Rice Weekly Research Report

Contents

Outlook and Review:

Domestic Front

- **Rice export prices rose for both the Indian and Vietnamese varieties this week, bolstered by a pickup** in demand, while fresh supply and a lack of interest from overseas buyers weighed on Thai rice prices.

- **Prices for top exporter India's benchmark 5 percent broken parboiled variety rose for the first time in** four weeks to $383-$386 per tonne from last week's $378-$383 range. Demand is good, especially in containers from West Africa market. Also supporting the Indian variety, the rupee was at its firmest since the start of the year, slashing exporters' returns from foreign sales and prompting them to raise prices.

- **Vietnam, the world's third-largest shipper of the grain after Thailand, also saw prices for its 5 percent** broken rice variety gain to $355 a tonne from $345 last week. The government said it would buy rice from farmers for stockpiling, and demand is also seen rising. However, increasing supplies from an ongoing harvest will likely keep prices from rising further.

- **In Thailand, benchmark 5 percent broken rice prices eased to $380-$390, free on board Bangkok,** from last week's $383-$398. Fresh supply and the weakening of the domestic currency contributed to the price dip, while demand remained flat

- **As per latest WASDE report, in the beginning of this season in India, 22.6 million tons of rice was available,** this year rice production is estimated to be 116 million tons and consumption is 101.10 million tons. This year, after the export of 12.5 million tons of rice from India, the end of the season will be 25 million ton of the ending stock of rice. The data clearly shows that the ending stock of rice at the end of this season will be higher than last season.

- **The government had fixed 375 lakh tons of paddy procurement in the current season, of which more** than 350 lakh tons of paddy has been procured so far. Government procurement of paddy this year may be more than 400 lakh tons. As on 06th March 2019, all India rice /Paddy procurement is reached to 363.29 lakh tons which is more than last year procurement of corresponding period. Highest procurement has been received from states of Punjab, Chhattisgarh, Haryana, Telangana and Andhra Pradesh.

- **Haryana Agricultural Department has released the second advance estimation of crop production** for the entire marketing season (Kharif + Rabi) of 2018-19. Under this, the possibility of production of rice, wheat, sugarcane and guar is less than the 2017-18 seasons and the production of millet and cotton is expected more. As per the advance estimates, the production of rice in Haryana can be reduced by 4.3 percent from 48.80 lakh tons in 2017-18 season and 46.69 lakh tons in 2018-19 and wheat production could fall by 7.8 percent from 122.63 lakh tons to 113.01 lakh tons.

- **The Maharashtra government announced a bonus of 500 rupees per quintal on the purchase of paddy** from farmers. Last year, the state government had given a bonus of Rs 200 per quintal on paddy in the kharif season. Due to drought in several districts of Maharashtra, the paddy crop was reduced.

- **In January, 5 lakh tons of basmati rice and 5 lakh tons of non-basmati rice were exported from India.** Exports of basmati rice from April to December were 28.6 million tons and non-basmati 56 lakh tons, ie non-basmati rice export reached 61 lakh tons and export of basmati rice reached 33.6 lakh tons from April to January.

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:

An intense Western Disturbance along with its induced cyclonic circulation has caused fairly widespread to widespread rainfall/snowfall activity along with isolated heavy falls over Western Himalayan Region during the beginning of the week. This system has caused scattered to fairly widespread rainfall/thundershower activity over the adjoining plains of northwest India and over parts of central India. While moving eastwards, it has caused isolated to scattered rainfall/thundershower activity over parts of east and northeast India also. Another Western Disturbance has affected Western Himalayan Region from 24th and adjoining plains from 25th February 2019 and has caused scattered to fairly widespread rainfall/snowfall activity over Western Himalayan Region and isolated to scattered rainfall/thunderstorm activity over the adjoining plains of northwest India. Before it moved away, one more intense Western Disturbance along with its induced cyclonic circulation in quick succession has approached causing enhancement in the ongoing weather activity over the region. Accordingly, fairly widespread to widespread rainfall/snowfall activity along with isolated thunderstorm/hailstorm had been observed over

Western Himalayan Region and fairly widespread to widespread rainfall/thunderstorm activity with isolated hailstorms had been observed over the adjoining plains of northwest India towards the end of the week.

State wise Paddy Crop Situation - Rabi (2018-19) as on 08.02.2019

State	RICE					Over last year	
	Normal Area	Average Area	Area sown reported			Absolute Change	% Change
			This Year	% of Normal	Last Year		
Andhra Pradesh	7.33	6.73	5.95	81.2	6.79	-0.84	-12.4
Arunachal Pradesh	0.00						
Assam	4.04	1.22	2.15	53.2	2.04	0.11	
Bihar	0.89	0.13	0.31	34.8	0.67	-0.36	
Chhattisgarh		0.97	0.63		0.63		
Goa							
J&K	0.35	0.00					
Jharkhand	0.02					0.00	
Karnataka	2.17	0.33	0.24	11.0	0.36	-0.12	-33.3
Kerala	0.45	0.78	1.07	237.8	0.88	0.19	21.6
Madhya Pradesh	0.06						
Maharashtra	0.44	0.00				0.00	
Manipur	1.77						
Mizoram	0.13						
Nagaland	0.04						
Sikkim	2.67	0.50	0.77	28.8	1.13	-0.36	-31.9
Tamil Nadu	1.46	10.80	9.12	625.9	12.67	-3.55	-28.0
Telangana	5.75	4.63	5.60	97.4	6.00	-0.40	-6.7
Tripura	0.64	0.12	0.32	49.6	0.32	-0.01	-1.9
Uttar Pradesh	0.26						
Uttarakhand	0.14						
West Bengal	12.80	3.01	3.10	24.2	3.50	-0.40	
Pondicherry	0.04						
Others	0.00	0.13	0.31		0.29	0.01	
All-India	41.60	29.36	29.56	71.1	35.29	-5.72	-16.2

As per ministry of Agriculture latest sowing report, rabi paddy sowing area till 08th February-2019 was 25.36 lakh hectares which was down by 16.22% from last year same period of 35.29 lakh hectares and up by 0.7% from normal area of 29.36 lakh hectares. All major Rabi growing paddy states like A.P, Tamilnadu, Telangana shows downfall under rabi paddy due to unfavourable weather and water availability.

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

State	Prices 16-23 Feb 2019	Prices 09-15 Feb 2019	Prices 01-08 Feb 2019	Prices 16-23 Feb 2018	% Change(Over Previous Week)	% Change(Over Previous to Previous Week)	% Change(Over Previous Year)
Andhra Pradesh			3895.83	3012.02	__	__	__
Assam	3150.26	3184.33	3254.66	2947.25	-1.07	-3.21	6.89
Gujarat	3187.59	3163.04	3193.78	3180.3	0.78	-0.19	0.23
Jharkhand	3889.29	3875.02	3855.41	2728.9	0.37	0.88	42.52
Karnataka	3570.22	3630.15	3681.85	3567.9	-1.65	-3.03	0.07
Kerala	3469.56	3466.97	3460.83	3709.9	0.07	0.25	-6.48
Madhya Pradesh				5000	__	__	__
Maharashtra	3517.4	3530.54	4298.48	3500.85	-0.37	-18.17	0.47
Manipur	3850.95	3692	3621.01	2948.18	4.31	6.35	30.62
Meghalaya	3740.52	3593.93		2691.84	4.08	__	38.96
Nagaland	6600	6800			-2.94	__	__
NCT of Delhi		1975	2750	2148.69	__	__	__
Odisha	2521.43	2647.7	2746.67	2638.84	-4.77	-8.2	-4.45
Tamil Nadu	1576		1490	980	__	5.77	60.82
Tripura	2900.52	2915.3	2913.1	2994.5	-0.51	-0.43	-3.14
Uttar Pradesh	2412.09	2391.66	2396.17	2256.84	0.85	0.66	6.88
Uttrakhand	2579.87	2427.45	2616.03	2192.26	6.28	-1.38	17.68
West Bengal	2712.18	2735.47	2734.84	2809.17	-0.85	-0.83	-3.45
Average	3311.86	3335.24	3127.24	2900.44			

Duration	Trend	Average Price Range	Reason
02nd Week of Mar, 2019	Steady	Rs.2950-3350/Quintal	Domestic rice prices is expected to rule steady to firm in coming weeks due to diminishing of stock, unfavorable weather which damage the rabi paddy in major states and also supports by the overseas markets.

Weekly Price Change of 1121 Steam, Raw and Sella Rice Price Delhi Market (Figure: in Rs. /Quintal)

Variety	4-Mar-19	23-Feb-19	(Month Ago) 04 Feb 2019	(Year Ago) 04 Mar 2018	% ch. From last week	% Change from last Month	% Change from last Year
1121 Steam	7350	7300	7300	7000	0.68	0.68	5.00
1121 Sella	6750	6750	6750	6650	0.00	0.00	1.50
1121 Raw	7000	7300	7150	7000	-4.11	-2.10	0.00
Basmati Raw	9500	9500	9000	7300	0.00	5.56	30.14
1509 Steam Wand New	7000	7000	7000	6900	0.00	0.00	1.45
Sugandh Steam	5300	5300	5400	5900	0.00	-1.85	-10.17
Sharbati Raw	4700	4600	4900	5100	2.17	-4.08	-7.84
Pusa Raw Wand	5550	5800	5600	6300	-4.31	-0.89	-11.90
Parmal Sella	3100	3100	3150	3050	0.00	-1.59	1.64

Prices & Arrivals at Major Markets:

Rice Price (In Rs./ Quintal)	Grade	Change*	09-Mar-19	08-Mar-19	02-Mar-19	09-Feb-19	09-Mar-18
Chirala(A.P)	BPT(Raw)	30	3350	3350	3320	3300	3220
Jharkhand(Ranchi)	Coarse	35	2850	2850	2815	2780	2600
Ernakulam(Kerala)	Jaya	10	3210	3200	3200	3100	3000
Divi(A.P)	BPT(Raw)	45	2900	2900	2855	2800	2800
Visakhapatnam	HMT(Raw)	55	3955	3950	3900	3800	3780
Nandyal	Sona Fine	0	3200	3200	3200	3100	3000
Barasat(W.B)	Masuri	50	2900	2900	2850	2900	2900
Dibrugarh	Common	80	3100	3100	3020	2500	2450
Jhargram(W.B)	Common	-20	3080	3100	3100	3000	2800
Karnal	Sarbati Steam	35	4900	4900	4865	4700	4700

Bangarpet(Kar)	IR-20	**0**	2900	2800	2900	2900	2900

*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	**-25**	1980	2005	APMC
Delhi	All Paddy	**-78**	3020	3098	APMC
Amritsar	All Paddy	**2**	68	66	APMC
Karnal	All Paddy	**-80**	110	190	APMC

*Difference between current and previous week arrival.

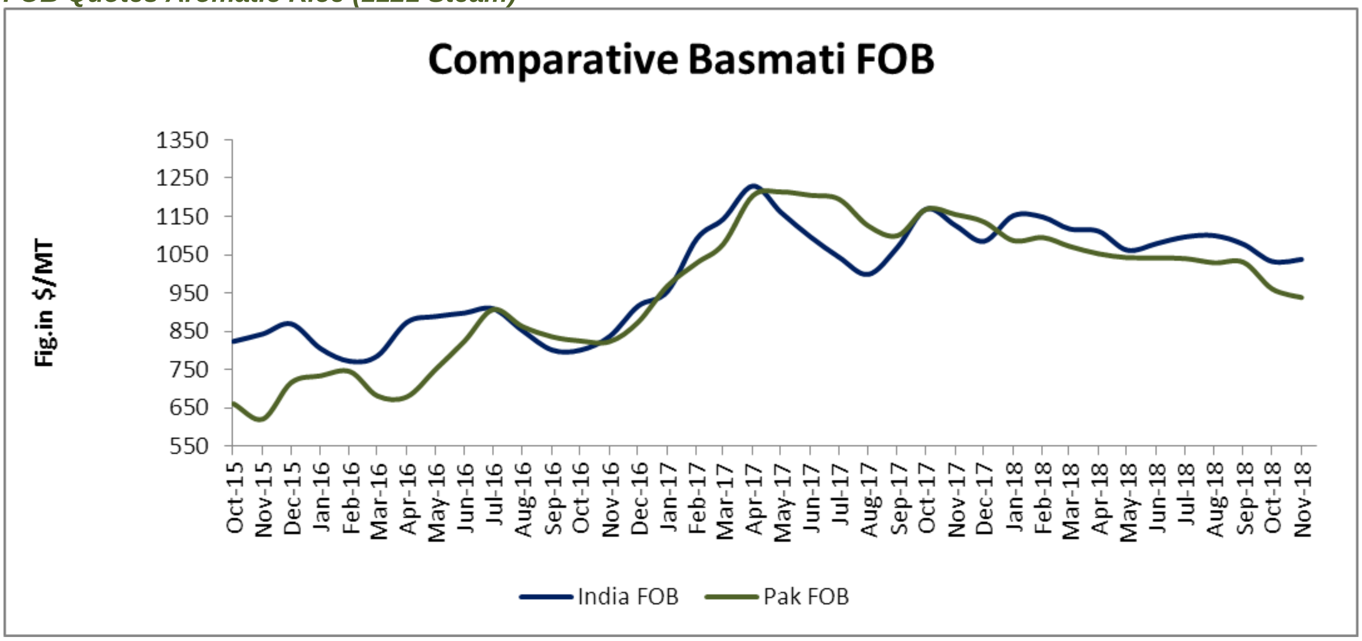
State wise Progressive Procurement

State/UTs	**Target (only kharif crop) in marketing season 2018-19 (Oct. – Sept.)**	**Progressive Procurement as on 24.01.2019**	
(in Lakh T)		**In Marketing season 2018-19**	**In Marketing season 2017-18**
AP	30.00	19.69	17.40
Telangana	15.00	26.59	12.17
Bihar	8.00	1.12	2.03
Chhattisgarh	40.00	40.24	31.77
Haryana	39.75	39.09	39.92
Jharkhand	2.00	0.29	0.39
Kerala	2.00	0.62	0.95
M.P	13.00	10.19	11.00
Maharashtra	4.00	2.39	1.27
Odessa	30.00	20.46	15.24
Punjab	114.00	113.30	118.39
Tamilnadu	8.00	2.17	0.03
U.P	33.00	25.36	24.88
Uttrakhand	5.00	4.44	0.35
West Bengal	23.00	8.88	0.06
Others	0	--	--
Total	**370.00**	**315.30**	**276.16**

All-India progressive procurement of Rice as on 24.01.2019 for 2018-19 was at 315.30 lakh tons against the procurement of 276.16 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.

According to available data, in the current kharif marketing season, Punjab has procured 113.30 lakh tones rice, 39.09 lakh tonnes in Haryana, 40.24 lakh tonnes in Chhattisgarh, 26.59 lakh tonnes in Telangana, 25.36 lakh tonnes in Uttar Pradesh, 20.46 lakh tonnes in Orissa, 19.69 lakh tonnes in Andhra Pradesh, 10.19 lakh tonnes in Madhya Pradesh, 8.88 lakh tonnes in West Bengal, 4.44 lakh tonnes in Uttarakhand, 2.17 lakh tonnes in Tamil Nadu, 2.39 lakh tonnes in Maharashtra and 1.12 lakh tonnes in Bihar.

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

According to the February report of IGC, rice production in this world can be 495 million tonnes, which is more than 1 million tonnes more than last year's production. This year, consumption of rice in the world can be 492 million tons, 486 million tons last year. End of this season can save the carry over stock of 153 million tonnes of rice in the world, which is more than 3 million tons more than last year.

According to the latest (February) report of USDA, rice production in China is expected to increase. On the basis of data from the National Bureau of Statistics, USDA has set rice production estimation in China during the 2018-19 season, with an increase of approximately 50 lakh tons to 14.85 million tons. This figure is almost equal to the 2017-18 season.

According to the USDA report, the use of rice in the 2018-19 marketing season is expected to reach 49.03 million tons, which is 7 lakh tons more than the previous report estimates. Under this, the likelihood of the consumption of rice in China, Nepal and the Philippines and the reduction in Brazil and Nigeria has been expressed.

Sri Lanka declared Minimum Support Price for Nadu and Samba variety rice which will be effective from 1st April. MSP of Nadu Variety Rice is 80 Sq. Kg / kg (Indian Rupees 32 per kg) and Samba Variety MSP 85 Sri Lankan rupee per kg (Indian Rupees 34 per kg).

Myanmar produced 9 billion tonnes of rice in 2017-18, out of which 3.85 million tonnes of rice was exported. The Myanmar government aims to export 4 million tonnes of rice by 2020 for which farmers have announced different types of schemes.

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Thailand aims to export 9.5 million tons of rice this year, a 14% decline from 2018.The world's second-biggest rice exporter shipped 11 million tons of rice in 2018. This year's rice export situation will not sail as smoothly as last year. The lower volumes are due to a stronger Thai baht and increased competition from India and Vietnam. The baht has gained nearly 2.6% against the US dollar so far this year. Indonesia will import less Thai rice this year due to ample rice stocks, and the Philippines and Malaysia are expected to turn from Thailand to Vietnam due to pricing.

The European Commission has imposed tariffs on rice imported from Cambodia and Myanmar in a bid to curb a surge in rice imports from the two Southeast Asian countries. In a statement released on Wednesday, the European Union (EU) said a significant increase of imports of Indica rice from Cambodia and Myanmar into EU caused economic damage to the EU producers. The European Commission has therefore decided today to re-introduce import duties that will be steadily reduced over a period of three years

IGC Balance Sheet:

Attributes (Fig in Million Tons)	2015-16	2016-17	2017-18 Estimate	(2018-19) Forecast. 22.11.2018	(2018-19) Forecast. 24.01.2019
Production	475	487	490	491	488
Trade	40	48	48	49	47
Consumption	474	486	487	493	491
Carryover stocks	122	123	126	125	126
Y-O-Y change	1	1	1		-3
Major Exporters	33	31	28	31	30

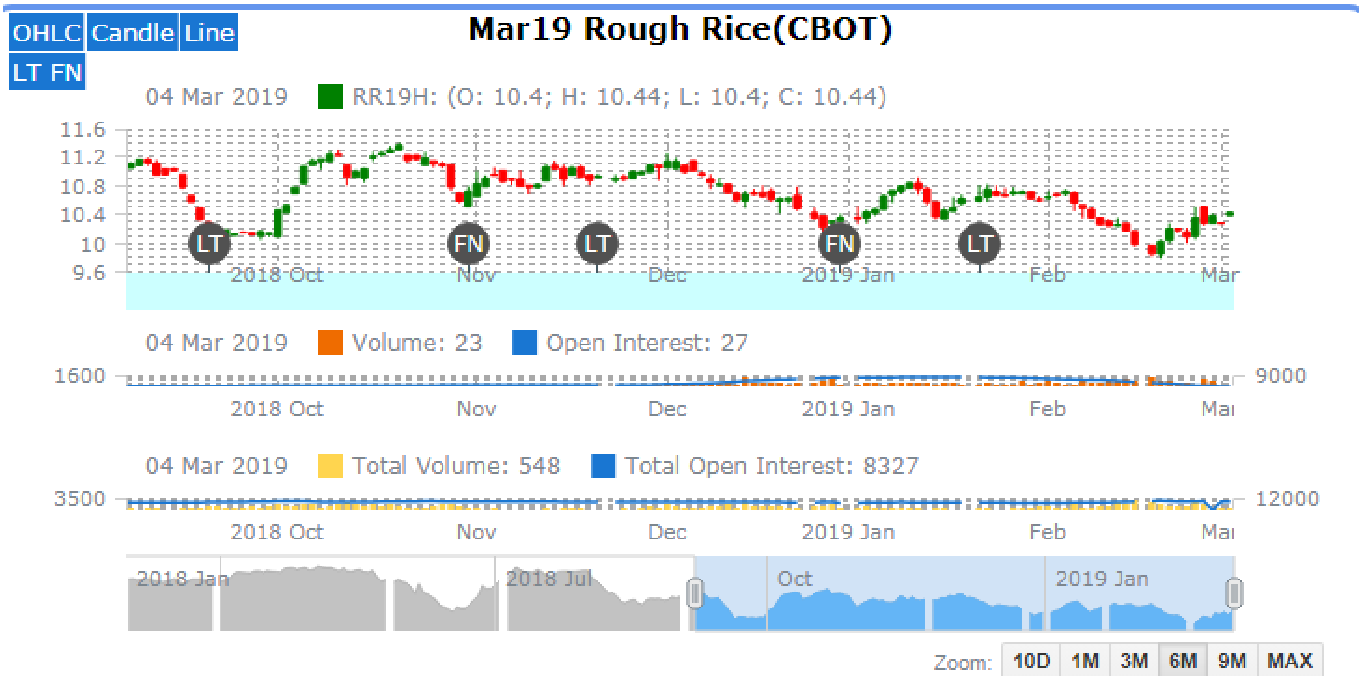
Note: Major exporters are India, Pakistan, Thailand, Vietnam, and United States

IGC Rice Balance sheet Highlights:

Owing to downgrades for India and Thailand, global rice output is forecast 3m t lower m/m, at 488m, a drop of 3m y/ y. Nevertheless, due to a larger figure for carry-ins, supplies are pegged fractionally higher than before and, reflecting a reduction for uptake, stocks are lifted to 126m t, but still a drop of 2% y/y. The 2019 trade projection is lowered to 47m t, a modest y/y gain on anticipated African demand. World rice production in 2018/19 is seen modestly lower y/y as potentially smaller crops in Asian exporters, where weather has been less than ideal, are only partly offset by improved outturns elsewhere. In China, too, output could fall amid supply-side reforms. With consumption set to ascend on population growth, inventories may fall, albeit remaining above average. Trade is predicted to edge up to a new peak in 2019, as bigger shipments to Africa more than offset a reduction in demand within Asia against the backdrop of bigger local supplies.

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

(Prices in US$/hundredweight)



Market Analysis

The CBOT March-19 month rough chart for rice indicates steady to firm tone from last week. We expect market to hover in the range of USD 10.00-11.50 hundred weights in coming sessions.

Price Projection (International-CBOT)

Duration	Trend	Price Range
02nd Week of Mar-2019	Steady	USD/ Hundred Weight 10.00-11.50