



Rice Weekly Research Report

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Outlook and Review:**Domestic Front**

- Average monthly wholesale rice prices in India stood at around Rs.3467 per quintal in April - 2019, up by 5.38% from Rs.3290 per quintal in March-2019 and up by 23.03% from Rs.2819 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 5 percent broken parboiled variety was down for the fourth consecutive week, at around \$373-\$376 per tonne from last week's \$375-\$378. There is no improvement in demand. Buyers are delaying purchases. India's rice exports in 2018/2019 dropped 7.2 percent from a year earlier to 11.95 million tonnes due to poor demand for non-basmati rice from Bangladesh and African countries.
- Rice export prices in Thailand rose this week as demand ticked up, while weaker overseas buying weighed on rates in leading exporter India. Thailand's benchmark 5-percent broken rice prices rose to \$385-\$402 a tonne on Thursday, free on board Bangkok, from \$385-\$388 last week. Demand inched up following a drop in price last week. Demand in May was expected to remain flat, as Muslims will be fasting during Ramadan, before picking up in the second half of the year. Middle Eastern countries are among the top buyers from Thailand, the world's second-largest exporter.
- In Vietnam, rates for 5 percent broken rice were relatively flat at \$365 due to the Reunification Day and Labour Day holidays which closed markets and government agencies from Monday to Wednesday. That compares with a range of \$360-\$370 last week, the first rise after five weeks of flat trading; with a trader in Ho Chi Minh City saying relatively higher Vietnamese prices were hurting demand. Prices won't likely decline in the near term as domestic supplies are falling and because partial water shortage is threatening the upcoming summer-autumn crop. Rice exports from Vietnam in April are forecast to have fallen 10.6 percent from March to 620,000 tonnes. Rice shipments from the country in the first four months of this year fell 7.9 percent from a year earlier to 2.03 million tonnes.
- Shipments of basmati rice, the largest product in the country's farm-export basket, touched a record high in volumes and rupee value terms in 2018-19 on account of aggressive buying by Iran and a weak currency. Volumes grew by about a tenth to over 4.41 million tonnes (mt) over the previous year, while the export value, in rupee terms, grew 22 per cent to touch Rs.32,806 crore. In dollar terms, basmati exports went up by 13 per cent to \$4.71 billion — the second highest since 2013-14, when it touched a record \$4.88 billion.
- Non-basmati rice shipments were hurt by higher pricing. The increase in the minimum support price for paddy during the year impacted the competitiveness of the grain in the world market. As a result, exports registered a 17.52-per cent decline in dollar terms and 11 per cent in rupee terms. The non-basmati volumes dropped around 14 per cent to 7.53 mt (8.81 mt). Sluggish demand from China and the countries in the Far East impacted the shipments of buffalo meat, which dropped to 1.23 mt (1.35 mt).
- All-India progressive procurement of Rice as on 03.05.2019 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, 36.14 lakh tons in Telangana, 32.33 lakh tons in Uttar Pradesh 34.48 lakh tons in Orissa, 32.25 lakh tons in Andhra Pradesh, 13.95 lakh tons in Madhya Pradesh, 16.54 lakh tons in West Bengal, 4.62 lakh tons in Uttarakhand, 11.48 lakh tons in Tamil Nadu, 4.25 lakh tons in Maharashtra and 9.28 lakh tons in Bihar.

- Indian FOB for 1121 steam traded firm in the month of April and currently is in the range of USD 1207/MT which is up by 10.04% from last month price of USD 1097/T due to reducing arrival of current crop and fresh demand from overseas demand. Aromatic rice prices in local markets are also traded firm on fresh demand from local 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 to weak from last month and is now hovering in the range of USD 982.5/MT which is up by 7.37% from last month FOB of USD 915/MT.

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 04th Week of Apr-2019

State	Prices 24-30 Apr 2019	Prices 16-23 Apr 2019	Prices 09-15 Apr 2019	Prices 24-30 Apr 2018	% Change(Over Previous Week)	% Change(Over Previous to Week)	% Change(Over Previous Year)
Andhra Pradesh	4100	4250	4250		-3.53	-3.53	—
Assam	3629.34	3577.2	3321.43	3391.31	1.46	9.27	7.02
Gujarat	3411.1	3176.36	3282.77	3294.28	7.39	3.91	3.55
Jharkhand	3851.1	3859.93	3845.55	2724	-0.23	0.14	41.38
Karnataka	4123.83	3690.64	3678.94	3434.59	11.74	12.09	20.07
Kerala	3519.9	3482.57	3533.65	3710.67	1.07	-0.39	-5.14
Maharashtra	3482.13	4099.06	3395.39	3830.56	-15.05	2.55	-9.1
Manipur	4121.05	3989.52	3970.8	3102.9	3.3	3.78	32.81
Meghalaya	3500	3554.35	3500	2841.02	-1.53	0	23.2
Nagaland		7200	7000		—	—	—
Delhi	2103.66	2000		2358.82	5.18	—	-10.82
Odisha	2610.92	2644.62	2640.89	2654.83	-1.27	-1.13	-1.65
Tripura	2804.01	2857.21	2862.25	3029.46	-1.86	-2.03	-7.44
U.P	2441.98	2450.57	2454.68	2270.12	-0.35	-0.52	7.57
Uttarakhand	2412.6	2386.4	2748.4	2438.7	1.1	-12.22	-1.07
West Bengal	2770.67	2738.37	2749.01	2869.99	1.18	0.79	-3.46

Duration	Trend	Average Price Range	Reason
01 st Week of May, 2019	Steady	Rs.2950-3500/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)

Rice Price (In Rs./ Quintal)	Grade	Change*	27-Apr-19	26-Apr-19	20-Apr-19	27-Mar-19	27-Apr-18	Source
Chirala(A.P)	BPT(Raw)	30	3350	3350	3320	3250	3300	AGRIWATCH
Jharkhand(Ranchi)	Coarse	0	2900	2900	2900	2780	2800	APMC
Ernakulam(Kerala)	Jaya	100	3400	3400	3300	3200	3250	APMC
Divi(A.P)	BPT(Raw)	0	2950	2900	2950	2900	2850	APMC
Visakhapatnam	HMT(Raw)	0	3700	3700	3700	3800	3780	AGRIWATCH
Nandyal	Sona Fine	0	3200	3200	3200	3100	3000	APMC
Barasat(W.B)	Masuri	0	3300	3300	3300	3000	3100	APMC
Dibrugarh	Common	50	3100	3100	3050	2500	2450	APMC
Jhargram(W.B)	Common	50	3050	3100	3000	3000	2900	APMC
Karnal	Sarbati Steam	100	4600	4600	4500	4500	4400	AGRIWATCH
Bangarpet(Kar)	IR-20	20	2900	2900	2880	2980	2900	APMC

Prices & Arrivals at Major Markets:

Rice Price (In Rs./ Quintal)	Grade	Change*	04-May-19	03-May-19	27-Apr-19	04-Apr-19	04-May-18
Chirala(A.P)	BPT(Raw)	-100	3300	3300	3400	3250	3220
Jharkhand(Ranchi)	Coarse	-20	2900	2900	2920	2800	2750
Ernakulam(Kerala)	Jaya	100	3300	3300	3200	3200	3100
Divi(A.P)	BPT(Steam)	50	3150	3150	3100	3000	2900
Visakhapatnam	HMT(Raw)	200	4100	4100	3900	3860	3780
Nandyal	Sona Fine	100	3600	3600	3500	3300	3230
Barasat(W.B)	Masuri	90	3400	3400	3310	3000	3100
Dibrugarh	Common	0	3100	3100	3100	2500	2450
Jhargram(W.B)	Common	-100	3000	3100	3100	3000	2900
Karnal	Sarbati Steam	-100	4400	4400	4500	4700	4700
Bangarpet(Kar)	IR-20	75	2875	2875	2800	2980	2900

*Difference between current and previous week price

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	-19	25	44	APMC
Delhi	All Paddy	-22	87	109	APMC
Amritsar	All Paddy	-4	58	62	APMC
Karnal	All Paddy	-3	32	35	APMC

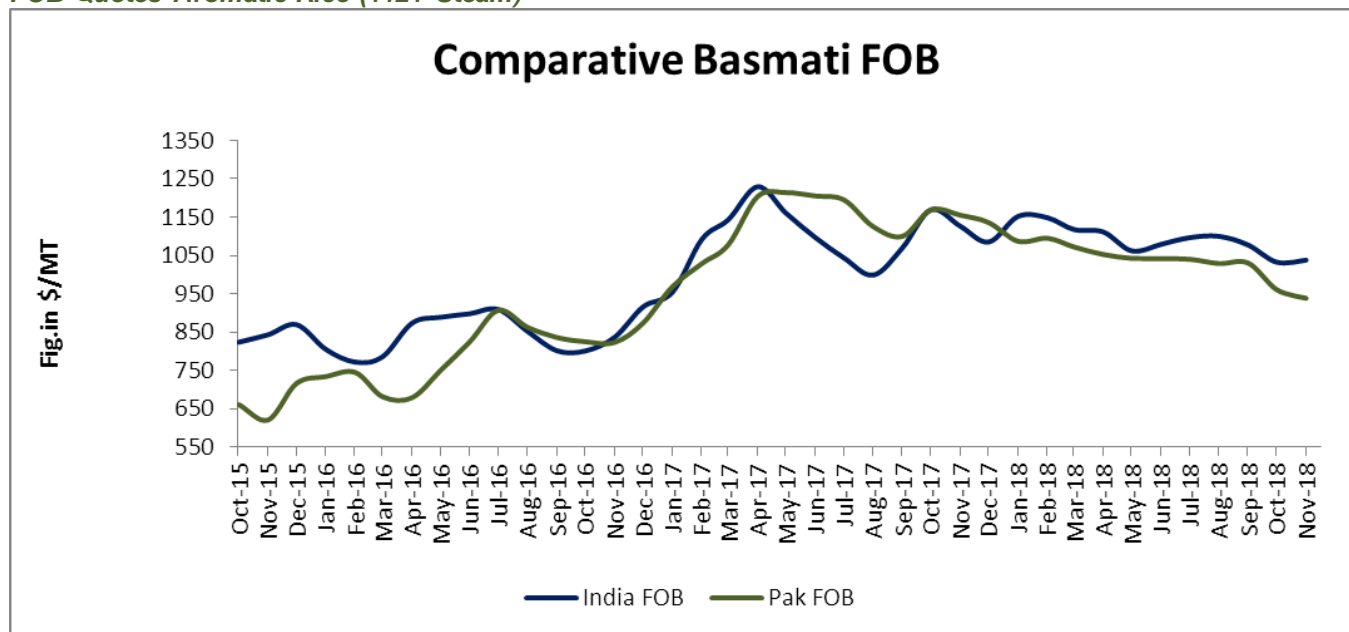
*Difference between current and previous week arrival.

State wise Progressive Procurement

State/UTs	Target (only kharif crop) in marketing season 2018-19 (Oct. – Sept.)	Progressive Procurement as on 18.04.2019	
(in Lakh T)		In Marketing season 2018-19	In Marketing season 2017-18
AP	30.00	29.82	17.40
Telangana	15.00	27.19	12.17
Bihar	8.00	9.27	2.03
Chhattisgarh	40.00	40.80	31.77
Haryana	39.75	39.09	39.92
Jharkhand	2.00	1.53	0.39
Kerala	2.00	3.24	0.95
M.P	13.00	13.95	11.00
Maharashtra	4.00	4.25	1.27
Odessa	30.00	34.43	15.24
Punjab	114.00	113.30	118.39
Tamilnadu	8.00	11.14	0.03
U.P	33.00	32.33	24.88
Uttarakhand	5.00	4.62	0.35
West Bengal	23.00	16.15	0.06
Others	0	--	--
Total	370.00	382.01	276.16

All-India progressive procurement of Rice as on 18.04.2019 for 2018-19 was at 382.01 lakh tons against the procurement of 308.24 lakh tons in the corresponding period of last year.

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, 40.8 lakh tonnes in Telangana, 27.19 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, 13.95 lakh tonnes in West Bengal, 16.15 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

Thailand Rice export prices further increased 1-2 percent from the previous week as foreign traders are still seeking parboiled rice for African markets. Additionally, exporters are securing white and parboiled rice supplies for contracted shipments, particularly to African and Middle Eastern markets. This export demand for both white and parboiled rice caused further increase in farm-gate prices of white paddy rice by around 3 percent from the previous week. However, the increase in domestic prices of white paddy rice was partly offset by the weakening of the Thai baht, which further depreciated to 31.70 baht/U.S. \$1.00 from the previous week's exchange rate of 31.57 baht/U.S. \$1.00. Unofficial and preliminary rice exports (excluding fragrant rice) for March 25-31, 2019 totaled 149,538 metric tons, up 23,364 metric tons from the previous week and up 757 metric tons from the four-week moving average of 148,781 metric tons. Rice exports from January 1 – March 31, 2019 totaled 1,898,331 metric tons, down 24 percent from the same period last year.

Rice production in Burma (also called Myanmar) in MY 2019/20 is forecast to increase as farmers increase planting acreage in anticipation of favorable weather and due to attractive prices. Burma's overall rice exports in MY 2019/20 are forecast remain at the same level as MY 2018/19 at 3.0 MMT. There will be some lost market potential in the EU, offset by some increased market potential in China.

MY 2019/20 Bangladesh rice import forecast is projected lower to 500,000 MT due to increased total supplies because of higher production. MY 2018/19 import estimate is down to 575,000 MT because of slow import pace, likely caused by the application of a very high tariff and higher domestic production. Bangladesh primarily imports rice from India and Pakistan. India has been the largest supplier in recent years. Stocks: According to the Ministry of Food (MOF), as of March 19, 2019, public rice stocks are 1.37 MMT, which is approximately 33 percent higher than last year. From December 1, 2018 to March 3, 2019, the MOF procured 799,966 MT of monsoon (Aman rice) season rice at BDT 36 (US\$ 0.42) per kilogram.

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.

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.

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

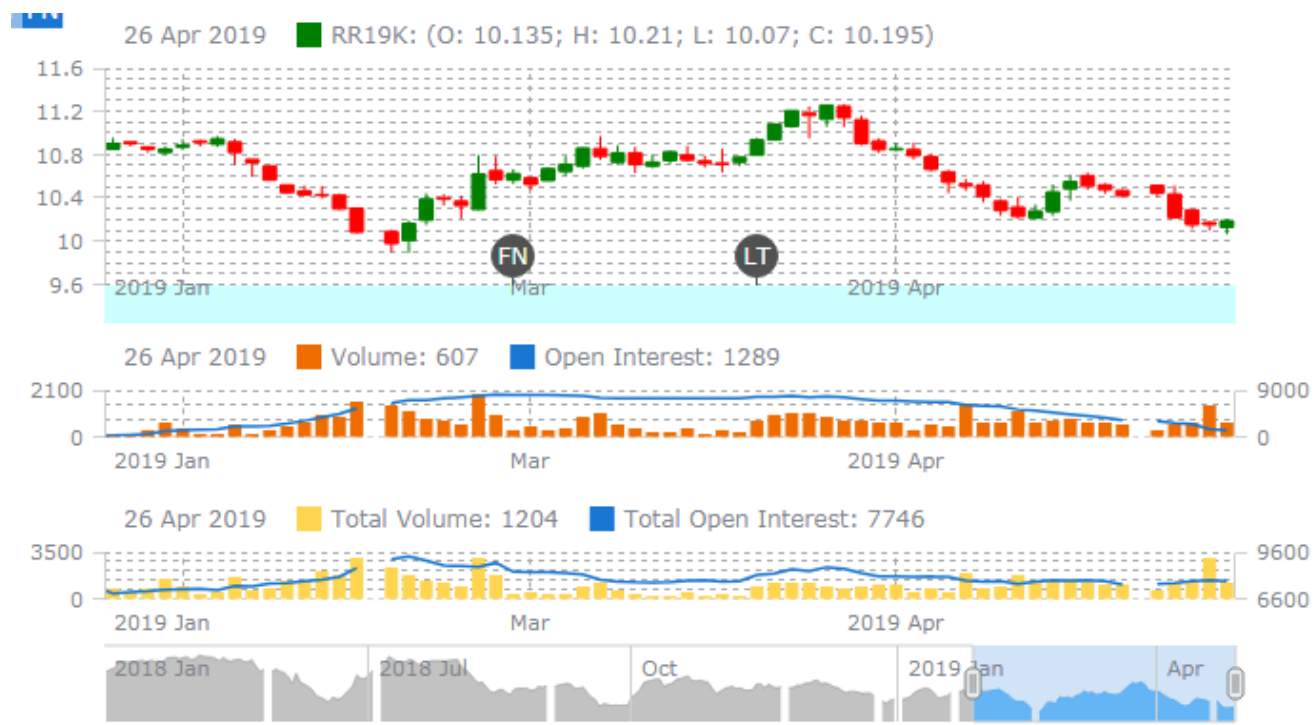
Note: Major exporters are India, Pakistan, Thailand, Vietnam, and United States

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
01 st Week of May-2019	Steady	USD/ Hundred Weight 10.00-11.50

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