Rice Weekly Research Report

Contents

- Outlook and Review
- Weekly Price Change
- Weekly Rice Export
- Progressive Procurement
- FOB-1121 Steam
- International Rice Market Summary
- IGC Balance Sheet
- CBOT Trend

Outlook and Review:

Domestic Front

- Rice export prices fell a second consecutive week in India on a weakening rupee and slow demand, while strict inspections from top consumer China muted exports from Vietnam. India's 5 percent broken parboiled variety was quoted around $364-$368 per ton this week, from $366-$370 the last week. In an attempt to accelerate exports, the Indian government last month said it will give a 5 percent subsidy for non-basmati rice shipments for the four months to March 25, 2019.

- Average monthly wholesale rice prices in India stood at around Rs.3370 per quintal in November- 2018, down by 3.86% from Rs.3138 per quintal in October- 2018, and up by 16.07% from Rs.2902 per quintal a year ago. Agriwatch expects non-basmati rice market to move range bound with firm tone due to delayed harvesting and fresh demand.

- India's rice stocks in the central pool as on Nov- 1, 2018 stood at around 27.35 million tons up by 0.58% from 27.19 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 by 27.19% by from 19.74 million tons recorded on Sept-01, 2018. Highest stock could be seen in the state of Punjab (52.58 lakh tons) followed by Telangana (16.12 lakh tons) and Tamil nadu (12.01 lakh tons) and Uttar Pradesh (10.26 Lakh Tons). The highest stock recorded of 33.96 million tons recorded in Feb- 2018.

- All-India progressive procurement of Rice as on 03.12.2018 for 2018-19 was at 187.48 lakh tons against the procurement of 185 lakh tons in the corresponding period of last year. Key procurement has been received from northern states of Punjab (113.10 lakh Tons), Haryana (39.09 lakh tons) Telangana (15.96 lakh tons), Tamilnadu (1.20 lakh Tons).

- Based on the first advance estimates for Indian crop year 2018/19, the latest report from the Ministry of Agriculture and Farmers Welfare (MoAFW) estimates kharif (fall harvested) rice planting at 38.4 million hectares compared to 39.4 million hectares last year. Surprisingly, MOAFW weekly reports through September 20, 2018, reported higher planting than the latest report. The MoAFW planting estimates are subject to future revisions based on the crop surveys undertaken by various state governments. Also, last year the MoAFW raised their figure for the kharif rice area planted higher than estimated in the first advance estimate.

- Philippines removed quotas on imported quantities of rice, after importing quotas, 90 importers made import deals of 5 lakh tons of rice, with the deal with Vietnam, Myanmar, Thailand and Taiwan.

- Exports of non-basmati rice from India were 43.6 lakh tons as against April-October 2018, which was 13% less than the same period last year, during the same period last year, 50 lakh tons of non-basmati rice was exported.

- Exports of non-basmati rice from India declined due to increased rice production and import duty in Bangladesh.In October, the export of non-basmati rice from the country was only 6.4 lakh tonnes, which was 7.24 lakh tonnes last year i.e. export of 12% decreased.

This year about forty to fifty thousand hectares area under basmati has been shifted either to normal paddy or shifted to other major competitive crops like sugarcane/coarse cereals in comparison to last year.

PB-1121

In the current season PB 1121 acreage in the 7 states has been reduced by 3.51% over last year. Farmer preferred high yielding Pusa-1509 in place of low yielding PB-1121. Moreover, PB 1509 also has shorter time period and early maturity trait if compared with PB 1121. Initial crop health report shows that PB 1121 is performing good in Haryana and Punjab while some crop damage reported in UP / Uttrakhand but over this year lesser crop infestation and timely application on remedial action by farmers on brown plant hopper & White bagged plant hopper reduces the crop losses. This year farmers are expected to harvest about 35-38 lakh tons of PB 1121 against the 39-40 lakh tons of harvest happened last year. However, final figures might differ once actual arrival will start coming in the market.

Pusa 1509

This year Pusa-1509 increased by 5.7% over last year. It clearly indicates that farmer replaced PB 1121 with Pusa - 1509 due to lesser price differential between these two prominent varieties. Farmer preferred high yielding Pusa-1509 in place of low yielding PB-1121. Also, PB-1509 shorter time period and early maturity trait preferred choice among farmers; PB 1509 crop health is also intact and expected to give slightly better yields in Haryana, UP & Punjab as compare to last year. Overall PB 1509 yields will be little bit on positive side as compare to last year, basis the current crop conditions This year farmers are expected to harvest around 6.0-6.5 lakh tons of PB 1509 which could be around 5.8-6.0 lakh ton last year. However, final figures might differ once actual arrival will start coming in the market.

Sharbati and Sugandha

The acreage under long grain non-basmati varieties (Sharbati and Sugandha) in these targeted districts has increased by 0.1%. This year Sharbati is transplanted on similar area as transplanted last year in Western & Central part of UP / Punjab & Haryana. This year farmers are expected to harvest around 6-7 lakh tons of Sharbati which could be around 0.3% higher than last year. However, final figures might differ once actual arrival will start coming in the market.

Source-APEDA

Weather Watch:

- Current Western Disturbance and its induced cyclonic circulation in combination with Sub-Tropical Westerly Jet is likely to cause isolated to scattered rain/snow and isolated hailstorm over Jammu & Kashmir, Himachal Pradesh and Uttarakhand during next 48 hours.
- Feeble easterly waves are likely to cause scattered rainfall over Andaman & Nicobar Islands, Tamilnadu & Puducherry, Kerala and Lakshadweep during 29th November-01st December.
- Near normal to slightly below normal night temperatures are very likely to prevail over parts of northeast and east India during next 2-3 days. No significant change in minimum temperatures likely over Gujarat State during next 48 hours and likely fall by 2-4°C thereafter. No significant change in minimum temperatures likely over rest parts of the country during next 3-4 days and they are likely to fall by 2-4°C over parts of northwest India from 1st December.

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 Dec-2018

State	Prices 01-08 Dec 2018	Prices 24-30 Nov 2018	Prices 16-23 Nov 2018	Prices 01-08 Dec 2017	% Change(Over Previous Week)	% Change(Over Previous to Previous Week)	% Change(Over Previous Year)
Andhra Pradesh	4190	4183.33	4150	3297.73	0.16	0.96	27.06
Assam	3136.05	3252.2	3190.59	3150.16	-3.57	-1.71	-0.45
Chattisgarh			2000		__	__	__
Gujarat	3306.05	3201.92	3251.21	3176.78	3.25	1.69	4.07
Jharkhand	3783.08	3819.79	3599.16	2733.33	-0.96	5.11	38.41
Karnataka	3796.32	3753.91	3563.66	3528	1.13	6.53	7.61
Kerala	3505.89	3529.26	3501.29	3833.38	-0.66	0.13	-8.54
Maharashtra	3431.34	3513	3521.42	3419.88	-2.32	-2.56	0.34
Manipur	3526.67	3700	3649.02	2840.43	-4.68	-3.35	24.16
Meghalaya				3058.21	__	__	__
Nagaland	7400		7200		__	2.78	__
NCT of Delhi	2416.36	2013.79	2200		19.99	9.83	__
Odisha	2680.4	2478.45	2593.51	2461.74	8.15	3.35	8.88
Punjab	3167.2	3265.67	3190.92		-3.02	-0.74	__
Tamil Nadu		1855		1055	__	__	__
Tripura	2912.93	2923.01	2991.08	2961.54	-0.34	-2.61	-1.64
Uttar Pradesh	2433.83	2428.09	2457.02	2353.29	0.24	-0.94	3.42
Uttrakhand	2374.75	2354.92	2362.31	2337.1	0.84	0.53	1.61

West Bengal	2708.78	2718.91	2742.94	2765.57	-0.37	-1.25	-2.05
Average	3423.1	3061.95	3303.77	2864.81			

Price Projection for Dec 01st Week in Domestic Market:

Duration	Trend	Average Price Range	Reason
02nd Week of Dec, 2018	Steady	Rs.2900-3350/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	8-Dec-18	1-Dec-18	(Month Ago) 08 Nov 2018	(Year Ago) 8 Dec 2017	% ch. From last week	% Change from last Month	% Change from last Year
1121 Steam	7100	7300	7400	6850	-2.74	-4.05	3.65
1121 Sella	6650	6900	6950	6300	-3.62	-4.32	5.56
1121 Raw	7000	7000	7000	7000	0.00	0.00	0.00
Basmati Raw	8250	8000	7600	7500	3.13	8.55	10.00
1509 Steam Wand New	6800	6900	6800	6800	-1.45	0.00	0.00
Sugandh Steam	5200	5500	5800	NA	-5.45	-10.34	#VALUE!
Sharbati Raw	4900	4900	4700	4900	0.00	4.26	0.00
Pusa Raw Wand	6000	6300	6400	5900	-4.76	-6.25	1.69
Parmal Sella	3250	3250	3200	3050	0.00	1.56	6.56

Prices & Arrivals at Major Markets: **Prices at Major Markets (Rs/quintal):**

Rice Price (In Rs./ Quintal)	Grade	Change*	7 Dec 2018	06 Dec 2018	30 Nov 2018	07 Nov 2018	07 Dec 2017
Chirala(A.P)	BPT(Raw)	168	4175	4175	4007	4010	4000
Jharkhand(Ranchi)	Coarse	-75	2525	2620	2600	2550	2530
Ernakulam(Kerala)	Jaya	#VALUE!	NA	3400	3635	3500	3550
Divi(A.P)	BPT(Raw)	220	3520	3500	3300	3200	3500
Visakhapatnam	HMT(Raw)	20	4320	4220	4300	4000	3950
Nandyal	Sona Fine	50	5650	5600	5600	5500	5400

Barasat(W.B)	Masuri	-125	2775	2825	2900	2755	2600
Dibrugarh	Common	150	2800	2550	2650	2500	2450
Jhargram(W.B)	Common	-140	3100	3210	3240	3000	3050
Karnal	Sarbati Steam	50	4950	4950	4900	4100	4700
Bangarpet(Kar)	IR-20	-30	2920	2950	2950	3020	3050

*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	-215	35	250	APMC
Srikakulam	All Paddy	-545	7	552	APMC
Guntur	All Paddy	-50.18	29.82	80	APMC
Burdwan(W.B)	All Paddy	-1093.6	2926.4	4020	APMC
Delhi	All Paddy	-14965	40	15005	APMC
Amritsar	All Paddy	-9758.88	2321.12	12080	APMC
Karnal	All Paddy	-9865	1020	10885	APMC

*Difference between current and previous week arrival.

*Difference between current and previous week prices.

State wise Progressive Procurement

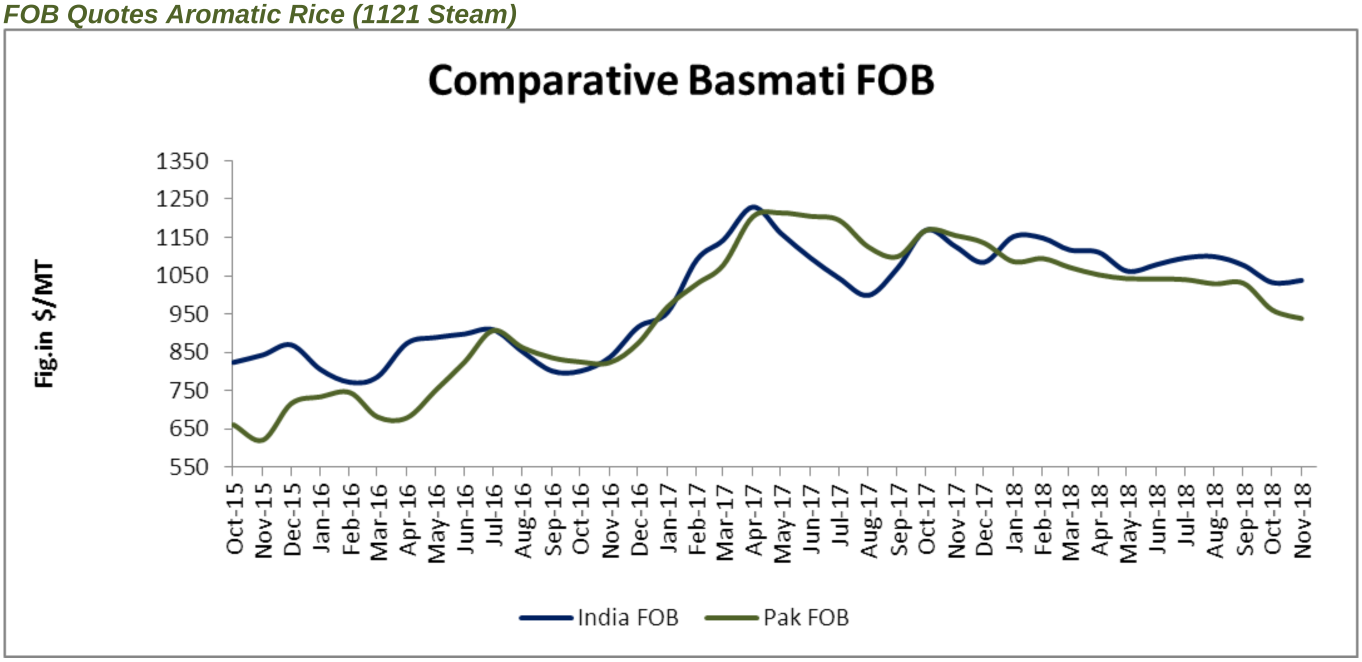
State/UTs (in Lakh T)	Target (only kharif crop) in marketing season 2018-19 (Oct. – Sept.)	Progressive Procurement as on 22.11.2018	
		In Marketing season 2018-19	In Marketing season 2017-18
AP	30.00	--	--
Telangana	15.00	0.88	--
Bihar	8.00	--	--
Chhattisgarh	40.00	--	--
Haryana	39.75	32.80	16.55
Jharkhand	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.

So far, 215.65 lakh tons of Paddy has been procured from Punjab and Haryana. In which Punjab's share is 150.37 lakh tons. Out of the total purchase, the remaining amount purchased by government agencies has been purchased by private millers. The Punjab government has so far paid Rs 23 thousand crore to the commission agent and farmers. In this kharif season, 65.28 lakh tons of paddy has been procured from Haryana, out of which 57.31 million procured by government agencies and rest 7.97 lakh tons of paddy is procured by private. This season, Punjab Government has set a target of procuring 200 lakh tons of paddy. In 2017-18 Punjab procured 180 lakh tons of paddy.

FOB Quotes Aromatic Rice (1121 Steam)



Source-FAO& Agriwatch

Indian FOB for 1121 steam traded weak in the month of November and currently is in the range of USD 1037.65/MT which is up by 0.50% from last month price of USD 1032.48/T due to reducing arrival of current crop. Aromatic rice prices are also traded slightly firm on fresh demand from overseas buyers; Agriwatch expects that aromatic international rice price is likely to trade steady to firm in coming month due high demand and lower production prospective. 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 938/MT which is down by 2.35% from last month FOB of USD 960.75/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. 25.10.2018	(2018-19) Forecast. 22.11.2018
Production	475	487	490	490	491
Trade	40	48	48	49	49
Consumption	474	486	487	492	493
Carryover stocks	122	123	126	124	125
Y-O-Y change	1	1	1		-2
Major Exporters	33	31	28	31	31

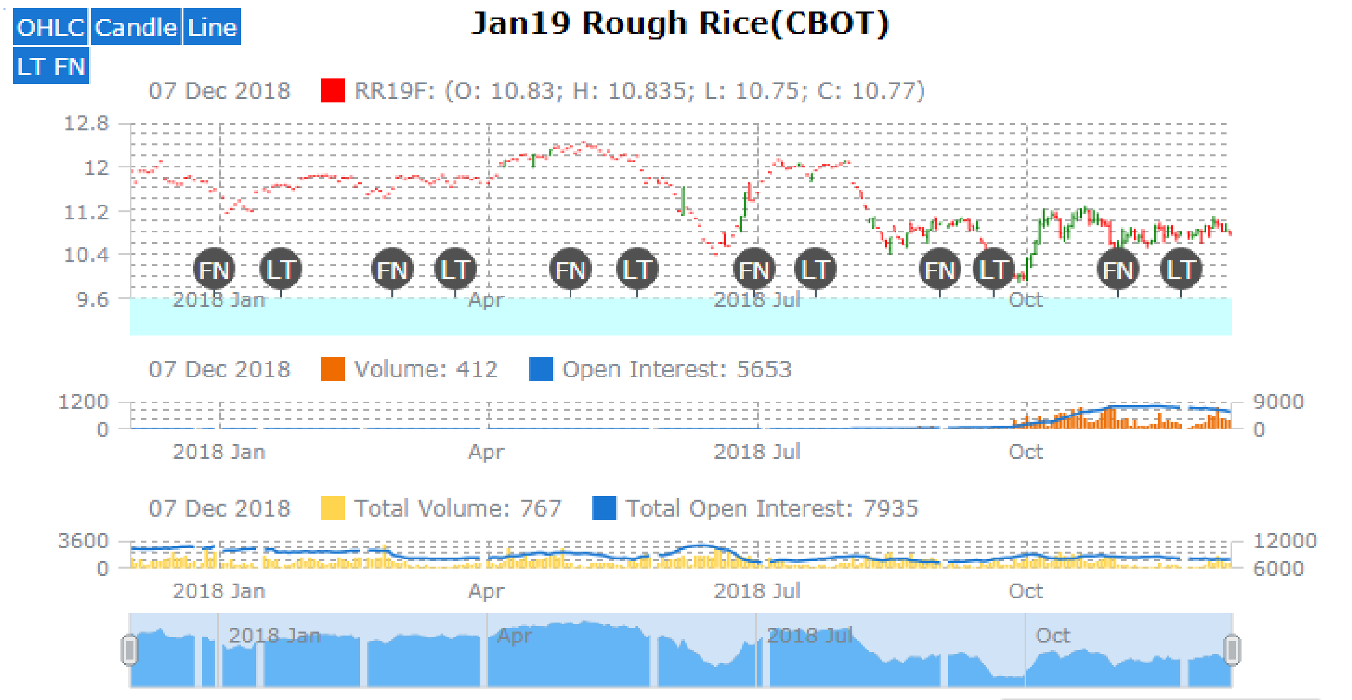
Note: Major exporters are India, Pakistan, Thailand, Vietnam, and United States

IGC Rice Balance sheet Highlights:

Reflecting slow deliveries to sub-Saharan Africa, the prediction for rice trade in 2018 is cut slightly, but is steady y/y and above average amid robust buying in Asia. The 2018/19 global production outlook is fractionally higher y/y, at 491m t. Given a marginal increase for carry ins, the net m/m rise in supplies is channeled to higher use and inventories, placed at 125m t (-2m y/y). Trade in 2019 is seen at a record of 49million tons on firmer demand from Africa and Near East Asia. World rice import demand in 2018 is forecast unchanged y/y as heavy buying in Asia, notably Indonesia and the Philippines, offsets reduced shipments to sub-Saharan Africa. Prospects for 2018/19 are tentative. Nevertheless, assuming gains in some Asian producers counter a potential policy-driven reduction in output in China, world production could match the previous year's high. With consumption seen rising by 6m t y/y, to a new peak, carryovers are likely to contract slightly, to 125m t, including a fall in China. Major exporters' reserves could edge up, mainly on an increase in the US. Trade in 2019 is predicted at around record levels, at 49m t, up by 1m y/y on demand from Africa and Near East Asia.

Rice Price Trend @ CBOT JAN- 19, Rough Rice)

(Prices in US$/hundredweight)



Market Analysis

The CBOT JAN-19 month rough chart for rice indicates steady mode from last week. We expect market to hover in the range of USD 10.60-11.80 hundred weights in coming sessions.

Price Projection (International-CBOT)

Duration	Trend	Price Range
02nd Week of Dec-2018	Steady	USD/ Hundred Weight 10.60-11.80