



Rice Weekly Research Report

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Outlook and Review:

Domestic Front

- **Average weekly wholesale rice prices in India stood at around Rs.3168 per quintal in this week of January- 2019**, up by 5.66% from Rs.2998 per quintal in last week, and up by 2.56% from Rs.3089 per quintal a year ago. Agriwatch expects non-basmati rice market to move range bound with firm tone due to lower production estimates.
- **Rice export prices in India eased from a four-month high this week due to a depreciation of the rupee and sluggish demand**, while Thai traders expect prices to drop over the coming weeks as supplies start to arrive from the new season crop amid flat demand.
- **India's 5 percent broken parboiled variety was quoted around \$376-\$383 per tonne this week, compared with \$378-\$384 last week**. Prices are moderating due to a weak rupee but still demand from African countries is weak. The rupee fell to a two-week low on Thursday, increasing exporters' margin from overseas sales.
- **Export prices in India shot up in the second half of last month after the central state of Chhattisgarh, a leading rice producer, raised the minimum paddy buying price.**
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- **India's exports of basmati rice grew by 11.54 per cent to Rs 16,963 crore during April-October this fiscal. In volume terms**, however, the exports declined to 22.95 lakh tons in April-October 2018-19 as against 23.72 lakh crore in the same period last fiscal. While there is a marginal decline of 3.28 per cent per cent in quantity terms, in value terms the exports have grown by 11.54 per cent. The major export destination for basmati rice are Iran, Saudi Arabia, Iraq, UAE, Kuwait, Yemen, the US, and UK.
- **According to the latest sowing updates, till January 04th 2019, Rabi paddy sowing in the country has decreased** from 4.63 lakh hectare from last year, so far 14.01 lakh hectares was done in paddy sowing which was 18.64 lakh hectares last year.
- **Due to the promise of increasing the MSP during the elections, government procurement of rice in Chhattisgarh and Border States was halted**. So far, 21.6 lakh tons of paddy has been procured in Chhattisgarh. Paddy procurement is 60% higher than the target in Telangana and Andhra Pradesh.
- **By increasing the minimum support price (MSP) of Paddy by Rs. 1750 per quintal to 2500 rupees per quintal by the Chhattisgarh government**, the government procurement of paddy will increase. Chhattisgarh has targeted the target of 55 lakh tons of Paddy this year. The paddy from state of Telangana, Andhra Pradesh and Orissa adjoining Chhattisgarh will now come to illegal use in Chhattisgarh, With the huge increase in the minimum support price of money in Chhattisgarh, the Indian rice offer price has increased rapidly to a high of last three months. On the other hand, the import norms in China, due to tightening of the conditions, the price of Vietnamese rice is becoming weak.
- **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.

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 / Uttarakhand 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 Machilipatnam (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 - Rabi (2018-19) as on 04.01.2019

State	RICE				
	Normal Area	Average Area	Area sown reported		
			This Year	% of Normal	Last Year
Andhra Pradesh	7.33	4.07	3.37	46.0	4.90
Assam	4.04		0.23	5.7	0.18
Bihar	0.89			0.0	
Chhattisgarh		0.00	0.02		0.00
Goa					
Gujarat	0.35	0.00			
Jharkhand	0.02				
Karnataka	2.17	0.28	0.08	3.7	0.22
Kerala	0.45	0.75	1.05	233.3	0.88
Madhya Pradesh	0.06				
Maharashtra	0.44	0.00			
Manipur	1.77				
Meghalaya	0.13				
Nagaland	0.04				
Odisha	2.67	0.06	0.04	1.6	0.02
Tamil Nadu	1.46	10.09	8.20	563.0	11.25
Telangana	5.75	0.67	0.77	13.4	1.01
Tripura	0.64	0.00			
Uttar Pradesh	0.26	0.00			
Uttarakhand	0.14	0.00			
West Bengal	12.80	0.15	0.20	1.6	0.14
Pondicherry	0.04				
Others	0.00	0.03	0.04	2050.0	0.04
All-India	41.60	16.10	14.01	33.7	18.64

As per ministry of Agriculture latest sowing report, rabi paddy sowing area till 28th December-2018 was 11.81 lakh hectares which was down by 28% from last year same period of 16.45 lakh hectares and down by

17% from normal area of 14.21 lakh hectares. Except Chhattisgarh, all major rabi growing paddy states like A.P, Tamilnadu, Telangana shows downfall under rabi paddy due to unfavourable weather and water availability, however Chhattisgarh new Govt announces the hike of paddy MSP from rs.1750 to rs.2500/quintal which influence the farmers to grow paddy In rabi season too.

State wise Wholesale Prices weekly for 01st Week of Jan-2019

State	Prices 01-08 Jan 2019	Prices 24-31 Dec 2018	Prices 16-23 Dec 2018	Prices 01-08 Jan 2018	% Change(Over Previous Week)	% Change(Over Previous to Previous Week)	% Change(Over Previous Year)
Andhra Pradesh	4150	4090.43	4218.75	4350	1.46	-1.63	-4.6
Assam	3232.83	3364.27	3127.54	3280.65	-3.91	3.37	-1.46
Gujarat	3200.99	3182.04	3121.52	3143.3	0.6	2.55	1.84
Jharkhand	3879.91	3810.5	3867.21	2733.33	1.82	0.33	41.95
Karnataka	3540.02	3596.39	3439.72	3435.46	-1.57	2.92	3.04
Kerala	3443.13	3520.69	3531.42	3736.67	-2.2	-2.5	-7.86
Madhya Pradesh	1750	1750	1750		0	0	—
Maharashtra	4348.18	3520.94	3521.62	3893.54	23.49	23.47	11.68
Manipur	3484.07		3477.78	2835.61	—	0.18	22.87
Odisha	2826.78	2504.15	2660.08	2350.77	12.88	6.27	20.25
Punjab	3100	3429.67			-9.61	—	—
Tamil Nadu		1530	1466		—	—	—
Tripura	2947.43	2969.5	2954.9	2895.3	-0.74	-0.25	1.8
Uttar Pradesh	2416.86	2405.38	2410.72	2316.56	0.48	0.25	4.33
Uttarakhand	2516.84	2598.95	2330.51	2412.83	-3.16	8	4.31
West Bengal	2680.53	2695.51	2710.78	2768.08	-0.56	-1.12	-3.16
Average	3167.84	2997.89	2924.28	3088.62			

Price Projection for Jan 02nd Week in Domestic Market:

Duration	Trend	Average Price Range	Reason
02 nd Week of Jan, 2019	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	5-Jan-19	29-Dec-18	(Month Ago) 05 Dec 2018	(Year Ago) 05 Jan 2018	% ch. From last week	% Change from last Month	% Change from last Year
1121 Steam	7150	7000	7000	6850	2.14	2.14	4.38
1121 Sella	6600	6600	6900	6300	0.00	-4.35	4.76
1121 Raw	7000	6900	7300	7000	1.45	-4.11	0.00
Basmati Raw	9200	9200	8000	7500	0.00	15.00	22.67
1509 Steam Wand New	6900	6700	6900	6800	2.99	0.00	1.47
Sugandh Steam	4900	5000	5500	NA	-2.00	-10.91	#VALUE!
Sharbati Raw	4900	4900	4900	4900	0.00	0.00	0.00
Pusa Raw Wand	6000	6000	6300	5900	0.00	-4.76	1.69
Parmal Sella	3150	3150	3250	3050	0.00	-3.08	3.28

Prices & Arrivals at Major Markets:

Rice Price (In Rs./ Quintal)	Grade	Change*	03 Jan 2019	2 Jan 2019	29 Dec 2018	03 Dec 2018	03 Jan 2018
Chirala(A.P)	BPT(Raw)	-150	3100	3100	3250	3000	3200
Jharkhand(Ranchi)	Coarse	100	2700	2700	2600	2600	2650
Ernakulam(Kerala)	Jaya	45	3700	3700	3655	3500	3550
Divi(A.P)	BPT(Raw)	0	3325	3350	3325	3200	3500
Visakhapatnam	HMT(Raw)	220	4020	4000	3800	3900	3950
Nandyal	Sona Fine	0	5500	5600	5500	5500	5400
Barasat(W.B)	Masuri	300	3100	3200	2800	2800	2900
Dibrugarh	Common	75	2800	2800	2725	2500	2450
Jhargram(W.B)	Common	50	3150	3210	3100	3000	3050
Karnal	Sarbati Steam	-100	4500	4500	4600	4600	4700

Bangarpet(Kar)	IR-20	100	3000	2800	2900	2900	2900
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*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	0	0	APMC
Srikakulam	All Paddy	0	0	0	APMC
Guntur	All Paddy	0	0	0	APMC
Burdwan(W.B)	All Paddy	2524	13954	11430	APMC
Delhi	All Paddy	99340.6	126016.8	26676.2	APMC
Amritsar	All Paddy	-3836	2716	6552	APMC
Karnal	All Paddy	4030	5280	1250	APMC

*Difference between current and previous week arrival.

State wise Progressive Procurement

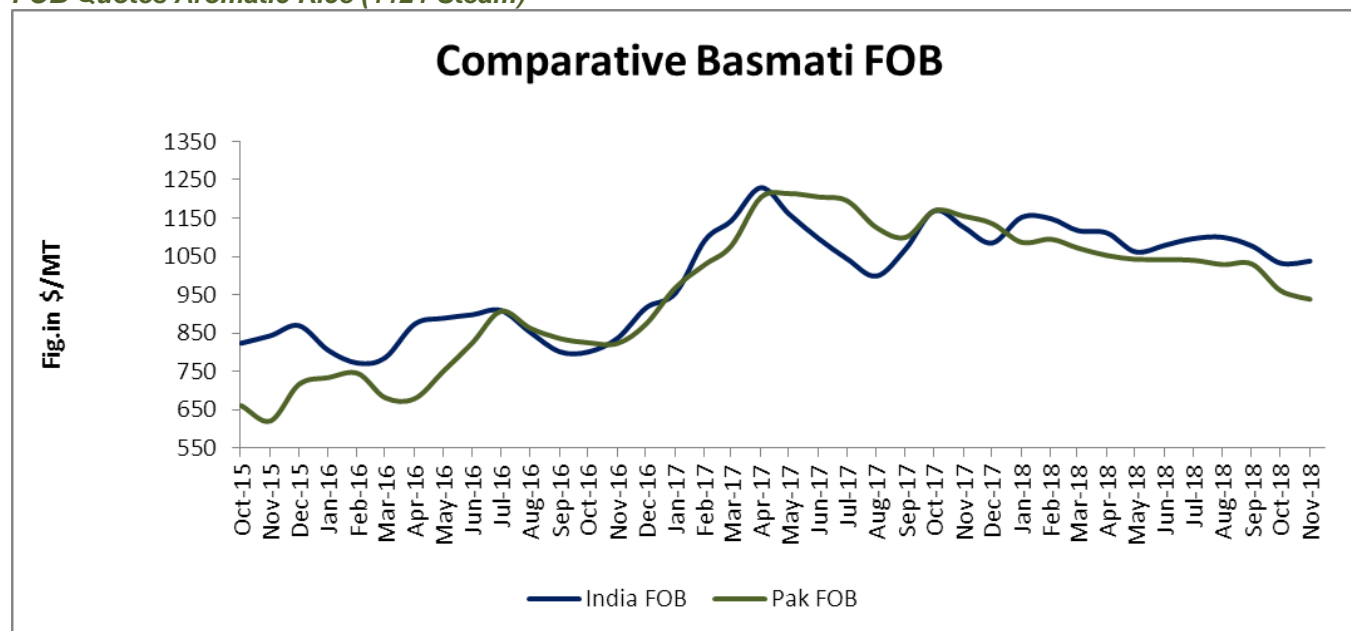
State/UTs	Target (only kharif crop) in marketing season 2018-19 (Oct. – Sept.)	Progressive Procurement as on 14.12.2018	
(in Lakh T)		In Marketing season 2018-19	In Marketing season 2017-18
AP	30.00	6.20	6.14
Telangana	15.00	19.33	9.79
Bihar	8.00	--	--
Chhattisgarh	40.00	14.68	11.50
Haryana	39.75	39.09	39.67
Jharkhand	2.00	0.01	--
Kerala	2.00	0.57	0.82
M.P	13.00	0.50	2.88
Maharashtra	4.00	1.05	0.59
Odessa	30.00	3.43	2.76
Punjab	114.00	113.30	118.17
Tamilnadu	8.00	1.25	--
U.P	33.00	7.37	11.94
Uttrakhand	5.00	3.24	0.29
West Bengal	23.00	0.15	--
Others	0	--	--
Total	370.00	211.03	204.81

All-India progressive procurement of Rice as on 14.12.2018 for 2018-19 was at 211.03 lakh tons against the procurement of 204.81 lakh tons in the corresponding period of last year. The procurement of wheat for the Rabi Marketing Season (RMS) 2018-19 was 357.95 lakh tons which was higher than the procurement of 308.24 lakh tons in the corresponding period of RMS 2017-18.

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-

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

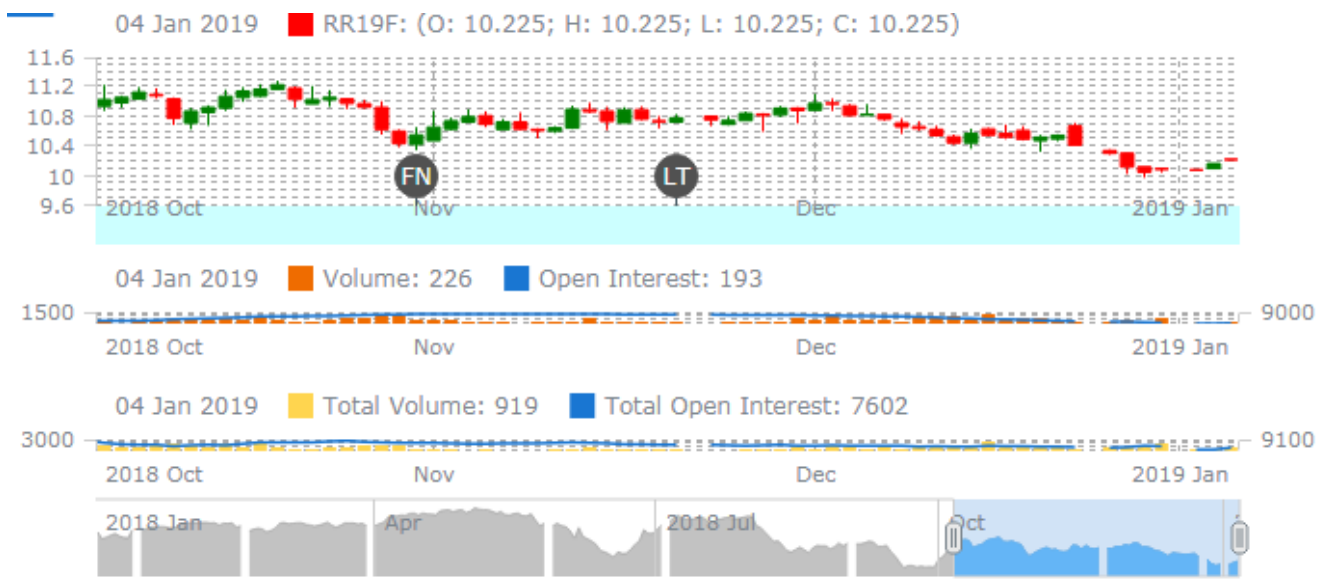
Note: Major exporters are India, Pakistan, Thailand, Vietnam, and United States

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 10.00-11.80 hundred weights in coming sessions.

Price Projection (International-CBOT)

Duration	Trend	Price Range
02 nd Week of Jan-2019	Steady	USD/ Hundred Weight 10.00-11.80

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