# Rice Weekly Research Report

Contents

## Outlook and Review:

### Domestic Front

- **India's Rice exports witnessed a sluggish demand this week mainly due to higher prices. India's 5 percent** broken parboiled variety quoted around $390-$393 per ton this week, unchanged from last week. Indian rice is not competitive due to rising rupee. Additional signs of concern for exporters emerged as a government endorsed four-month subsidy of 5 percent for non-basmati rice exports ended on March 25.
- **Average monthly wholesale rice prices in India stood at around Rs.3290 per quintal in March- 2019**, down by 0.34% from Rs.3302 per quintal in February-2019 and up by 16.16% from Rs.2833 per quintal a year ago. Agriwatch expects non-basmati rice market to move range bound with firm tone due to decreasing of arrival from major producing regions and demand of Indian rice from overseas buyers.
- **India's rice stocks in the central pool as on March- 1, 2019 stood at 40.09 million tons up by 20.31% from 33.32** 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 down by 1.43% by from 40.67 million tons recorded on Feb-01, 2019. Highest stock could be seen in the state of Punjab (89.56 lakh tons) followed by Telangana (25.32 lakh tons) Uttar Pradesh (25.30 Lakh Tons) and Andhra Pradesh (23.42 lakh tons).

- **All-India progressive procurement of Rice as on 01.04.2019 for 2018-19 was at 374.51 lakh tons against the** procurement of 300 lakh tons in the corresponding period of last year. According to available data, in the current kharif marketing season, Punjab has procured 113.34 lakh tones rice, 39.09 lakh tons in Haryana, 40.80 lakh tons in Chhattisgarh, 27.08 lakh tons in Telangana, 32.13 lakh tons in Uttar Pradesh 34.08 lakh tons in Orissa, 29.82 lakh tons in Andhra Pradesh, 13.95 lakh tons in Madhya Pradesh, 12.84 lakh tons in West Bengal, 4.62 lakh tons in Uttrakhand, 10.69 lakh tons in Tamil Nadu, 3.83 lakh tons in Maharashtra and 7.69 lakh tons in Bihar.
- **In Thailand, benchmark 5 percent broken rice prices rose to $400-$404 a ton, free on board Bangkok,** on Thursday, from $390-$393 last week. Traders said the price rise was due to higher domestic demand, even as overseas demand remained flat. Prices were very low last week, so there were some purchases in the country and now prices have bounced a little. Last week, the Thai cabinet agreed to extend a rice trading agreement with the Philippines, which expired in December, for another two years. The agreement allows Thailand, the world's second-largest rice exporter, to take part in tenders issued by the Philippines and states that the two countries can trade up to 1 million tonnes of rice per year.
- **In Vietnam, rates for 5 percent broken rice were unchanged from last week at $360 a tonne. Activity is** slowing down this week on weaker demand. Buyers from China held a meeting with commodity traders in Ho Chi Minh City on Thursday to explore trading opportunities, but no major rice deals were made.
- **By increasing the effect of El-Niño, rice production in the Philippines could be reduced. Rice production** in Philippines is estimated to fall by 1.2 million tons to 190 lakh tons in 2019. Because of which the import of rice in Philippines next year can be 23-25 lakh tons. Increasing effect of El-Niño he current season can reduce the production of rice by 1.5-2 lakh tons.

- **Iraq's state grain buyer bought 60,000 tons of Brazilian rice in its latest international purchasing tender**. The rice was purchased from Tiryaki at &549 a toe cost, insurance and freight (CIF) basis.

- **According to the Australia Meteorological Department, 70% of the chances of El-Niño in 2019, this is** three times the normal speed. Generating monsoon rains in India, especially in the form of El-Niño.

Rainfall from June to September may affect the production of kharif season crops especially paddy due to monsoon rains.

### 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 Apr-2019*

| State | Prices 01-08 Apr 2019 | Prices 24-31 Mar 2019 | Prices 01-08 Apr 2018 | % Change(Over Previous Week) | % Change(Over Previous Year) |
|---|---|---|---|---|---|
| Andhra Pradesh | 4150 | 4010 | | 3.49 | __ |
| Assam | 3562.4 | 3559.37 | 3491.28 | 0.09 | 2.04 |
| Gujarat | 3246.52 | 3116.4 | 3143.34 | 4.18 | 3.28 |
| Jharkhand | 3870.46 | 3870.95 | 2743.59 | -0.01 | 41.07 |
| Karnataka | 3773.74 | 3524.78 | 3658.35 | 7.06 | 3.15 |
| Kerala | 3465.57 | 3453.24 | 3721.87 | 0.36 | -6.89 |
| Maharashtra | 3418.14 | 3441.86 | 3407.03 | -0.69 | 0.33 |
| Manipur | 3977.4 | 3930.3 | 3044.07 | 1.2 | 30.66 |
| Meghalaya | 3569.74 | 3523.5 | 3013.36 | 1.31 | 18.46 |
| Odisha | 2592.58 | 2559.2 | 2375.06 | 1.3 | 9.16 |
| Tripura | 2840.57 | 2866.78 | 3000.81 | -0.91 | -5.34 |
| Uttar Pradesh | 2459.85 | 2443.68 | 2371 | 0.66 | 3.75 |
| Uttrakhand | 2288.75 | 2243.87 | 2583.54 | 2 | -11.41 |
| West Bengal | 2775.52 | 2727.43 | 2854.12 | 1.76 | -2.75 |
| Average | 3285.09 | 3365.15 | 3031.34 | | |

| Duration | Trend | Average Price Range | Reason |
|---|---|---|---|
| 02nd Week of Apr, 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 | 1-Apr-19 | 25-Mar-19 | (Month Ago) 01 Mar 2019 | (Year Ago) 01 Apr 2018 | % ch. From last week | % Change from last Month | % Change from last Year |
|---|---|---|---|---|---|---|---|
| **1121 Steam** | 7800 | 7450 | 7300 | 7200 | **4.70** | **6.85** | **8.33** |
| **1121 Sella** | 6800 | 6750 | 6750 | 6800 | **0.74** | **0.74** | **0.00** |
| **1121 Raw** | 7300 | 7000 | 7150 | 7000 | **4.29** | **2.10** | **4.29** |
| **Basmati Raw** | 9500 | 9500 | 9000 | 7400 | **0.00** | **5.56** | **28.3** |
| **1509 Steam Wand** | 7400 | 7200 | 7000 | 6800 | **2.78** | **5.71** | **8.82** |
| **Sugandh Steam** | 5400 | 5200 | 5400 | 5900 | **3.85** | **0.00** | **-8.47** |
| **Sharbati Raw** | 4700 | 4700 | 4900 | 4900 | **0.00** | **-4.08** | **-4.08** |
| **Pusa Raw Wand** | 5700 | 5600 | 5600 | 6200 | **1.79** | **1.79** | **-8.06** |
| **Parmal Sella** | 3100 | 3000 | 3150 | 2900 | **3.33** | **-1.59** | **6.90** |

*Prices & Arrivals at Major Markets:*

| Rice Price (In Rs./ Quintal) | Grade | Change* | 6-Apr-19 | 5-Apr-19 | 30-Mar-19 | 6-Mar-19 | 6-Apr-18 |
|---|---|---|---|---|---|---|---|
| Chirala(A.P) | BPT(Raw) | **150** | 3400 | 3400 | 3250 | 3300 | 3220 |
| Jharkhand(Ranchi) | Coarse | **100** | 3100 | 3100 | 3000 | 2780 | 2600 |
| Ernakulam(Kerala) | Jaya | **-100** | 3200 | 3200 | 3300 | 3100 | 3000 |
| Divi( A.P) | BPT(Raw) | **0** | 3200 | 3200 | 3200 | 2900 | 2850 |
| Visakhapatnam | HMT(Raw) | **-50** | 3600 | 3600 | 3650 | 3800 | 3780 |
| Nandyal | Sona Fine | **0** | 3200 | 3200 | 3200 | 3100 | 3000 |
| Barasat(W.B) | Masuri | **10** | 3310 | 3300 | 3300 | 2900 | 2900 |
| Dibrugarh | Common | **0** | 3100 | 3100 | 3100 | 2500 | 2450 |
| Jhargram(W.B) | Common | **0** | 3100 | 3100 | 3100 | 3000 | 2900 |
| Karnal | Sarbati Steam | **20** | 4620 | 4600 | 4600 | 4700 | 4700 |
| Bangarpet(Kar) | IR-20 | **100** | 3100 | 3100 | 3000 | 3000 | 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 | **-32** | 52 | 88 | APMC |
| Delhi | All Paddy | **-66** | 120 | 220 | APMC |
| Amritsar | All Paddy | **3** | 18 | 15 | APMC |
| Karnal | All Paddy | **-32** | 42 | 55 | APMC |

*Difference between current and previous week arrival.

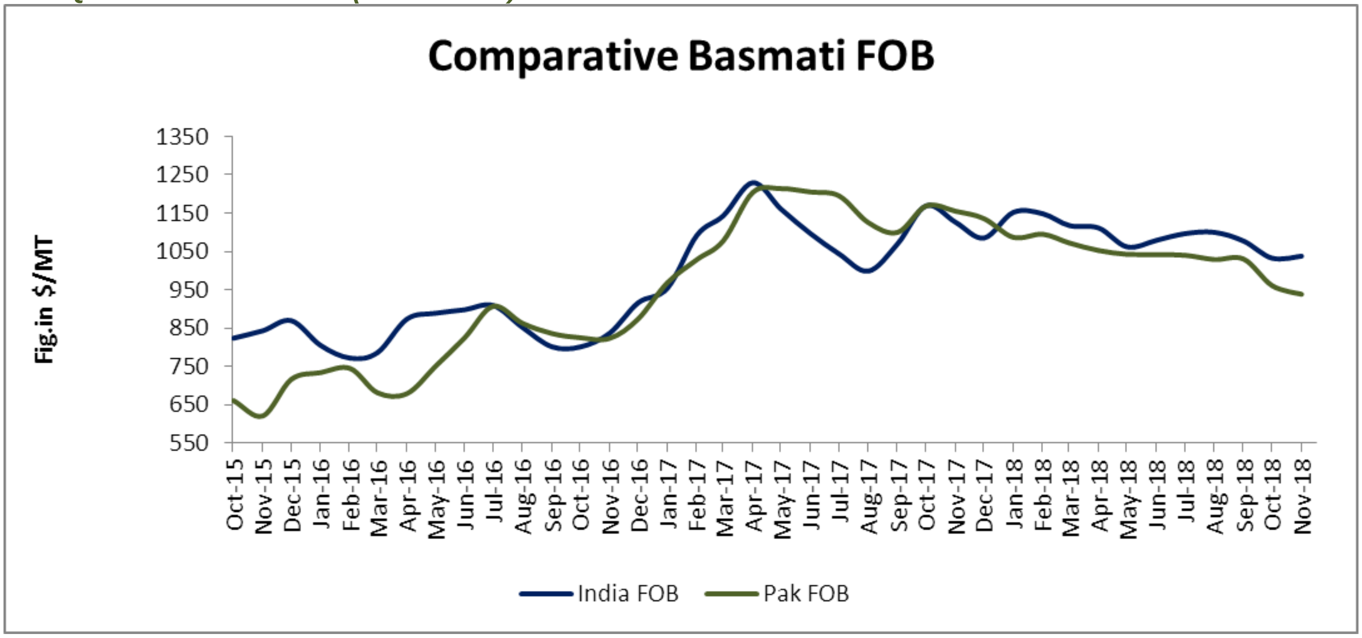
### *State wise Progressive Procurement*

| 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 tons of rice in 2017-18, out of which 3.85 million tons of rice was exported. The Myanmar** government aims to export 4 million tons 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. 22.02.2019 | (2019-20) Projection. 28.03.2019 |
|---|---|---|---|---|---|
| **Production** | 475 | 487 | 490 | 495 | 505 |
| **Trade** | 40 | 48 | 48 | 47 | 48 |
| **Consumption** | 474 | 486 | 487 | 493 | 499 |
| **Carryover stocks** | 122 | 123 | 126 | 157 | 162 |
| **Y-O-Y change** | 1 | 1 | 1 | 6 | 6 |
| **Major Exporters** | 33 | 31 | 28 | 34 | 38 |

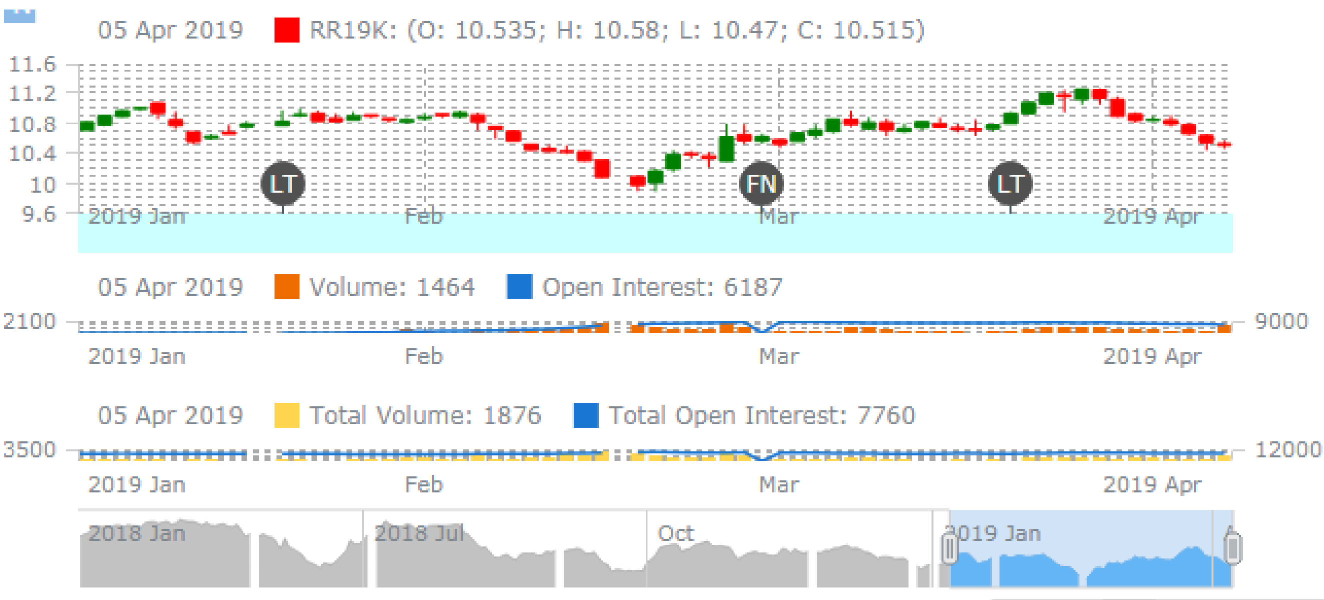
Note: Major exporters are India, Pakistan, Thailand, Vietnam, and United States

**IGC Rice Balance sheet Highlights:**

Incorporating official data for India's kharif crop, the outlook for global 2018/19 rice output is raised by 5m t m/m, to a record 500m, a 1% y/y rise. Although uptake is lifted, most of the net increase in supplies is channeled to stocks, pegged 4m t higher m/m, at 157m, a 4% y/y gain. World trade in 2019 is predicted little-changed, at 47m t. Tied to an expansion of acreage in key exporters, production is tentatively seen increasing in 2019/20, with use and stocks likely to grow further. Global import demand may advance in 2020 on sales to Africa in particular. Despite a below-average monsoon, a bumper crop in India is set to underpin a bigger global rice outturn of 500m t in 2018/19. Improved harvests are also seen in Bangladesh, the US and Vietnam. Amid heavy availabilities, consumption is forecast at a new peak, while inventories are likely to rise on accumulation in key exporters and China. Prospects for supply and demand in 2019/20 are tentative. Nevertheless, output could expand on area gains in parts of Asia, including India, more than offsetting a drop in China. Both usage and stocks may increase, while trade will be shaped by demand from buyers in Africa and Asia.

### *Rice Price Trend @ CBOT May- 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 Apr-2019 | Steady | USD/ Hundred Weight 10.00-11.50 |