Rice Weekly Research Report

Contents

Outlook and Review:

Domestic Front

- **Average weekly wholesale prices of rice in India stood at Rs.3074 per quintal third week, down 1.81% from Rs.30310** per quintal from the previous week, and up 7.05% from Rs.2870 per quintal a year ago. Agriwatch expects non-basmati rice market to move steady tone on the arrival of new crop.

- **Mostly mandis are closed in last week due to Dusherra** festive and thus no major change happened in the market.

- **Rice export prices in India were unchanged this week, after declining for three weeks in a row, as activity was muted** ahead of the new crop, while waning output due to floods pushed up rates in Vietnam. Rates for top exporter India's 5 percent broken parboiled variety were unchanged from last week at $365-$370 per ton. Production of summer-sown rice is estimated to grow 1.8 percent to 99.24 million tons, government data showed last month.

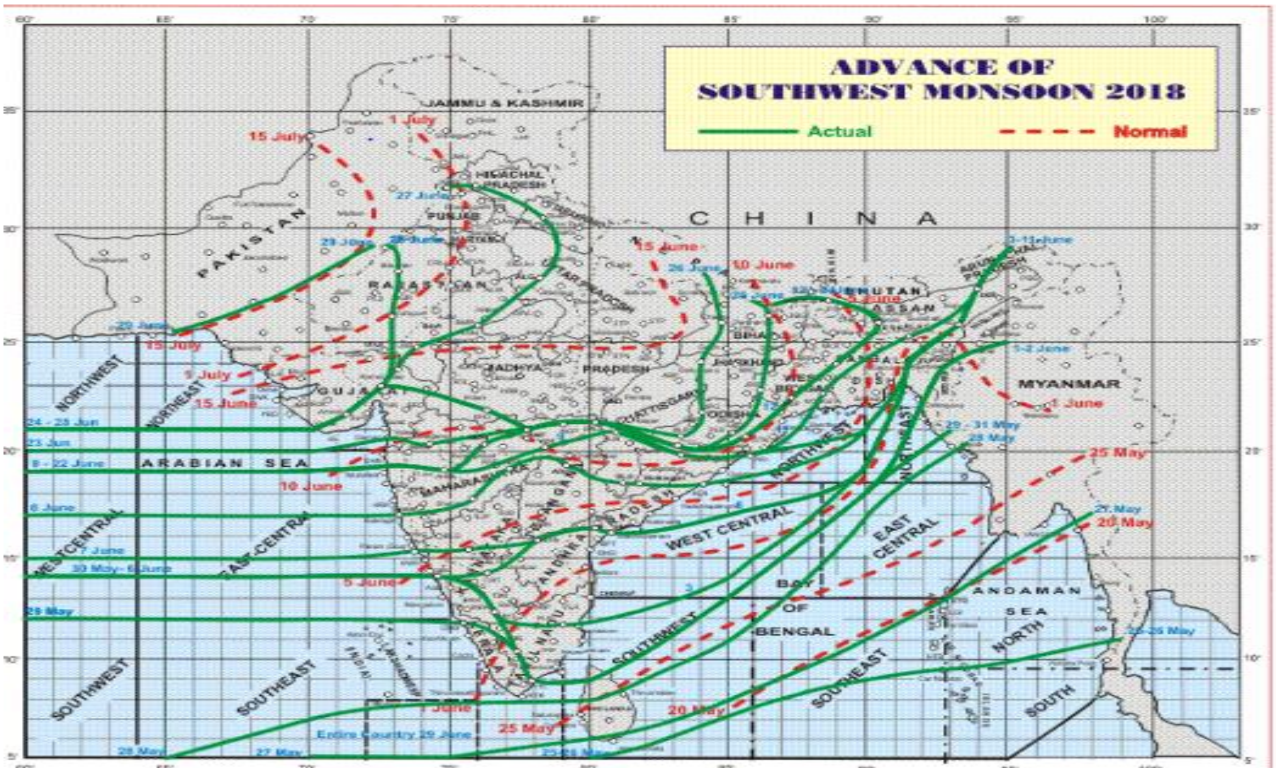
- **All-India progressive procurement of Rice as on 15.10.2018 for 2018-19 was at 26.04 lakh tons against the procurement** of 25 lakh tons in the corresponding period of last year. Higher procurement has been received from northern states of Punjab (7.10 lakh Tons), Haryana (18.83 lakh tons.

- **In the last 2 days, arrival progression of paddy in mandis has reduced the prices. Arrival of paddy is weak in Uttar** Pradesh and Uttaranchal. Uttar Pradesh, Uttaranchal and Punjab, production of 1121 paddy per hectare is estimated to be 7% less. In Pakistan also, paddy crop is weak. After the pressure of incoming pressure, the paddy should be purchased as soon as the price breaks, thereafter; the paddy market can be sharp.

- **India’s rice stocks in the central pool as on Oct- 1, 2018 stood at around 19.74 million tons up by 19.2% from** 16.56 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 12.6% by from 22.61 million tons recorded on Sept-01, 2018. Highest stock could be seen in the state of Telangana (18.0 lakh tons) followed by Andhra Pradesh (16.18 lakh tons) and Haryana (11.65 lakh tons) and Uttar Pradesh (11.53 Lakh Tons). The highest stock recorded of 33.96 million tons recorded in Feb- 2018.

- **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 03rd Week of Oct-2018

State	Prices 16-23 Oct 2018	Prices 09-15 Oct 2018	Prices 01-08 Oct 2018	Prices 16-23 Oct 2017	% Change(Over Previous Week)	% Change(Over Previous to Previous Week)	% Change(Over Previous Year)
Andhra Pradesh	4183.33	4225	4205.56	3600.62	-0.99	-0.53	16.18
Assam	3164.58	3310.94	2943.53	3135.52	-4.42	7.51	0.93
Gujarat	3155.76	3175.87	3196.42	3252.6	-0.63	-1.27	-2.98
Jharkhand	2743.18	2957.91	2942.96	2733.33	-7.26	-6.79	0.36
Karnataka	3451.55	3721.74	3581.09	3695.85	-7.26	-3.62	-6.61
Kerala	3489.89	3521.7	3695.83	3797.25	-0.9	-5.57	-8.09
Maharashtra	3133.07	3310.98	3971.54	3321.99	-5.37	-21.11	-5.69
Manipur	3480.42	3453.55	3205.36	3108.47	0.78	8.58	11.97
Meghalaya		3000	2811.64	2661.62	__	__	__
Odisha	2538.14	2770.73	2788.56	2504.37	-8.39	-8.98	1.35
Tamil Nadu			1900	1010	__	__	__
Tripura	3039.13	3022.85	3005.99	3070.85	0.54	1.1	-1.03
Uttar Pradesh	2452	2399.45	2388.76	2219.7	2.19	2.65	10.47
Uttrakhand	2328.33	2348.1	2256.16	2136.54	-0.84	3.2	8.98
West Bengal	2792.84	2731.7	2780.83	2813.56	2.24	0.43	-0.74
Average	3073.25	3130.03	3044.95	2870.82			

Price Projection for Oct 04th Week in Domestic Market:

Duration	Trend	Average Price Range	Reason
04th 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	20 Oct 2018	13Oct 2018	(Month Ago) 20 Sept 2018	(Year Ago) 20 Oct 2017	% ch. From last week	% Change from last Month	% Change from last Year
1121 Steam	7500	7300	7400	7700	2.74	1.35	-2.60
1121 Sella	6500	6650	6650	6200	-2.26	-2.26	4.84
1121 Raw	7400	7000	7000	7500	5.71	5.71	-1.33
Basmati Raw	7100	7100	7100	7700	0.00	0.00	-7.79
1509 Steam Wand New	6400	6500	7200	NA	-1.54	-11.11	#VALUE!
Sugandh Steam	5400	4800	5400	NA	12.50	0.00	#VALUE!
Sharbati Raw	4700	4800	4900	5450	-2.08	-4.08	-13.76
Pusa Raw Wand	6400	6400	6350	6600	0.00	0.79	-3.03
Parmal Sella	3200	3050	3100	3100	4.92	3.23	3.23

Prices & Arrivals at Major Markets:

Rice Price (In Rs./ Quintal)	Grade	Change*	18 Oct 2018	17Oct 2018	13 Oct 2018	18 Sep 2018	18 Oct 2017
Chirala(A.P)	BPT(Raw)	0	4500	4520	4500	4630	4600
Jharkhand(Ranchi)	Coarse	-25	2575	2580	2600	2520	2525
Ernakulam(Kerala)	Jaya	5	3625	3610	3620	3450	3550
Divi(A.P)	BPT(Raw)	0	3400	3420	3400	3340	3450
Visakhapatnam	HMT(Raw)	5	4255	4230	4250	4200	4150
Nandyal	Sona Fine	50	5500	5435	5450	5400	5300
Barasat(W.B)	Masuri	-20	2600	2610	2620	2580	2550
Dibrugarh	Common	-5	2280	2300	2285	2345	2225
Jhargram(W.B)	Common	0	3125	3100	3125	3000	3000
Karnal	Sarbati Steam	100	4600	4600	4500	5000	4900
Bangarpet(Kar)	IR-20	0	2980	2980	2980	2920	2950

*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	-391.4	8.6	400	APMC
Srikakulam	All Paddy	20.25	37	16.75	APMC
Guntur	All Paddy	-12	30	42	APMC
Burdwan(W.B)	All Paddy	-2130.2	401	2531.2	APMC
Delhi	All	-1262.4	1581.15	2843.55	APMC

	Paddy				
Amritsar	All Paddy	14813.9	19693.75	4879.85	APMC
Karnal	All Paddy	10466.81	13425.55	2958.74	APMC

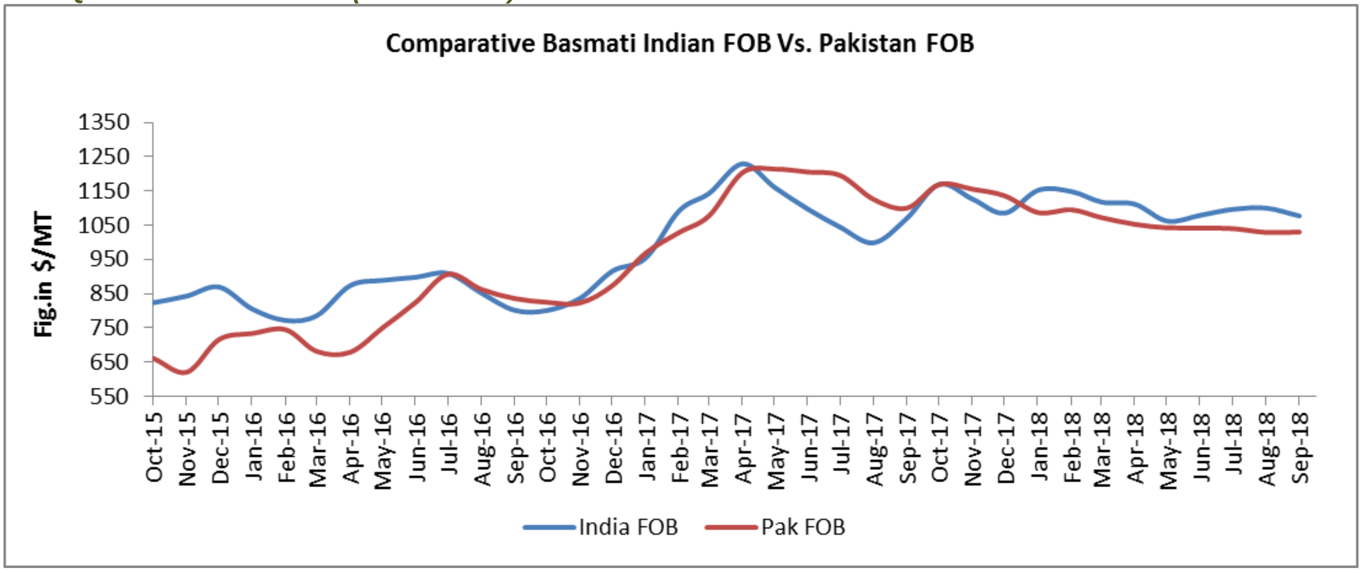
*Difference between current and previous week arrival

State wise Progressive Procurement

State/UTs (in Lakh T)	Target (only kharif crop) in marketing season 2017-18 (Oct. – Sept.)	Progressive Procurement as on 05.10.2018	
		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	10.11	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**	**381.84**	**380.71**

All-India progressive procurement of Rice as on 05.10.2018 for 2017-18 was at 381.84 lakh tonnes against the procurement of 380.71 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 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)

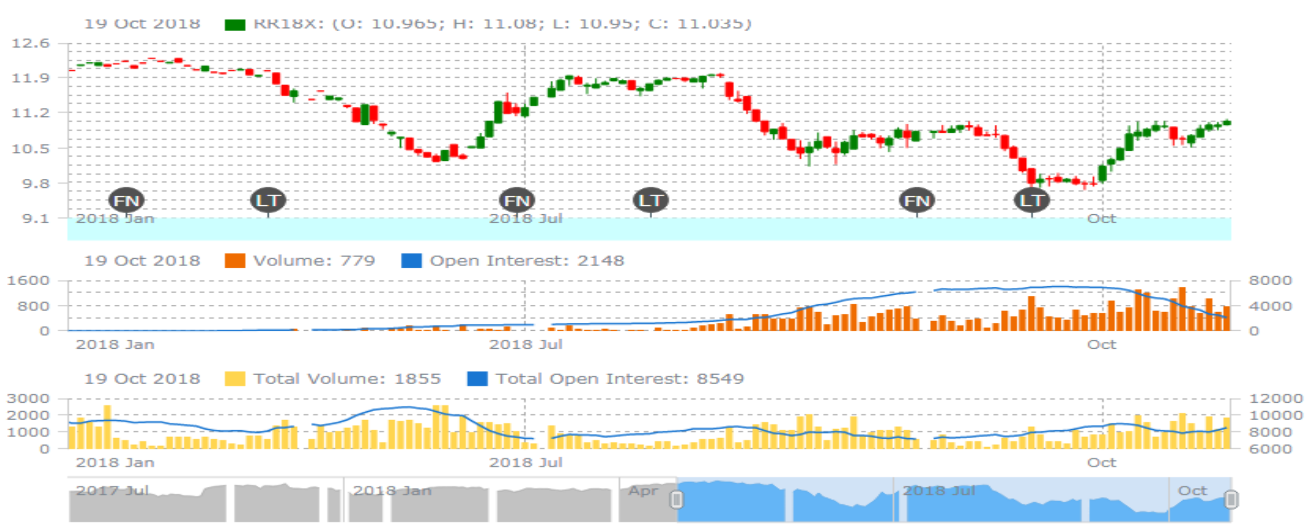
Note: Major exporters are India, Pakistan, Thailand, Vietnam, and United States

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
04th Week of Oct-2018	Steady to Firm	USD/ Hundred Weight 10.50-11.95