Rice Weekly Research Report

Contents

Outlook and Review:

Domestic Front

- **Average weekly wholesale prices of rice in India stood at Rs.3372 per quintal fourth week, up 2.13% from Rs.3300** per quintal from the previous week, and up 14.27% from Rs.2950 per quintal a year ago. Agriwatch expects non-basmati rice market to move steady tone on the arrival of new crop.

- **A weaker baht pushed rice export prices in Thailand lower this week, although there were expectations of new deals** with the Philippines and China, while rates in India languished at the 21-month lows hit last week due to sluggish demand. In top exporter India, the 5 percent broken parboiled variety was quoted around $361-$367 per tonne this week, unchanged from last week, Supplies from the new crop will rise in coming weeks, but demand could also improve as Indian shipments are cheaper than other origins. Government buying of local paddy rice could limit the downside to export prices

- **Rice price has gone up in Manipur amid reports of failure of paddy crops due to scant rainfall and pest attack on plants.** Reports say one kg of nutritious rice is being sold at Rs. 45 instead of Rs. 38 in and around Imphal. However there is no reason to panic as there is enough stock of rice in warehouses as per by government officials.

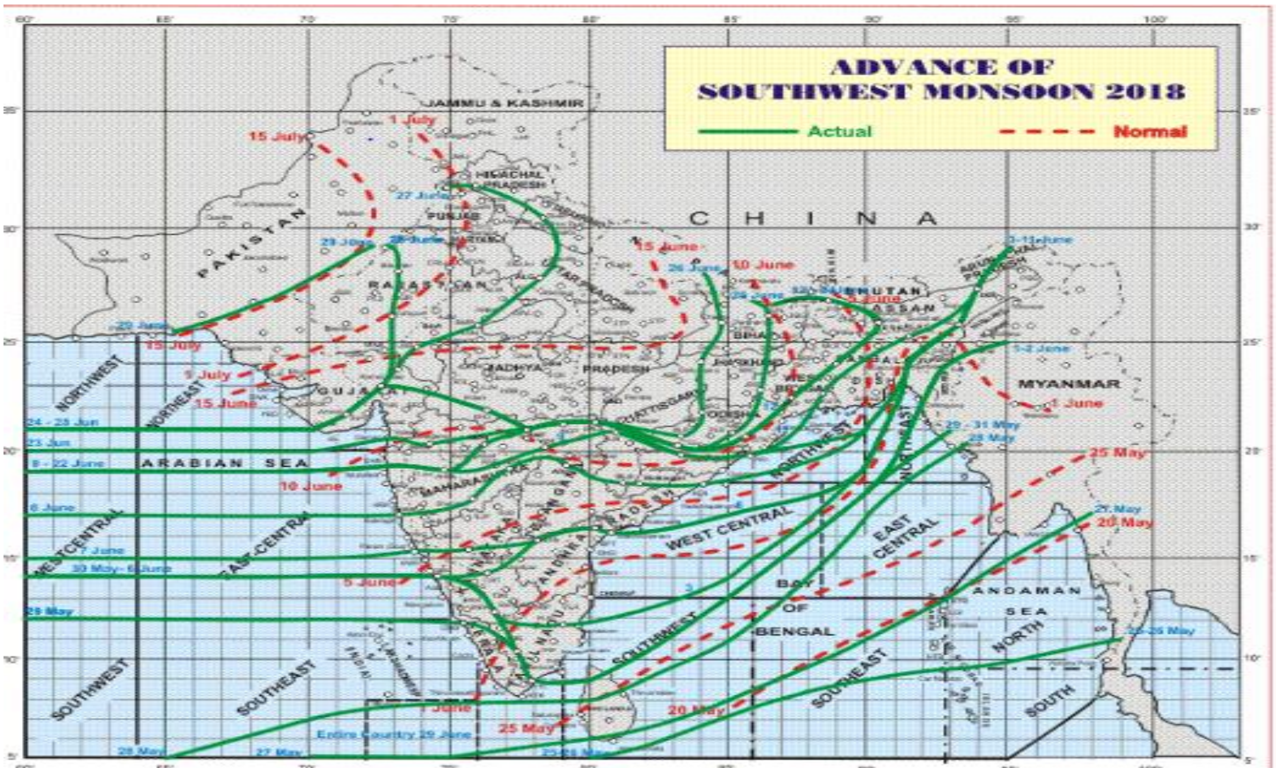
- **All-India progressive procurement of Rice as on 02.11.2018 for 2018-19 was at 110.18 lakh tons against the procurement of 115** lakh tons in the corresponding period of last year. Key procurement has been received from northern states of Punjab (69.12 lakh Tons), Haryana (36.57 lakh tons) Telangana (2.76 lakh tons), Tamilnadu (0.82 lakh Tons).

- **Under the guidelines of Environmental Pollution (Prevention and Control) Authority, nearly 500 rice mills of Haryana**, Uttar Pradesh and Rajasthan will have to close their business from 4th November.

- **In Punjab this year, the paddy crop was delayed and due to the rains on the standing crop, there is a delay in harvesting.** Till October 30, 101.40 lakh tons of paddies have arrived in Punjab, which is 55% of the total estimated production. During the same period last year, 137.22 lakh tons of paddy was arrived and production was 190 lakh tons. Presently, paddy is coming in almost all the states of the country. Paddy prices declined due to the inward pressure, for some time, rice and paddy prices may fall further, which will be the right time for the stock, the rice market will be fast throughout the year.

- **The International Grains Council (IGC) has estimated global production of rice 49 million tons in the marketing season of 2018-19,** which is equivalent to the 2017-18 season and less than 1 million tons by the September report estimates. Earlier, in the 2016-17 seasons there was a global production of 48.70 million tons and in 2015-16 475 million tons of rice was produced. According to the latest report of the IGC, the business of import and export of Rice globally is expected to reach from 4.80 million tons in the last year to 2018-19 to 4.90 million tons.

Weather Watch:



Advance of Southwest Monsoon-2018

In the post monsoon season, at All-India level, the rainfall during the week i.e. 04th October, 2018 – 10th October, 2018 has been 62% 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 88% in Central India, 85% in East & North East India, 80% in North West India and 10% in South Peninsula. The cumulative rainfall in the country during the post monsoon season i.e. 01st October, 2018 to 10th October, 2018 has been 66% lower than LPA. Rainfall in the four broad geographical divisions of the country during the above period have been lower than LPA by 88% in Central India, 85% in North West India, 81% in East & North East India and 26% in 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 04th Week of Oct-2018

State	Prices 24-31 Oct 2018	Prices 16-23 Oct 2018	Prices 09-15 Oct 2018	Prices 24-31 Oct 2017	% Change(Over Previous Week)	% Change(Over Previous to Previous Week)	% Change(Over Previous Year)
Andhra Pradesh		4183.33	4225	3078.13	__	__	__
Assam	3159.21	3122.25	3310.94	3153.32	1.18	-4.58	0.19
Gujarat	4103.79	3127.79	3175.87	3132.08	31.2	29.22	31.02
Jharkhand	2800.8	2897.74	2957.91	2733.33	-3.35	-5.31	2.47
Karnataka	3324.37	3599.45	3711.89	3541.36	-7.64	-10.44	-6.13
Kerala	3542.33	3569.23	3521.7	3834.34	-0.75	0.59	-7.62
Maharashtra	3252.1	3182.27	3307.7	3291.13	2.19	-1.68	-1.19
Manipur		3484.02	3453.55	3102.53	__	__	__
Meghalaya		2819.05	3000	2717.62	__	__	__
Nagaland	7600	7600	7400		0	2.7	__
NCT of Delhi	2725		3000	1800	__	-9.17	51.39
Odisha	2945.1	2961.74	2769.47	2860.34	-0.56	6.34	2.96
Tripura	3002.95	3041.56	3022.85	3380.75	-1.27	-0.66	-11.18
Uttar Pradesh	2418.87	2432.57	2399.45	2323.65	-0.56	0.81	4.1
Uttrakhand	2254.56	2353.53	2348.1	2279.22	-4.21	-3.98	-1.08
West Bengal	2698.92	2811.43	2732.44	2805.95	-4	-1.23	-3.81
Average	3371.38	3300.81	3396.05	2950.16			

Price Projection for Nov 01st Week in Domestic Market:

Duration	Trend	Average Price Range	Reason
01st Week of Nov, 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	03 Nov 2018	27 Oct 2018	(Month Ago) 03 Oct 2018	(Year Ago) 03 Nov 2017	% ch. From last week	% Change from last Month	% Change from last Year
1121 Steam	7400	7400	7200	7400	0.00	2.78	0.00
1121 Sella	6800	6600	6600	6200	3.03	3.03	9.68
1121 Raw	7500	7500	7000	7400	0.00	7.14	1.35
Basmati Raw	7100	7100	7000	8000	0.00	1.43	-11.25
1509 Steam Wand New	6800	6700	5600	NA	1.49	21.43	#VALUE!
Sugandh Steam	5700	5600	4500	NA	1.79	26.67	#VALUE!
Sharbati Raw	4700	4700	4800	5000	0.00	-2.08	-6.00
Pusa Raw Wand	6400	6400	6200	6300	0.00	3.23	1.59
Parmal Sella	3200	3250	3050	3000	-1.54	4.92	6.67

Prices & Arrivals at Major Markets:

Rice Price (In Rs./ Quintal)	Grade	Change*	03 Nov 2018	02 Nov 2018	27 Oct 2018	03 Oct 2018	03 Nov 2017
Chirala(A.P)	BPT(Raw)	-25	3100	3100	3125	3300	3200
Jharkhand(Ranchi)	Coarse	-50	2550	2550	2600	2600	2620
Ernakulam(Kerala)	Jaya	-25	3600	3600	3625	3500	3600
Divi(A.P)	BPT(Raw)	-175	3225	3225	3400	3300	3250
Visakhapatnam	HMT(Raw)	-250	3900	3900	4150	3925	3900
Nandyal	Sona Fine	-50	5550	5600	5600	5400	5400
Barasat(W.B)	Masuri	80	2700	2720	2620	2580	2550
Dibrugarh	Common	200	2500	2550	2300	2400	2350
Jhargram(W.B)	Common	0	3150	3150	3150	3000	3000
Karnal	Sarbati Steam	100	5050	4950	4950	4100	4600
Bangarpet(Kar)	IR-20	-30	2950	2900	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	-0.96	11.04	12	APMC
Srikakulam	All Paddy	-12	8	20	APMC
Guntur	All Paddy	-40.21	4.79	45	APMC
Burdwan(W.B)	All Paddy	2526.02	3076.02	550	APMC

Delhi	All Paddy	**0**	2025	2025	APMC
Amritsar	All Paddy	**-2719.9**	17838.1	20558	APMC
Karnal	All Paddy	**-1286.6**	13238.4	14525	APMC

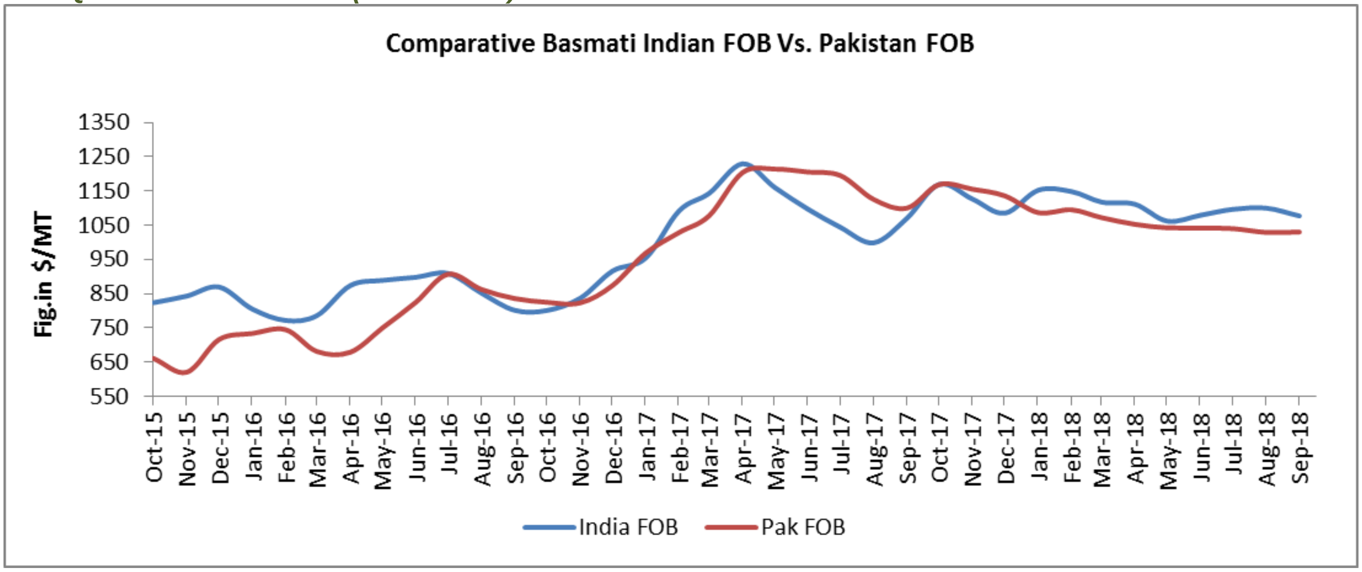
*Difference between current and previous week arrival

State wise Progressive Procurement

State/UTs	**Target (only kharif crop) in marketing season 2018-19 (Oct. – Sept.)**	**Progressive Procurement as on 12.10.2018**	
(in Lakh T)		**In Marketing season 2018-19**	**In Marketing season 2017-18**
AP	30.00	--	--
Telangana	15.00	0.88	--
Bihar	8.00	--	--
Chhattisgarh	40.00	--	--
Haryana	39.75	32.80	16.55
Jharkhand	2.00	--	--
Kerala	2.00	0.11	--
M.P	13.00	--	--
Maharashtra	4.00	--	--
Odessa	30.00	--	--
Punjab	114.00	42.72	15.31
Tamilnadu	8.00	0.05	--
U.P	33.00	--	--
Uttrakhand	5.00	0.08	--
West Bengal	23.00	--	--
Others	0	--	--
Total	**370.00**	**77.19**	**31.92**

All-India progressive procurement of Rice as on 26.10.2018 for 2017-18 was at 77.19 lakh tonnes against the procurement of 32 lakh tons in the corresponding period of last year. Highest procurement is received from northern states like Haryana and Punjab.

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

Rice export prices remained unchanged from the previous week as there has been little trading due to official holidays. Also, after several weeks of volatility, the Thai baht did not fluctuate significantly over the past week. Trade reports that the Philippine government decided to purchase only 47,000 metric tons of 25% grade white rice in their October 18, 2018 tender for 250,000 metric tons. The purchase consisted of 29,000 metric tons of Vietnamese rice at U.S. $426/MT (Cost & Freight), and 18,000 metric tons of Thai rice at U.S. $427/MT (Cost & Freight). Traders expect that the Philippine government will retender the remaining of 203,000 metric tons in November 2018. Unofficial and preliminary rice exports (excluding premium white and fragrant rice) for October 8-14 totaled 225,099 metric tons, up 32,207 metric tons from the previous week and up 25,889 metric tons from the four-week moving average of 199,210 metric tons. Rice exports from January 1 – October 14, 2018 totaled 7,544,887 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.

A weaker baht pushed rice export prices in Thailand lower this week, although there were expectations of new deals with the Philippines and China, while rates in India languished at the 21-month lows hit last week due to sluggish demand. In Thailand, benchmark 5% broken rice prices were quoted at $380-$400 per tonne, free on board (FOB) Bangkok, dropping from $400-$402 last week. The weakening of the baht against the US dollar was the main factor behind the drop in prices this week, Bangkok-based traders said, adding that overseas demand for Thai rice remained flat and the market also expected additional supply from the new crop.

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