Rice Weekly Research Report

Contents

Outlook and Review:

Domestic Front

- Average weekly wholesale rice prices in India stood at around Rs.3099 per quintal in second week of December- 2018, down by 9.34% from Rs.3419 per quintal in last week, and up by 2.95% from Rs.3062 per quintal a year ago. Agriwatch expects non-basmati rice market to move range bound with firm tone due to lower production estimates.

- 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.

- India's rice stocks in the central pool as on Dec- 1, 2018 stood at around 32.64 million tons up by 8.33% from 30.13 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 19.34% by from 19.74 million tons recorded on Nov-01, 2018. Highest stock could be seen in the state of Punjab (47.98 lakh tons) followed by Telangana (16.52 lakh tons) and Tamil nadu (12.34 lakh tons) and Uttar Pradesh (9.40 Lakh Tons). The highest stock recorded of 33.96 million tons recorded in Feb- 2018.

- Employees of the Indian Food Corporation (FCI) have gone on strike demanding to review their wages, which are causing huge problems for the millers in delivering custom milling rice in the central pool. FCI has so far procured 195 lakh tonnes of paddy, the target of this year is 370 million tonnes, this purchase will last till January 2019.

- All-India progressive procurement of Rice as on 07.12.2018 for 2018-19 was at 194.58 lakh tons against the procurement of 200 lakh tons in the corresponding period of last year. Key procurement has been received from northern states of Punjab (113.21 lakh Tons), Haryana (39.09 lakh tons) Telangana (17.62 lakh tons), Tamilnadu (1.20 lakh Tons).

- Uttar Pradesh has kept the target of paddy procurement five lakh tonnes this year, but so far only 2.45 lakh tonnes of paddy has been procured by the government. During the same period last year 9.2 lakh tonnes of paddy was procured. Looking at the current situation, the state government's purchase of Paddy will be less in Uttar Pradesh this year. Uttar Pradesh Chief Minister issued an instruction to speed up the purchase while expressing displeasure.

- In Andhra Pradesh, till December 12, the paddy sowing reached 1.02 lakh hectares which is less than 52 thousand hectares from the same period of last year area of 1.54 lakh hectares, overall rabi paddy area is also down from last year area of 12.86 lakh hectares to 9.24 lakh hectares till date .

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:

The Severe Cyclonic Storm 'PHETHAI' over west central Bay of Bengal moved further northwards with a speed of 24 kmph during past 06 hours, weakened into a cyclonic storm and lay centered at 0830 hours IST 17th December, 2018 over west central Bay of Bengal near Latitude 15.8°N and Longitude 82.2°E, about 370 km north-northeast of Chennai (Tamilnadu), 120 km east-southeast of Machlipatnam (Andhra Pradesh) and 130 km south of Kakinada (Andhra Pradesh). It is very likely to move nearly northwards and cross Andhra Pradesh coast around Kakinada during afternoon of today i.e. 17th December. However, due to unfavorable environmental conditions, it is likely to slightly weaken further before landfall and cross coast as a cyclonic storm with wind speed of 70-80 kmph gusting to 90 kmph.

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 02nd Week of Dec-2018

State	Prices 09-15 Dec 2018	Prices 01-08 Dec 2018	Prices 24-30 Nov 2018	Prices 09-15 Dec 2017	% Change(Over Previous Week)	% Change(Over Previous to Previous Week)	% Change(Over Previous Year)
Andhra Pradesh	4150	4190	4183.33	4203.85	-0.95	-0.8	-1.28
Assam	3265.52	3158.54	3252.2	3355.25	3.39	0.41	-2.67
Gujarat	3192.69	3306.05	3201.92	3161.1	-3.43	-0.29	1
Jharkhand	3835.74	3783.08	3819.79	2733.33	1.39	0.42	40.33
Karnataka	3692.03	3753.4	3753.91	3572.15	-1.64	-1.65	3.36
Kerala	3529.34	3526.4	3529.26	3790.61	0.08	0	-6.89
Madhya Pradesh	1750				__	__	__
Maharashtra	3390.03	3481.57	3513	3318.43	-2.63	-3.5	2.16
Manipur	3490.21	3495	3700	2833.43	-0.14	-5.67	23.18
Meghalaya				2781.63	__	__	__
Nagaland		7290.91			__	__	__
NCT of Delhi		2416.36	2013.79		__	__	__
Odisha	2616.69	2694.43	2478.45	2262.68	-2.89	5.58	15.65
Punjab	3125	3167.2	3265.67		-1.33	-4.31	__
Tamil Nadu			1855		__	__	__
Tripura	2973.49	2921.67	2923.01	2945.97	1.77	1.73	0.93
Uttar Pradesh	2436.09	2428.07	2428.09	2322.27	0.33	0.33	4.9
Uttrakhand	2357.68	2374.75	2354.92	2097.56	-0.72	0.12	12.4
West Bengal	2684.77	2711.82	2718.91	2770.35	-1	-1.26	-3.09
Average	3099.29	3418.7	3061.95	3010.61			

Price Projection for Dec 03rd Week in Domestic Market:

Duration	Trend	Average Price Range	Reason
03rd 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*	15 Dec 2018	14 Dec 2018	7 Dec 2018	15 Nov 2018	15 Dec 2017
Chirala(A.P)	BPT(Raw)	150	3150	3150	3000	3250	3200
Jharkhand(Ranchi)	Coarse	25	2550	2550	2525	2550	2530
Ernakulam(Kerala)	Jaya	#VALUE!	3600	3400	NA	3500	3550
Divi(A.P)	BPT(Raw)	-100	3300	3500	3400	3200	3500
Visakhapatnam	HMT(Raw)	50	3500	3500	3450	3300	3250
Nandyal	Sona Fine	-150	5500	5600	5650	5500	5400
Barasat(W.B)	Masuri	25	2800	2825	2775	2755	2600
Dibrugarh	Common	0	2800	2550	2800	2500	2450
Jhargram(W.B)	Common	0	3100	3210	3100	3000	3050

Karnal	Sarbati Steam	-150	4800	4800	4950	4100	4700
Bangarpet(Kar)	IR-20	-120	2800	2800	2920	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	-35	0	35	APMC
Srikakulam	All Paddy	-7	0	7	APMC
Guntur	All Paddy	-29.82	0	29.82	APMC
Burdwan(W.B)	All Paddy	6527.6	9454	2926.4	APMC
Delhi	All Paddy	23364.8	23404.8	40	APMC
Amritsar	All Paddy	7519.88	9841	2321.12	APMC
Karnal	All Paddy	3623.75	4643.75	1020	APMC

*Difference between current and previous week arrival.

*Difference between current and previous week prices.

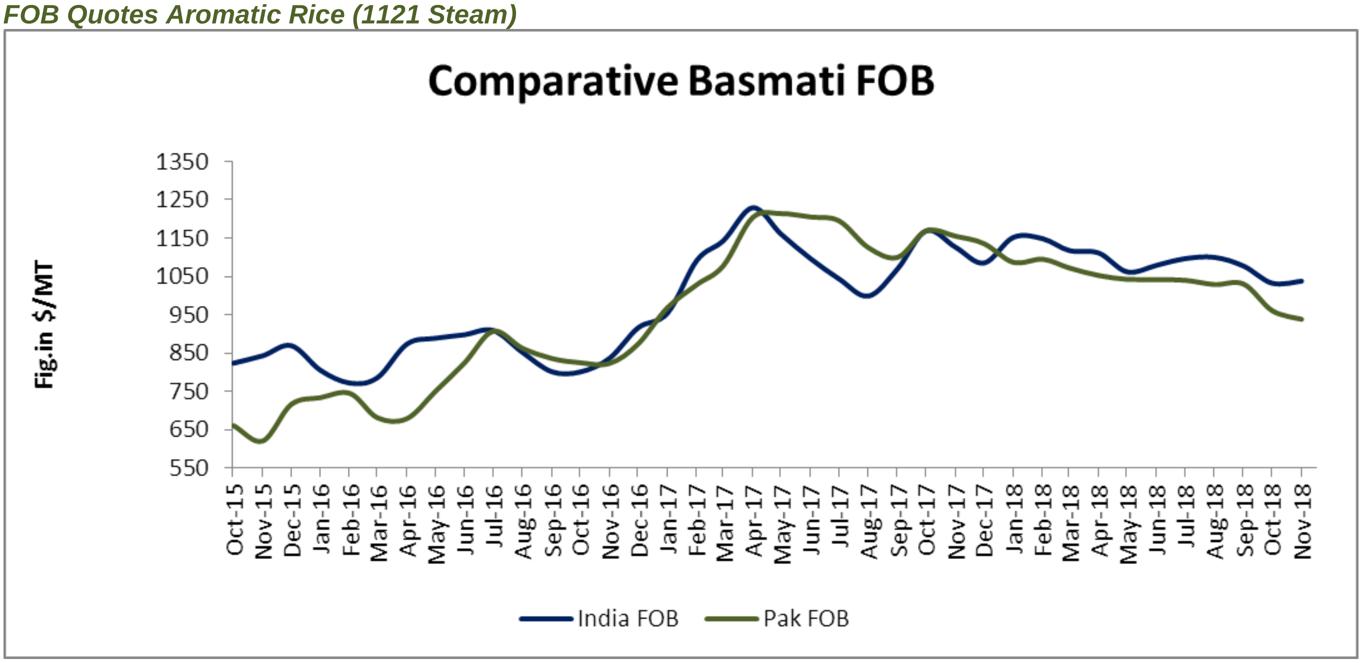
State wise Progressive Procurement

State/UTs	**Target (only kharif crop) in marketing season 2018-19 (Oct. – Sept.)**	**Progressive Procurement as on 22.11.2018**	
(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.

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

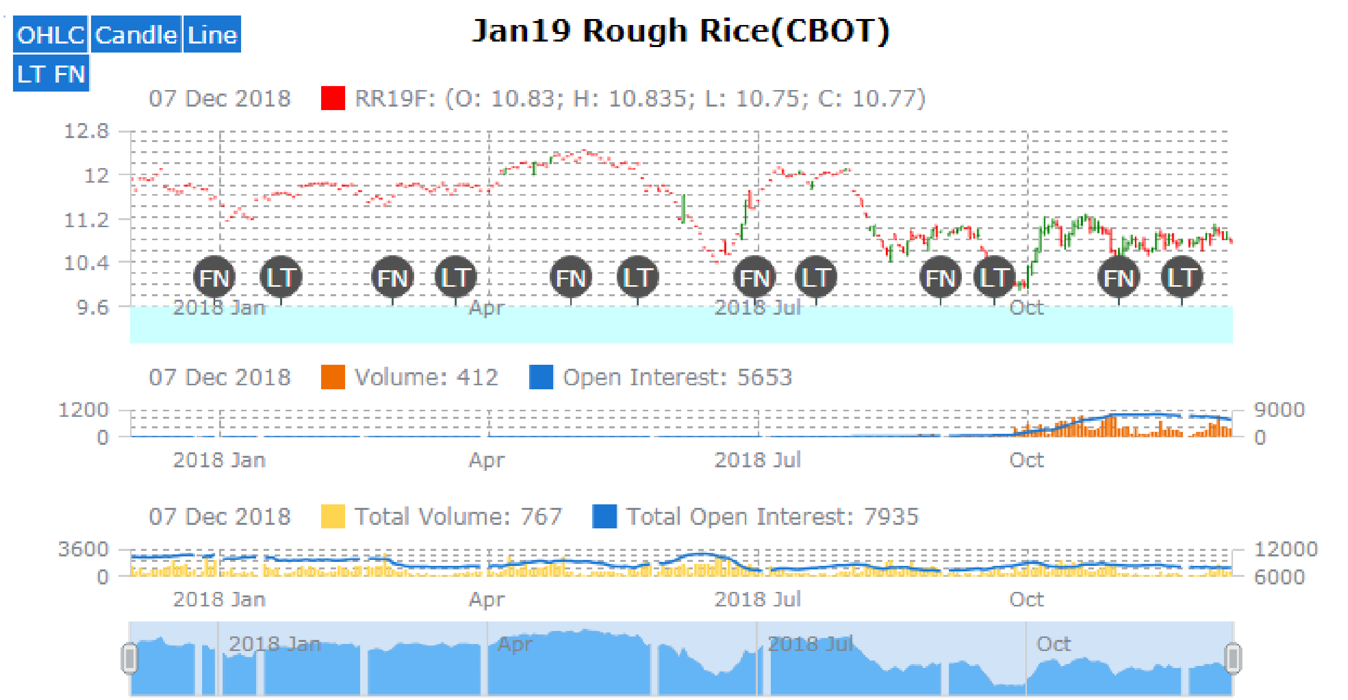
Note: Major exporters are India, Pakistan, Thailand, Vietnam, and United States

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

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