Rice Weekly Research Report

Contents

Outlook and Review:

Domestic Front

- **Rice export prices in top exporter India edged lower this week due to sluggish demand, while fears of a drought** this year supported up domestic buying in Thailand. India's 5 percent broken parboiled variety was quoted around $387-$390 per ton this week, down from last week's $390-$393. Demand is very poor at current price level. The appreciation in the rupee has limited scope to cut prices. A strong rupee dents exporters' returns from overseas sales.

- **India's rice exports for April-February fell 9.4 percent from a year earlier to 10.57 million tonnes, as major** buyer Bangladesh trimmed its purchases due to a bumper local harvest.

- **This year farmers in Bangladesh have planted the summer rice variety on 4.9 million hectares of land, exceeding** the target of 4.8 million hectors. The summer-sown crop, also known as Boro, usually contributes more than half of Bangladesh's typical annual rice production of around 35 million tonnes. Traditionally the world's fourth-biggest rice producer, Bangladesh was forced to increase imports to shore up reserves in 2017 after floods wrought havoc on local crops and pushed domestic rice price s to record highs.

- **In Thailand, the world's second largest rice exporter, benchmark 5-percent broken rice prices rose slightly to** $405-$410 a tonne, free on board Bangkok, from $395-$396 last week.The small price increase was due to higher domestic demand driven by fears of a drought this year. Overseas demand for Thai rice has remained flat since the beginning of the year due to the Thai currency's strength versus the U.S. dollar.

- **In Vietnam, rates for 5 percent broken rice were flat for the fourth straight week at $360 a tonne**. With rising demand, some traders are having trouble purchasing enough rice from farmers to fulfil their export orders. Exporters signed the contracts earlier this year when both domestic and export prices were lower. Prices are likely to edge up over the coming weeks now that the major winter-spring harvest is over. Vietnam's rice exports in March rose 150 percent from February to 693,742 tonnes, and higher than a government estimate of 600,000 tons.

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- **In the last 3 days, there was a tremendous pace of Basmati rice prices. Demand from Iran triggered the** market of basmati rice. The export of basmati rice from last year has increased by 6.3% from April to February, reaching 38.6 lakh tons in the current year. Due to non-availability in the states of Haryana, Punjab and other Basmati and non-basmati producing states, the millers could not get paddy for milling.
- **The government is mulling to offload excess stocks of rice and wheat in the open market during the fresh** procurement season. The FCI currently holds 26.3 million tonnes of rice and 20.1 million tonnes of wheat, according to data on its website. The government expects to procure 45 million tonnes of rice (kharif and rabi) and 35.7 million tonnes of wheat in the current season. The government had targeted the sale of 10 million tonnes of wheat and 2 million tonnes of rice in the open market in the previous season.

- **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.basmati rice. The export of basmati rice from last year has increased by 6.3% from April to February, reaching 38.6 lakh tons in the current year. Due to non-availability in the states of Haryana, Punjab and other Basmati and non-basmati producing states, the millers could not get paddy for milling.

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

	RICE					Over last year	
State	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 Apr-2019

State	Prices 09-15 Apr 2019	Prices 01-08 Apr 2019	Prices 09-15 Apr 2018	% Change(Over Previous Week)	% Change(Over Previous Year)
Andhra Pradesh	4250	4066.67		4.51	__
Assam	3358.85	3559.04	3528.01	-5.62	-4.79
Gujarat	3354.08	3183.98	3207.52	5.34	4.57

Jharkhand	3845.55	3868.07	2733.33	-0.58	40.69
Karnataka	3712.57	3635.32	3569.22	2.12	4.02
Kerala	3537.91	3469.38	3722.43	1.98	-4.96
Maharashtra	3426.71	3381.8	3299.71	1.33	3.85
Manipur	3997.62	3981.74	3094.1	0.4	29.2
Meghalaya	3500	3569.74	3002.51	-1.95	16.57
Nagaland				__	__
NCT of Delhi			2000	__	__
Odisha	2620.73	2608.87	2718.37	0.45	-3.59
Tripura	2847.25	2849.06	2918.37	-0.06	-2.44
Uttar Pradesh	2455.04	2458.65	2276.11	-0.15	7.86
Uttrakhand	2610.36	2288.75	2370.75	14.05	10.11
West Bengal	2730.44	2760.39	2852.23	-1.08	-4.27
Average	3303.36	3262.96	2949.48		

Duration	Trend	Average Price Range	Reason
03rd 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	13-Apr-19	07-Mar-19	(Month Ago) 13 Mar 2019	(Year Ago) 13 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*	13-Apr-19	12-Apr-19	06-Apr-19	13-Mar-19	13-Apr-18
Chirala(A.P)	BPT(Raw)	-80	3320	3400	3400	3300	3220
Jharkhand(Ranchi)	Coarse	-200	2900	2900	3100	2780	2800
Ernakulam(Kerala)	Jaya	100	3300	3300	3200	3200	3100
Divi(A.P)	BPT(Raw)	-250	2950	2900	3200	2900	2850
Visakhapatnam	HMT(Raw)	100	3700	3600	3600	3800	3780
Nandyal	Sona Fine	0	3200	3200	3200	3100	3000
Barasat(W.B)	Masuri	-10	3300	3300	3310	3000	3100
Dibrugarh	Common	-50	3050	3100	3100	2500	2450
Jhargram(W.B)	Common	-100	3000	3100	3100	3000	2900
Karnal	Sarbati Steam	-120	4500	4500	4620	4700	4700
Bangarpet(Kar)	IR-20	-220	2880	2900	3100	2980	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	-8	44	52	APMC
Delhi	All Paddy	-11	109	120	APMC
Amritsar	All Paddy	44	62	18	APMC
Karnal	All Paddy	-7	35	42	APMC

*Difference between current and previous week arrival.

State wise Progressive Procurement

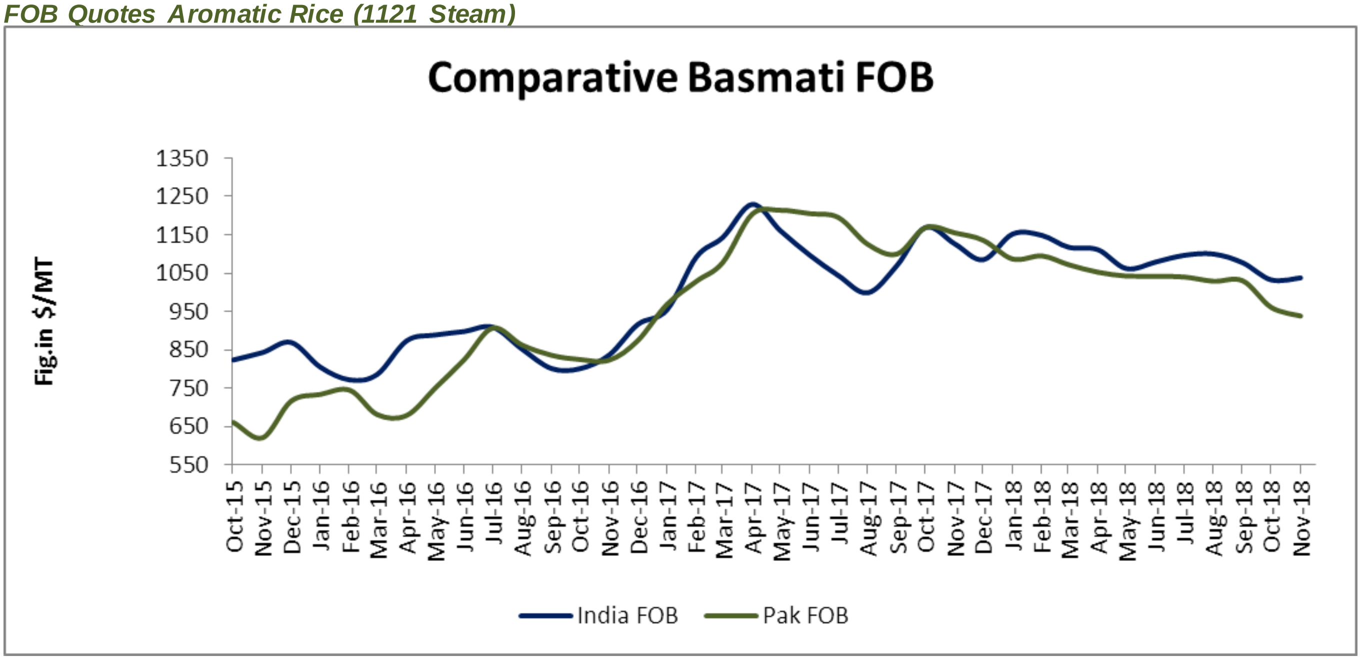
State/UTs (in Lakh T)	Target (only kharif crop) in marketing season 2018-19 (Oct. – Sept.)	Progressive Procurement as on 24.01.2019	
		In Marketing season 2018-19	In Marketing season 2017-18
AP	30.00	19.69	17.40
Telangana	15.00	26.59	12.17
Bihar	8.00	1.12	2.03
Chhattisgarh	40.00	40.24	31.77

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

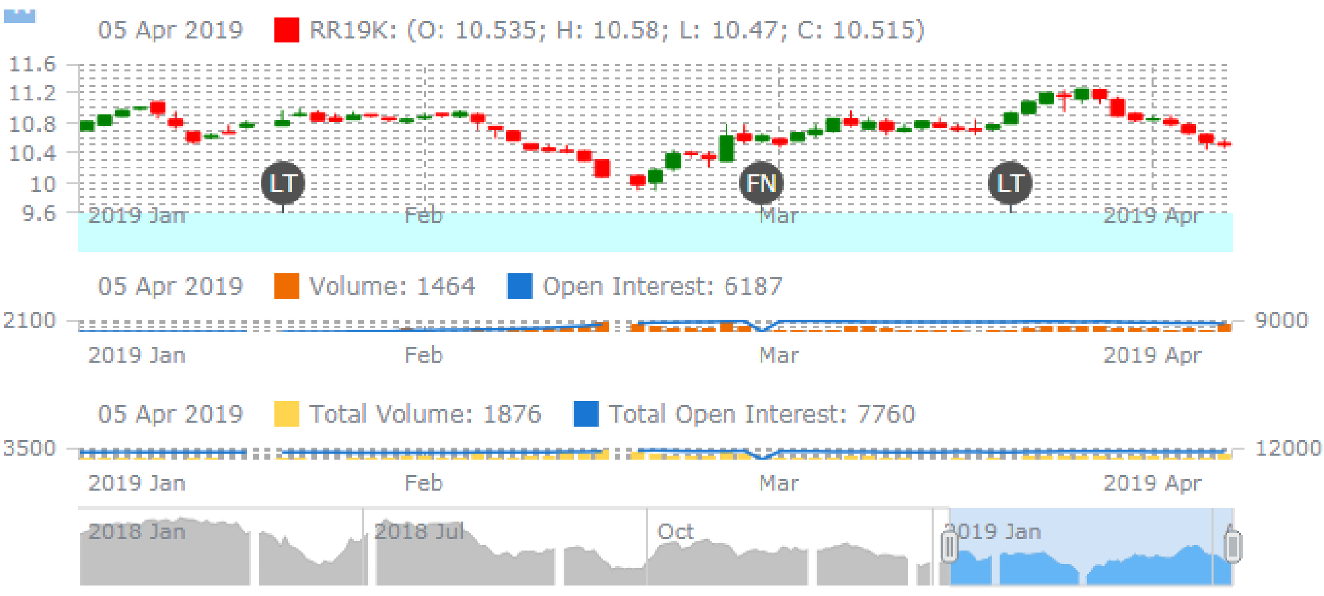
Note: Major exporters are India, Pakistan, Thailand, Vietnam, and United States

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