



Rice Weekly Research Report

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Outlook and Review:

Domestic Front

- **Rice export rates in India rose this week due to an appreciation in the rupee, even as demand remained moderate**, while Thai traders struggled with a lack of interest from foreign markets due to high prices.
- **India's 5 percent broken parboiled variety rose to \$386-\$389 per tonne from last week's \$383-\$386.** The rising rupee is forcing us to raise prices. Demand is moderate. The rupee was trading near its highest level in more than two months, trimming returns from overseas sales for traders in the world's biggest exporter of the staple.
- **In Thailand, the world's second-biggest rice exporter, benchmark 5 percent broken rice prices were** quoted at \$380-\$385, free on board Bangkok, mostly unchanged from last week's \$380-\$390. Demand remained flat and the price fluctuation was due to the exchange rate between the local currency baht and the U.S. dollar. Domestic prices have slightly increased this week but because the baht has weakened, the export price remains relatively same.
- **Indian non-basmati rice exporters have begun to lose the white rice market in Africa, the largest buyer,** to competitors such as Vietnam, Myanmar and Pakistan as a hike in the minimum support price for paddy and an appreciating rupee have impacted the competitiveness of the cereal. Though the Centre had provided an incentive of 5 per cent under the Merchandise Exports from India Scheme (MEIS) since November 25, the recent strengthening of the rupee has offset the impact of the scheme. Moreover, the MEIS ends on March 25 and so far, there has been no clarity on its continuation. As a result, international buyers are holding on to their orders, awaiting the Indian government's stance on the incentive. "No orders are being booked beyond March 25.
- **Rice exporters have urged the Centre to extend the MEIS till March 2020, when the current export policy ends.** Exporters also want the Government to enhance the quantum of the MEIS incentive to 10 per cent to deal with the challenges posed by the volatile currency also the lower prices of the competitors.
- **Demand of premium variety of GovindaBhog paddy of West Bengal is increasing from South India and Bangladesh.** Last year GovindaBhog Paddy prices were Rs 3000 per quintal, which now has increased 17% to Rs. 3500 per quintal. Similarly, GovindaBhog rice prices have increased by 9% from last year to Rs. 5100 per quintal; Last year, the GovindaBhog rice prices were Rs. 4700 per quintal.
- **On March 1, there were 46.5 million tons of stocks in the country's food-grains, which is 21% more than last year i.e. March 1, 2018.** The stock of rice in government food-grains on March 1 was 26.4 million tons, which was 23.3 million tons during the same period last year. Rice stock increased 13.4% over the previous year's period. With the increase in the MSP of paddy, good government procurement was done in the last season. At the same time, the bonus given on the purchase of wheat and rice by the state government also had an impact.

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 02nd 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
Uttarakhand	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
03 rd 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*	16-Mar-19	15-Mar-19	09-Mar-19	16-Feb-19	16-Mar-18
Chirala(A.P)	BPT(Raw)	0	3350	3350	3350	3300	3220
Jharkhand(Ranchi)	Coarse	50	2900	2850	2850	2780	2600
Ernakulam(Kerala)	Jaya	90	3300	3300	3210	3100	3000
Divi(A.P)	BPT(Raw)	300	3200	3200	2900	2900	2850
Visakhapatnam	HMT(Raw)	-255	3700	3700	3955	3800	3780
Nandyal	Sona Fine	200	3400	3400	3200	3100	3000
Barasat(W.B)	Masuri	200	3100	3100	2900	2900	2900
Dibrugarh	Common	20	3120	3100	3100	2500	2450
Jhargram(W.B)	Common	20	3100	3100	3080	3000	2800
Karnal	Sarbati Steam	-400	4300	4300	4700	4700	4700
Bangarpet(Kar)	IR-20	-100	2800	2800	2900	2750	2600

*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	-1710	270	1980	APMC
Delhi	All Paddy	-1730	1290	3020	APMC

Amritsar	All Paddy	-46	22	68	APMC
Karnal	All Paddy	-20	90	110	APMC

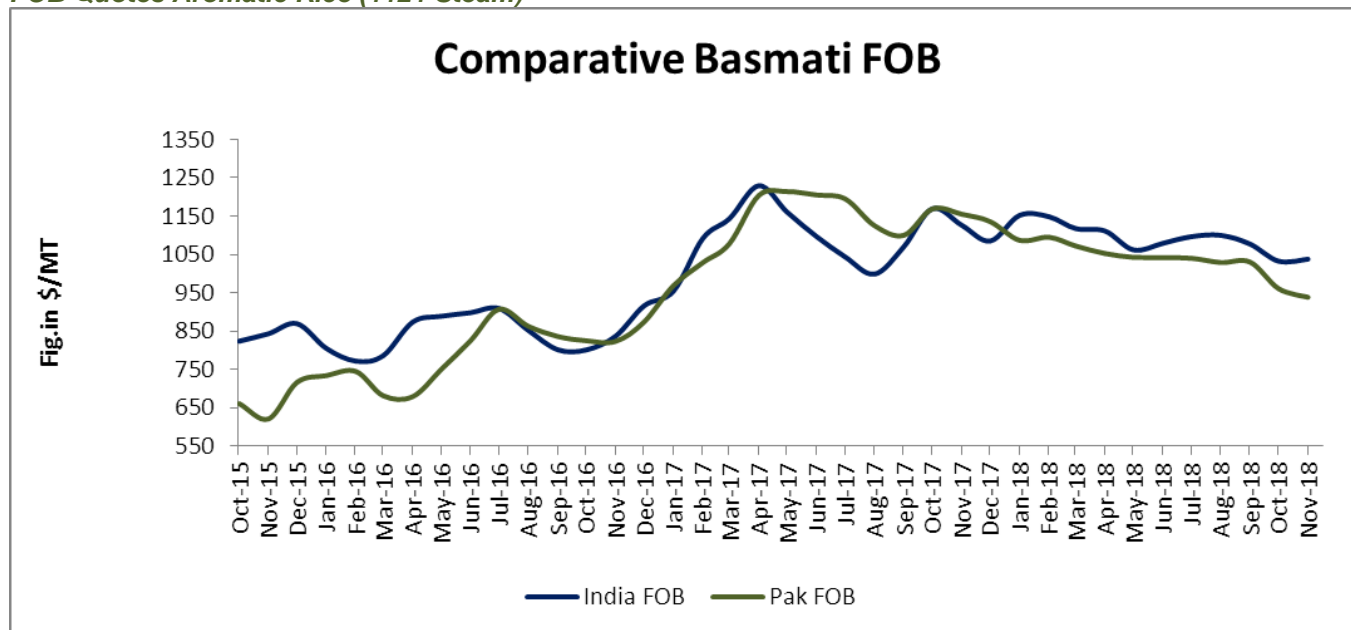
*Difference between current and previous week arrival.

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
Uttarakhand	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 tonnes 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

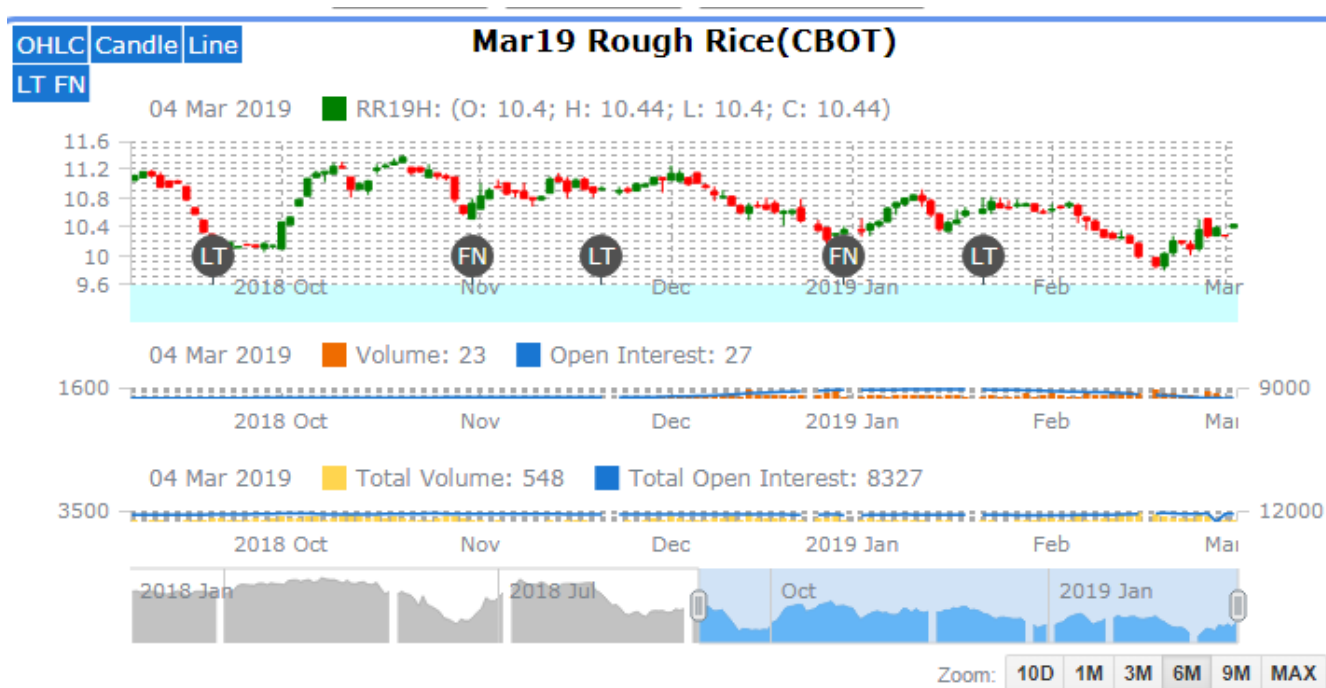
Note: Major exporters are India, Pakistan, Thailand, Vietnam, and United States

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
02 nd Week of Mar-2019	Steady	USD/ Hundred Weight 10.00-11.50

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