekly Research Report

Contents

Outlook and Review:
Domestic Front

- **Average weekly wholesale prices of rice in India stood at Rs.3140 per quintal second week, up 3.10% from Rs.3045** per quintal from the previous week, and up 8.19% from Rs.2902 per quintal a year ago. Agriwatch expects non-basmati rice market to move steady tone on the arrival of new crop.

- **Rice export prices in India eased for a third consecutive week due to waning demand and prospects of fresh supplies**, while markets in Thailand and Vietnam were propped up by expectations of orders from China and Philippines. Rates for top exporter India's 5 percent broken parboiled variety fell to $365-$370 per ton from $367-$373 last week, as demand remained tepid. As per exporter traders, as prices are falling every week, buyers are postponing purchases. Also weighing on prices, was a plunge in the Indian rupee to a lifetime low on Thursday, allowing exporters to lower their offers. Also weighing on prices, was a plunge in the Indian rupee to a lifetime low on Friday, allowing exporters to lower their offers.

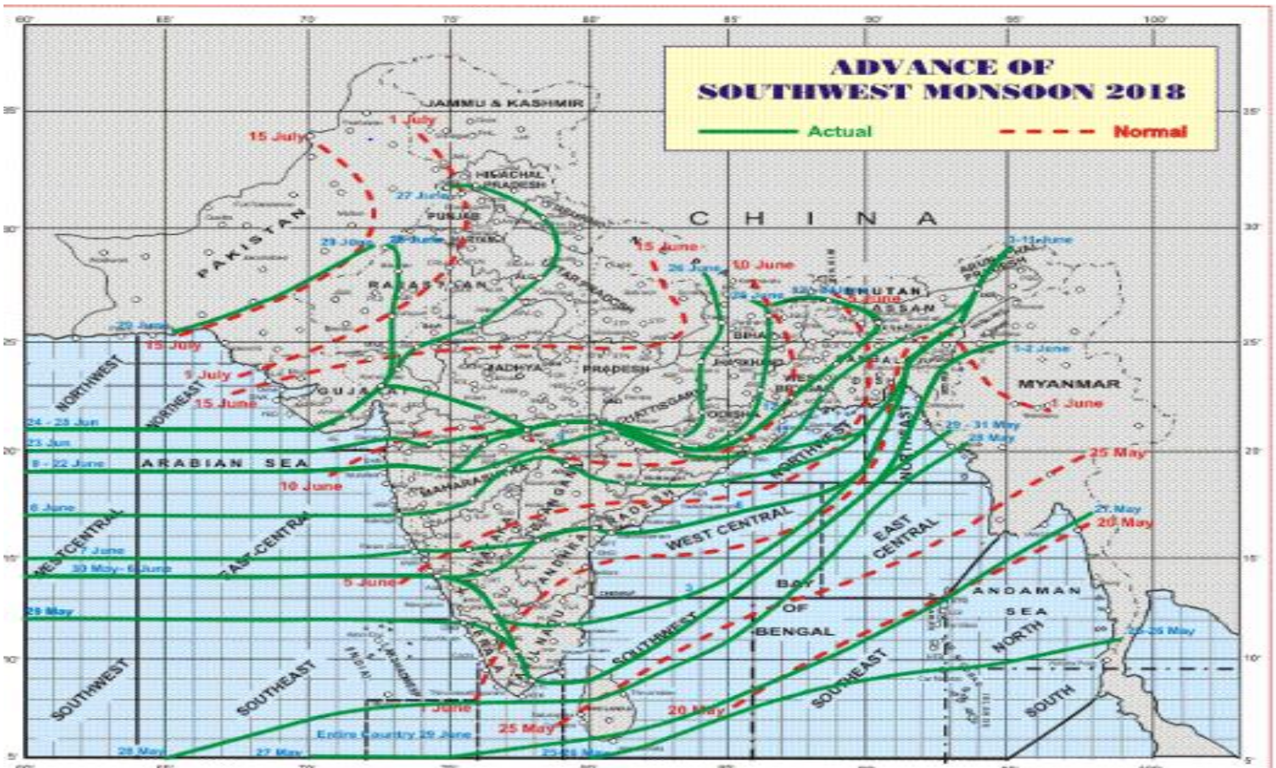
- **After becoming an area of low pressure in the Bay of Bengal, the Odisha government has been preparing at the war-level to** deal with the hurricane that has transformed the shape of a cyclone. Hurricane TITLI hits in Kerala and this storm is very tremendous and will soon enter Andhra Pradesh. With this storm there were heavy rains in many areas of Kerala and it rained 145 km / hour. It is too early to say something about the loss. It is impossible for any crop to stand in front of heavy rains and storms of this speed. Due to Storm TITLI in Odisha, state government has issued a high alert. In many places the relief agencies and security have been arranged. According to the forecast of the Meteorological Department, most areas of Odisha have expressed apprehensions of heavy rains. In addition, it will increase intensity of wind.

- **For the past 2-3 days, the rain in northern India is likely to cause huge loss to the crop for standing crops for harvesting.** Rain and hail storms with strong winds in Uttar Pradesh, Uttrakhand, Haryana and Punjab damaged paddy crop. The harvested crop of paddy harvested in the open sky was drenched by the rain. Harvested crop also fell for harvesting from hail. Paddy, pulses, coarse cereals and vegetables have also been affected in these areas.

- **Based on the latest figures from the Food Corporation of India, government rice procurement for MY 2017/18** is likely to reach a record 38.2 MMT, marginally higher than last year's record of 38.1 MMT. Market sources report that the late surge in procurement in September 2018 has been largely due to the delayed procurement figures provided by the state of West Bengal.

- **Rice export from India in the month of Aug-2018 was 8.39 lakh tons in which basmati rice contribution was 34.44% of** total and around 2.89 lakh tons of aromatic rice was exported in the month, Iran, Iraq and Saudi Arabia were the major Indian aromatic rice importers in this month; on the other hand non-basmati rice export in this month was 5.5 lakh tons which was Lower by 3.16% from previous month export, major importing countries of non-basmati rice in the month were Cote d ivories, Benin and Indonesia followed by Madagascar. Total rice export in MY-2017-18 (From Oct to Aug.) from India was 11.75 million tons up by 17% from corresponding period of last year export of 10.08 million tons.

Weather Watch:



Advance of Southwest Monsoon-2018

In the monsoon season, at All-India level, the rainfall during the week i.e. 27th September, 2018 – 03rd October, 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 82% in North West India, 80% in Central India, 71% in East & North East India and 28% in South Peninsula. The cumulative rainfall in the country during the monsoon season i.e. 01st June, 2018 to 30th September, 2018 has been 9% lower than LPA. Rainfall in the four broad geographical divisions of the country during the above period have been lower than LPA by 24% in East & North East India, 7% in Central India and 2% each in North West India & South Peninsula.

State wise Paddy Crop Situation - Kharif (2018-19) as on 20.09.2018

RICE						
State	Normal Area	Normal Area as on date	Area sown reported			Absolute Change
			This Year	% of Normal	Last Year	
Andhra Pradesh	**15.30**	13.81	13.48	88.1	13.58	-0.10
Arunachal Pradesh	**1.29**	1.29	1.31	101.7	1.31	0.01
Assam	**20.73**	20.67	19.56	94.4	20.19	-0.63
Bihar	**31.64**	32.35	32.56	102.9	34.18	-1.62
Chhattisgarh	**38.08**	36.69	37.54	98.6	36.73	0.81
Goa	**0.29**	0.20	0.28	97.9	0.27	0.02
Gujarat	**7.41**	7.88	8.05	108.6	8.05	0.00
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	15.15	101.4	17.35	-2.20
Karnataka	**10.00**	8.94	11.35	113.5	6.04	5.31
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**	15.04	15.21	100.8	14.31	0.90
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**	36.18	37.04	98.4	36.25	0.79
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**	3.62	4.22	27.3	2.70	1.52
Telangana	**9.20**	7.54	10.31	112.1	7.58	2.73
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
Uttrakhand	**2.47**	2.50	2.48	100.5	2.50	-0.02
West Bengal	**41.91**	41.48	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
All-India	**395.39**	**376.30**	**385.85**	**97.6**	**376.96**	**8.89**

Rice acreage in India as on 20th Sep 2018 increased to 385.85 lakh hectares as compared to 376.96 lakh hectares same period last year and also up by normal area as on date of 376.30 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 (13.48 lakh Ha.), Telangana (10.31 lakh Ha.), Haryana (13.29

lakh Ha.), Punjab (30.42 lakh Ha.), Chhattisgarh (37.54 lakh Ha.), Madhya Pradesh (21.65 lakh Ha.). Lower acreage is reported in the states of U.P, Bihar, Manipur, Assam and Tripura.

State wise Wholesale Prices weekly for 01st Week of Oct-2018

State	Prices 09-15 Oct 2018	Prices 01-08 Oct 2018	Prices 24-30 Sep 2018	Prices 09-15 Oct 2017	% Change(Over Previous Week)	% Change(Over Previous to Previous Week)	% Change(Over Previous Year)
Andhra Pradesh	4221.43	4205.56	4195.04	3907.58	0.38	0.63	8.03
Assam	3341.3	2943.53	2879.32	3126.14	13.51	16.04	6.88
Gujarat	3258.46	3196.42	3158.54	3190.63	1.94	3.16	2.13
Jharkhand	3027.41	2942.96	2786.62	2734.74	2.87	8.64	10.7
Karnataka	3611.98	3581.09	3623.74	3764.35	0.86	-0.32	-4.05
Kerala	3522.91	3695.83	3698.59	3795.39	-4.68	-4.75	-7.18
Maharashtra	3304.74	3971.54	3374.67	3392.74	-16.79	-2.07	-2.59
Manipur	3461.45	3205.36		3100	7.99	__	11.66
Meghalaya	3000	2811.64	2300	2864.73	6.7	30.43	4.72
Nagaland			7600		__	__	__
Delhi	3000			2000	__	__	50
Odisha	2817.97	2788.18	2810.01	2562.18	1.07	0.28	9.98
Tamil Nadu		1900	1880	1200	__	__	__
Tripura	3026.23	3005.99	3026.33	3046.64	0.67	0	-0.67
Uttar Pradesh	2418.26	2388.76	2338.95	2232.95	1.23	3.39	8.3
Uttrakhand	2348.1	2256.16	2465.22	2734.59	4.08	-4.75	-14.13
West Bengal	2730.9	2780.83	2773.44	2771.69	-1.8	-1.53	-1.47
Average	3139.41	3044.92	3260.7	2901.52			

Price Projection for Oct 03rd Week in Domestic Market:

Duration	Trend	Average Price Range	Reason
03rd Week of Oct, 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	13Oct 2018	04 Oct 2018	(Month Ago) 13 Sept 2018	(Year Ago) 13 Oct 2017	% ch. From last week	% Change from last Month	% Change from last Year
1121 Steam	7300	7200	7800	7400	1.39	-6.41	-1.35
1121 Sella	6650	6600	6700	6300	0.76	-0.75	5.56
1121 Raw	7000	7000	7000	7300	0.00	0.00	-4.11
Basmati Raw	7100	7000	7000	7700	1.43	1.43	-7.79
1509 Steam Wand New	6500	5600	6900	NA	16.07	-5.80	#VALUE!
Sugandh Steam	4800	4500	5500	NA	6.67	-12.73	#VALUE!
Sharbati Raw	4800	4800	5000	5400	0.00	-4.00	-11.11
Pusa Raw Wand	6400	6200	6600	6400	3.23	-3.03	0.00
Parmal Sella	3050	3050	3100	3100	0.00	-1.61	-1.61

Prices & Arrivals at Major Markets:

Rice Price In Rs./ Quintal)	Grade	Change*	13 Oct 2018	12 Oct 2018	05 Oct 2018	13 Sep 2018	13 Oct 2017	Source
Chirala(A.P)	BPT(Raw)	-150	4500	4520	4650	4630	4600	APMC
arkhand(Ranchi)	Coarse	15	2600	2580	2585	2520	2515	APMC
nakulam(Kerala)	Jaya	20	3620	3610	3600	3450	3555	APMC
Divi(A.P)	BPT(Raw)	-55	3400	3420	3455	3340	3450	APMC
Visakhapatnam	HMT(Raw)	-50	4250	4230	4300	4200	4150	APMC
Nandyal	Sona Fine	-30	5450	5435	5480	5400	5300	APMC
Barasat(W.B)	Masuri	20	2620	2610	2600	2580	2550	APMC
Dibrugarh	Common	-15	2285	2300	2300	2345	2220	APMC
Jhargram(W.B)	Common	25	3125	3100	3100	3000	2980	APMC
Karnal	Sarbati Steam(New)	-50	3750	3750	3800	5050	4950	AGRIWATCH
Bangarpet(Kar)	IR-20	-20	2980	2980	3000	2920	2950	APMC

*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	394.84	400	5.16	APMC
Srikakulam	All Paddy	11.75	16.75	5	APMC
Guntur	All Paddy	38	42	4	APMC
Burdwan(W.B)	All Paddy	1571.2	2531.2	960	APMC
Delhi	All Paddy	1366.99	2843.55	1476.56	APMC
Amritsar	All Paddy	-19613.2	4879.85	24493	APMC
Karnal	All Paddy	-6378.66	2958.74	9337.4	APMC

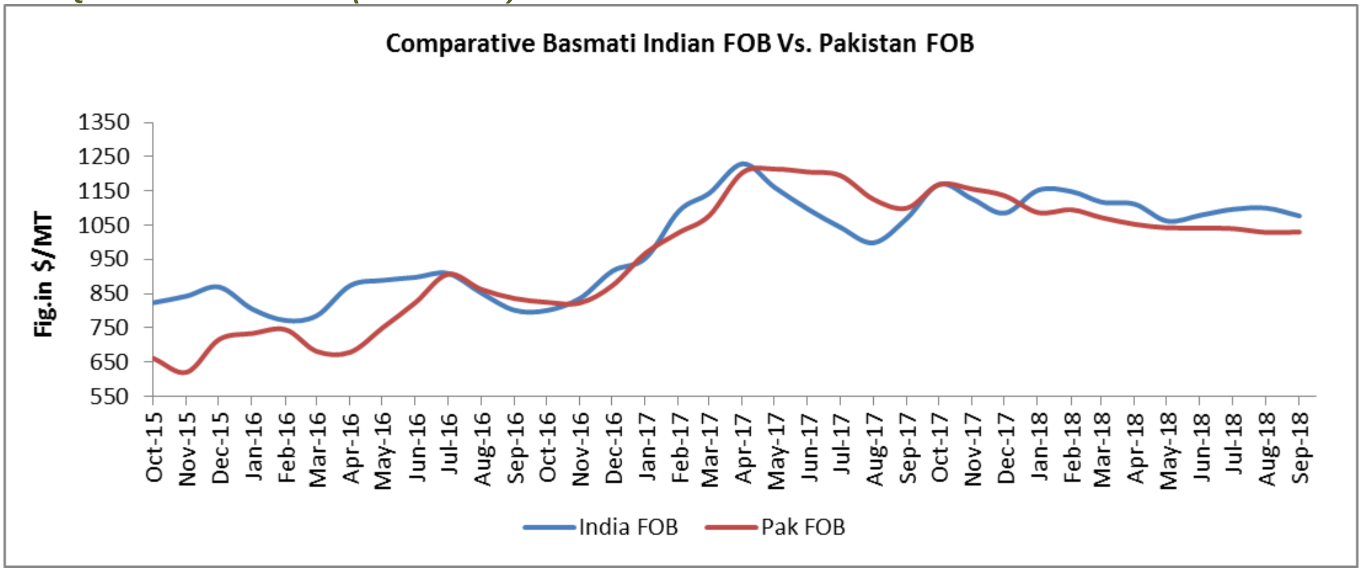
*Difference between current and previous week arrival

State wise Progressive Procurement

State/UTs	Target (only kharif crop) in marketing season 2017-18 (Oct. – Sept.)	Progressive Procurement as on 20.09.2018	
(in Lakh T)		In Marketing season 2017-18	In Marketing season 2016-17
AP	43.00	39.94	37.24
Telangana	34.00	36.18	35.95
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	9.89	1.41
U.P	37.00	28.75	23.54
Uttrakhand	7.00	0.38	7.06
West Bengal	27.00	16.73	18.95
Others	0	0.87	0.46
Total	**430.00**	**381.57**	**380.69**

All-India progressive procurement of Rice as on 20.09.2018 for 2017-18 was at 381.57 lakh tonnes against the procurement of 380.69 lakh tonnes in the corresponding period of last year. The procurement of wheat for the Rabi Marketing Season (RMS) 2018-19 was 355.22 lakh tonnes which was higher than the procurement of 306.65 lakh tonnes in the corresponding period.

FOB Quotes Aromatic Rice (1121 Steam)



Source-FAO& Agriwatch

Indian FOB for 1121 steam traded firm in the month of September and currently is in the range of USD 1077/MT which is down by 2% from last month price of USD 1099/T due to lower demand from overseas market. Aromatic rice prices are also traded slightly weak as millers are waiting for new crop; Agriwatch expects that aromatic international rice price is likely to trade steady to weak in coming month due to arrival pressure which is likely to start soon in next 15-20 days. According to the UN's Food and Agriculture Organization (FAO), Currently Pakistani basmati FOB is moving steady from last month and is now hovering in the range of USD 1030/MT which is almost same from last month FOB of USD 1029/MT.

Global Updates

Thailand Rice export prices increased around 1 percent due mainly to the Thai baht strengthening to 32.47 baht/U.S. $1.00 from 32.69 baht/U.S. $1.00 in the previous week. Additionally, the Chinese government has agreed to purchase another 100,000 metric tons of 5% grade white rice at U.S. $430/MT (FOB). This will be the sixth shipment under the one million metric ton Thai-Chinese government-to-government agreement signed in December 2015. Thai rice exporters will handle the delivery of this contract. The actual shipments will take place during September – October 2018.

Unofficial and preliminary Thai rice exports (excluding premium white and fragrant rice) for September 3-9, 2018, totaled 179,573 metric tons, down 10,455 metric tons from the previous week and down 16,424 metric tons from the four-week moving average of 195,997 metric tons (Table 2). Rice exports from January 1 – September 9, 2018 totaled 6,512,111 metric tons.

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 with remain steady at 1 MMT.

IGC Balance Sheet:

Attributes (Fig in Million Tons)	2015-16	2016-17	2017-18 Estimate	(2018-19) Forecast. 23.08.2018	(2018-19) Forecast. 27.09.2018
Production	475	487	488	491	491
Trade	40	47	48	48	49
Consumption	474	486	487	492	492
Carryover stocks	123	123	124	123	124
Y-O-Y change	1	1	1		-1
Major Exporters	33	31	28	28	31

(Fig. In Million Tons)

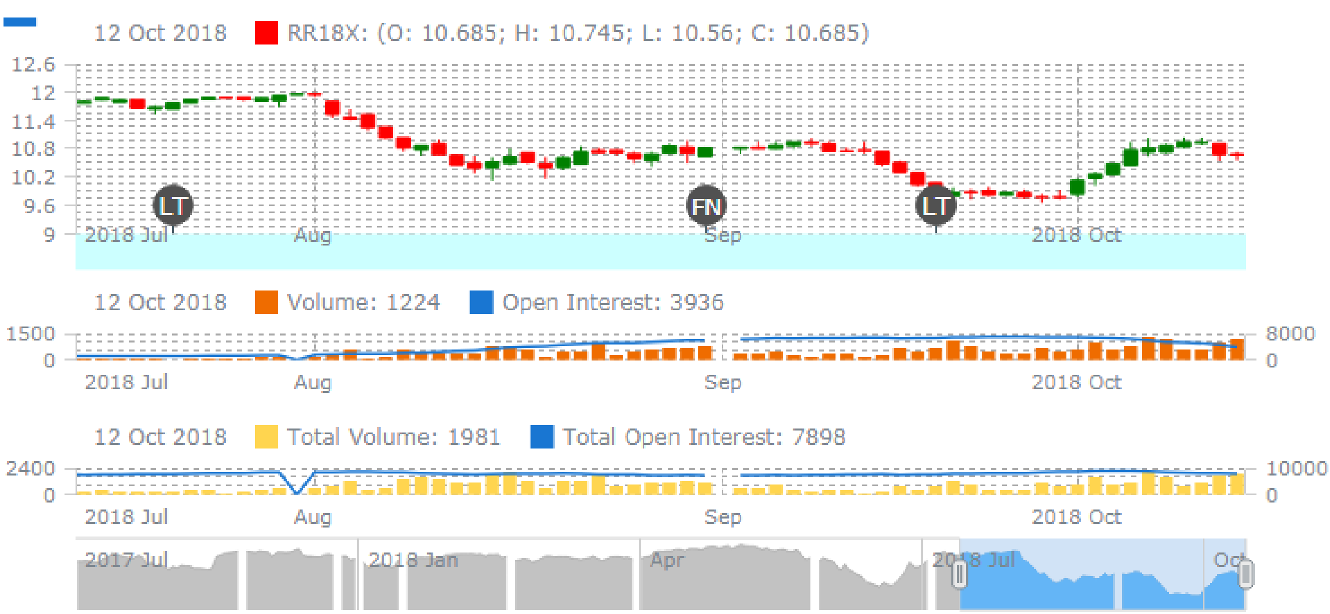
Note: Major exporters are India, Pakistan, Thailand, Vietnam, and United States

IGC Rice Balance sheet Highlights:

Reflecting a revised estimate for production, together with adjustments for India's inventories, 2017/18 world rice carryovers are raised by 2m t m/m, to 126m, a 2% y/y gain. Projections for production and use in 2018/19 are unchanged m/m, but larger carry-ins result in a marginal upgrade for end-season reserves, to 124m t, modestly tighter y/y. The 2019 trade outlook is up slightly from August, to a record of 49m t, the 1% y/y increase tied to likely firmer demand from Asia and Africa. Rice production in 2018 upgraded, as improved prospects for the US and especially India outweighed reductions for Mali, Pakistan and the Philippines. Utilization in 2018/19 still expected at an all-time record, despite a slight downward adjustment to non-food use forecasts. Trade in 2019 raised marginally, on higher anticipated imports by Brazil, the Philippines and Saudi Arabia. Stocks (ending in 2019) now seen expanding by 2.6 percent, mainly due to an upward revision to carryovers in India.

Rice Price Trend @ CBOT Nov- 18, Rough Rice)

(Prices in US$/hundredweight)



Market Analysis

The CBOT Nov-18 month rough chart for rice indicates firm mode from last week. We expect market to hover in the range of USD 10.50-11.95 hundred weights in coming sessions.

Price Projection (International-CBOT)

Duration	Trend	Price Range
03rd Week of Oct-2018	Steady to Firm	USD/ Hundred Weight 10.50-11.95