

THE RICE TRADER

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EXECUTIVE SUMMARY

The week saw highlights from the **Iraq** awards, **Iran's** GTC awarded 45 TMT of May 2018 delivered 1121 sella basmati rice from **India** and talk of weak Hom Mali production in **Thailand**. The Chinese New Year festivities are in its final legs, and this week we had the 1 Mar Holi festival in **India** to add to the festive gloss in markets. Interestingly, the press reports also reveal continued interest from **Bangladesh** and **Sri Lanka**, with both markets now receiving arrivals

The first news we have is of **Iraq** Grain Board's formal award of 30 TMT of rice imports to Hanalico at \$590 PMT CIF Free Out. There was also news that **Iraq** is seeking **U.S.** offers, which seems to be the case lately with each global tender followed by a **U.S.** specific tender. Interestingly, sources also confirmed this week that **Pakistan's** preliminary award was ultimately cancelled.

Iran also saw a 27 Feb 2018 tender for 3 lots of 15 TMT, for a total 45 TMT of imports mostly for May 2018 delivery (up to 5 Jun 2018), for **Indian** 1121 sella basmati rice. This is the second award after a 13 Feb 2018 award for 45 TMT of rice.

In the **Philippines**, there was more talk about the weak NFA stocks and how there is a need for imports amongst the government circle that is regularly featured in the press. More interestingly, the **Philippines** press also reported that the **Philippines** was to shift away from a Quantitative Restrictions based system for imports to one that would be based on a tariff based system that was to be revealed by Jun 2018 to the WTO.

At origins, **Thai** markets were concerned over a 2 MMT weakness in its main crop jasmine or Hom Mali rice production from the Northeast as government officials cited a 23-province survey to reveal a 7.1 MMT production, down from an earlier 9.9 MMT estimate.

In **Pakistan**, it was also relatively quiet with a mixed review of sales from Gulfoods which many **Pak** exporters and millers attended with enthusiasm.

Viet markets remain in holiday mood with the expected winter-spring crop providing the focus for market watchers with an interest. There seems to be an agreement that **Philippines** and **China** demand are key for markets ahead. China is rumored to have agreed to 2-3 million tons of export deals.

Indian markets were also slow this week with the festival at the end of the week dominating. The main news came from the **Iranian** success in basmati rice sales, which seems to have underpinned **India's** supplier of choice role in **Iran**.

The **U.S.** market got a nice boost this week from a 76 TMT purchase of rough rice by **Colombia**. However, the Trump Administration's imposition of steel tariffs raises the possibility of trade war retaliation against the **U.S.** agriculture exports. Very volatile time politically for the **U.S.**, especially with 199A still active.

Markets will show more life next week as we have the same factors we have mentioned now for several weeks at play. The mood is for more softness ahead as buying looks unclear.

In this week's **TRT Special Reports Section** (Section 10) we provide a **Glutinous Rice Market Update, and Updates on Nigeria and Iran**, in addition we have the **FAO All Rice Price Summary**. In **Section 6**, we provide an in-depth update on **Pakistan**.

Key Market Highlights:

- Hanalico wins award at last Iraq tender with 30 TMT of Uruguay rice at \$590 PMT; Iraq seeks U.S. quotes for private negotiations.
- Iran awards 45 TMT of 1121 Sella Basmati imports to India in 27 Feb 2018 in second 45 TMT purchase in a matter of 2 weeks.
- NFA and the Philippines continue to show concern over weak NFA stocks as import needs continue to loom; Philippines also pushes for converting from Quantitative Restrictions based system to tariff based system for rice imports to be revealed to WTO by Jun.
- Thai markets show concerns over 2 MMT deficit in Hom Mali production estimates as recent rise in prices reflecting on weak production across key Northeastern areas; Thai price weakness bodes competitiveness.
- Pak markets reveal quiet week with mixed reviews to Gulfood sales as export volumes look assured up to Mar 2018 but weak thereafter, as basmati sales to Europe provide main boost in relatively quiet markets lacking in buyer interest.
- Viet markets continue to feel holiday blues, with expected winter-spring crop providing focus as trade reveals steady markets that await news from Philippine and China for trends ahead.
- Indian markets slow with festive week, weak rupee provides highlight while Iraq sales of basmati boosts export volumes.
- China, Philippines, possible Indonesian element that many speak about, as well as rise in Middle East and African demand expected for Apr to Jun shipment, while supply is with Viet winter-spring crop, Thai second crop and Indian rabi crop as buyers will be tested by a market lacking in cheaper old crop options.

Key Price Highlights:

- Prices remain soft as tail end of Chinese New Year and Tet festivities and Holi festival of India lend to a quiet week; Myanmar prices continue to rise.
- Thai markets soften but steady as week progresses to reveal attractive white rice and parboiled rice prices, while Hom Mali prices maintain firmness on news of 2 MMT weakness in crop; Glutinous prices weaken but remain in higher range.
- Pak markets stable at PKR 36/kg raw material prices with some sub \$390 PMT prices for WR 5% as exporters concerned over lack of buying interest despite competitive prices; Basmati attracts European demand to provide positive.
- Indian markets steady with weaker Indian rupee (INR) while the week ends on a festive note with Holi festival.
- Viet markets steady with some softness expected in white rice markets, while fragrant and glutinous rice markets look positive with support from sales; Africa and China support fragrant rice, Chinese and Indonesian demand expected to boost glutinous rice, while white rice looks for direction as a wide price range reported as some sellers discount.
- Markets ahead look towards China and Philippines for near term demand, while Africa related markets weigh up offers that are higher compared to 2017 and lacking in terms of cheaper options; talk of destination prices at a significant discount to replacement values a key to cautious trade.

Export Market Highlights:

- Weekly exports are up 6.44% on the week Vietnam and U.S. showing increase this week.
- Pak maintains only riser of the year with a 33.6% year-on-year increase.
- Export Development Updates.

Thailand Highlights:

- Thai Hom Mali production during recent main crop seen at least 2 MMT lower as Thai survey across 23 provinces reveals a significantly weaker production
- Thai white and glutinous rice prices continue to show weakness as WR 5% prices sink to \$395 PMT to join Pakistan as the other sub \$400 PMT market for WR 5%
- Chinese and Philippines demand elements seen showing the way in short term while African demand seen adapting to new prices and lack of old crop offers with some reluctance at destination markets that continue to show cheaper offers compared to replacement value
- Middle East demand may not see demand for Hom Mali as it did last year, but white rice offers could help attract some buying interest ahead
- Buying trends ahead to set the tone with an attractive Thai white and parboiled rice offer poised to make a string pitch for buying as current weakness looks poised to attract buyers while concerns grow over Thai Hom Mali prices which make competitors' offers attractive.

Vietnam Highlights:

- Steady Viet markets continue to look slow as businesses return from holidays.
- Price weakness is possible ahead for white rice, especially with no clarity from NFA tender possibility and as Viet prices look uncompetitive against most of Asia.
- Chinese demand ahead looks a key as Viet fragrant rice markets buoyed by news of successful sales and as exporters look forward to winter-spring arrivals and a competitive Viet offer: Glutinous rice also gains from Indonesian demand.

Pakistan Highlights:

- Prices stay soft, cheaper offers continue to make Pak a competitive origin that tests buyers for deals.
- Jan 2018 reveals 398 TMT of Pak exports, 334 TMT of non-basmati and 64 TMT of basmati rice with weaker non-basmati rice exports compared to Dec, but with both basmati and non-basmati rice exports higher than Jan 2017 levels.
- African demand is providing a boost to Pak exports in 2018 with export performance that mirrors that of 2014-2016. Europe also provides sterling demand element in Jan 2018 as India's tricyclazole issues in Europe helps to raise Pak sales; FSU and Americas also report better Jan 2018 exports compared to 2017.
- Weakness in Pak exports coming from weaker Asian demand, as well as struggling volumes to Middle East; Chinese, Philippines and Malaysian demand expected to improve with Pak competitiveness.
- Higher prices in Thai and Viet markets and competitive Pak prices to aid Pak exports in Q1 with more competition expected ahead as Viet winter-spring and recently weakened Thai prices adding fresh elements in global rice price competitiveness.

India Highlights:

- Indian markets benefit from recent Indian rupee weakness: prices softer and exporters more comfortable.
- Iran tender for 45 TMT adds to basmati rice sales; local prices weaken as sale looks covered
- Indian markets look relatively tight for supply ahead of Apr/May arrival season as strong FCI buying and strength of Bangladesh demand lends to higher prices and relatively more supply tight market; focus on parboiled rice demand also lends to higher broken rice price.

U.S. Highlights:

- Trump Administration to implement steel & aluminum tariffs, raising prospects of trade wars that would negatively impact U.S. agriculture exports.
- U.S. sells 76.6 TMT of rough rice to Colombia this week, a country that has imported about 100 TMT each of the last two years.
- Japan awards two cargos to California exporters at approximately \$855 PMT in latest MA tender.

Latin America Highlights:

- The end of the 2017-18 trading season conclusion is near.
- Uruguayan farmers protest after government does not sufficiently address their needs.
- Brazil: Harvest is officially underway as of 23 Feb.

Special Rice Market Report: Glutinous, Nigeria, Iran Updates, & FAO:

- Glutinous Rice Update:

- Global glutinous rice exports continue to grow as 2017 exports reveal record 1.94 MMT year which beats the trend forecast in our last report for 1.86 MMT.
- Chinese demand drives markets with 1.52 TMT in 2017 and trends towards representing 78% of global trade with a 46% year-on-year growth helping the global trade of glutinous rice show a 43% year-on-year rise.
- Vietnam and Thailand reveal possibility for a weakness in the next glutinous rice crop; Thai prices already higher and with the Viet winter-spring crop, buyers look set to be tested by a higher price; Vietnam continues to hold the advantage in price competitiveness.
- Thai markets show promise as China and 7 of top 10 destination markets show year-on-year growth in volumes; 2018 will test buyers with higher prices.

- Nigeria Update:

- 2.35 MMT of imports revealed in TRT data for Nigeria in 2017, sharp rise from 1.88 MMT in 2016 as border trades continue to dominate Nigeria imports: 2.32 MMT of total comes from border trades via Benin, Cameroon, and Niger.
- Political influences continue to reveal press reports of efforts towards self-sufficiency, political scene continues to be linked with tensions (Boko Haram and relatively weak oil export), but USDA data continues to show a 2.75 MMT deficit as ending stocks weaker.
- Thailand and India dominate Nigerian imports with 1.54 MMT and 755 TMT of rice exports to Nigeria (and border routes) respectively, as the Thai share of the market rises to 67% and as the Indian share sinks to 32%: U.S. and China exports to Nigeria on the rise.

- Iran Update:

- Iran imports higher with TRT data showing a 1.23 MMT in 2017, up from 802 TMT as Iran imports recover (as expected).
- Early indications for 2018 imports show India to maintain its leadership with no real push to import South America, while Thai exports face the challenge of having Iran buyers accept a significant rise in Hom Mali price and higher white rice prices.
- USDA data shows 1.6 MMT of imports in 2016 falling to 1.3 MMT in 2017 as ending stocks rise, but TRT estimates a rising import because of the weakened food production, as well as continued pressure on Iran inventories.

- FAO All Rice Price Update:

- All Rice Price Index rose 1.6% in Feb.
- Aromatic prices posted the largest monthly increase – up 3.7% in Feb.

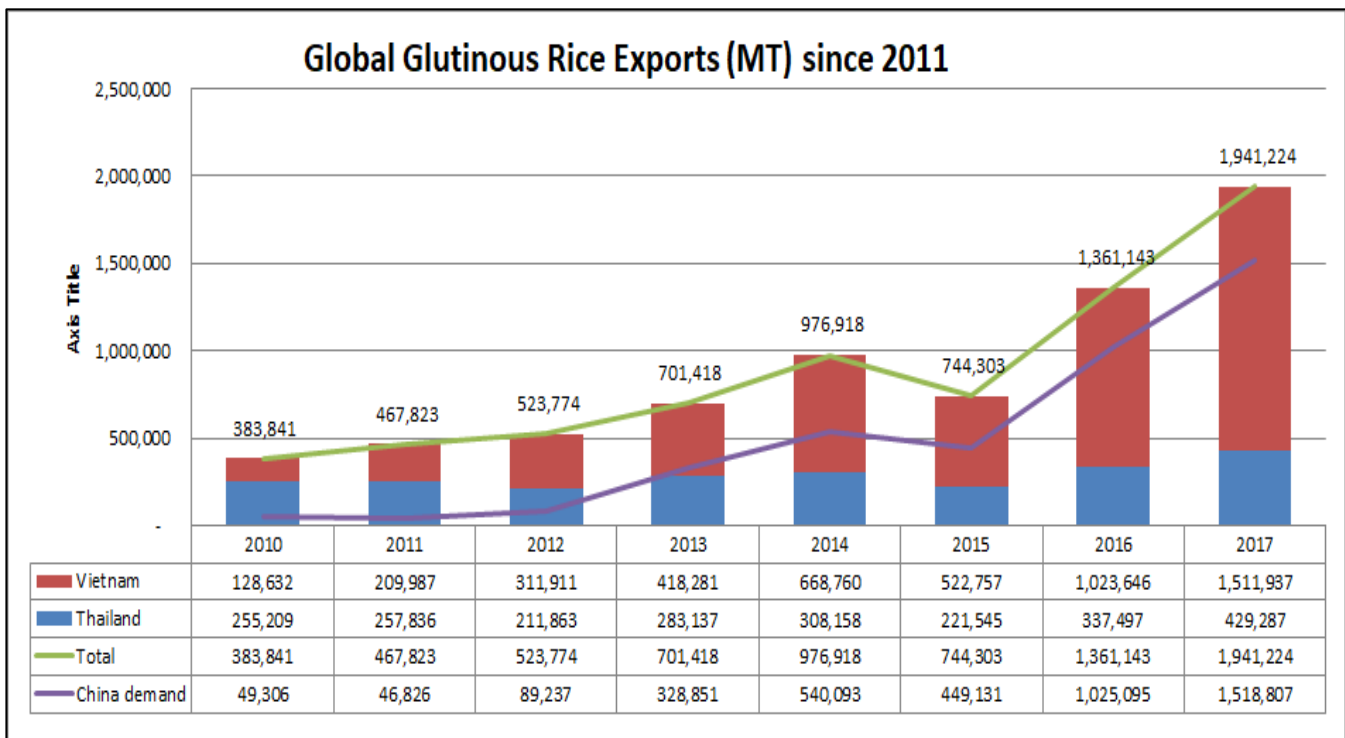
Rice Plant/Harvest Seasons of Major Exporting Countries

COUNTRY	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC
Argentina												
Australia												
New South Wales												
Western Australia												
Brazil												
South												
Northeast												
North												
Cambodia												
Main												
Second												
China												
Early												
Intermediaries												
Late rice												
Northern												
Egypt												
North (main)												
South												
India												
Kharif												
Early												
Main												
Rabi												
Indonesia												
Main												
Java												
<i>S. Sulawesi</i>												
<i>N. Sumatra</i>												
<i>S. Sumatra</i>												
Second												
Java												
<i>S. Sulawesi</i>												
<i>N. Sumatra</i>												
<i>S. Sumatra</i>												
Pakistan												
Philippines												
Main												
Second												
Third												
Thailand												
North												
Northeast												
Central												
South												
Second												
United States												
Gulf												
California												
Uruguay												
Vietnam												
Main (10th month)												
Main North												
Main Central												
Main South												
Winter-spring North												
Winter-spring Central												
Winter-spring South												
5th month spring												
Summer-fall North												
Summer-fall Central												
Summer-fall South												

Legend: planting period harvest period planting and harvesting period overlapped

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1. MARKET COMMENT & KEY ISSUES

Key Market Highlights:

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IRAQ AWARDS GO TO HANALICO WITH 30 TMT OF URUGUAY RICE AT \$590 PMT WHILE THAI MARKETS DEAL WITH REALITY OF WEAK JASMINE RICE PRODUCTION; IRAN BUYS 45 TMT INDIAN 1121 SELLA

The week saw highlights from the Iraq awards, Iran's GTC awarded 45 TMT of May 2018 delivered 1121 sella basmati rice from India and talk of weak Hom Mali production in Thailand, as a demand-less market continued to keep Asian markets quiet. The Chinese New Year festivities are in its final legs, and this week we had the 1 Mar Holi festival in India to add to the festive gloss in markets. Interestingly, the press reports also reveal continued interest from Bangladesh and Sri Lanka, with both markets now receiving arrivals, but with imports reported to continue, with more commercial demand than any government effort, as both of these countries continue to battle food inflation. The same could also be said about Indonesia, which remains unclear, except that Bulog's stocks, which were deemed low, could pose a longer-term threat with much now dependent on the harvests that will rise up between Mar and Jul to provide Indonesia with its own peak in rice arrivals. The buy-side of the equation may have taken a softer look, but based on these reports and the issues with NFA stocks, there seems to be life for buying.

The first news we have is of Iraq Grain Board's formal award of 30 TMT of rice imports to Hanalico at \$590 PMT CIF Free Out. There was also news that Iraq is seeking U.S. offers, which seems to be the case lately with each global tender followed by a U.S. specific tender. Interestingly, sources also confirmed this week that Pakistan's preliminary award was ultimately cancelled.

Iran also saw a 27 Feb 2018 tender for 3 lots of 15 TMT, for a total 45 TMT of imports mostly for May 2018 delivery (up to 5 Jun 2018), for Indian 1121 sella basmati rice. This is the second award after a 13 Feb 2018 award for 45 TMT of rice. Details on price and winners of the award were not available at the time of writing and we will update readers as soon as details emerge.

In the Philippines, there was more talk about the weak NFA stocks and how there is a need for imports amongst the government circle that is regularly featured in the press. More interestingly, the Philippines press also reported that the Philippines was to shift away from a Quantitative Restrictions based system for imports to one that would be based on a tariff based system that was to be revealed by Jun 2018 to the WTO. News also revealed talks between the Philippines and Pakistan, to suggest a Memorandum of Agreement (MoA) for as much as 1.5 MMT of rice exports from Pakistan under a preferential trade agreement (PTA). Like many MoUs in rice imports, execution would typically involve some agreement on price and details which would be detailed with each effort to import.

At origins, Thai markets were concerned over a 2 MMT weakness in its main crop jasmine or Hom Mali rice production from the Northeast as government officials cited a 23-province survey to reveal a 7.1 MMT production, down from an earlier 9.9 MMT estimate. These numbers were in press reports who quoted the Thai Rice Millers Association. Markets were otherwise soft, with some very attractive prices that would catch the attention of most buyers looking for Q2 demand and procurement.

In Pakistan, it was also relatively quiet with a mixed review of sales from Gulfoods which many Pak exporters and millers attended with enthusiasm. The results seem mixed with basmati exports, especially to Europe rising (on the back of India's inability to meet requirements), while the IRRI rice exports were deemed steady for volumes up to Mar 2018, but lacking in buying interest for later months despite some expectations that an attractive Pak price would capture demand over the last 3 weeks.

Viet markets remain in holiday mood with the expected winter-spring crop providing the focus for market watchers with an interest. There seems to be an agreement that Philippines and China demand are key for markets ahead. There were also suggestions that exporters were uncomfortable with current prices that make it difficult to compete with Thailand, but most of the positives comes from a bustling fragrant and glutinous trade. Prices in Vietnam have started to stir with traders reporting some sellers' willingness to offer the winter-spring crop at a significant discount to what we have as indications.

Indian markets were also slow this week with the festival at the end of the week dominating. The main news came from the Iranian success in basmati rice sales, which seems to have underpinned India's supplier of choice role in Iran. The mood in the basmati rice market was also for more Iranian demand ahead, especially if the talk of weather concerns are to translate to a tight domestic supply in Iran. India does not have much to offer in supply, as most seem to prefer to wait for the Apr/May arrivals that are crucial to the export season, which tends to peak in Q2 with a rising Middle East and Africa demand.

Markets will show more life next week as we have the same factors we have mentioned now for several weeks at play. The mood is for more softness ahead as buying looks unclear. China, Philippines, possible Indonesia (something that seems to have returned to the grapevine over recent weeks in Thai and Viet markets) are elements that will shape buying in the near term. There is also an expectation of Middle East

and African demand likely to rise up for Apr to Jun shipment. However, volumes for this demand, is the big debate between market watchers, while supply is building with the Viet winter-spring crop, the Thai second crop and India's rabi crop as markets would see an injection of supply, as well as a rise in buyer interest. Buyers, as mentioned in several of our reports, will be tested, in time, by a market lacking in cheaper Thai old crop options while the alternatives come from a closely bunched Asian offers across most key origins (Thai, India, Pak, Myanmar and Viet), as well as a smaller U.S. and South American export. On the negative, we also have a large Chinese presence that is adding to inventories in Africa, a fact that will contribute some possible softness as the demand from Africa (and parts of the Middle East) are shared between the major export origins and a rapidly rising Chinese export.

U.S. MARKET COMMENTS

U.S. LONG GRAIN OUTLOOK: The U.S. rough rice market received a nearly 3% boost on Thu from a 76.6 TMT purchase of rough rice by Colombia, as reported on the USDA's weekly export sales. To give that number some perspective, the U.S. exported about 100 TMT to Colombia in CY 2017 and 123 TMT in 2016. Additionally, with U.S. export sales slowing in recent months, it was a nice bit of demand coming from the U.S.'s third-largest export market.

Any elation resulting from a good export week was short lived, however, as the Trump Administration announced on Thu that it will be imposing a 25% import tariff on steel and a 10% tariff on aluminum. The stated purpose of the tariffs are to support the U.S. steel industry, purportedly for national security purposes, to ensure enough domestic metal production for military purposes. Most political commentators feel it is intended to shore-up political support with Trump's blue-collar worker base. However, many analysts and political commentators have noted that the U.S. agriculture industry is the most vulnerable to retaliatory tariffs by trade partners. The top four countries that send steel to the U.S. are Canada, Brazil, South Korea, and Mexico, and the top four U.S. aluminum origins are Canada, Russia, the U.A.E., and China. Given that Mexico is the U.S. long-grain industry's biggest export market, Canada imports about 200 TMT of U.S. rice yearly, South Korea is California's second largest export market for Calrose after Japan, and that the U.S. rice industry is hoping to break into China's market in the future, any trade war would likely have significant negative impacts on the U.S. rice industry. Members of the U.S. Congress and Senate have voiced concerns and opposition to the tariffs, as put by Senator Pat Roberts (R-Kansas), "Every time you do this, you get a retaliation. Agriculture is the number one target. I think this is terribly counterproductive for the agriculture economy." As put by Chrystia Freeland, Canada's Foreign Affairs Minister, "Should restrictions be imposed on Canadian steel and aluminum products, Canada will take responsive measures to defend its trade interests and workers." In short, if the Trump Administration follows through and keeps the steel and aluminum tariffs there are likely to be significant retaliatory measures implemented by trade partners, with U.S. agriculture, including rice, taking the brunt of any response.

U.S. MEDIUM GRAIN OUTLOOK: The California water situation will be coming to a head shortly, as the water deficiency remains serious in the snowpack and reservoirs, in particular Lake Oroville on the east side of the valley. By mid-Mar the water situation should have more clarity, and by the end of Mar preliminary acreage ideas will have much more clarity than they do now. In the meantime, the U.S. medium grain industry continues along with slight activity, as acreage uncertainty and section 199A tax concerns are central to the planting decisions growers will be making soon.

As noted in the long grain section, the 199A tax controversy continues to play out across the U.S. agriculture industry, with growers who sell to cooperatives having a huge tax advantage over growers selling to corporations. The next chance the U.S. Congress has to create a "fix" is the funding bill that will come up for vote on Mar 23rd. The longer this goes without being revised, the more likely it will stay

on the books, at least for this year. Farm and Trade, Inc., in California is working to help form a cooperative that will help market growers' crops on a non-exclusive basis. In other words, growers will be able to independently find buyers, and then have a sale to the buyer facilitated through the co-op, which will help facilitate business without locking growers into doing business with only co-ops that market on a pool basis. If Congress does not pass an amendment to section 199A, this will provide a benefit to growers in California who wish to maintain freedom to market their crop and participate in a co-op to gain the tax benefits. It is but a short term fix to a bigger issue.

<u>Num.</u>	<u>2016 MY</u>			<u>Ship Date</u>	<u>2017 MY</u>			<u>Ship Date</u>
	<u>Date</u>	<u>Seller</u>	<u>\$/MT FOB Port</u>		<u>Date</u>	<u>Seller</u>	<u>\$/MT FOB Port</u>	
1	8/31/2016	ACC	\$600	Oct/Nov	9/11/2017	ADM	\$745	Oct/Nov
2	8/31/2016	ACC	\$600	Oct/Nov	9/11/2017	FRC	\$745	Oct/Nov
3	9/30/2016	FRC	\$630	Oct/Nov	9/11/2017	SunFoods	\$745	Oct/Nov
4	9/30/2016	ADM	\$630	Oct/Nov	10/2/2017	FRC	\$775	Nov
5	9/30/2016	ADM	\$630	Nov/Dec	10/2/2017	ADM	\$775	Nov
6	9/30/2016	ADM	\$630	Nov/Dec	10/18/2017	ADM	\$785	Nov/Dec
7	9/30/2016	SWF	\$630	Nov/Dec	10/18/2017	SWF	\$785	Nov/Dec
8	10/21/2016	FRC	\$650	Dec/Jan	10/27/2017	ADM	\$800	Dec/Jan
9	10/21/2016	FRC	\$650	Dec/Jan	11/17/2017	SWF	\$795	Jan/Feb
10	10/28/2016	SWF	\$665	Dec/Jan	11/17/2017	SWF	\$795	Mar/Apr
11	10/28/2016	Bunge	\$665	Dec/Jan	12/15/2017	ADM	\$830	Mar/Apr
12	11/30/2016	ADM	\$610	Jan/Feb	12/15/2017	ADM	\$830	Mar/Apr
13	11/30/2016	ADM	\$610	Jan/Feb	12/15/2017	ACC	\$830	Mar/Apr
14	11/30/2016	ADM	\$610	Mar/Apr	1/19/2018	ADM	\$830	Apr/May
15	11/30/2016	ADM	\$610	Mar/Apr	1/19/2018	SWF	\$830	Apr/May
16	12/15/2016	SWF	\$560	Mar/Apr	1/26/2018	ACC	\$845	May/June
17	12/15/2016	SWF	\$560	Mar/Apr	3/2/2018	FRC	\$855	June/July
18	1/23/2017	SWF	\$535	Apr/May	3/2/2018	ADM	\$855	June/July
19	2/28/2017	Bunge	\$545	May/June				
20	3/10/2017	SWF	\$560	May/June				
21	3/10/2017	ADM	\$560	May/June				
22	3/17/2017	SWF/Bunge	\$550	May/June				

	<u>Today</u>	<u>1 Year Ago</u>	<u>5 Years Ago</u>	<u>1 Year Change</u>	<u>5 Year Change</u>
2-Mar-18					
Thai 100% B	\$405	\$363	\$555	\$42	-\$150
Viet 5% d.p.	\$410	\$357	\$405	\$53	\$5
Pak 5% d.p.	\$385	\$380	\$435	\$5	-\$50
India 5%	\$407	\$383	\$450	\$24	-\$43
U.S. #2/4% LG	\$585	\$437	\$645	\$148	-\$60
Uruguay 5%	\$540	\$480	\$610	\$60	-\$70

2. PRICE DIRECTION

Key Price Highlights:

- Prices remain soft as tail end of Chinese New Year and Tet festivities and Holi festival of India lend to a quiet week; Myanmar prices continue to rise.
- Thai markets soften but steady as week progresses to reveal attractive white rice and parboiled rice prices, while Hom Mali prices maintain firmness on news of 2 MMT weakness in crop; Glutinous prices weaken but remain in higher range.
- Pak markets stable at PKR 36/kg raw material prices with some sub \$390 PMT prices for WR 5% as exporters concerned over lack of buying interest despite competitive prices; Basmati attracts European demand to provide positive.
- Indian markets steady with weaker Indian rupee (INR) while the week ends on a festive note with Holi festival.
- Viet markets steady with some softness expected in white rice markets, while fragrant and glutinous rice markets look positive with support from sales; Africa and China support fragrant rice, Chinese and Indonesian demand expected to boost glutinous rice, while white rice looks for direction as a wide price range reported as some sellers discount.
- Markets ahead look towards China and Philippines for near term demand, while Africa related markets weigh up offers that are higher compared to 2017 and lacking in terms of cheaper options; talk of destination prices at a significant discount to replacement values a key to cautious trade.

MARKETS TRACK SIDWAYS TO LOWER AS FESTIVE ASIAN MARKETS CONTINUE TO WAIT FOR DEMAND TO FORM

The Chinese New Year and Tet holidays usually have roughly two weeks of festivities, even if offices were open and staff were back. Add the Indian Holi Festival on 1 Mar 2018, and we have an extra element to lead us to another quiet week in markets, more price softness across most markets was the tone. Only Myanmar, whose prices continued to rise with Bangladesh commitments, which led the way with short cover demand supporting prices. Myanmar prices were at \$440-445 PMT for an emata 5% offer, \$346-50 PMT for emata 25% and \$300 PMT to \$320 PMT for a wide array of broken rice (B1/2 sortexed the higher priced, B1/2 non-sortexed in the middle and B2,3/4 the cheapest). Bangladesh related short cover seems to be at the heart of the Myanmar price rise, together trade commitments for West Africa.

Thai markets edged lower in white rice and parboiled rice, fragrant rice markets were firm especially with news this week of a 2 MMT (or more) weakness in Hom Mali production compared to the 9.9 MMT initial forecast and we have the reason for the \$1100 PMT price for Thai Hom Mali today. Glutinous rice prices edged lower but stayed on a higher price plane. The main weakness was in white and parboiled rice prices and we are excited at the prospect of an attractive Thai price that is dangled before buyers.

In Pakistan, local raw material prices were at PKR 36/kg and stable, and with FOB prices looking steady at just under \$390 PMT for WR 5%, with many in the market perplexed with the lack of buying despite Pakistan's competitive prices. Buyers were looking for \$365 PMT levels when exporters were at \$390 PMT, and the work is demand is set for up to Mar, but is especially weak for the months after that, possibly due to the recent Thai weakness. On the positive, we have a positive Basmati rice market that has gained

from European interest to support prices while delivering volumes – mostly due to the earlier rules on tricyclazole limits that favor Pak basmati over Indian in meeting European limits.

Indian markets have been benefitting from a weaker rupee (INR) of late and while this week seemed short with the Holi festival, the news of the Iran tender awards supported basmati markets. Basmati rice prices received another shot in the arm after the mid-Feb award was quickly followed by this 27 Feb tender success. Non-basmati rice prices are stable, some weakness was seen with the rupee, but this seems to have brought more relief to local traders with short cover purchases, while allowing for a modest price drop this week.

Vietnam was steady, some softness crept into prices, but markets were quiet. Positive sentiment surrounds Viet fragrant rice markets that seem to be sitting on a good order book from Africa and China. The mood is also good for glutinous rice where the Chinese demand is now also showing an Indonesian interest added to a thriving Viet offer with both fragrant and glutinous markets positioned to benefit from Thailand’s weaker crop. The mood is less apparent in white rice markets where much is hinged in the near term from NFA tender, MAV 2017 imports for May and later, as well as a returning Chinese demand. While the mood is not great, markets are sensitive and for now, the lack of competitiveness against Thailand in particular is a big cause for concern in white rice markets. Perhaps what was most interesting late in the week was trade buyers reporting offers of Viet WR 5% from anywhere between \$390 PMT to levels around \$410 PMT which we are maintaining in indications – a precursor to the pressure from the upcoming winter spring crop?

Markets ahead continue to appear relatively weak, but look towards China and Philippines for near term demand. There is the NFA tender potential which looks to only be a matter of when considering the news and even talk of Indonesia possibilities ahead (at a time when imports are usually banned, but weak Bulog stocks are a growing concern). Africa and Middle East demand should also return, but the word is Africa markets are weighing up offers that are higher in price compared to 2017 and lacking in terms of cheaper options (no old crop, or certainly a more expensive old crop from Thailand). Some talk in African markets compared domestic prices at destinations to the replacement values and some say that this resulted in a cautious mood in trade. There is also a growing Chinese presence in terms of stocks being built which offsets the relatively thin inventories from the rest of Asia. There is, however, a general belief that once inventories dry up, the imports will be needed – the question is what will traders buy, how much and when and if Chinese old crop has a role in replacing Thai old crop in more price competitive demand in Africa? A peak in demand for Apr to Jun shipments seems likely, while origins will be decided on the best economics, as well as what is best received by consumers. Thailand is well placed with a competitive price, while India looks a steady supplier offering a wide range and widely accepted quality, and as Myanmar and Pakistan offer smaller but steady offers with Myanmar seen as the cheapest offer outside the Chinese old crop that is showing more in markets.

WORLD PRICE TABLE										
QUALITY	U.S.		THAI		VIET		PAK		INDIA	
	2-Mar	23-Feb	2-Mar	23-Feb	2-Mar	23-Feb	2-Mar	23-Feb	2-Mar	23-Feb
HIGH	585	585	405	410	410	420	385	390	407	410
MEDIUM	550	550	390	393	400	410	355	358	395	398
LOW	525	525	385	385	390	400	350	350	375	375
BROKENS	NA	NA	355	355	370	375	340	336	332	330

DOMESTIC PRICES:

WEAKER DOLLAR SENDS INDIAN PRICES DOWN; INDONESIA AND PHILIPPINES PRICES UP, WHILE INDIA AND CHINA SOFTENS

Markets saw a generally stronger dollar provide some weakness in dollar converted prices in all the markets we cover except Philippines and Pakistan where the dollar weakened.

In China, prices across all grades fell in CNY (Chinese yuan) terms and a weaker CNY also helped translate the week's prices lower by \$1 to \$3 PMT this week.

Indonesia saw some swift price hikes in IDR (Indonesian rupiah) terms while a weaker IDR helped soften the dollar price move by softening the blow as prices rose \$6 to \$11 PMT higher this week, despite the weaker IDR.

Pak prices were steady, the PKR was stronger against the dollar and with this, and the raw material prices were up \$1 PMT for the slightest of moves up.

Indian prices were steady for all grades except common basmati, with these prices weaker this week despite news of the Iran tender success; prices were lower for another week, led by the weaker INR (Indian rupee).

Philippines prices were up by \$7 to \$8 PMT with higher peso denominated prices and as the peso strengthened against the dollar to soften the impact of the rising peso price.

The generally weaker dollar is softening prices in most markets with the main movements higher in Philippines and Indonesia, while the rest were sideways to weaker.

DOMESTIC PRICES											
THIS WEEK											
CHINA		INDONESIA		PAK		INDIA		U.S.		PHILIPPINES	
Early LG	\$ 592	IR 64-I	\$ 816	Raw	\$ 321	Bas (Common)	\$ 1,173	LG	\$ 554.02	5% (imported)	\$ 778.12
Late LG	\$ 660	IR 42	\$ 791			Permal	\$ 360	MG - So.	\$ 635.59	5% (local)	\$ 778.12
MG	\$ 722					Sela	\$ 445	MG - Cal	\$ 892.87	25%	\$ 711.94
Early Paddy	\$ 413					I.R. 8	\$ 307	Sht Grain	NQ		
								Parboiled	\$ 613.55		
\$ PMT CHANGE											
with respect to prior week											
CHINA		INDONESIA		PAK		INDIA		U.S.		PHILIPPINES	
Early LG	(\$3)	IR 64-I	\$6	Raw	\$1	Bas (Sri Lal Mahal)	(\$7)	LG	\$0	5% (imported)	\$8
Late LG	(\$2)	IR 42	\$11			Bas (Lal Quila)	(\$7)	MG - So.	\$0	5% (local)	\$8
MG	(\$1)					Bas (Common)	(\$66)	MG - Cal	\$0	25%	\$7
Early Paddy	(\$2)					Permal	(\$1)	Sht Grain	NA		
						Sela	(\$2)	Parboiled	\$0		
						I.R. 8	(\$1)				
% CHANGE											
with respect to prior week											
CHINA		INDONESIA		PAK		INDIA		U.S.		PHILIPPINES	
Early LG	-0.53%	IR 64-I	0.69%	Raw	0.16%	Bas (Sri Lal Mahal)	-0.40%	LG	0.00%	5% (imported)	1.01%
Late LG	-0.25%	IR 42	1.41%			Bas (Lal Quila)	-0.40%	MG - So.	0.00%	5% (local)	1.01%
MG	-0.20%					Bas (Common)	-5.35%	MG - Cal	0.00%	25%	1.01%
Early Paddy	-0.42%					Permal	-0.40%	Sht Grain	NA		
						Sela	-0.40%	Parboiled	0.00%		
						I.R. 8	-0.40%				

3. WEEKLY RICE EXPORTS:

Export Market Highlights:

- Weekly exports are up 6.44% on the week Vietnam and U.S. showing increase this week.
- Pak maintains only riser of the year with a 33.6% year-on-year increase.
- Export Development Updates.

EXPORTS DOWN 17.13% ON THE YEAR, PAK IS UP 33.60% OVER LAST YEAR, ALL OTHER BIG-5 DOWN YEAR-ON-YEAR

WEEKLY EXPORT MOVEMENTS (TMT)												
ORIGIN	PERIOD	PRIOR WEEK	THIS WEEK	% CHG	CUMULATIVE				Yearly CHG	CY 2015 Full Yr	CY 2016 Full Yr	2017 Full Yr
					2015	2016	2017	2018				
Thai	27-Feb	162	155	-4.32%	1,290	1,809	1,650	1,499	-9.14%	9,796	9,910	11,629
India	27-Feb	191	188	-1.57%	2,068	1,390	2,023	1,558	-23.00%	10,896	10,036	12,044
Viet	27-Feb	61	69	13.11%	483	922	872	519	-40.49%	6,615	4,862	6,599
Pak	27-Feb	88	85	-3.41%	750	786	577	771	33.60%	3,960	3,955	3,212
Subtotal		502	497	-1.00%	4,590	4,907	5,122	4,347	-15.14%	31,266	28,764	33,485
U.S.	28-Feb	28	67	140.65%	600	421	685	466	-32.03%	3,454	3,534	3,352
Total		530	564	6.44%	5,190	5,328	5,808	4,813	-17.13%	34,720	32,298	36,837

Big Five Exports ended the week with 564 TMT of exports, which was up over last week's exports of 530 TMT by 6.44%. Thailand's exports were 155 TMT this week, down 4.32% from the total last week of 162 TMT. Indian exports were down this week at 188, for a 1.57% drop over last week's 191 TMT. Vietnam shipped 69 TMT this week, up 13.11% over last week's 61 TMT. Pakistan exports were down this week at 85 TMT, from 88 TMT a week ago, or a 3.41% drop. Finally, U.S. exports had 67 TMT, which was a 140.65% rise over last week's 28 TMT. Cumulative exports are down 17.13% from this same period last year with 5,808 TMT last year to 4,813 TMT currently. Pakistan is the only Big-5 Exporter showing an increase year-on-year, with a 33.60% increase over last year.

EXPORT DEVELOPMENT UPDATES:

Cambodia: The price of Cambodian rice abroad has been on the rise since the beginning of Feb due to higher demand from China and the European Union according to Hun Lak, Vice President of the Cambodian Rice Federation. He stated that Cambodian milled rice is now selling for \$480 PMT, compared to \$450 PMT a few weeks ago.

Guyana: Over two years have passed and the Guyana Rice Development Board is yet to deliver on its obligation to pay rice millers and operators for rice exporter to Panama since 2015. There also seems to be no clear indication as to whether any concrete moves have been made to pay the millers and operators any time soon.

Indonesia: The Indonesian government has reportedly decided to postpone implementing a new regulation that requires all domestic coal, palm oil, and rice exporters to use ships that are owned by local area companies and orders them to use domestic insurance.

Iran: The Government Trading Corporation of Iran (GTC) intends to purchase 45 TMT of 10% Indian Sella rice in three separate cargoes of 15 TMT each through a single-stage international tender. All

qualified companies and suppliers willing to bid are invited to receive tender documents no later than 06 Mar 2018.

Japan: The marketing strategy of selling rice in small volumes has recently been successful on the back of a rise in the number of one-person households and small families. Rice sold in 5-kilo packages, which used to be the main size, are unpopular among these smaller households. According to one wholesaler, rice sold in 2-kilo packages are now 30% more popular than 5 years ago.

Mexico: It has been agreed that the Mexican market quota for Guyana rice will be increased from 130 TMT to 150 TMT with either rice or paddy that can be shipped. The new agreement is said to be valid until the end of 2019.

Pakistan: According to The Rice Exporters Association of Pakistan (REAP), Senior Vice Chairman, Rafique Suleman, a high-profile trade delegation will visit Sri Lanka as a follow-up to a recent visit where REAP requested Sri Lankan authorities to reduce import duties for Pakistani rice. Other delegations will visit Indonesia and the Philippines.

Philippines: The Philippines is willing to import 1.5 MMT of rice from Pakistan as the two countries have agreed to negotiate a Preferential Trade Agreement to enhance bilateral trade. According to official documents the National Food Authority (NFA) has proposed a Memorandum of Agreement with Pakistan for the import of rice.

South Korea: The Ministry of Agriculture, Food, and Rural Affairs said it would sign a Memorandum of Understanding (MoU) with the Food Assistance Convention (FAC) to send about 50 TMT to 5 nations – Kenya, Ethiopia, Yemen, and Syria.

Sri Lanka: The glut of rice, the result of a bumper harvest, has not prevented the Ministry of Industry and Commerce to go ahead with more rice imports. Industry and Commerce Ministry Director, Indika Ranatunga said that since they were expecting a drop of paddy harvest due to drought, they had allowed private importers to import rice until 31 Mar.

Thailand: President of the Rice Exporters Association of Thailand, Charoen Laothammatas expects that the association will be able to export around 9.5 MMT of rice this year. As for this year's jasmine rice productions, Mr. Laothammatas said that it decreased more due to rain and flooding. In addition, rice farmers turned to other crops instead of rice, resulting in lower production.

U.S.: The U.S. Department of Agriculture released its first projections for major crops for the 2018/19 crop year and according to the report, total rice production is forecast at 217.8-mil cwt, up sharply from 178.2-mil cwt a year earlier, based on a 17% increase in planted acreage to 2.88-mil acres. Likewise, yields are forecast to increase to 7.631 lb. /ac, up 2%. Exports are seen at 106-mil cwt, a 6% increase.

Vietnam: Farmers in the south have begun harvesting winter-spring crop rice, earning large profits because of high yields and prices. So far 300,000 ha out of 1.9 mil ha planted have been harvested, with the average yield being 5.9 MT/ha. Rice harvested later are expected to have higher yields.

Recent Sales & Shipments

DESTINATION	ORIGIN	PRICE	SALES QTY (TMT)	RICE DESC	SHIP DATE	SELLER/BUYER SHIPPER/AGENT
Canada	U.S.	N/A	0.30	LG, Brown	Feb	N/A
Canada	U.S.	N/A	1.00	LG, Milled	Feb	N/A
Canada	U.S.	N/A	1.20	MG & SG, Milled	Feb	N/A
El Salvador	U.S.	N/A	6.20	LG, Rough	Feb	N/A
Guam	U.S.	N/A	0.20	MG & SG, Milled	Feb	N/A
Guatemala	U.S.	N/A	11.10	LG, Rough	Feb	N/A
Haiti	U.S.	N/A	1.50	LG, Milled	Feb	N/A
Hong Kong	U.S.	N/A	0.20	MG & SG, Milled	Feb	N/A
Japan	U.S.	N/A	0.60	MG & SG, Milled	Feb	N/A
Jordan	U.S.	N/A	1.40	MG & SG, Milled	Feb	N/A
Mexico	U.S.	N/A	0.50	LG, Milled	Feb	N/A
Mexico	U.S.	N/A	23.00	LG, Rough	Feb	N/A
Panama	U.S.	N/A	11.00	LG, Rough	Feb	N/A
Republic of Korea	U.S.	N/A	5.20	MG & SG, Milled	Feb	N/A
Saudi Arabia	U.S.	N/A	2.30	LG, Milled	Feb	N/A
Taiwan	U.S.	N/A	0.20	MG & SG, Brown	Feb	N/A
Taiwan	U.S.	N/A	0.30	MG & SG, Milled	Feb	N/A
Belgium	Uruguay	\$452.00	0.87	Brown, PB	Feb	N/A

Brazil	Uruguay	\$457.00	0.25	Brown, NPB	Feb	N/A
Brazil	Uruguay	\$466.00	1.06	WR, Milled, NPB/POL	Feb	N/A
Chile	Uruguay	\$537.00	0.46	WR, Milled, NPB/POL	Feb	N/A
Costa Rica	Uruguay	\$535.00	0.40	WR, Milled, PB/POL	Feb	N/A
Costa Rica	Uruguay	\$544.00	0.55	WR, Milled, NPB/POL	Feb	N/A
Mexico	Uruguay	\$512.00	0.99	WR, Milled, NPB/POL	Feb	N/A
Netherlands	Uruguay	\$460.00	0.26	Brown, PB	Feb	N/A
Peru	Uruguay	\$539.00	4.37	WR, Milled, NPB/POL	Feb	N/A
Senegal	Uruguay	\$566.00	0.78	WR, Milled, NPB/WHT	Feb	N/A
United Kingdom	Uruguay	\$463.00	0.26	Brown, PB	Feb	N/A

Govt registration with *TRT* adjustment

** Correction or additional data from previously reported sale.

1/ Packing 25 kg.

6/ Packing 49.88 kg.

11/ Packing 24 kg

2/ Packing 45 kg.

7/ Packing 24.92 kg.

12/ Packing 26 kg.

3/ Packing 30 kg.

8/ Packing 20 kg.

13/ Packing 15 kg.

4/ Packing 1000 kg.

9/ Packing 40 kg.

14/ Packing 60 kg.

5/ Packing 10 kg.

10/ Packing 35 kg.

15/ In bulk

NOTE: Packing 50 kg pp, unless otherwise indicated. All prices FOB, unless otherwise indicated.

4. THAILAND REVIEW:

Thailand Highlights:

- Thai Hom Mali production during recent main crop seen at least 2 MMT lower as Thai survey across 23 provinces reveals a significantly weaker production
- Thai white and glutinous rice prices continue to show weakness as WR 5% prices sink to \$395 PMT to join Pakistan as the other sub \$400 PMT market for WR 5%
- Chinese and Philippines demand elements seen showing the way in short term while African demand seen adapting to new prices and lack of old crop offers with some reluctance at destination markets that continue to show cheaper offers compared to replacement value
- Middle East demand may not see demand for Hom Mali as it did last year, but white rice offers could help attract some buying interest ahead
- Paddy and wholesale prices edge lower with Thai Baht at the heart of weakness while some paddy centers adjust lower
- Buying trends ahead to set the tone with an attractive Thai white and parboiled rice offer poised to make a string pitch for buying as current weakness looks poised to attract buyers while concerns grow over Thai Hom Mali prices which make competitors' offers attractive.

THAILAND REVEALS 2 MMT DROP IN HOM MALI RICE PRODUCTION AS RECENT PRICE GAINS EXPLAINED FROM SUPPLY DROP; WHITE AND PARBOILED RICE PRICES DIP TO ATTRACTIVE LEVELS

THAI EXPORTS		
PERIOD	QTY (TMT)	% CHG
6-Feb	177	-9.23%
13-Feb	176	-0.56%
20-Feb	162	-7.95%
27-Feb	155	-4.32%

The biggest news to come from Thailand this week seems to be the nearly 2 MMT less Hom Mali rice that was produced from 23 rice-cultivating provinces in Northeast Thailand over the course of the last main crop. Production of Thailand's prized jasmine or Hom Mali rice is now revealing a 7.1 MMT level as opposed to an earlier projection for 9.9 MMT (2.8 MMT less) as per the President of the Thai Rice Millers Association, Hasdin Suwatanapongches as revealed in press reports from the Thai PBS

this week. This, for one, provides a sound reasoning for the \$1100 PMT or higher price for the high-grade Hom Mali rice, but also states the challenge ahead for marketing what is a more expensive rice. Hom Mali is also facing up to competition, especially from Vietnam (with its own \$470 PMT jasmine 5%) and a Cambodian option (which is priced along Thai prices, with cross border trades often helping create a "grey" area, especially when prices jump as they have). Some interesting times lie ahead for Thai jasmine markets, while these shortages often also benefit competitors with the conversion of more price sensitive buyers at destination markets and the possibility of blends entering some destinations.

In other markets, a slow course seems to be in place as more weakness came in white rice and glutinous rice markets that have softened over recent weeks. The Thai baht weakness was the week's main pressure point, adding a small touch of weakness in dollar prices. WR 5% is now in the sub-\$400 PMT market at \$395 PMT indications, with room for negotiations according to some. How is it that a market that was booming to the tune of Bulog's purchase has fallen off a cliff so dramatically? The reality is that Philippines demand, more Indonesia interest has not quite materialized, and Africa related demand has

also slowed. There are hopes ahead for Philippines and MAV 2017 demand, while Africa remains a market of potential, while buyers are often speaking of cheaper stocks being available in Africa as a deterrent to the higher priced options. The reality of a reduction in cheaper rice (like old crop which has been in markets between 2014 and 2017) has not quite set in, while trade buyers would take a more cautious approach to markets that are in transition.

Chinese demand is another element that is currently lacking in presence, as markets are hopeful for the post-Chinese New Year, when talks and some deals are hoped to occur. Bangladesh has also been weaker on the more limited tones from private sales and the Middle East, unlike last year, looks less present, with buyers of Hom Mali especially hesitant with the almost doubling of prices compared to deals in 2017.

Thailand: 5% Paddy (15% m.c.)			Bangkok Bulk Wholesale Price		
	2-Mar			2-Mar	
	S/Ton	CHG		S/Ton	CHG
Phitsanulok	252.20	-0.36	100% B	407.65	-0.58
Nakhon Sawan	244.27	-6.70	25% S	334.69	-0.47
Pathum Thani	244.27	-0.34	A 1 S	309.31	-0.44
Suphan Buri	239.51	-0.34	P 100% S	375.93	-0.53
			F 100% B	1073.85	-1.51
SOURCE: Ministry of Commerce			SOURCE: Min. of Commerce		
\$1 = Baht	31.52		\$1 = Baht	31.52	

Paddy prices were steady in a week dominated by the Thai baht which was weaker. There were some pockets of weakness showing in selected centers (Nakhon Sawan this week) as prices aligned towards THB 7,800 PMT for paddy – down from the THB 8,000 PMT levels at the recent peak in markets. Wholesale markets were much the same with a steady price after

last week's decline with most of the dollar price weakness coming from the Thai baht (THB). Glutinous prices (not featured above) showed some weakness as well.

There are worry lines showing, as Thai prices have edged considerably lower, but this weakness is also seen as a willingness to price to compete, and at current prices, Thai origin, which typically can command a premium over most origins and hence, when we consider the prices on offer, it is hard to imagine buyers looking away. Perhaps some want to test for a floor before the main buying season, which also includes supply from the second and off-season arrivals. For most it would be seen as a transition away from an old crop based procurement to something where the Asian prices are closer. The only exception is the Chinese old crop, which is still in position, but less adept at replacing the characteristics (especially cooking) of the Thai old crop, which continues to sell at \$400 PMT and higher. Demand elements returning will shape markets ahead, while some good value is seen in today's Thai current crop prices.

FOB prices closed today as follows for Apr Shipment (in 50 kg pp bags)

Thai Export Prices						
	2-Mar	23-Feb	16-Feb	9-Feb	1 Year Ago	5 Years Ago
100% B	405	410	415	425	363	555
5%	395	400	405	415	353	535
15%	390	393	398	408	350	525
25%	385	385	390	395	342	520
A 1 S	355	355	355	355	325	530
F A 1 S	445	445	445	445	358	570
P 100% S	405	405	410	425	360	570
Hom Mali	960	960	960	955	525	1,070

IMPORTANT - Hom Mali \$1100PMT, Pathumthani \$820 PMT

5. VIETNAM REVIEW:

Vietnam Highlights:

- Steady Viet markets continue to look slow as businesses return from holidays.
- Price weakness is possible ahead for white rice, especially with no clarity from NFA tender possibility and as Viet prices look uncompetitive against most of Asia.
- Chinese demand ahead looks a key as Viet fragrant rice markets buoyed by news of successful sales and as exporters look forward to winter-spring arrivals and a competitive Viet offer: Glutinous rice also gains from Indonesian demand.

SOFT VIET MARKETS IN SLOW, HOLIDAY INFLUENCED MARKETS; JASMINE, GLUTINOUS SALES AND CROP ARRIVALS EXCITE

VIET EXPORTS		
PERIOD	QTY (TMT)	% CHG
6-Feb	75	-3.85%
13-Feb	67	-10.67%
20-Feb	61	-8.96%
27-Feb	69	13.11%

Viet markets have yet to stir; rather a more lethargic market of companies returning to work ensured another uneventful week of steady to softer Viet prices. Business is slow, as most of the focus ahead is on the possibility of a NFA tender to add to MAV 2017 demand from the Philippines, while all eyes were on an expected Chinese demand, which is expected to aid fragrant, glutinous, and high-grade white rice demand with some Chinese sources suggesting the same.

There is a possible price correction ahead, some traders are already reporting sub-\$400 PMT offers for WR 5% and especially with the winter-spring crop arrivals that are due to add pressure, but markets in Vietnam will tend to remain a sensitive market especially with any news from Philippines, Indonesia, and even Malaysia likely to add a bullish feel. Malaysia for now would be more content with Thailand's offers (another deal was reported over the week for Thai rice), and there is a real case for Viet price competitiveness especially in white rice counters, while the case for fragrant and glutinous rice is more positive. There is a strong demand seen for fragrant rice, already in position, most expect Chinese and Indonesian demand to aid glutinous rice, while exporters look forward to winter-spring arrivals and a more competitive Viet offer, especially in white rice.

FOB prices closed today as follows for Apr Shipment (in 50 kg pp bags)

VIET EXPORT PRICES						
	2-Mar	23-Feb	16-Feb	9-Feb	1 Year Ago	5 Years Ago
5% d.p.	410	420	425	420	357	405
10%	405	415	420	415	355	400
15%	400	410	415	410	350	385
25%	390	400	405	400	340	370
Brokens	370	375	370	370	322	345
Jas 5%	570	570	570	570	480	NQ
Glut 10%	520	515	515	515	500	NQ
Japonica 5%	650	650	650	650	715	NQ

Important: Viet WR prices now quote current crop - Winter-spring options are at \$20-30 PMT premium

6. PAKISTAN UPDATE:

Pakistan Highlights:

- Prices stay soft, cheaper offers continue to make Pak a competitive origin that tests buyers for deals.
- Jan 2018 reveals 398 TMT of Pak exports, 334 TMT of non-basmati and 64 TMT of basmati rice with weaker non-basmati rice exports compared to Dec, but with both basmati and non-basmati rice exports higher than Jan 2017 levels.
- African demand is providing a boost to Pak exports in 2018 with export performance that mirrors that of 2014-2016. Europe also provides sterling demand element in Jan 2018 as India's tricyclazole issues in Europe helps to raise Pak sales; FSU and Americas also report better Jan 2018 exports compared to 2017.
- Weakness in Pak exports coming from weaker Asian demand, as well as struggling volumes to Middle East; Chinese, Philippines and Malaysian demand expected to improve with Pak competitiveness.
- Higher prices in Thai and Viet markets and competitive Pak prices to aid Pak exports in Q1 with more competition expected ahead as Viet winter-spring and recently weakened Thai prices adding fresh elements in global rice price competitiveness.

PAK PRICES STAY WEAK AS EXPORTERS AND MILLERS DIVIDED ON STATE OF EXPORT VOLUMES AND PRESSURE FROM WEAKER ASIAN ORIGINS

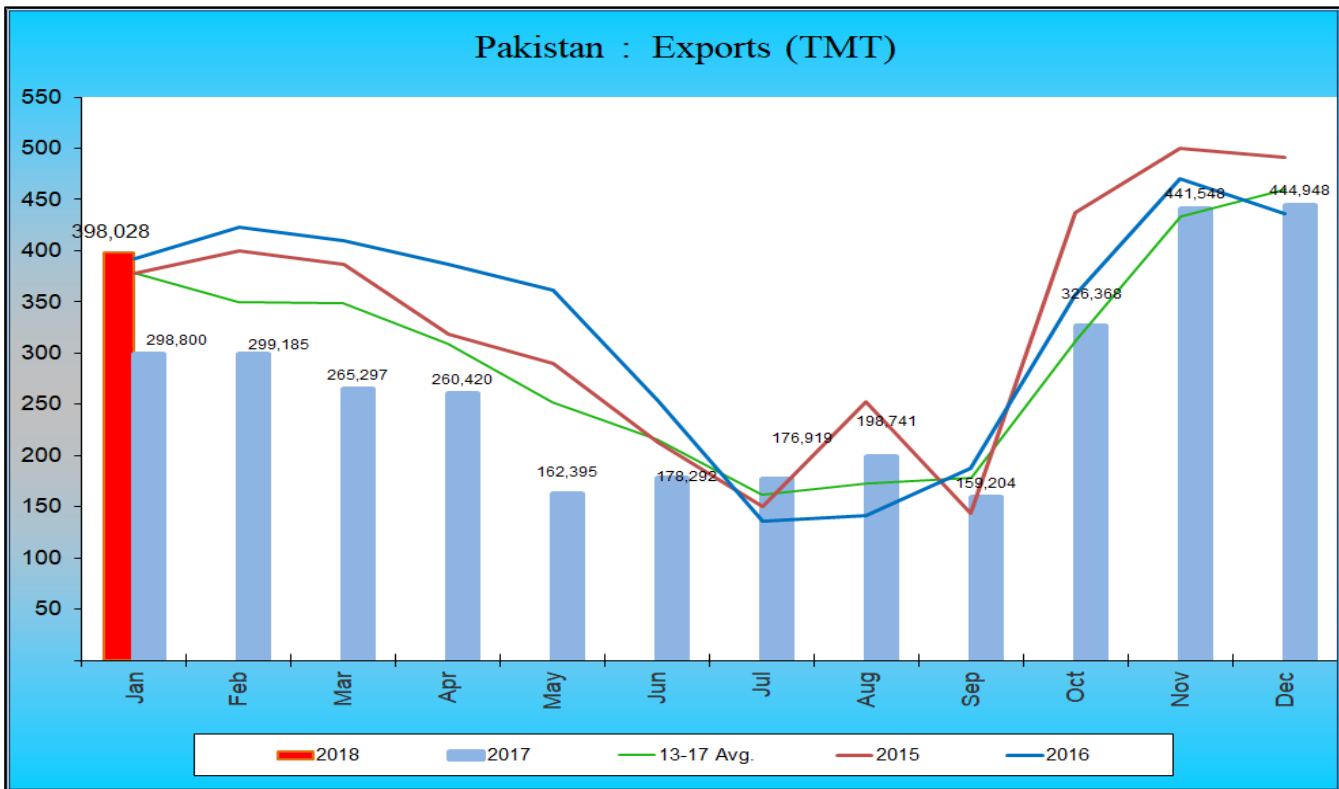
PAKISTAN EXPORTS		
PERIOD	QTY (TMT)	% CHG
6-Feb	87	-14.71%
13-Feb	95	9.20%
20-Feb	88	-7.37%
27-Feb	85	-3.41%

Pak markets have been weaker this week as what we hear were of exporters returning, with talk of a mixed success in the recent Gulfoods show where Pakistan's competitive prices, especially for non-basmati rice seems were dangled. The problem is, Thai and Viet offers have also been aggressive of late, and this is adding some pressure. Opinions are divided to whether sales are enough to support markets, and for now, another week of softness came. The question now is how these sales will translate to short cover demand

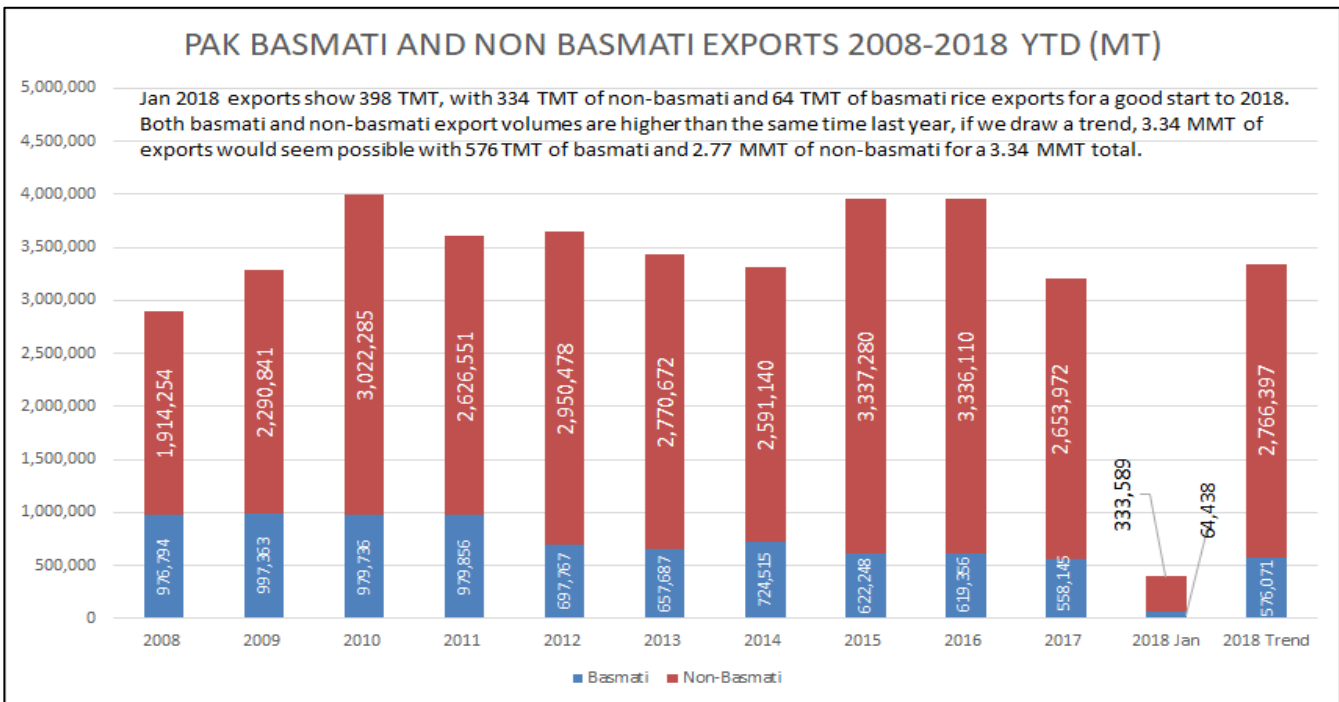
ahead and how the community of millers and stockists will now drive price trends. Most are also wary of weakening Thai and Viet prices that offer a competitive threat ahead and seem unsure to the state of export commitments and volumes ahead. As before, the question is whether stockists will price to compete or simply maintain a higher range of price – as was the case in 2017.

Local raw material prices hovering around the PKR 36/kg level to offer no significant change over last week, but the tune is changing now with talk of sub-\$400 PMT prices from Viet and Thai origin. Pak exports would have benefitted from being the cheapest WR 5% in the market but some consider the weak Chinese sales as a concern with all eyes on the weeks ahead, when Chinese buyers would return to markets after their Chinese New Year break.

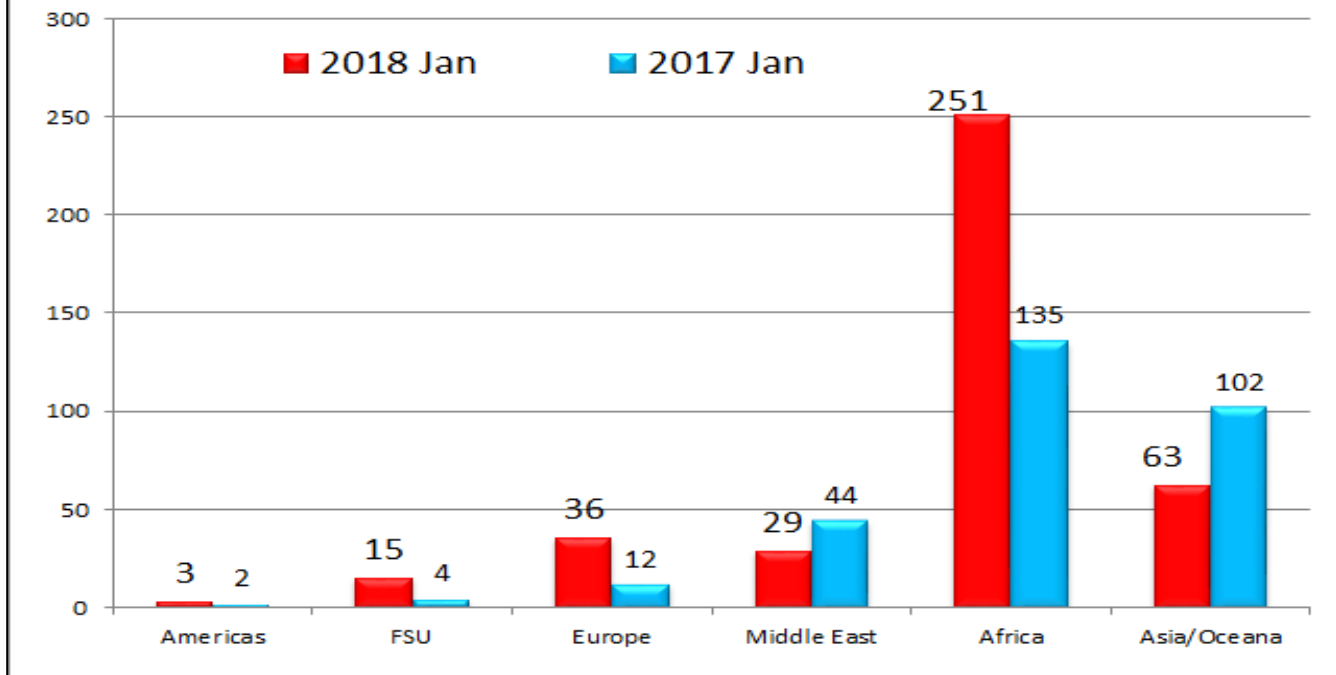
Trade interest seems to have hollowed of late, especially with a weaker Thai offer well accepted and welcomed by trade buyers. The road ahead will now be shaped by Middle East and Africa related demand which we expect to benefit Pak exports and with that, sufficient short cover will provide price stability and even some upside. The usual jousting between stockists and exporters will also add to the excitement ahead as sales find cover purchases.



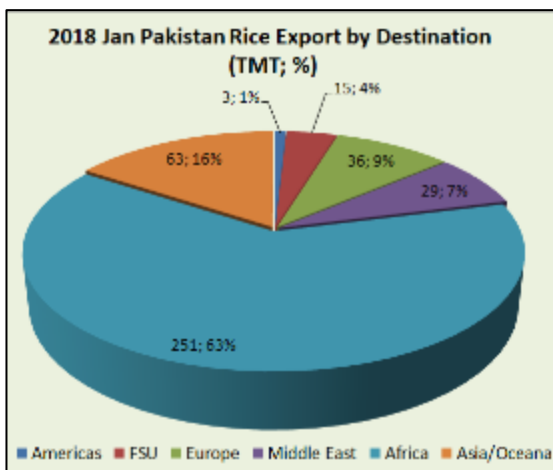
Jan 2018 revealed 398 TMT of exports, down from 445 TMT in Dec 2017, but almost 100 TMT more than the 299 TMT for the same month in 2017. This 398 TMT consisted of 64 TMT basmati and 334 TMT of non-basmati rice exports. If the 2017 averages for basmati (47 TMT per month) and non-basmati (221 TMT per month) were maintained, we would have a 2018 total of 576 TMT in basmati rice exports and 2.77 MMT of non-basmati rice exports for 3.34 MMT. We believe that Pak market's current competitive prices would provide room for more export volumes in 2018, and the gains would be possible so long as price competitiveness from Pak origin is maintained.



Pak exports by region 2018 YTD V 2017 YTD

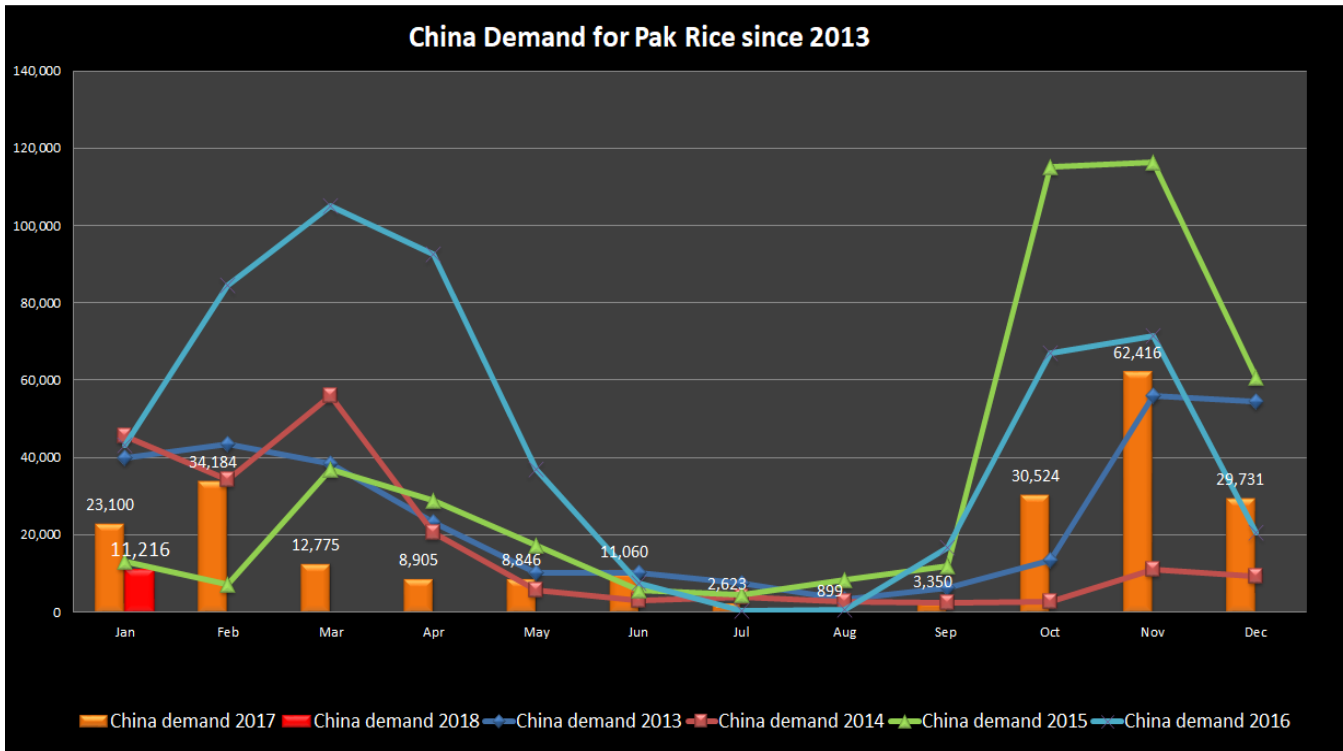


Turning now to Pak exports by region, and comparing Jan 2018 data to that for Jan 2017: Jan 2018, when compared to Jan 2017 has revealed strong gains in Africa, Europe, the Americas, and the FSU (Former Soviet Union) regions while year-on-year weakness came from the Middle East and Asia. Exports to Africa remained the largest component at 251 TMT in Jan 2018 compared to 135 TMT for the corresponding month in 2017 for an 85% gain. Europe was, at 36 TMT in Jan 2018, compared to 12 TMT for Jan 2017 for a 211% rise, while the Americas at 3 TMT in 2018 compared to 2 TMT saw a 93% rise. The FSU markets were a staggering 269% up as 15 TMT of Jan 2018 imports compared to a meek 4 TMT for Jan 2017. The weakness was clearest in Asia, at 63 TMT for Jan 2018 and compared to 102 TMT for a 38% drop, while the Middle East was down from 44 TMT in Jan 2017 to 29 TMT in 2018 for a 35% drop. These volumes compare well against 2013 to 2016 levels for the same month.

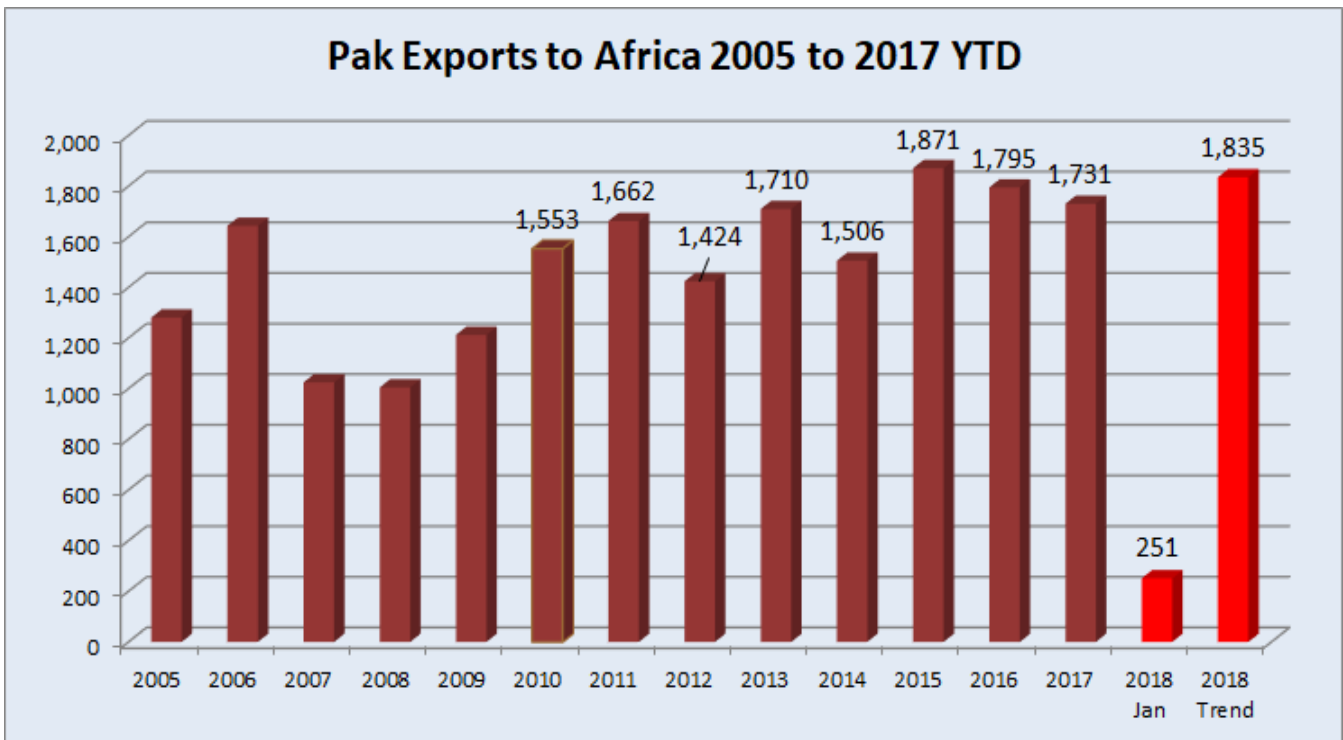


Looking at the same regional split by percentage, we can see Africa as the largest market with a 63% or 251 TMT (up from 54% in our Jan-Dec 2017 report). Asia is next at 63 TMT for a 16% share (down from 22% in the Jan-Dec 2017 based report), Europe was at 36 TMT for a 9% share (up from 6%) to leapfrog the Middle East which was at 29 TMT for a 7% share (down from 14% share). The FSU was next at 15 TMT for a 4% share (up from 3% in our last report) and the Americas was at 3 TMT for a 1% share (steady) to show us the African demand element that has tended to maintain a strong position in exports, especially for the season between Oct and Mar of most years. The weaker Asian demand is also interesting considering China's recent rise as a destination market for Pak rice. The success with European demand is an interesting element, especially considering that Pak exports could take advantage of a gap left by the Indian challenge in meeting the new tricyclazole limitations that could benefit Pak basmati rice exports.

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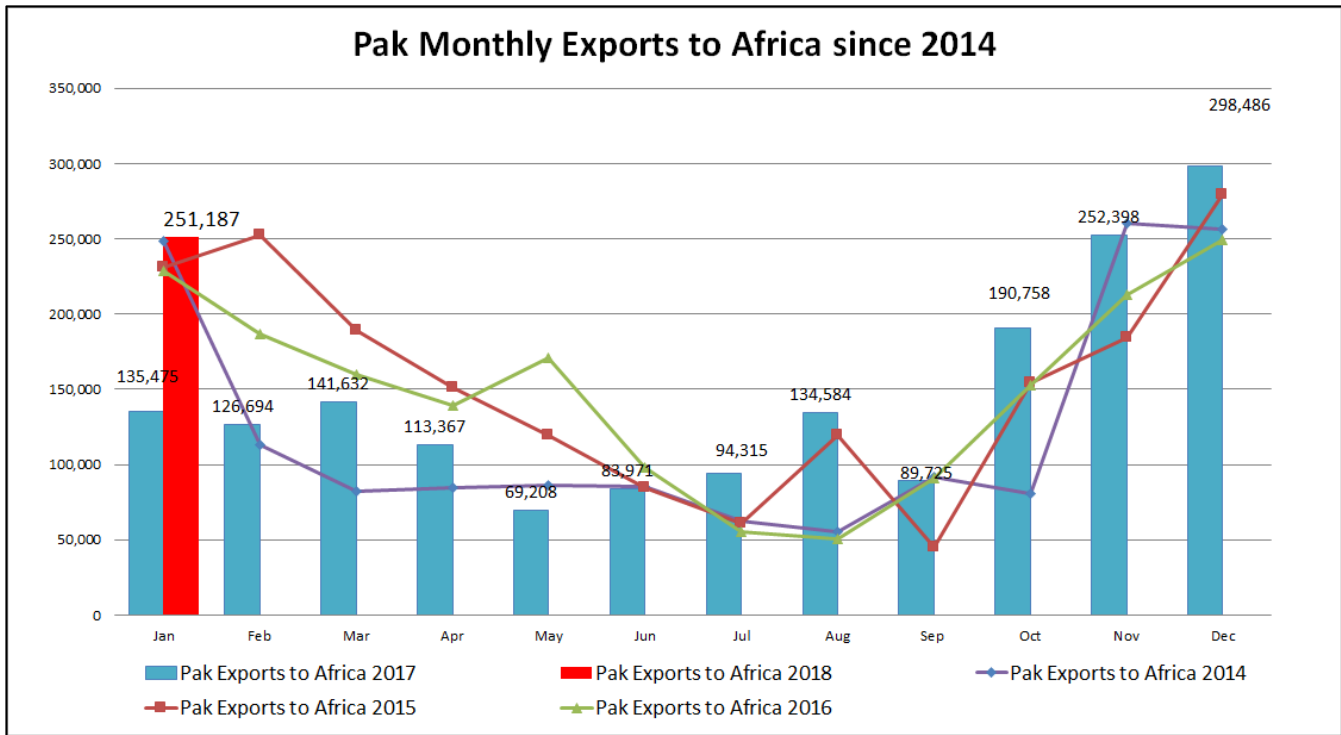


Chinese demand has lagged despite some hopes rising up during a Q4 2017 demand that showed promise. For now, we have Jan 2018 sales to China at 11 TMT and this is well below the historic levels, below Jan 2017 exports to China of 23 TMT, and perhaps following a similar line to early 2015. With China removing the need for quotas for broken rice and keeping tariffs at 5%, this trade is expected to grow, but Jan 2018 seems to have bucked the trend.

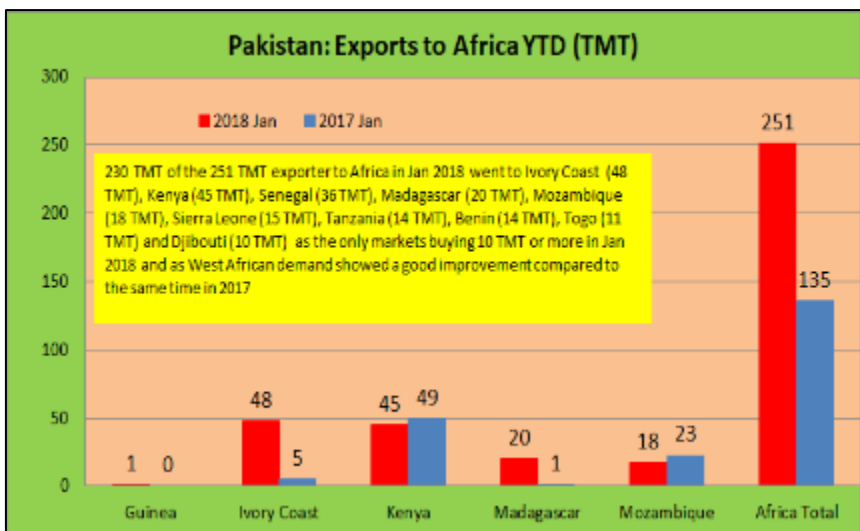


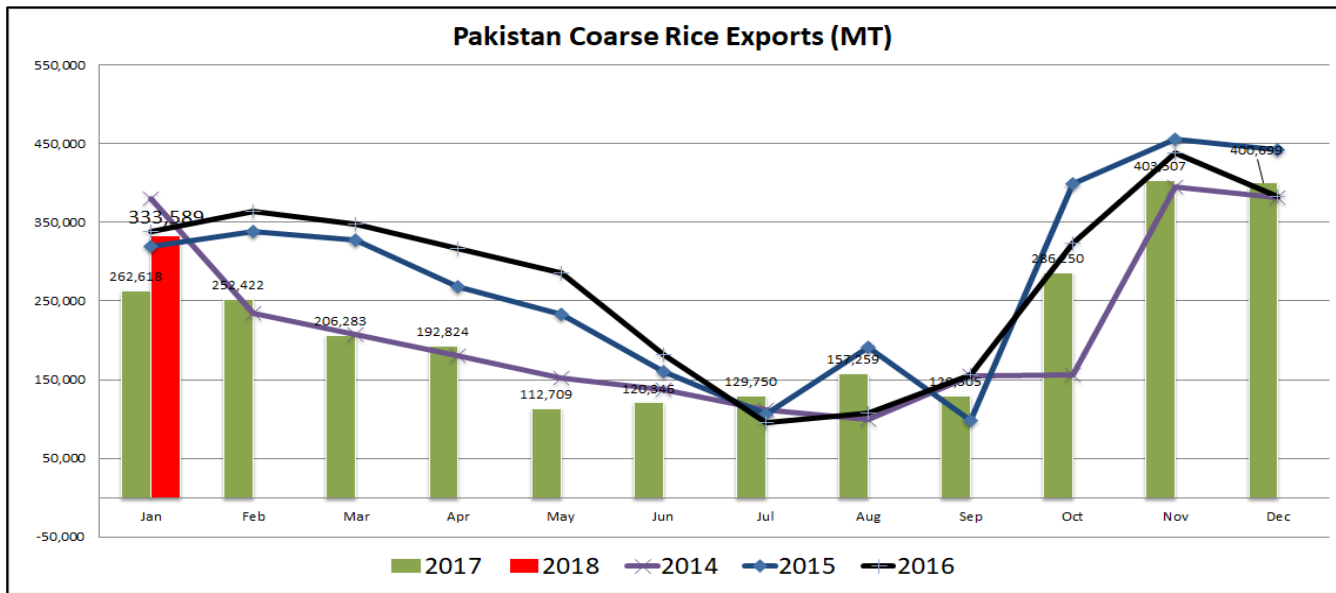
Turning now to Africa, we have Jan 2018 exports at 251 TMT and when we did the trend, instead of using 251 TMT for the trend (which would have been 3 MMT for the year and absurd), we used the 144 TMT per month average for 2017 to come up with 1.84 MMT, which gets its positive tones from the strong Jan 2018 exports to Africa.

When we look at the monthly chart below, we can see that at 251 TMT, exports to Africa are at a high, well above the Jan 2017 level of 135 TMT and in line with export levels in 2014, 2015 and 2016 Jan. We believe that a relatively competitive Pak price this year, especially in Dec 2017 and Jan 2018 would have aided export volumes to stay on the higher end of the range.

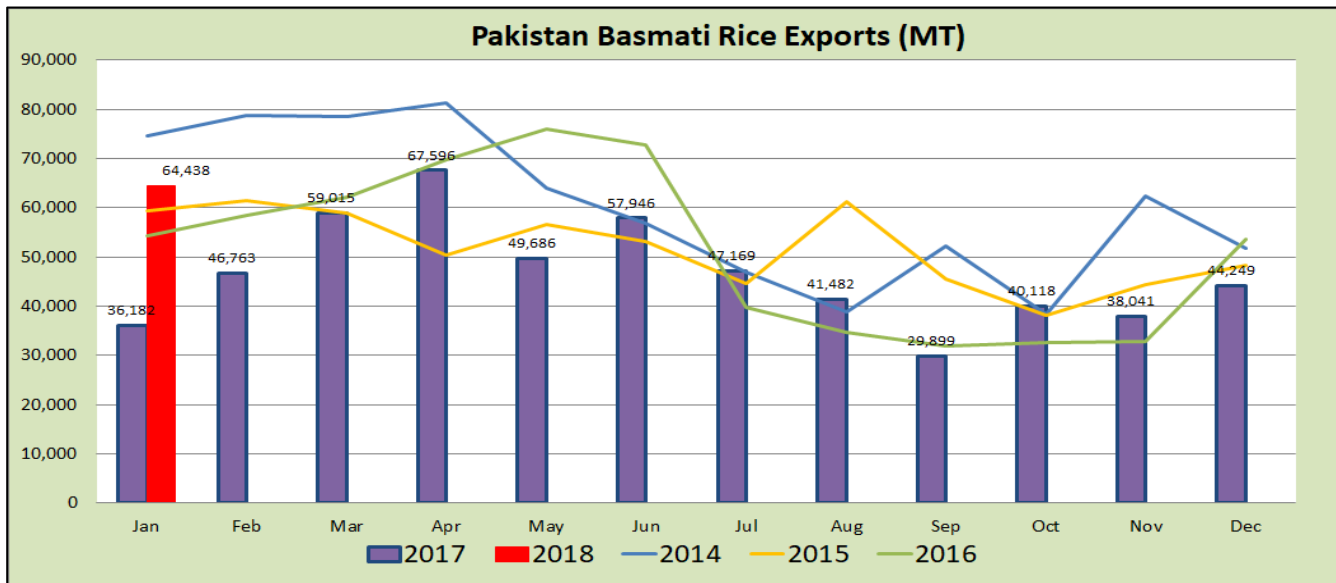


Pak exports to Africa settled at 251 TMT in Jan 2018, down from a robust 298 TMT in Dec 2017, but well above historic levels seen in Pak exports to Africa. 230 TMT of the 251 TMT exporter to Africa in Jan 2018 went to the following African countries, which imported 10 TMT or more. Ivory Coast (48 TMT), Kenya (45 TMT), Senegal (36 TMT), Madagascar (20 TMT), Mozambique (18 TMT), Sierra Leone (15 TMT), Tanzania (14 TMT), Benin (14 TMT), Togo (11 TMT) and Djibouti (10 TMT) were the key markets. West African demand has tended to be a reflection of price competitiveness and has shown a good improvement compared to the same period in 2017.

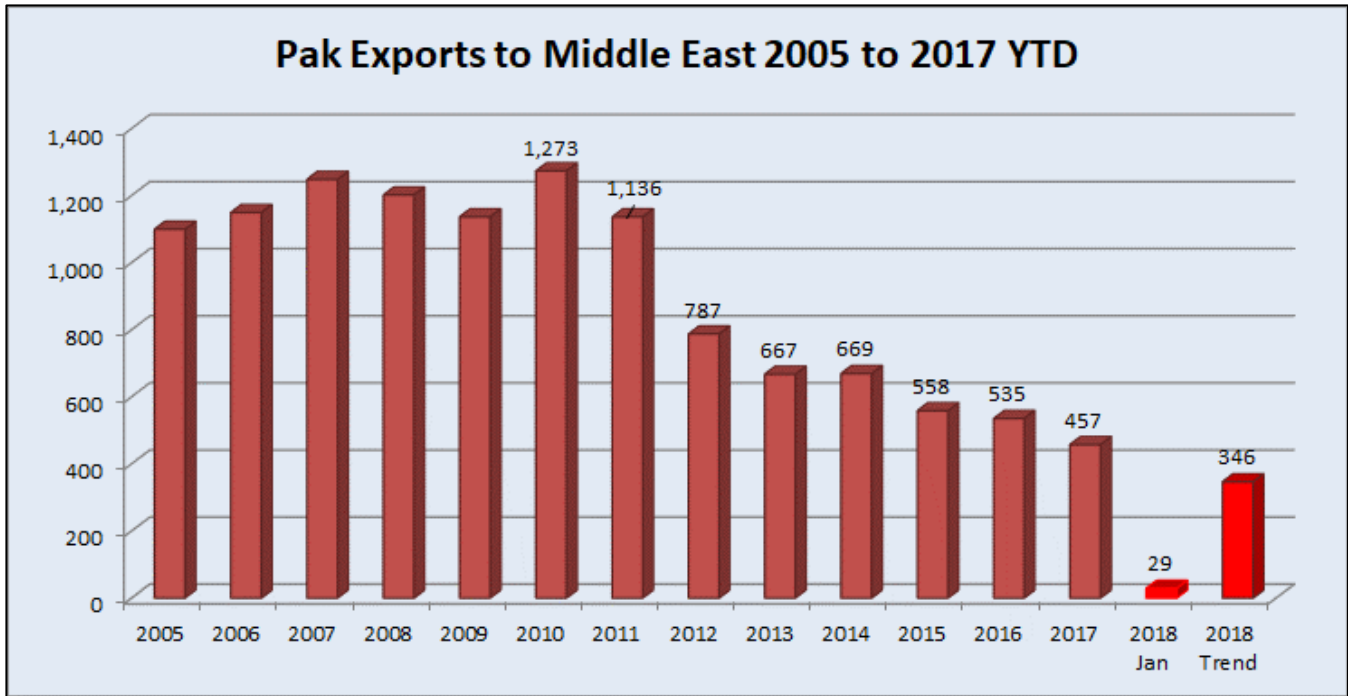




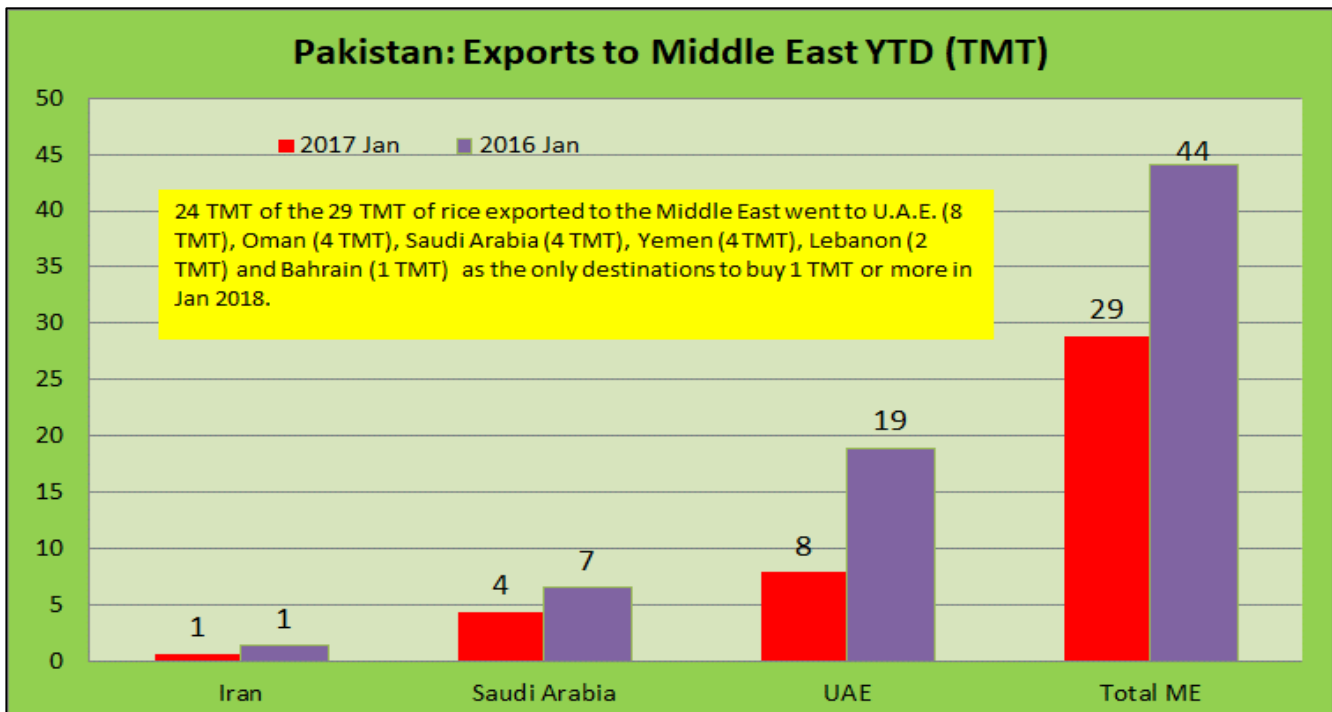
Coarse rice exported in Jan 2018 revealed 334 TMT of non-basmati rice exports, which is lower than the 401 TMT of coarse rice exports in Dec 2017, but well above the 263 TMT exported in Jan 2017. In fact, coarse rice exports seem to be trending along the levels seen in historic data with export volumes looking close to levels between 2014 and 2016. Unlike the 2017 “weakness” in volumes as buyers took a more cautious approach to a relatively pricey Pak offer, 2018 looks to have returned to an improved export volume.

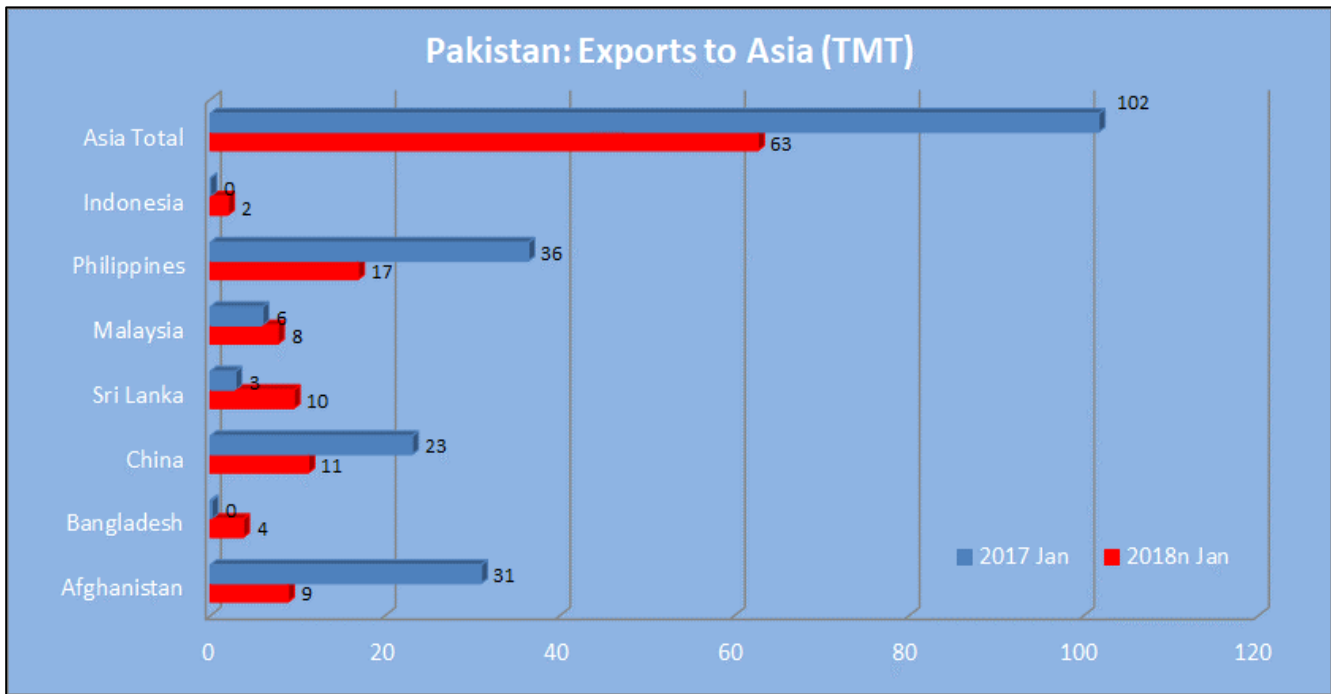


64 TMT of basmati rice was exported in Jan 2018, up from 44 TMT in Dec 2017 and interestingly the best Jan export of basmati since 2014 when 75 TMT of basmati rice was exported. 52 TMT of the 64 TMT went to United Kingdom (8 TMT), Belgium (8 TMT), Netherlands (6 TMT), U.A.E. (5 TMT), Italy (3 TMT), Oman (3 TMT), Kenya (3 TMT), Somalia (3 TMT), Spain (2 TMT), France (2 TMT), China (2 TMT), Yemen (2 TMT), Saudi Arabia (2 TMT), U.S. (1 TMT), and Azerbaijan (1 TMT). These were the only markets taking 1 TMT or more in Jan and interestingly, there is a rising European presence in demand, which is in line with the talk of India’s inability to meet Europe’s tricyclazole limits opening a fresh opportunity for Pak basmati rice exports to Europe.



29 TMT was exported to the Middle East in Jan 2018, down from 36 TMT in Dec 2017. 24 TMT of the 29 TMT of rice exported to the Middle East went to U.A.E. (8 TMT), Oman (4 TMT), Saudi Arabia (4 TMT), Yemen (4 TMT), Lebanon (2 TMT), and Bahrain (1 TMT). These were the only destinations to buy 1 TMT or more in Jan 2018. It seems clear that Pak exports continue to struggle to gain volumes in the Middle East, with some difficulties facing exporters despite efforts to develop ties across key markets – Indian competition remains a major hurdle. The earlier talk of success in the Iraq tender (2 possible awards) were also unlikely now to be shipped.





Asian demand has continued to look weak in 2018. Jan 2018 exports revealed 63 TMT and of this, 60 TMT went to Philippines (17 TMT), China (11 TMT) Sri Lanka (10 TMT), Afghanistan (9 TMT), Malaysia (8 TMT), Bangladesh (4 TMT) and Indonesia (2 TMT). We do expect Asian demand to improve in time, especially to allow a more competitive Pak price to show in trade numbers and for now, we look towards China, Philippines, and Malaysia for some near term interest.

Looking ahead, Pak prices have remained attractive, despite some weakness creeping into Thai and Viet offers with Vietnam looking likely to add to its competitiveness as the winter-spring crop enters markets. This will surely make markets more interesting ahead, and while Pak export volumes have looked good for up to Mar 2018, non-basmati rice exports are expected to see some quieter times ahead. We do however see some possibility for more weakness ahead, especially with weaker prices across Southeast Asia acting as a pressure point, while millers will be tested by this, and the need to raise more export volumes. Export volumes reflect Pakistan's past competitiveness, but the road ahead remains unclear, as we have a Chinese demand which has been slower of late and this despite news of imports becoming easier and cheaper (broken rice especially). With global export prices seen trading at a premium or higher range compared to 2017, buyers would also seem more cautious, and hence the current softness looks likely to persist until global markets can find a footing which allows buying to guide markets to stability and safety.

PAKISTAN: EXPORTS TO MAJOR DESTINATIONS (TMT)

COUNTRY	2014	2015	2016	2017	2017 Dec	2018 Jan	Jan 2017	2018	% CHG
Middle East	669	558	535	457	36	29	44	29	-34.5%
Of which:									
Iran	25	16	16	3	0	1	1	1	-53.8%
Saudi Arabia	132	123	94	75	6	4	7	4	-34.2%
U.A.E.	183	160	187	203	8	8	19	8	-58.5%
Africa	1,506	1,871	1,795	1,731	298	251	135	251	85.4%
Of which:									
Guinea	18	12	14	2	1	1	0	1	NA
Ivory Coast	111	298	156	66	28	48	5	48	864.3%
Kenya	489	451	487	491	61	45	49	45	-9.7%
Madagascar	130	148	114	347	75	20	1	20	1368.0%
Mozambique	141	156	218	101	17	18	23	18	-22.2%
Asia	675	1,076	1,171	714	79	63	102	63	-38.4%
Of which:									
Afghanistan	139	331	333	224	19	9	31	9	-71.3%
Bangladesh	4	1	3	25	5	4	0	4	2302.4%
China	196	426	546	228	30	11	23	11	-51.4%
Sri Lanka	76	9	19	37	2	10	3	10	232.9%
Malaysia	167	110	119	23	3	8	6	8	29.5%
TOTAL	3316	3960	3955	3212	445	398	299	398	33.2%

FOB prices closed today as follows for Apr Shipment (in 50 kg pp bags)

PAKISTAN EXPORT PRICES						
	2-Mar	23-Feb	16-Feb	9-Feb	1 Year Ago	5 Years Ago
5% d.p.	385	390	395	400	380	435
10%	375	380	385	390	360	425
15%	355	358	360	365	350	420
25%	350	350	350	355	340	370
Brokens	340	336	340	340	320	345
Parboiled	425	425	430	435	400	450

7. INDIA REVIEW:

India Highlights:

- Indian markets benefit from recent Indian rupee weakness: prices softer and exporters more comfortable.
- Iran tender for 45 TMT adds to basmati rice sales; local prices weaken as sale looks covered
- Indian markets look relatively tight for supply ahead of Apr/May arrival season as strong FCI buying and strength of Bangladesh demand lends to higher prices and relatively more supply tight market; focus on parboiled rice demand also lends to higher broken rice price.

WEAKER INDIAN RUPEE LENDS TO PRICE SOFTNESS DESPITE RELATIVE TIGHTNESS IN SUPPLY AND AVAILABILITY AHEAD OF NEXT CROP

INDIA EXPORTS		
PERIOD	QTY (TMT)	% CHG
6-Feb	178	-9.18%
13-Feb	188	5.62%
20-Feb	191	1.60%
27-Feb	188	-1.57%

Indian markets this week revealed a small sigh of relief with the recent weakness that came with a weaker Indian rupee (INR), which has been the main reason for some softness creeping into prices as some room for negotiations. This was despite a relatively steady price in domestic markets (only basmati prices were up this week) with the rupee lending to some more competitive prices in a week that was interestingly also featuring a more supply tight non-basmati rice market, which was awaiting fresh arrivals from Apr 2018.

The markets also received another boost from Iran's 45 TMT tender on 27 Feb 2018, which added more demand to Indian basmati markets as market sentiment improved and while higher prices were expected, domestic markets actually weakened this week, perhaps signaling that the sale was well covered.

Indian markets look keen on Apr arrivals to support supply needs that many see rising for Apr to Jun shipments to the Middle East and Africa. Strong Food Corporation of India buying which revealed 30.04 MMT of rice and 44.83 MMT in paddy was providing one of the reasons for the tightness in supply. This left us with a strong Indian stock levels of 19.89 MMT for rice as per 27 Feb 2018 data, compared to 17.03 MMT for same period in Feb 2017. Similarly, overall food security also seemed assured with wheat stocks at 17.55 MMT in Feb 2018 compared to 11.53 MMT at same time in 2017.

FOB prices closed today as follows for Apr Shipment (in 50 kg pp bags)						
INDIA EXPORT PRICES						
	2-Mar	23-Feb	16-Feb	9-Feb	1 Year Ago	5 Years Ago
5%	407	410	410	410	383	450
15%	395	398	400	400	368	440
25%	375	375	375	375	360	395
Brokens	332	330	330	330	285	340
P 5%	425	425	430	430	370	440
P Basmati 2%	1120	1150	1180	1200	870	1600
P Basmati PB 2%	1100	1120	1150	1170	810	1380
1121 Basmati 2%	1080	1100	1130	1150	980	1630
1121 Basmati PB 2%	1230	1250	1270	1290	950	1500

8. U.S. REVIEW:

U.S. Highlights:

- Trump Administration to implement steel & aluminum tariffs, raising prospects of trade wars that would negatively impact U.S. agriculture exports.
- U.S. sells 76.6 TMT of rough rice to Colombia this week, a country that has imported about 100 TMT each of the last two years.
- Japan awards two cargos to California exporters at approximately \$855 PMT in latest MA tender.

U.S. EXPORTS (MRE)		
PERIOD	QTY (TMT)	% CHG
6-Feb	33.1	-50.08%
13-Feb	55.2	66.77%
20-Feb	27.8	-49.64%
27-Feb	66.9	140.65%

Per USDA: Exports of 66.9 TMT were up noticeably from the previous week and up 47% from the prior 4-week average. The primary destinations were Mexico (23.5 TMT), Guatemala (11.1 TMT), Panama (11.0 TMT), El Salvador (6.2 TMT), and South Korea (5.2 TMT).

Per USDA: Net sales of 95.3 TMT for 2017/2018 were up 61% from the previous week and 62% from the prior 4-week average. Increases were reported for Colombia (76.6 TMT), Mexico (4.7 TMT), Japan (4.3 TMT), Canada (3.3 TMT), and Guatemala (2.1 TMT). For 2018/2019, net sales of 1.0 TMT were for Jordan.

Cumulative exports for 2017/18 are down over last year's levels. Total exports are down 21.58% on the year, unshipped sales are 1% over last year's levels.

CUM. U.S. MY EXPORTS & SALES (MRE, TMT)			
	PRIOR YR	CURRENT YR	% CHG
EXPORTS	1,909	1,497	-21.58%
UNSHIPPED SALES	613	568	-7.36%
TOTAL SALES	2,522	2,065	-18.12%

Rough Rice Values (\$/cwt FOB Farm)			
	2-Mar	23-Feb	CHG
Delta LG	\$12.25	\$11.75	\$0.50
MG	\$15.55	\$15.55	\$0.00
Louisiana LG	\$12.25	\$12.10	\$0.15
Texas LG	\$13.38	\$13.50	-\$0.12
California MG	\$22.00	\$22.00	\$0.00

Rough Rice Markets: There was minimal movement in paddy prices this week. Delta Long Grain, which was up \$0.50 and is now at \$12.25. Delta Medium Grain is unchanged at \$15.55. Louisiana Long Grain was up \$0.15 and now at \$12.25. Texas Long Grain was down \$0.12 and is at \$13.38. California Medium Grain was unchanged at \$22.00.

U.S. MARKET COMMENTS

U.S. LONG GRAIN OUTLOOK: The U.S. rough rice market received a nearly 3% boost on Thu from a 76.6 TMT purchase of rough rice by Colombia, as reported on the USDA's weekly export sales. To give that number some perspective, the U.S. exported about 100 TMT to Colombia in CY 2017 and 123 TMT in 2016. Additionally, with U.S. export sales slowing in recent months, it was a nice bit of demand coming from the U.S.'s third-largest export market.

Any elation resulting from a good export week was short lived, however, as the Trump Administration announced on Thu that it will be imposing a 25% import tariff on steel and a 10% tariff on aluminum. The stated purpose of the tariffs are to support the U.S. steel industry, purportedly for national security

purposes, to ensure enough domestic metal production for military purposes. Most political commentators feel it is intended to shore-up political support with Trump's blue-collar worker base. However, many analysts and political commentators have noted that the U.S. agriculture industry is the most vulnerable to retaliatory tariffs by trade partners. The top four countries that send steel to the U.S. are Canada, Brazil, South Korea, and Mexico, and the top four U.S. aluminum origins are Canada, Russia, the U.A.E., and China. Given that Mexico is the U.S. long-grain industry's biggest export market, Canada imports about 200 TMT of U.S. rice yearly, South Korea is California's second largest export market for Calrose after Japan, and that the U.S. rice industry is hoping to break into China's market in the future, any trade war would likely have significant negative impacts on the U.S. rice industry. Members of the U.S. Congress and Senate have voiced concerns and opposition to the tariffs, as put by Senator Pat Roberts (R-Kansas), "Every time you do this, you get a retaliation. Agriculture is the number one target. I think this is terribly counterproductive for the agriculture economy." As put by Chrystia Freeland, Canada's Foreign Affairs Minister, "Should restrictions be imposed on Canadian steel and aluminum products, Canada will take responsive measures to defend its trade interests and workers." In short, if the Trump Administration follows through and keeps the steel and aluminum tariffs there are likely to be significant retaliatory measures implemented by trade partners, with U.S. agriculture, including rice, taking the brunt of any response.

The section 199A issue is still unresolved, as we get further and further into the year. The next opportunity for Congress and the Senate to create a "fix" will be the Mar 23rd spending bill, since that is when the last continuing resolution to fund the U.S. government expires. However, the further we get into the year, the harder it will be for a rollback of the tax benefits. As farmer advocates and representatives are becoming aware of the immense tax benefits to farmers, pressure is growing from those who want to keep 199A as it is. For instance, the Minnesota Farmers Union is pushing to keep section 199A unchanged; and other grower organizations around the country are doing the same. The impact on the U.S. rice industry has been minimal so far, but other commodities are feeling it already. For instance, Bob Zelenka, executive director of the Minnesota Grain and Feed Association was quoted by MPR News as stating, "We had one member that had a large farmer that took his business down the road to the co-op because he just figured he couldn't wait any longer, and he couldn't afford to pass up that opportunity. For that non-cooperative grain elevator that accounted to a third of his business, so the longer this goes on the worse it's going to get in farm country." For now, the tax break to growers who sell to co-ops is still on the books. If Congress does not pull it back by Mar 23rd, the odds will be much greater that it will be grandfathered in for at least this year.

The USDA held its annual Agricultural Outlook Forum on Thu, Feb 22nd in Virginia. There was nothing shiny and new presented as related to rice, although the USDA did re-affirm its present projection for 2.9-mil acres of U.S. rice planting for 2018, up 17% over last year. Of that, long-grain is expected at 2.2-mil acres and medium and short grain plantings at 700,000 acres, an 8% increase over last year. Total all rice-ending stocks are projected at 39.7-mil cwt, up 36% from last year, leading to an estimated season-average farm price for long-grain of \$11.20 per cwt, down \$0.50/cwt from the 2017/18 midpoint. The next update on prospective plantings is Mar 31, which will give us more insight into the 2018 crop year.

In summary, U.S. acres are going to be up, prices are going to be pressured, and if the U.S. does impose metal tariffs, we could potentially see retaliatory measures by countries that represent major U.S. agricultural export markets.

U.S. MEDIUM GRAIN OUTLOOK: The California water situation will be coming to a head shortly, as the water deficiency remains serious in the snowpack and reservoirs, in particular Lake Oroville on the east side of the valley. By mid-Mar the water situation should have more clarity, and by the end of Mar preliminary acreage ideas will have much more clarity than they do now. In the meantime, the U.S.

medium grain industry continues along with slight activity, as acreage uncertainty and section 199A tax concerns are central to the planting decisions growers will be making soon.

As noted in the long grain section, the 199A tax controversy continues to play out across the U.S. agriculture industry, with growers who sell to cooperatives having a huge tax advantage over growers selling to corporations. The next chance the U.S. Congress has to create a “fix” is the funding bill that will come up for vote on Mar 23rd. The longer this goes without being revised, the more likely it will stay on the books, at least for this year. Farm and Trade, Inc., in California is working to help form a cooperative that will help market growers’ crops on a non-exclusive basis. In other words, growers will be able to independently find buyers, and then have a sale to the buyer facilitated through the co-op, which will help facilitate business without locking growers into doing business with only co-ops that market on a pool basis. If Congress does not pass an amendment to section 199A, this will provide a benefit to growers in California who wish to maintain freedom to market their crop and participate in a co-op to gain the tax benefits.

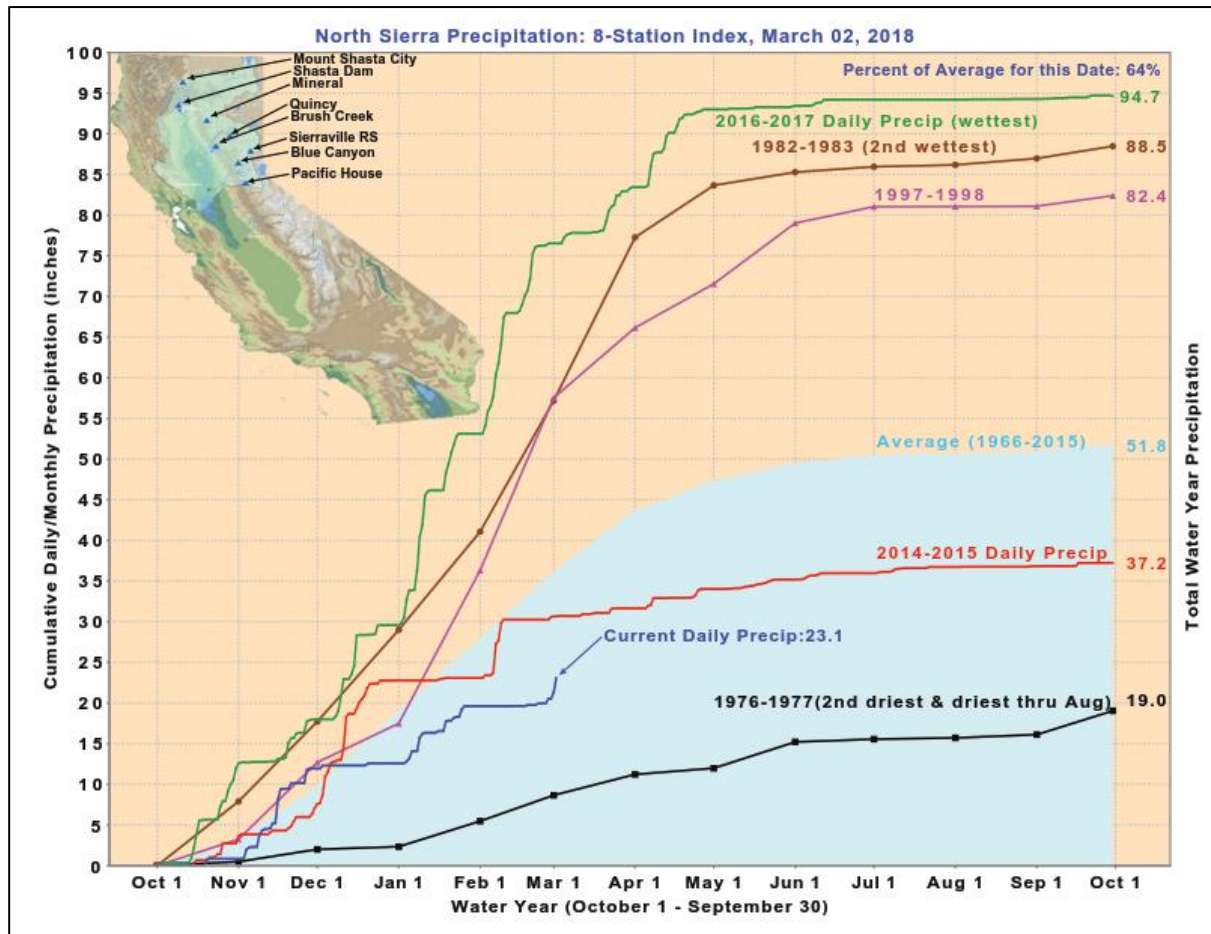
Also as noted above, the Trump Administration is intent upon placing tariffs on U.S. imports of steel and aluminum. Specific to medium grain concerns and California more specifically, South Korea is a major importer of steel into the U.S., and China is a major importer of aluminum. South Korea has a 513% import tariff on rice above its tariff rate quota amount of 408 TMT (for all import origins). The tariff rate quota system has been in place since 2015, although several countries, including the U.S. have protested the system and filed formal reservations with the WTO. Under the present system, the U.S. has exported between 138 TMT and 153 TMT in each of the last three calendar years to South Korea, this is entirely (or nearly entirely) California Calrose, which on a paddy basis equates to almost 10% of the California production. The U.S. rice industry has been communicating with the Korean government and has communicated its resolve to get a country specific quota exempt from tariffs from Korea. However, if a trade war breaks out, the rice export market will be a large potential target of retaliatory tariffs, and a large part of California’s export market may be at risk.

Additionally, the U.S. medium grain industry has been anticipating China opening its market to U.S rice since the phytosanitary agreement was signed last Jul. However, there have been continuing delays, the latest being a questionnaire sent by Chinese officials on worker health and safety to each facility registered to export under the phytosanitary agreement. The U.S. industry is working to address the latest roadblock, but with the prospects of a looming trade dispute over metals, the chances that China follows up on the phytosanitary agreement and opens its market at this time are not high.

On Mar 2, Japan announced the results of its 11th MA tender of the year. Two cargos of Calrose were awarded at a price of approximately \$855 PMT. The award prices have risen from about \$745 PMT in the Sep 11 tender that awarded the first tender of the year to California exporters. Also of note, this year the SBS tenders reached 100 TMT, although about 18-20% of that amount were broken. Since Japan started its SBS system, it has only sold the entire 100 TMT quota twice, with every other year falling short. This marketing year, California was awarded 58 TMT with about 10 TMT of broken. It should also be noted that the U.S. industry has started to see Japanese rice in greater quantities in the U.S. domestic market. This makes little sense in light of the cost of production in Japan, and given that Japan’s domestic market is about 40-50% higher than what is being marketed here, which raises the potential of illegal export subsidies. The U.S. industry is in communications with the FAS (USDA Foreign Agriculture Service) and its embassy in Japan to get some clarification on what supports Japan is providing its growers/exporters, and to put political pressure on this issue.

California Rice Sales per Crop Year								
Japanese Cargos								
Num.	2016 MY			Ship Date	2017 MY			Ship Date
	Date	Seller	FOB Port		Date	Seller	FOB Port	
1	8/31/2016	ACC	\$600	Oct/Nov	9/11/2017	ADM	\$745	Oct/Nov
2	8/31/2016	ACC	\$600	Oct/Nov	9/11/2017	FRC	\$745	Oct/Nov
3	9/30/2016	FRC	\$630	Oct/Nov	9/11/2017	SunFoods	\$745	Oct/Nov
4	9/30/2016	ADM	\$630	Oct/Nov	10/2/2017	FRC	\$775	Nov
5	9/30/2016	ADM	\$630	Nov/Dec	10/2/2017	ADM	\$775	Nov
6	9/30/2016	ADM	\$630	Nov/Dec	10/18/2017	ADM	\$785	Nov/Dec
7	9/30/2016	SWF	\$630	Nov/Dec	10/18/2017	SWF	\$785	Nov/Dec
8	10/21/2016	FRC	\$650	Dec/Jan	10/27/2017	ADM	\$800	Dec/Jan
9	10/21/2016	FRC	\$650	Dec/Jan	11/17/2017	SWF	\$795	Jan/Feb
10	10/28/2016	SWF	\$665	Dec/Jan	11/17/2017	SWF	\$795	Mar/Apr
11	10/28/2016	Bunge	\$665	Dec/Jan	12/15/2017	ADM	\$830	Mar/Apr
12	11/30/2016	ADM	\$610	Jan/Feb	12/15/2017	ADM	\$830	Mar/Apr
13	11/30/2016	ADM	\$610	Jan/Feb	12/15/2017	ACC	\$830	Mar/Apr
14	11/30/2016	ADM	\$610	Mar/Apr	1/19/2018	ADM	\$830	Apr/May
15	11/30/2016	ADM	\$610	Mar/Apr	1/19/2018	SWF	\$830	Apr/May
16	12/15/2016	SWF	\$560	Mar/Apr	1/26/2018	ACC	\$845	May/June
17	12/15/2016	SWF	\$560	Mar/Apr	3/2/2018	FRC	\$855	June/July
18	1/23/2017	SWF	\$535	Apr/May	3/2/2018	ADM	\$855	June/July
19	2/28/2017	Bunge	\$545	May/June				
20	3/10/2017	SWF	\$560	May/June				
21	3/10/2017	ADM	\$560	May/June				
22	3/17/2017	SWF/Bunge	\$550	May/June				

Finally, we provide precipitation and snowpack charts from the California Department of Water Resources, showing the continual water supply issue that is raising supply questions for California's growers.



U.S. Rice Data

U.S. RICE DEMAND COUNTER (Exports & Sales)								
Feb 20 - Feb 26, 2018								
(1,000 TONS)	SALES (unshipped)		EXPORTS		TOTAL DEMAND		% Chg	'17/18 CWTs
	2017/18	2016/17	2017/18	2016/17	2017/18	2016/2017		
Rough: Long Grain	170.4	219.6	645.5	825.8	815.9	1,045.4	-21.95%	17,987,511
Rough: Medium, Short Grain	34.2	3.1	8.7	132.7	42.9	135.8	N/A	945,783
Brown: Long Grain	5.1	7.4	9.9	7.0	15.0	14.4	4.17%	330,693
Brown: Medium, Short Grain	45.0	27.6	20.3	104.2	65.3	131.8	-50.46%	1,439,618
Milled: Long Grain	133.1	160.1	514.1	385.4	647.2	545.5	18.64%	14,268,314
Milled: Medium, Short Grain	179.9	195.0	298.8	454.3	478.7	649.3	-26.27%	10,553,526
TOTAL	567.7	612.8	1,497.3	1,909.4	2,065.0	2,522.2	-18.13%	45,525,444
	-7.36%		-21.58%		-18.13%			

Export demand for U.S. rice continues lower than last year for the marketing year. Unshipped sales are now lower by 7.36% over last year. Exports are down on the marketing year by 22.82%. Total demand is lower by 18.13%. However, long grain milled 18.64% higher than last year, and long grain brown is up 4.17%; all other sectors are lower than last year, with Medium and Short Grain Brown rice the biggest fall being 50.46% lower than last year.

MILLED RICE: USDA Reported Spot Prices (\$/cwt bagged FOB mill)						
27-Feb-18	Southern States AVG	Weekly Change	Yearly Change	California AVG	Weekly Change	Yearly Change
Short Grain	NA	NA	NA	NA	NA	NA
Medium Grain	\$28.83	\$0.00	\$7.00	\$40.50	\$0.00	\$14.00
Long Grain	\$25.13	\$0.00	\$3.78	NA	NA	NA
Parboiled	\$27.83	\$0.00	\$3.83	NA	NA	NA
Second Heads	\$15.00	\$0.00	-\$0.30	\$17.50	\$0.00	\$6.00
Brewers	\$13.05	\$0.00	-\$0.87	\$14.00	\$0.00	\$3.50

MILLED RICE: USDA Reported Spot Prices (\$/PMT bagged FOB mill)						
27-Feb-18	Southern States AVG	Weekly Change	Yearly Change	California AVG	Weekly Change	Yearly Change
Short Grain	NA	NA	NA	NA	NA	NA
Medium Grain	\$635.59	\$0.00	\$154.32	\$892.87	\$0.00	\$308.65
Long Grain	\$553.91	\$0.00	\$83.22	NA	NA	NA
Parboiled	\$613.55	\$0.00	\$84.44	NA	NA	NA
Second Heads	\$330.69	\$0.00	-\$6.61	\$385.81	\$0.00	\$132.28
Brewers	\$287.70	\$0.00	-\$19.18	\$308.65	\$0.00	\$77.16

Domestic milled rice prices: U.S. milled prices remained unchanged for the week. Southern Long Grain at \$25.13; Southern Medium grain is at \$28.83, Parboiled rice is at \$27.83, Second Heads are at \$15.00. Prices in California also remained unchanged. California Medium Grain is at \$40.50, Second Heads are at \$17.50, and Brewers rice is at \$14.00. **Export prices:** Export prices are unchanged on the week.

FOB prices closed today as follows for Mar/Apr shipment (in 50 kg pp bags):

U.S. EXPORT PRICES						
	2-Mar	23-Feb	16-Feb	9-Feb	1 Year Ago	5 Years Ago
#2/4% LG	585	585	585	580	437	645
#3/15% LG	550	550	550	545	427	622
#5/20% LG	525	525	525	520	407	605
#2/4% MG	615	615	610	605	434	NQ
#1/4% MG	865	865	855	850	602	770
bulk ex-spout						

9. LATIN AMERICA REVIEW:

Latin America Highlights:

- The end of the 2017-18 trading season conclusion is near.
- Uruguayan farmers protest after government does not sufficiently address their needs.
- Brazil: Harvest is officially underway as of 23 Feb.

URUGUAYAN FARMERS STAGE PROTEST AFTER INITIATIVES OFFERED BY THE GOVERNMENT DEEMED INSUFICIENT

The government announced new measures for the agricultural sector but the main rural associations, as well as the so-called “autoconvocados” group of farmers understand that the initiatives are insufficient and do not satisfy the raised claims. The spokesman of the “autoconvocados” (autoconvoked) farmers, Alvaro Rivas, said to the press that “there was no substantive progress”, after the first meeting at the negotiation table between the government and the rural sector. On Jan 23, thousands of farmers rallied together near the town of Durazno in the middle of the country for a massive protest against the high production costs faced by the different agriculture sectors. According to protesters, the costs are seriously affected by heavy tax burdens and some government policies referred to the cost of energy.

From this rally, initially convened using social media. the farmers without formal organization (“autoconvocados”), emerged with a platform of demands that were presented to President Tabaré Vázquez. The President said that “before the end of February” the executive branch would give a formal response to the proclamation through national TV and radio broadcasting. In addition, with the participation of the Ministers of Economy, Danilo Astori, Livestock, Agriculture and Fisheries, Enzo Benech, and the director of the Office of Planning and Budget, Alvaro Garcia, the government installed the ‘working table’ that, beyond the measures announced, would look for medium and long term solutions to the problems of the farmers. Despite the fact that the farmers were expecting to receive a timetable and a working methodology, the government announced new initiatives but did not explain how will this would all work. The President of the Rice Growers Association, Alfredo Lago said that farmers came with the expectation of finding out how this ‘working table’ was going to operate but, “unfortunately this was not the case”.

One of the claims rural producers wanted was a reduction in the price of diesel, which is the main fuel used in agriculture. The government offered to extend VAT discount on diesel purchases for livestock producers who have less than 1,000 ha. This benefit, already approved for dairy, rice, and horticulture farmers, will start on Mar 1 for one year. Another initiative proposed by the government was a VAT rebate affecting rural real estate contribution. This benefit will reach farmers with less than 1,000 ha that are not taxed by IRAE, which is the ncome tax on economic activities.

FOB prices closed today as follows for Mar/Apr Shipment (in 50 kg pp bags)						
SOUTH AMERICAN EXPORT PRICES						
	2-Mar	23-Feb	16-Feb	9-Feb	1 Year Ago	5 Yrs Ago
Uruguay 5%	540	560	560	570	480	610
Uruguay 10%	520	540	540	550	475	600
Argentina 5%	520	520	520	500	460	610
Argentina 10%	510	510	510	490	455	600
Brazil PB 5%	537	537	550	550	769	N/A
Brazil 5%	526	526	550	550	N/Q	N/A

BRAZIL

- 2017-18 rice harvest officially started on Feb 23 in Rio Grande do Sul.

Brazil – Average Paddy Prices

	4-Jan	Week	Month	Year
	\$/Ton	CHG	CHG	CHG
RGS	\$216.10	-\$1.30	-\$9.87	-\$80.95
MT	\$223.47	\$0.20	-\$3.78	-\$83.92

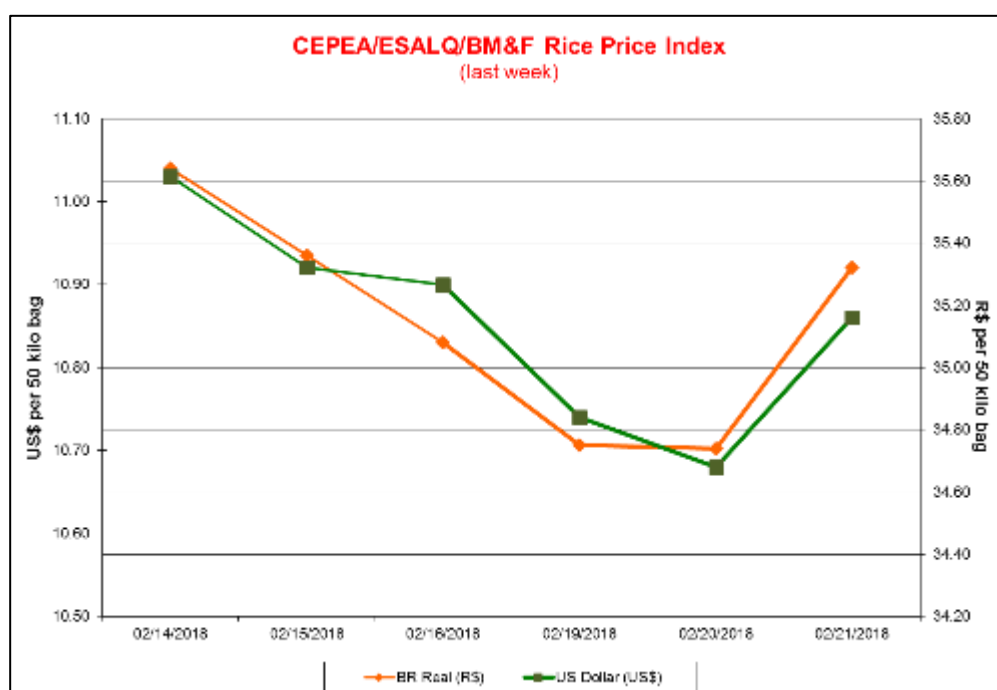
SOURCE: *agrolink*
\$1 = 3.25

Small recovery in domestic RS markets: The price of paddy rice was declining during the last and current month in most markets in Rio Grande do Sul (RS). However, a small recovery was observed in the last few days; however, it is too early to say if it was enough to affect the downward trend. Agents are behaving somewhat erratic with doubts about the outcome of the new harvest.

On Wed Feb 21, 2018, the CEPEA-BBM/BM& FBovespa Rice Index (RS, 58% whole kernel) closed at R\$35.32, meaning a -0.9% fall with respect to the value recorded on Wed, Feb 14, when the Rice Index closed at R\$35.64. In USD, the Rice Index dropped from \$11.03 to \$10.94 per 50-kilo bag (-1.54%) during the same period, while the exchange rate recovered 0.65%, rising from R\$3.231 to R\$3.252 per US\$1.

Date	Expressed in Brazilian Real (R\$)			Expressed in US Dollar (\$)			Exchange Rate	
	R\$	Δ Daily	Δ Month	\$	Δ Daily	Δ Month	R\$/	Δ Daily
2/21/2018	35.32	1.67%	-1.48%	10.86	-1.69%	-3.81%	3.252	-0.02%
2/20/2018	34.74	-0.03%	-3.10%	10.68	-0.56%	-5.40%	3.253	0.53%
2/19/2018	34.75	-0.94%	-3.07%	10.74	-1.47%	-4.87%	3.236	0.54%
2/16/2018	35.08	-0.79%	-2.15%	10.9	-0.18%	-3.45%	3.218	-0.61%
2/15/2018	35.36	-0.79%	-1.37%	10.92	-1.00%	-3.28%	3.238	0.21%
2/14/2018	35.64	0.31%	-0.59%	11.03	2.70%	-2.30%	3.231	-2.33%

Source: CEPEA. Prices per 50-kg bag, Type 1, 58/10, delivered in RS mills. Term prices discounted by CDI/CETIP.



Paddy prices in SP markets. These are the reference prices at the main SP marketplaces, according to the information reported by the Office of Rural Development of São Paulo, for Feb 19-23, 2018.

AVERAGE DAILY PRICES PAID TO PRODUCERS IN SÃO PAULO – PADDY RICE (in R\$/unit)				
Office of Rural Development	Unit	Previous Week	Feb 19-Feb 23, 2018	Difference
Guaratinguetá	60 kg	50.8	44.74	-11.90%
Pindamonhangaba	60 kg	50.8	44.74	-11.90%
São Paulo - state average	60 kg	50.8	40.74	-11.90%

Note: Thin Long Grain, Type 1, 58% whole kernel, 10% broken, without taxes.

Wholesale prices in São Paulo: The following are minimum, average, and maximum prices of milled rice packed in 30-kilo bags to retailers in the state of São Paulo, quoted in R\$ per bag, for the period Feb 19 - Feb 23. The last three columns the same prices are expressed in USD PMT, using the exchange rate R\$/USD published by the CEPEA Institute of the University of São Paulo (USP). Red down arrows indicates that the average price declined with respect to the previous week; while blue up arrows indicate an improvement of the average value with respect to the previous week.

WHOLESALE PRICES SÃO PAULO	Market Condition	Local Prices in R\$/30-kg bag			USD Prices in \$/MT			
		Min	Most Freq	Max	Min	Most Freq	Max	
Long Grain Parboiled Type 1	Steady	50.34	↓ 50.34	50.34	516	↓ 516	516	
Long Grain Type 1	Firm	50.35	↓ 58.50	76.63	516	↓ 600	785	
Long Grain Type 2	No Info	---	---	---	---	---	---	
Week Feb 19 - 23, 2018		Exchange Rate (R\$/US\$) on Feb 21:					3.252	

URUGUAY

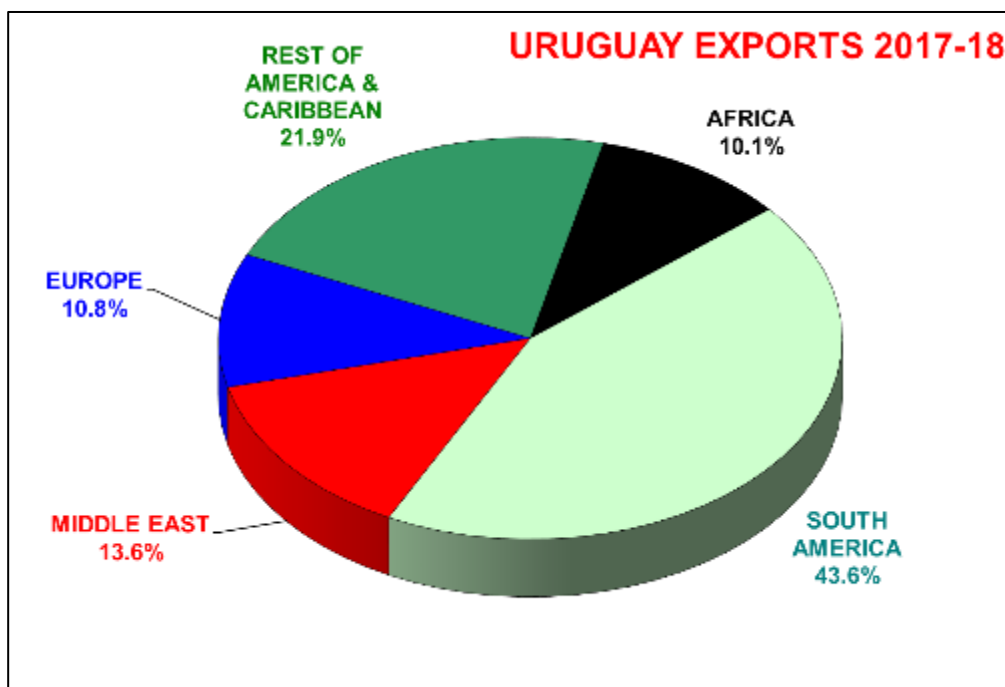
- 2017-18 trading season is ending.

Feb exports continued at great pace and reached almost 100 TMT of products: Rice exported during the third week of Feb (19-23) reached 10.9 TMT shipping weight, and sold at a weighted average price of FOB \$510 PMT. Milled rice (8.8 TMT at \$525 PMT) represented 81% of the traded volume. The destinations of non-parboiled, polished rice (7.6 TMT at \$522 PMT) were Peru (4.4 TMT at \$539 PMT), Brazil (1.1 MT at \$466 PMT), Mexico (991 MT at \$512 PMT), Costa Rica (550MT at \$544 PMT), Chile (460 MT at \$567 PMT), and Israel (161 MT at \$2,172 PMT). Senegal was the only buyer of non-parboiled, whitened rice (778 MT at \$566 PMT). On the parboiled side, the importers of polished rice (425 MT at \$568 PMT) were Costa Rica (400 MT at \$535 PMT) and Spain (25 MT at \$582 PMT). In turn, Chile (125 MT at \$500 PMT), and Peru (50 MT at \$505 PMT) purchased parboiled, whitened rice, while Mexico just bought samples of parboiled whitened rice.

Brown rice (2.1 TMT at \$446 PMT) accounted for 19% of the volume. The importers of parboiled, brown rice (1.4 TMT at \$456 PMT) were Belgium (870 MT at \$452 PMT), U.K. (264 MT at \$463 PMT), and the Netherlands (264MT at \$460 PMT). The purchasers of non-parboiled, brown rice (490 MT at \$457 PMT) were Brazil (245 MT at \$457 PMT), Costa Rica (175 MT at \$458 PMT), Israel (50 MT at \$365

PMT), Switzerland (20 MT at \$680 PMT), and Mexico (11 MT at \$93 PMT). Partial Feb (1-23) shows exported rice totaling 97.6 TMT, shipping weight, composed of 50.9% milled rice (49.7 TMT at \$502 PMT), 21.5% paddy (21 TMT at \$302 PMT), 15.2% brokens (14.8 TMT at \$332 PMT), and 12.4% brown (12.1 TMT at \$447 PMT). In terms of paddy volume, the exports during the referred period are equivalent to equivalent to 115 TMT.

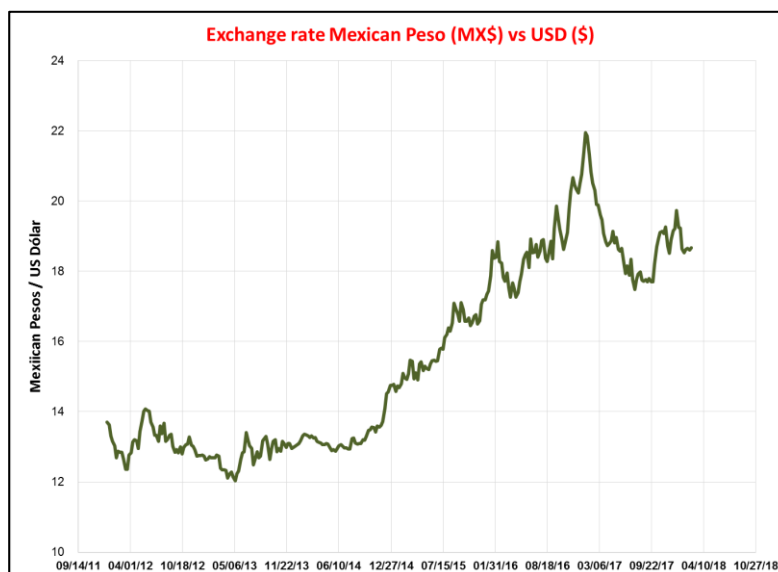
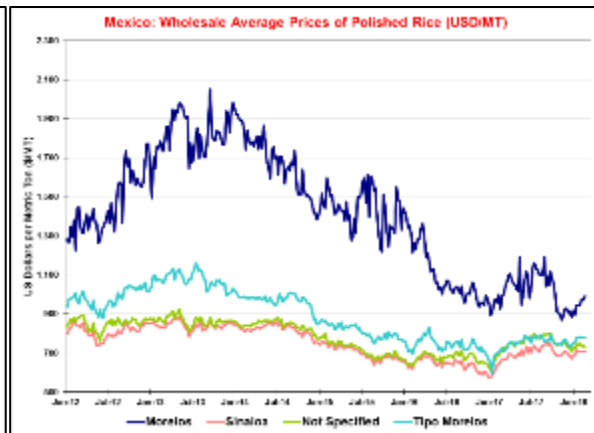
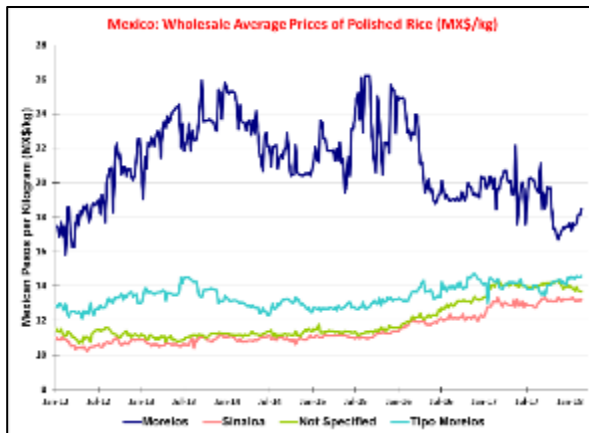
URUGUAY RICE EXPORTS 2017-18 From Mar 1 - Feb 23, 2018	Volume		Amount		FOB Price \$/MT
	Net KG	Share	FOB \$	Share	
ROUGH RICE (PADDY)	26,305,302	2.80%	7,769,674	1.80%	285
Rough (paddy) - seed	993	<0.0%	1,200	<0.0%	1,209
Rough (paddy) - non-parboiled	26,304,320	2.80%	7,768,474	1.80%	285
BROWN RICE (CARGO)	130,060,804	13.60%	53,853,513	12.20%	414
Brown (cargo) - parboiled	70,596,245	7.40%	30,912,908	7.00%	438
Brown (cargo) - non-parboiled	59,464,559	6.20%	22,940,605	5.20%	386
MILLED RICE (WHITE)	695,670,278	73.00%	347,223,991	78.70%	499
Milled - parboiled - polished	17,220,278	1.80%	8,777,587	2.00%	510
Milled - parboiled - semi-whitened	41	0.00%	1	0.00%	24
Milled - parboiled - whitened	4,023,010	0.40%	2,060,852	0.50%	512
Milled - non-parboiled - polished	596,648,896	62.60%	298,703,204	67.70%	501
Milled - non-parboiled - glazed	2,887,500	0.30%	1,468,876	0.30%	509
Milled - non-parboiled - semi-whitened	500,000	0.10%	228,353	0.10%	457
Milled - non-parboiled - whitened	74,390,740	7.80%	35,985,119	8.20%	484
BROKEN RICE (CARGO)	101,168,189	10.60%	32,178,064	7.30%	318
TOTAL RICE PRODUCTS	953,204,573	100.00%	441,025,242	100.00%	463



IN LATIN AMERICA

Wholesale prices in Mexico: The reference prices presented in the following table are computed from data published every Wed by the National Information and Market Integration System, SNIIM (*Sistema Nacional de Información e Integración de Mercados*) from 37 wholesale markets and more than 15 wholesalers around the country, traded in bags of 50kg between Feb 19 and Feb 23, 2018.

Wholesale Prices of Polished Rice in Mexico						
1 USD = MX\$ 18.6675 (+0.08%)	Average Prices - Week Feb 19 - 23, 2018					
Rice Type	Mexican Pesos (MX\$/kg)			US Dollars (\$/PMT)		
	Minimum	Most Freq.	Maximum	Minimum	Most Freq.	Maximum
Morelos	17.86	↑ 18.49	18.76	957	↑ 990	1,005
Sinaloa	12.66	↑ 13.21	13.59	678	↑ 708	728
Not Specified	13.33	↓ 13.67	14.01	714	↓ 732	750
Morelos-type	14.2	↑ 14.58	14.97	761	↑ 781	802



10. SPECIAL REPORT: Glutinous, Nigeria, Iran Updates and FAO

Special Rice Market Report: Glutinous, Nigeria, Iran Updates, & FAO:

- Glutinous Rice Update:

- Global glutinous rice exports continue to grow as 2017 exports reveal record 1.94 MMT year which beats the trend forecast in our last report for 1.86 MMT.
- Chinese demand drives markets with 1.52 TMT in 2017 and trends towards representing 78% of global trade with a 46% year-on-year growth helping the global trade of glutinous rice show a 43% year-on-year rise.
- Vietnam and Thailand reveal possibility for a weakness in the next glutinous rice crop; Thai prices already higher and with the Viet winter-spring crop, buyers look set to be tested by a higher price; Vietnam continues to hold the advantage in price competitiveness.
- Thai markets show promise as China and 7 of top 10 destination markets show year-on-year growth in volumes; 2018 will test buyers with higher prices.

- Nigeria Update:

- 2.35 MMT of imports revealed in TRT data for Nigeria in 2017, sharp rise from 1.88 MMT in 2016 as border trades continue to dominate Nigeria imports: 2.32 MMT of total comes from border trades via Benin, Cameroon, and Niger.
- Political influences continue to reveal press reports of efforts towards self-sufficiency, political scene continues to be linked with tensions (Boko Haram and relatively weak oil export), but USDA data continues to show a 2.75 MMT deficit as ending stocks weaker.
- Thailand and India dominate Nigerian imports with 1.54 MMT and 755 TMT of rice exports to Nigeria (and border routes) respectively, as the Thai share of the market rises to 67% and as the Indian share sinks to 32%: U.S. and China exports to Nigeria on the rise.

- Iran Update:

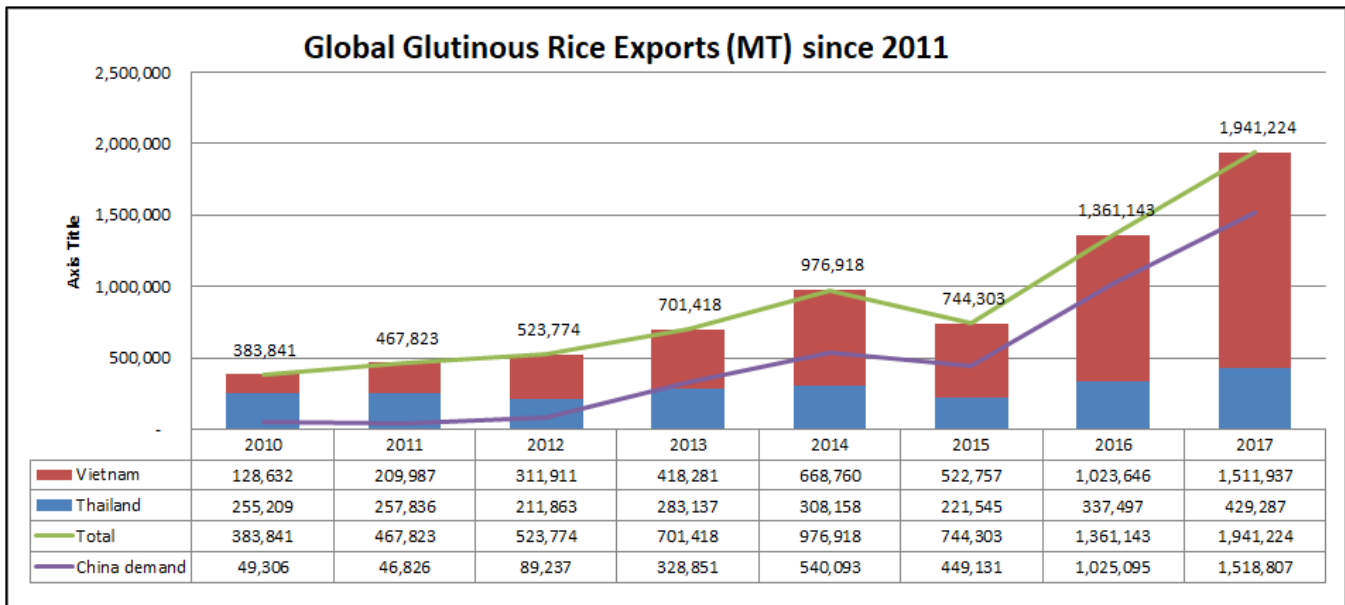
- Iran imports higher with TRT data showing a 1.23 MMT in 2017, up from 802 TMT as Iran imports recover (as expected).
- Early indications for 2018 imports show India to maintain its leadership with no real push to import South America, while Thai exports face the challenge of having Iran buyers accept a significant rise in Hom Mali price and higher white rice prices.
- USDA data shows 1.6 MMT of imports in 2016 falling to 1.3 MMT in 2017 as ending stocks rise, but TRT estimates a rising import because of the weakened food production, as well as continued pressure on Iran inventories.

- FAO All Rice Price Update:

- All Rice Price Index rose 1.6% in Feb.
- Aromatic prices posted the largest monthly increase – up 3.7% in Feb.

GLUTINOUS RICE MARKET:

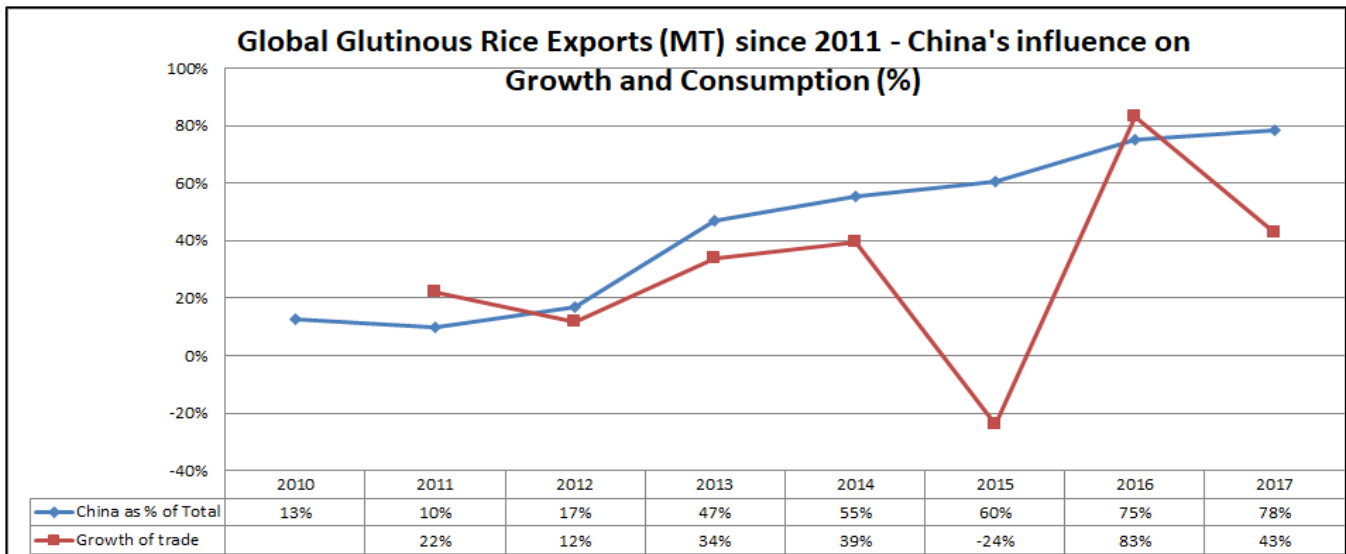
RECORD GLOBAL TRADE FOR GLUTINOUS RICE REVEALS CHINESE BACKED TRADE THAT BENEFITS THAI AND VIET EXPORTS



This is our first glutinous rice special report for 2018, and we start with a look at the full trade data we have for markets up to Dec 2017, as well as the full calendar year trends for 2017, in what is now a thrice-yearly report on this fast rising market. We will focus primarily on Viet and Thai glutinous rice exports that we believe to make up the bulk of the global glutinous rice to provide us a glimpse of markets, prices, and key developments at origins and destinations that act as drivers for what is a fast growing trade. Chinese demand remains the all-important element in demand and we will show how Chinese demand has helped both Thai and Viet glutinous rice exports grow. This demand acts as fuel for a rising global trade in glutinous rice which we have pictured above totaling 1.51 MMT for 2017, up 43% year-on-year, in a market that also features a rising Chinese demand, which was incidentally up 49% year-on-year and contributed to a 46% growth in each of Viet and Thai exports. This underlines the headline for this report and the rising influence Chinese demand has for glutinous rice and the exports of this type of rice from Thailand and Vietnam.

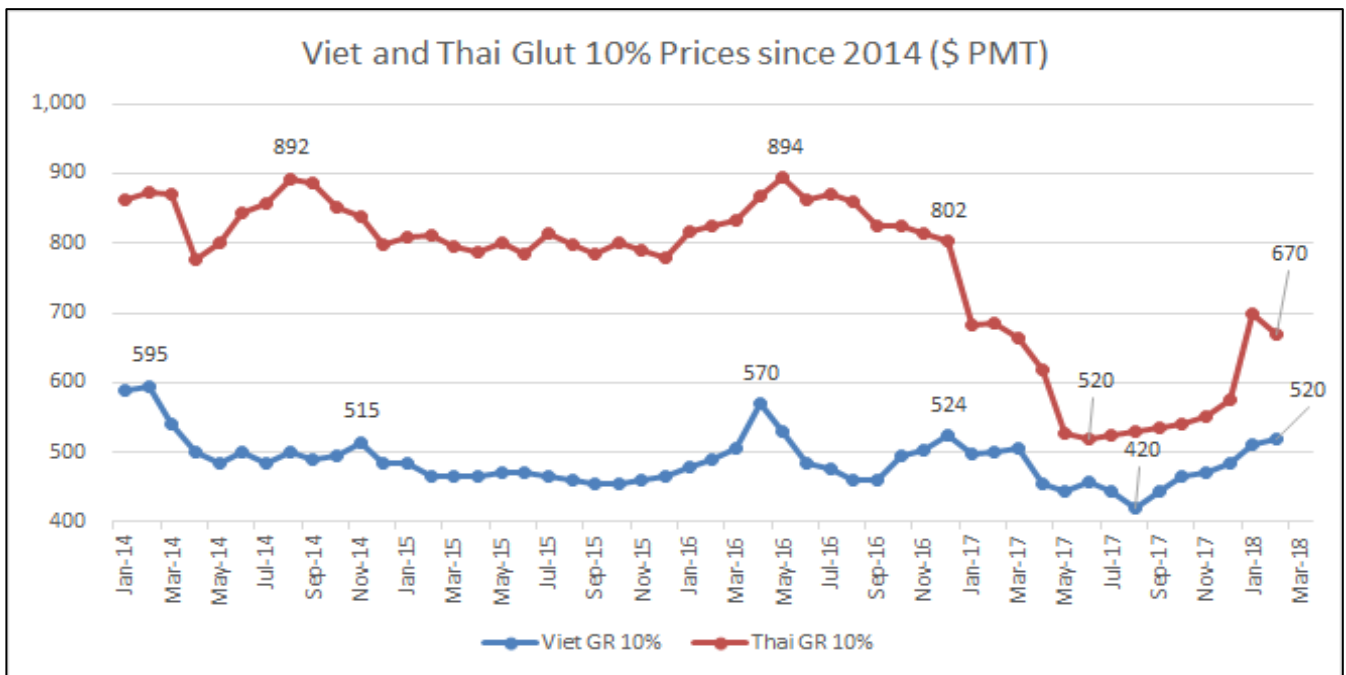
The global glutinous rice demand has most of its demand coming from within Asia, and even global demand from outside is touted to come largely from Asian and specifically people of Oriental origin who have a close link to glutinous rice consumption. There are two elements in direct human consumption and the use of glutinous rice for fermentation use in the production of alcohol and rice wine styled drinks.

As mentioned in past reports, import demand, especially in the early last quarter of the last century, came from overseas Chinese, and with the rise of Chinese cuisine and a tide of Chinese immigrants populating the world. Since 2011, our data shows a strong rise in demand from China for imported glutinous rice, to supplement its own production to meet a rising demand from both consumers and from industrial sources. From the table on the previous page, it is clear that demand is on the rise, with only one dip (in 2015 when we saw a weaker Chinese demand) and with 2016 and 2017 underlining not just the rapid growth of this trade, but the rising influence of China. A closer look at the Chinese element within global glutinous rice imports shows that China's share of the global glutinous rice markets rose from a 10% share in 2010 (global trade at 468 TMT and Chinese demand at 47 TMT) to increase to a 34% share in 2013 (329 TMT of a total 701 TMT global trade). The current peak of a 78% share with a global glutinous rice trade of 1.94 MMT of which 1.52 MMT is of Chinese demand. The rising percentage of Chinese demand as a share of global trade and the annual growth of Chinese demand are pictured in the chart below.



2017 exports of glutinous rice are at a record 1.94 MMT, up from 1.36 MMT and the next segment will show that the growth, while shared between Thai and Viet markets, has benefitted Viet exports the most. Viet supply has also grown to match the never-ending demand from China at a competitive price. Thailand seems to have a more limited availability for exports, is unable to compete price-wise with Vietnam, and seems less flexible in raising production.

Vietnam is without doubt, the leader in glutinous rice exports since 2012, when Viet exports of 312 TMT surpassed Thailand's 212 TMT in what was the start of Vietnamese dominance in glutinous rice exports. Today's trade reveals a 1.51 MMT Viet export while Thailand exports sit at 429 TMT. Chinese demand for glutinous rice has been key to the rise of Vietnam's glutinous rice production and exports, and with each increase in production from Vietnam only encouraging more Chinese buying. The demand seems to have been buoyed further by news that like broken rice, China has removed the need for quotas for glutinous rice imports. Viet prices remain attractive compared to what is locally available in China, and with this, the demand element from China seems locked in for the medium term with policy favoring more demand.



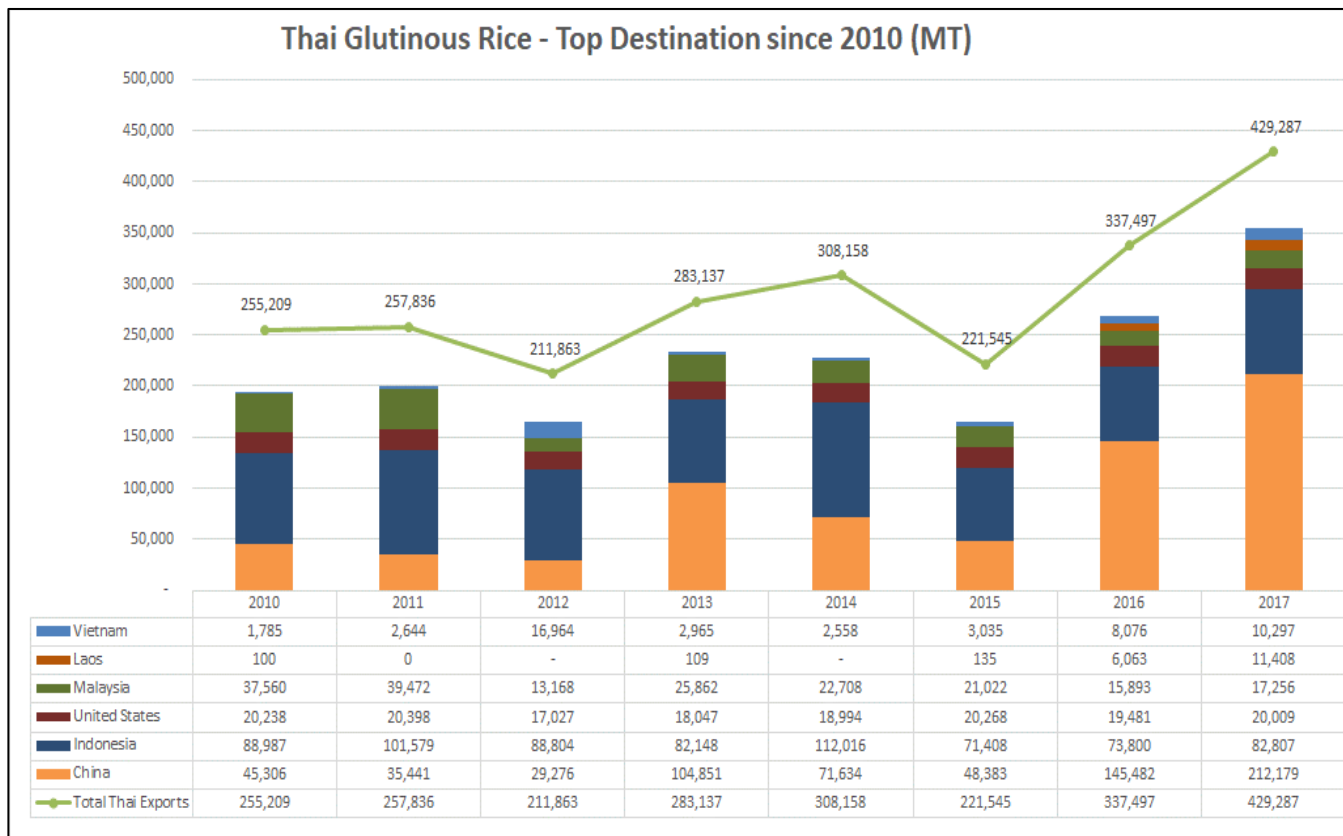
The narrowing price premiums has been an issue since Jan 2017 when prices in Thailand plunged, but this has left little impact as demand and export sales growth have continued for both and with the recent price rise in Thai markets, the Vietnamese prices look less intense with pre-Chinese New Year demand supporting current markets. The markets ahead will be shaped by Vietnam’s winter-spring harvests, which have glutinous rice production pegged lower (after last year’s rise). This should also come with a slight post-Chinese New Year dip in demand, which many expect to lend to some softness ahead and a Q3 and Q4 rise in demand seems more likely to help support markets and prices. That is the early thoughts towards the price trend, which we feel will ultimately be shaped by Chinese demand elements, but with a general steady to higher price across most of 2018 (especially in the last 2 quarters of the year). Chinese demand would still provide the biggest influence each month with peaks at the last quarter of the year and early in the year ahead of the Chinese New Year each year. The sizeable Chinese demand has helped prices to stabilize in Vietnam, while Thai prices seem to be shaped by a weaker production (similar to Hom Mali which is grown in similar areas) as stocks held by millers and stockists have risen in recent months as the news filtered through during the Thai main crop. If the sizeable Chinese demand is maintained for 2018, one can expect a higher range for glutinous rice prices compared to 2017.

In Thailand, glutinous rice production is sharing the same area as the Thai Hom Mali in Northeast Thailand. While production rose in 2016/17, and as suggested, a weak price across most of 2017 seems to have left production weaker, with some areas going to fragrant rice, but with weather and flood issues also playing a role in the late arrivals and smaller supply that many refer to as far as Thai glutinous rice production is concerned. Vietnam is similar, with some talk of more fragrant rice plantings (DT 8 in particular as a higher yielding variety) as prices surged for jasmine and fragrant rice in 2017 to support a rise in its production. Glutinous rice production is expected lower, especially with price gains in glutinous rice less compared to fragrant rice prices. This seems to have influenced farmers’ choices in plantings (a preference for fragrant seems clear). This could mean a more bullish price trend ahead, but as mentioned, prices in Vietnam would depend on the shape of Chinese demand and not much else.

In quality, Thai quality is considered superior, with Thai quotes normally showing a “normal” glutinous variety, which is priced lower and a premium “Sanpatong” variety, which come at a \$20-30 PMT premium. Current prices are around \$670-700 PMT for Thai glutinous rice, with prices showing a steep rise from Oct, and a peak in Jan 2018 as current prices have shown some weakness over the last week. Vietnamese offers are also similar, with a cheaper “Long An” offering and a premium “An Giang” variety, which is normally \$10 PMT more. The current Viet offers are around \$520 PMT as prices have risen from an Aug 2017 low of \$420 PMT to the current price, with most expecting some pressure from the winter-spring harvest and a weaker Chinese demand just after the festive Chinese New Year season.

Thai to Glutinous Dest	2010	2011	2012	2013	2014	2015	2016	2017
Total Thai Exports	255,209	257,836	211,863	283,137	308,158	221,545	337,497	429,287
China	45,306	35,441	29,276	104,851	71,634	48,383	145,482	212,179
Indonesia	88,987	101,579	88,804	82,148	112,016	71,408	73,800	82,807
United States	20,238	20,398	17,027	18,047	18,994	20,268	19,481	20,009
Malaysia	37,560	39,472	13,168	25,862	22,708	21,022	15,893	17,256
Laos	100	0	-	109	-	135	6,063	11,408
Vietnam	1,785	2,644	16,964	2,965	2,558	3,035	8,076	10,297
Belgium-Luxembourg	11,602	10,116	5,176	8,461	10,697	11,377	7,774	9,912
Philippines	2,979	0	2	416	6,056	1,600	2,581	9,130
Japan	1,658	4,140	8,910	8,301	9,463	9,156	10,360	8,530
Taiwan	12,890	9,886	2,749	3,597	4,244	7,030	7,113	7,949

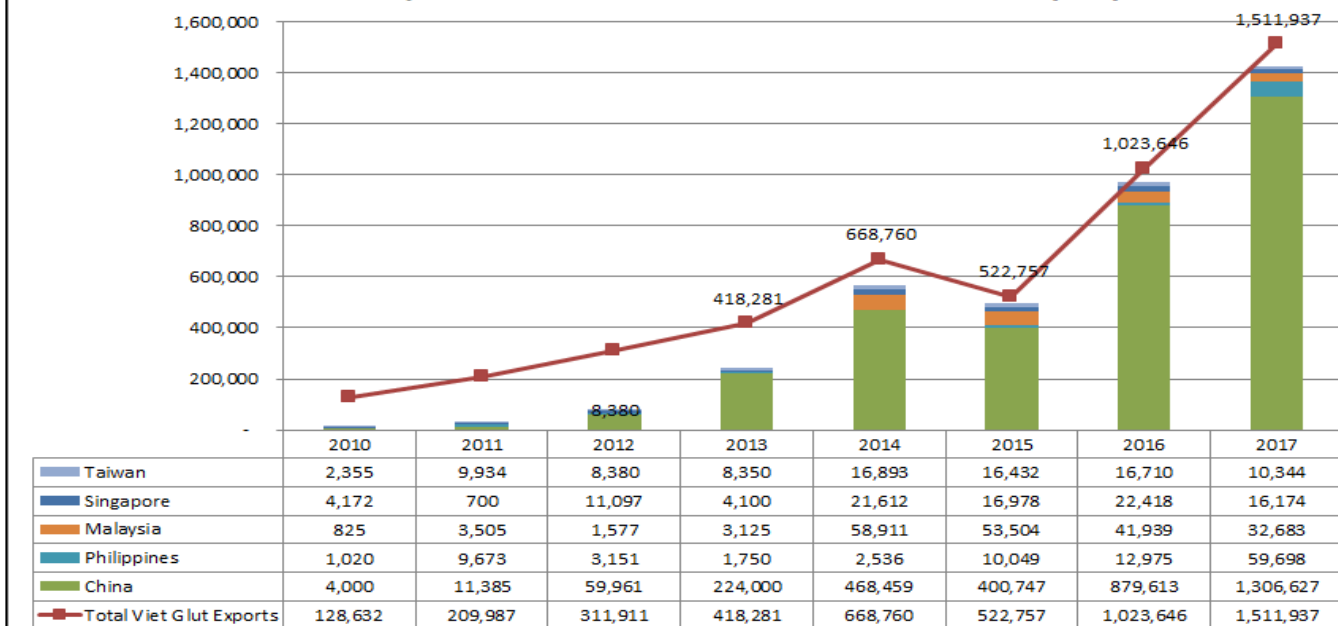
Thai glutinous rice exports in 2017 revealed key markets in China (212 TMT), Indonesia (83 TMT), U.S. (20 TMT), Malaysia (17 TMT), Laos (11 TMT), Vietnam (10 TMT), Belgium (10 TMT), Philippines (9 TMT), Japan (9 TMT), and Taiwan (8 TMT). Which were the top-10 destinations for Thai glutinous rice. Singapore (7 TMT) and Hong Kong (6 TMT) are also worth mentioning as all other markets bought less than 2 TMT in 2017. Chinese demand beat the 2016 level of 145 TMT with a 212 TMT performance, while we also have Indonesia, Malaysia, Lao (11 TMT of demand many see as proxy for Chinese demand), Vietnam, Belgium, Philippines and Taiwan show a rise in demand in 2017 over 2016 with China providing most of the gains in terms of volumes. Thailand, succeeded in attracting more Chinese demand with what many see as an attractive price as several of its key destination markets saw higher demand in 2017 compared to 2016 – the big question for 2018 seems to be whether buyers will continue to buy Thai glutinous rice at higher prices – prices which have risen considerably since Oct 2017.



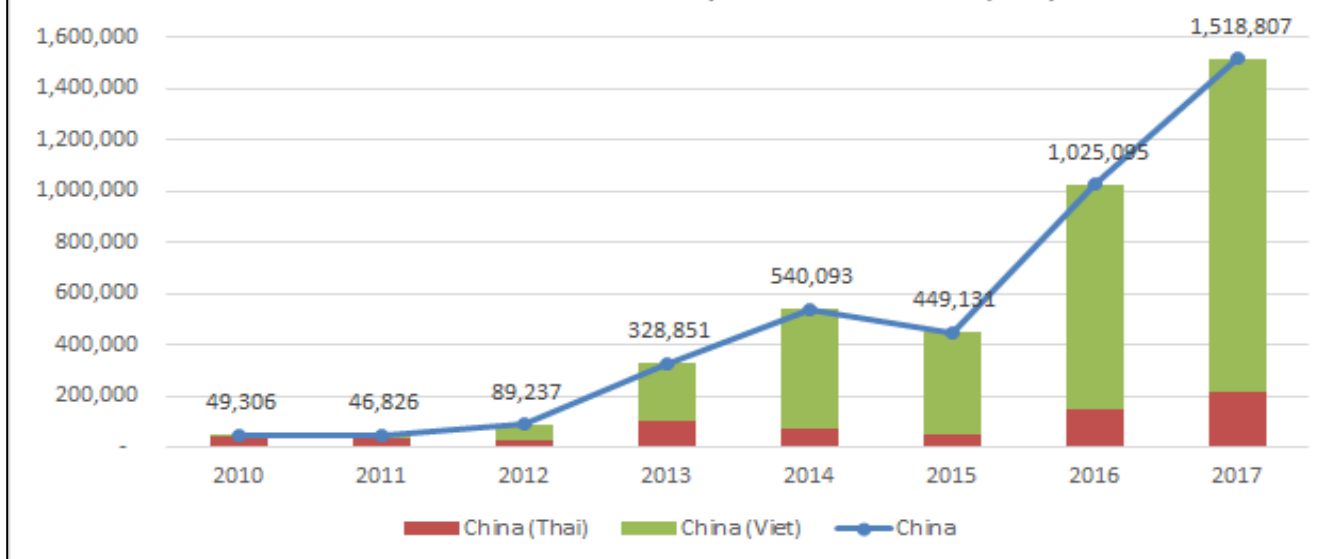
Viet top Glut Dest	2010	2011	2012	2013	2014	2015	2016	2017
Total Viet Glut Exports	128,632	209,987	311,911	418,281	668,760	522,757	1,023,646	1,511,937
China	4,000	11,385	59,961	224,000	468,459	400,747	879,613	1,306,627
Philippines	1,020	9,673	3,151	1,750	2,536	10,049	12,975	59,698
Malaysia	825	3,505	1,577	3,125	58,911	53,504	41,939	32,683
Singapore	4,172	700	11,097	4,100	21,612	16,978	22,418	16,174
Taiwan	2,355	9,934	8,380	8,350	16,893	16,432	16,710	10,344
Hong Kong	3,110	2,432	18,607	14,450	7,568	2,355	17,624	2,943
Australia	-	200	200	5	119	118	1,427	2,578
Brunei	-	-	-	-	1,335	1,565	950	2,268
United States	252	82	84	215	448	2,351	784	1,854
Belgium	-	-	2,818	-	6,468	5,905	991	1,501
Bangladesh	-	-	-	-	-	-	6	1,368

Vietnam continues to be dominated by China's demand with 1.31 MMT of a total 1.51 MMT of 2017 glutinous exports going to China. Philippines was the other growth market with 60 TMT of 2017 demand compared to 2016's 13 TMT, while we saw weaker year-on-year, but significant contributions from Malaysia (33 TMT), which was down from being Vietnam's 2nd largest market to 3rd in 2017. This was followed by Singapore (16 TMT), Taiwan (10 TMT), and Hong Kong (which fell from 18 TMT in 2016 to 3 TMT in 2017) as Malaysia, Singapore, Taiwan, and Hong Kong showed year-on-year weakness. On the positive, Vietnam also sold more rice to markets like Australia, Brunei, U.S., Belgium, and Bangladesh, which were relatively small, but rose above 1 TMT of purchases in 2017 from levels below. Vietnam will depend on China, while its price competitiveness in 2018 (against a fast rising and volatile Thai offer) could offer some potential amongst the smaller, significant markets like Malaysia, Singapore, Philippines, and Taiwan, as well as with the smaller group that is rising to choose Vietnam's offer over Thailand.

Vietnam top Glutinous rice destinations since 2010 (MT)



Chinese Glutinous Rice Imports since 2010 (MT)



Looking ahead, Chinese demand remains the key influence on markets and could be said to have single handedly helped the global trade rise as both Viet and Thai exports were on the rise in 2017. Will this growth be maintained? We think so, mainly because of policy moves that remove the need for quotas for imports into China, while prices would seem to pressure and test buyers for a repeat in terms of volumes. We expect China to continue its purchases so long as it makes sense commercially to import, and price is important here. We can see Viet exports maintain a grip while global markets (including China) adapt to what seems to be a higher price range.

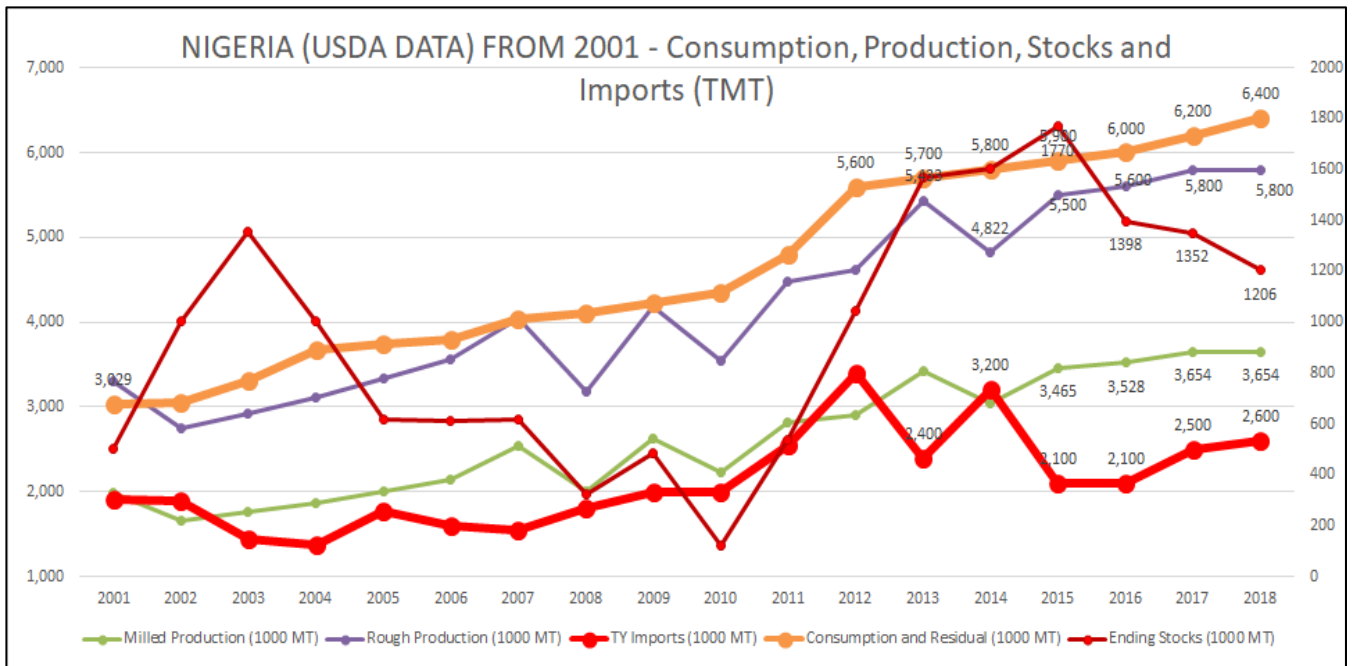
Chinese demand will determine price trends in 2018, especially as Thai prices are up strongly, while Viet markets will depend on the shape of markets when the winter-spring arrivals are included – with concerns showing over supply as many see both Thai and Viet supply weaker for the 2017/2018 season. The outlook seems to suggest a flatter demand, a weaker supply, and a higher price range, which will test these markets for growth.

NIGERIA UPDATE:

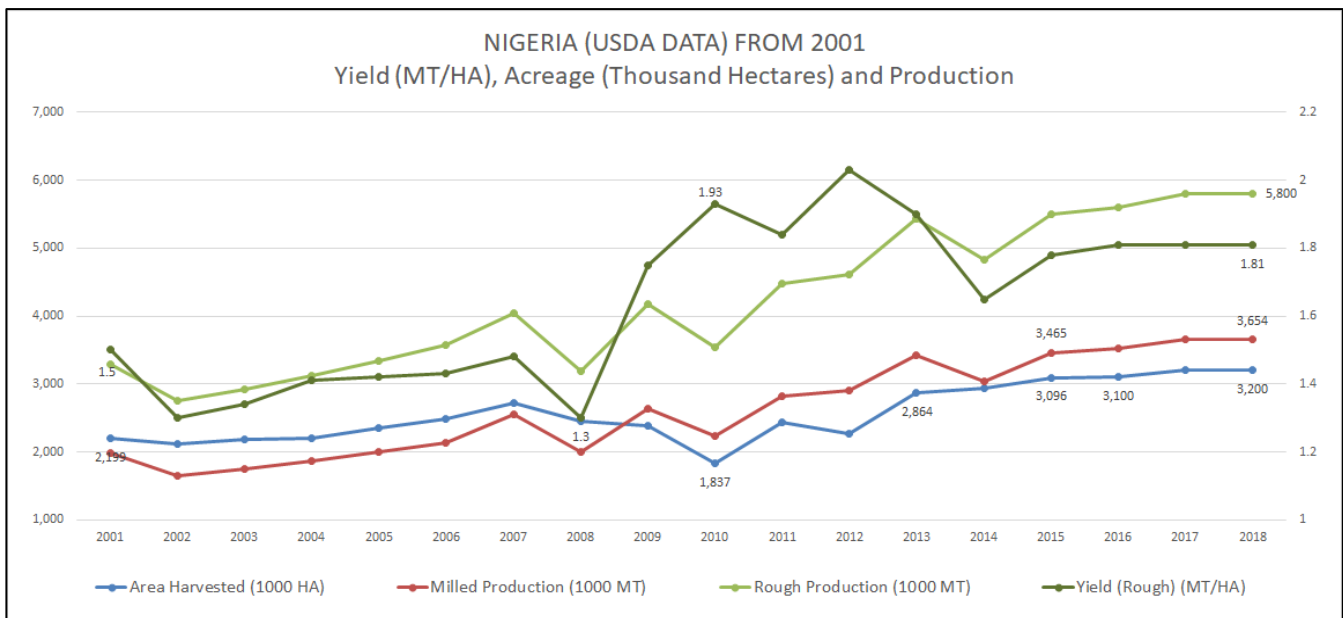


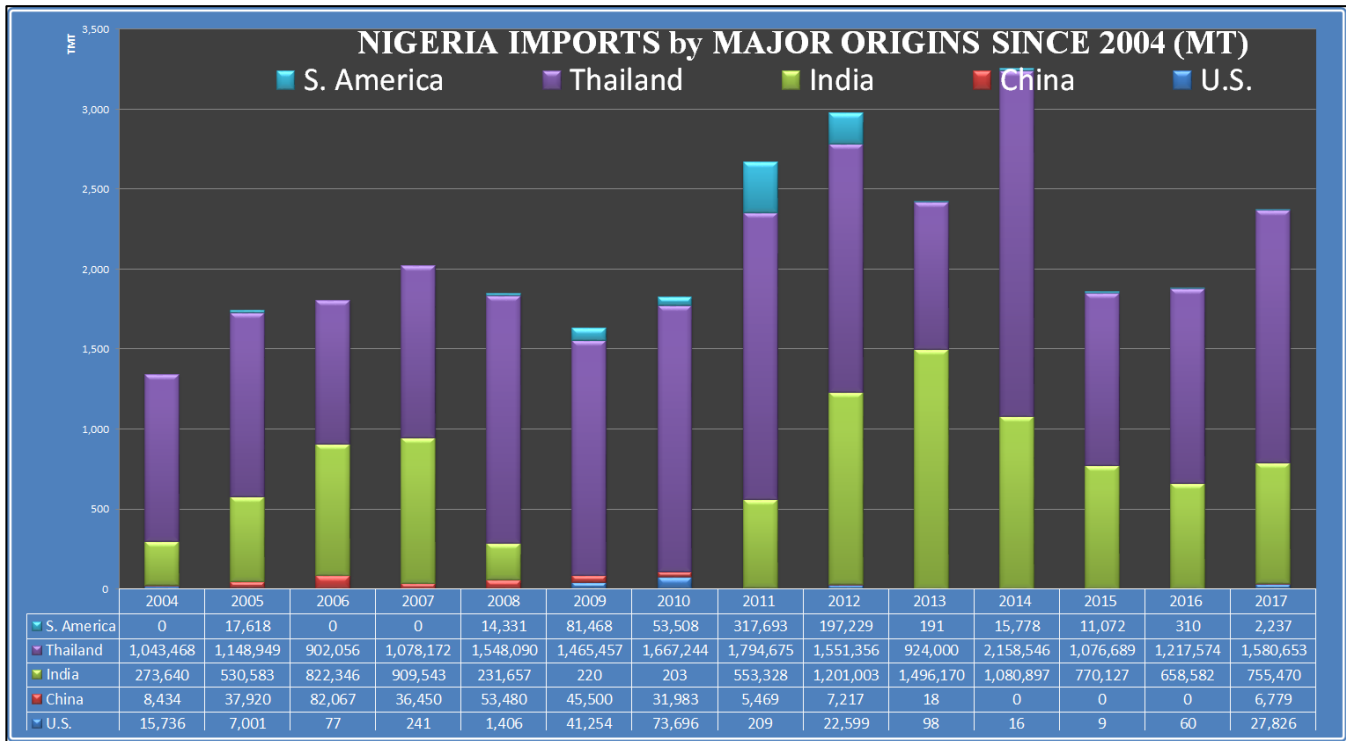
This, our first special report on Nigeria, focuses on data for Jan-Dec 2017, USDA data, some ideas to what Nigerian imports will look like in the year ahead (2018), and some of the considerations that would drive Nigerian rice imports. An early look at TRT data for imports reveals a 2.35 MMT import year for Nigeria in 2017. Perhaps more interestingly 2.29 MMT of this (leaving about 66 TMT of direct imports) was from indirect or cross border sources that we

have accounted from U.S., India, and Thailand. A 29 TMT Niger trade that has not been included to maintain consistent statistics, but the story that this data tells us is one of Nigerian imports coming largely from a porous border route that seems to be feeding its import demand needs. This also comes at a time when the Nigerian press reveals regular stories of rice production improvements and efforts towards self-sufficiency. The backdrop also reveals concerns over oil prices, which remain relatively weak, as Boko Haram and terror concerns add more uncertainty for an economy that is struggling.

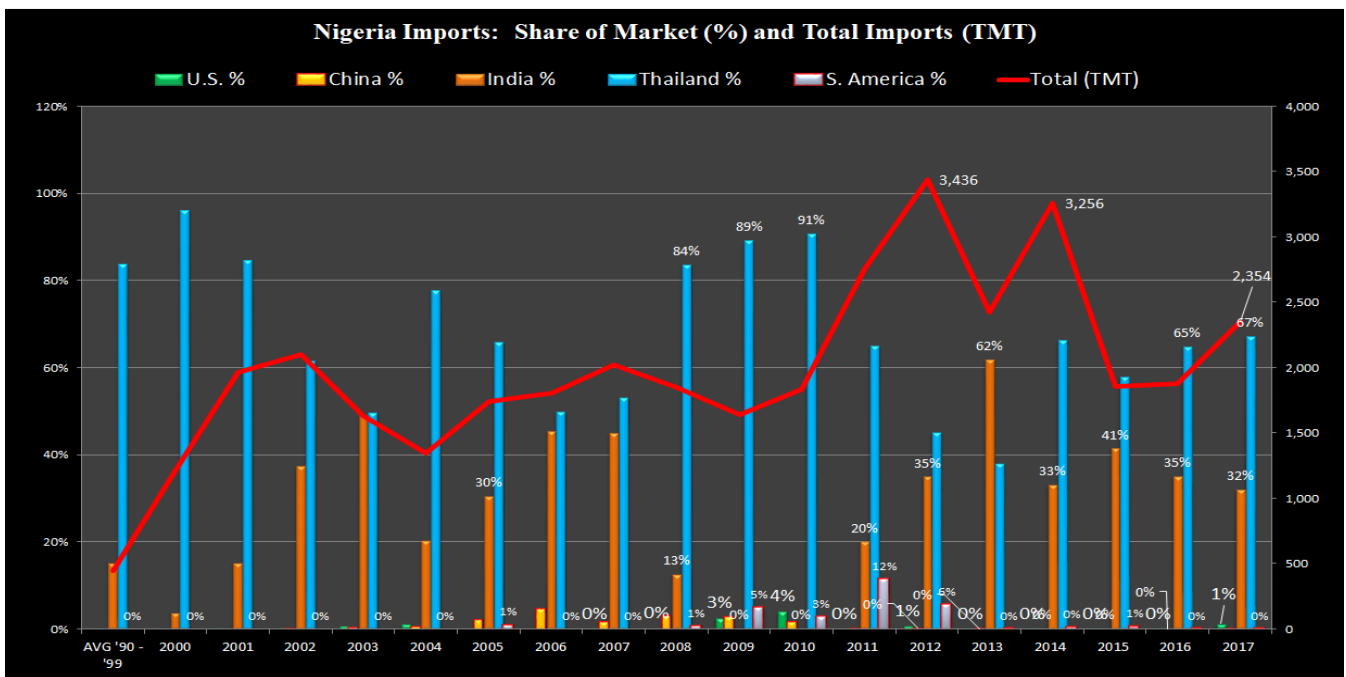


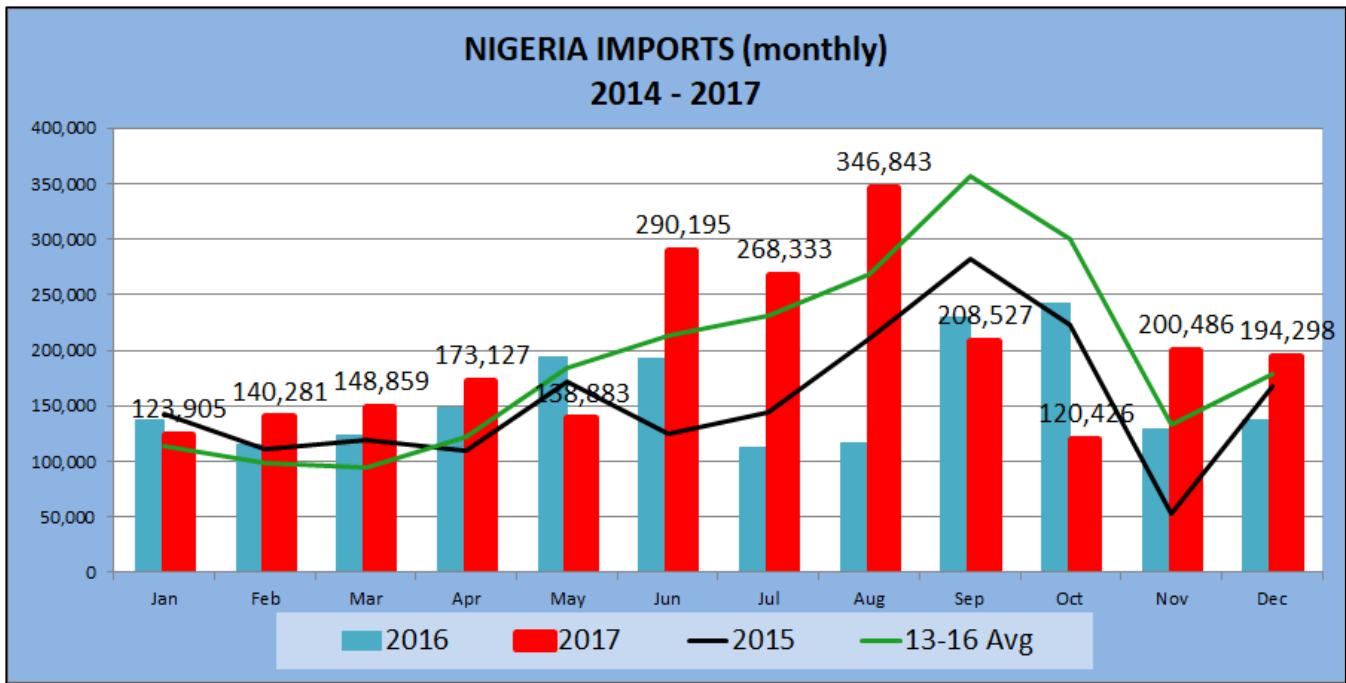
Based on USDA data, we see consumption rising, with 2018 expectations for a 6.4 MMT consumption, up from 6.2 MMT in 2017 and 6 MMT in 2016. USDA shows production in 2017 at 3.65 MMT (milled) and 2018 is set for a similar level. Based on this, we have a 2.55 MMT deficit in 2017 and this would rise to 2.75 MMT in 2018 if the data above were used to make a point. Ending stocks are at 1.398 MMT in 2016, and falling to 1.352 MMT in 2017 if we assume that 2.5 MMT is imported (we have TRT data at 2.35 MMT but border trades are never easy to calculate). A similar, if not higher rate of import seems necessary based on this data, and with that, one could assume a range of 2.3-2.5 MMT of imports as deemed necessary. Weaker consumption is possible considering all the risk and the weakness in the economy, but the key trend we see here is a gaping 2.5-2.7 MMT gap between consumption and production. Either production goes up or imports do, in order for the gap to be filled. Over the year, we have to note that the USDA data for ending stocks seems to have been revised higher. Yields remain a concern, at 1.81 MT/ha, which remains below the global average at around 4.5 MT/ha. What is lacking is a clear production improvement to realize plans for self-sufficiency.



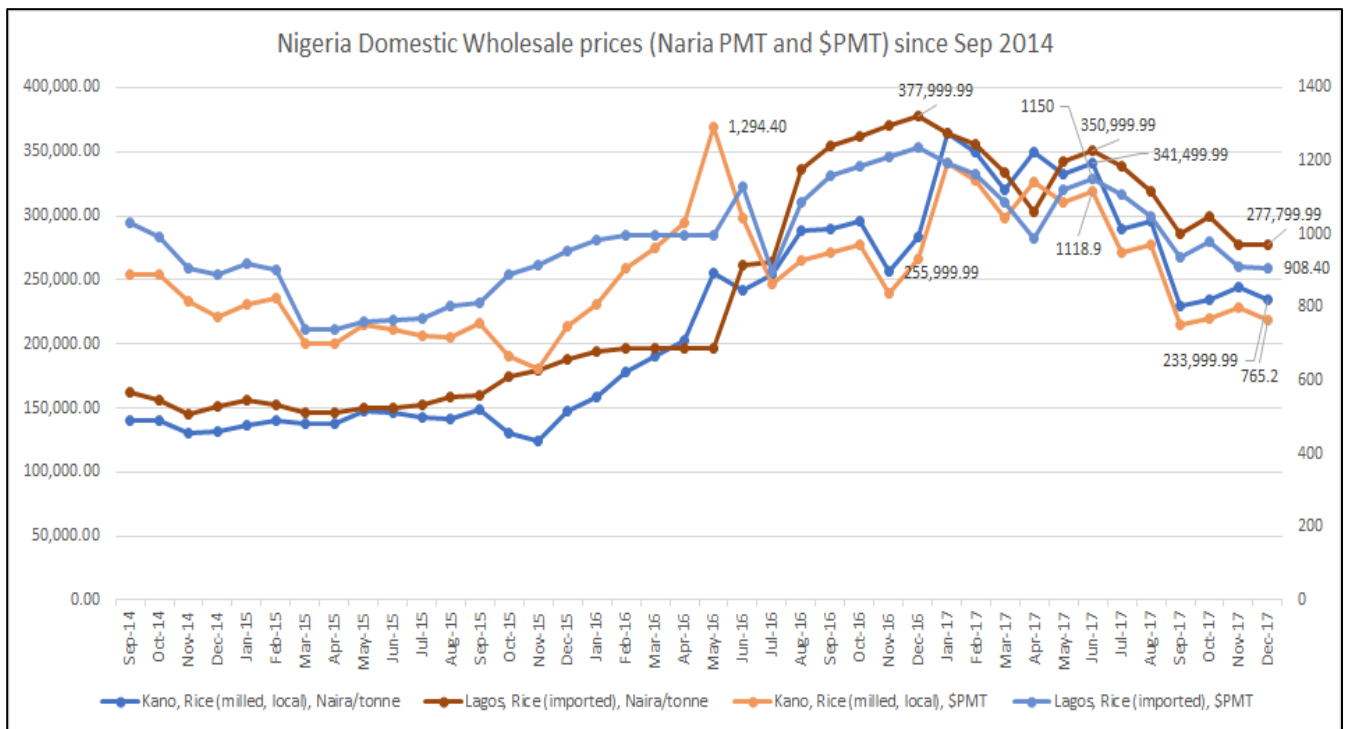


Turning now to Nigeria's imports by origin, we can already see the weaker imports since 2015 and 2017 gave way to what looks, on paper, to be a dramatic rise. Domestic rice prices show that imports and even smuggling is very lucrative (see following page for chart), and hence, provides another motivation for imports to rise. Thailand and India dominate with a 1.54 MMT and 755 TMT share which translates to 67% and 32% respectively and interestingly for 2017, we have a rising U.S. export (to Benin – of 28 TMT) and China (7 TMT) as a riser together with a South American presence which is improved at 2 TMT. Thai prices have been attractive, but the costs of imports have been higher because of Bangladesh's presence in markets, but this has not swayed Nigerian related import demand.





Looking at Nigeria’s imports since 2014 on a per-month basis, we can see that 2017 saw a steep rise in demand from Jun-Aug based on what many saw as a pre-Ramadan peak in imports, while there is a smaller peak in Nov and Dec when the pre-Christmas demand is taking place. Past trends in 2015 and the average for 2013-2016 shows a peak in Sep, give way to a market that now has 2 peaks , one in Q2 and another in Q4 and if we look at the trends and the bottlenecks at ports receiving the raw materials, we also see imports spread out across the year compared to historic levels. With 2017 representing a third year of restrictions on rice imports, imports have also evolved with the port capacity, ability and need to reach Nigeria and an improved cross border trade adjusting to meet the needs that come from some very attractive local prices in Nigeria.



Looking ahead much will still depend on policy decisions from Nigeria on rice imports. For now, the lack of any direction seems to have spurred border trades which seem to be booming, as the price difference between local markets and imported rice offering excellent returns for a strong interest in importing to Nigeria via Benin, Cameroon, and Niger as key regions seen linked to meeting Nigeria's import needs.

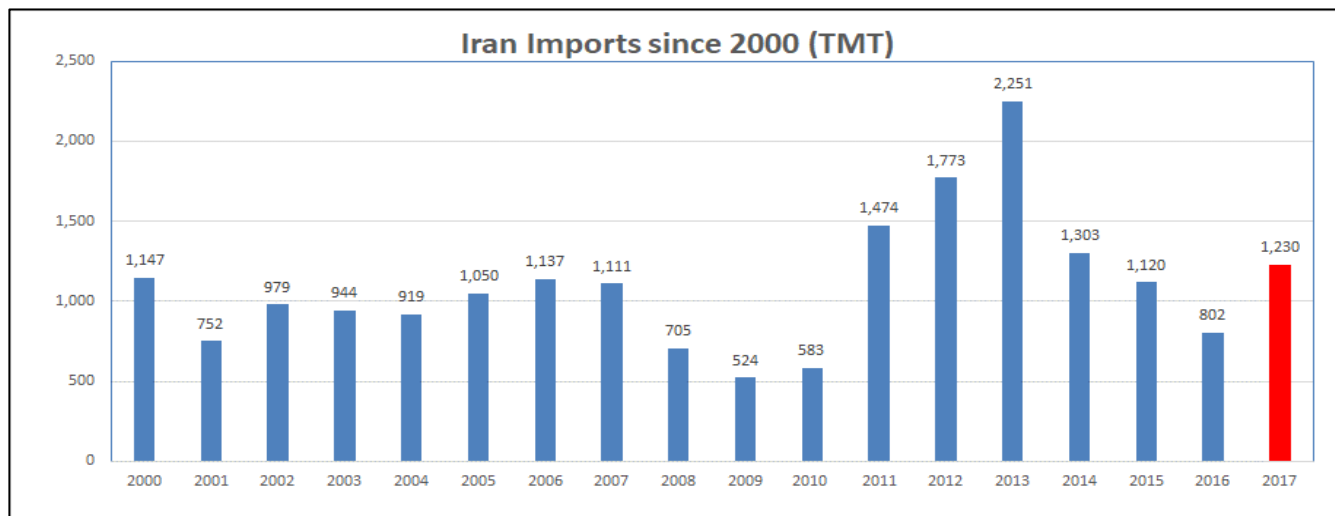
	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
Nigeria												

There have been occasions in the past when the officials slow or even stop the border trades at selected areas on the back of complaints from local producers, who are unable to sell or face competition in domestic markets, but this has, been random. Perhaps the best signal comes during harvests when availability of local raw materials is higher (in Aug/Sep of any year as per the table above). The work conducted in developing domestic production and the state of the oil economy cannot be ignored, but we cannot ignore the troubles from Boko Haram and the brewing terror elements that add more uncertainty to the region as key dynamics that will have a say in the way Nigeria markets shape over the 2018 year.

Our expectation is for a 2.3-2.5 MMT import in 2018, with 2017 imports at 2.35 MMT and providing some encouragement when imports hit the higher end of the trend we saw coming from Nigeria in 2017.

IRAN UPDATE:

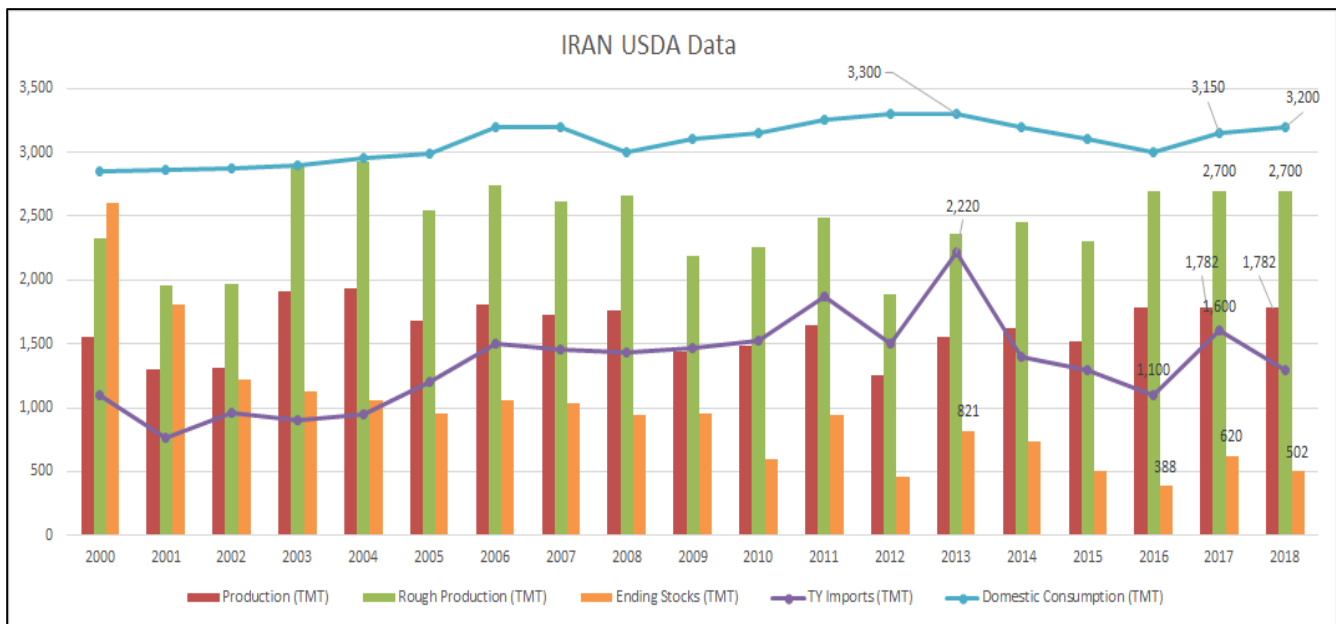
This week, we focus on Iran, which has been a prominent importer, and recently in the news with recent GTC Iran tenders buying (over two tenders) as much as 90 TMT of Indian 1121 Sella rice. 2017 was also interesting in the way Thai exports to Iran rose, while there was also a rising presence from Uruguay and smaller gains from Pak and Viet exports to Iran. Will 2018 demand for non-Indian origins be repeated?



In this, our first special report on Iran, we cannot ignore the news this week of a 45 TMT tender for 3, 15 TMT lots of Indian 1121 Sella rice. The tender requires a euro 298,913 bid bond per 15 TMT and is set for shipping periods of 24 Apr to 25 May, 5 May to 5 Jun and May 2018 with the tender taking place on 27 Feb 2018 to reveal an active Indian sale in progress (which was confirmed but details are not yet fully available). This follows swiftly after a 12 Feb 2018 tender also for 45 TMT of rice for Apr 2018 shipment, which was awarded to Amir Chand. From the most recent press reports, we also have talk of a dry spell in Iran, which has threatened domestic food production, a fact that many now see as a signal of a more

aggressive need for imports for Iran. Based on our TRT data, which we have up to Dec 2017, we can now look at the full year-2017 imports, which stand at 1.23 MMT, up from a weak 802 TMT in 2016. This is an improvement that was expected, and with Iran also suggesting early in 2017 a \$850 PMT cap on imports which we never really saw enforced, but with the lifting of sanctions (since 16 Jan 2016), we have also seen Iran buy from more origins as Thailand and South America showed the biggest gains. The 2018 trade year has just begun, and for now, it would appear that after some shifts between banning imports and lifting the ban, GTC tenders have so far mainly benefitted India, with little seen benefitting other origins, at least at this early part of the year.

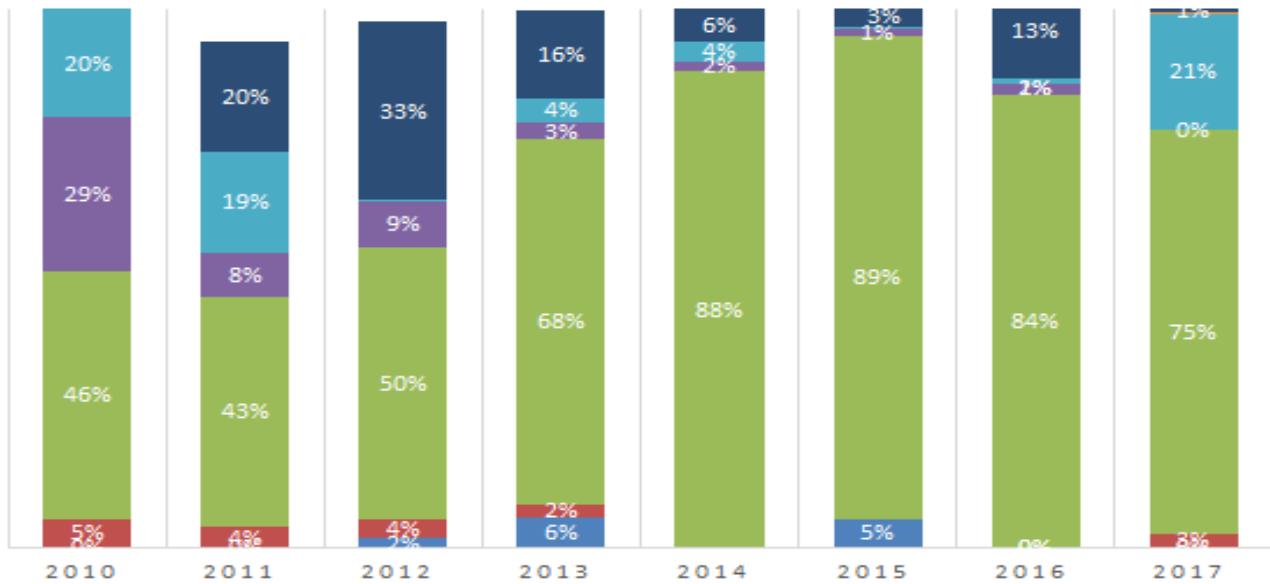
Iran imports have often come from a close association and impact on basmati rice markets where India is a key supplier. The early sanction years also saw India dominate with the development of a payment mechanism, which has also allowed India to maintain a favoured status in its ties with Iran. The big change this year would seem to come from a higher basmati rice price, which reflects on a weaker production from India. Basmati rice production in India has been rationalized following some concerns about over supply during the last two years when India's basmati production growth stripped any rise in imports, with the post 2013 years actually revealing a weaker Iran.



Looking now at USDA data, we can see milled rice production stable at around 1.78 MMT (down from estimates a year ago at 1.84 MMT) and if we add any impact of a dry weather impact, could be lower still. This compared to consumption, which is pegged at 3.2 MMT for 2018 and 3.15 MMT for 2017 to reveal a deficit of around 1.37 MMT, which would have to be imported if there was no inventory. Ending stocks for 2017 are seen rising at 620 TMT, up from 388 TMT, but with USDA imports at 1.6 MMT and TRT data at 1.23 MMT, we could see more pressure on ending stocks, especially if we take the lower import levels. 2018 imports are seen at 1.3 MMT, a level we tend to use for the lower end of TRT estimates that we have initially at 1.3-1.5 MMT. Much, for us, depends on the developments in Iran's own food production and the subsequent pressure from this. There is also a global market place that has almost all types of rice that Iran buys at a premium in 2018 compared to 2017 – this is especially so in Hom Mali prices, while the premiums for other grades are less pronounced. For now, based on the USDA data, the weakening ending stocks seems to have recovered and explains the reduced import expectations for 2018, but we feel that a similar to improved import year (using a base of 1.23 MMT of 2017 imports we have recorded) seems likely.

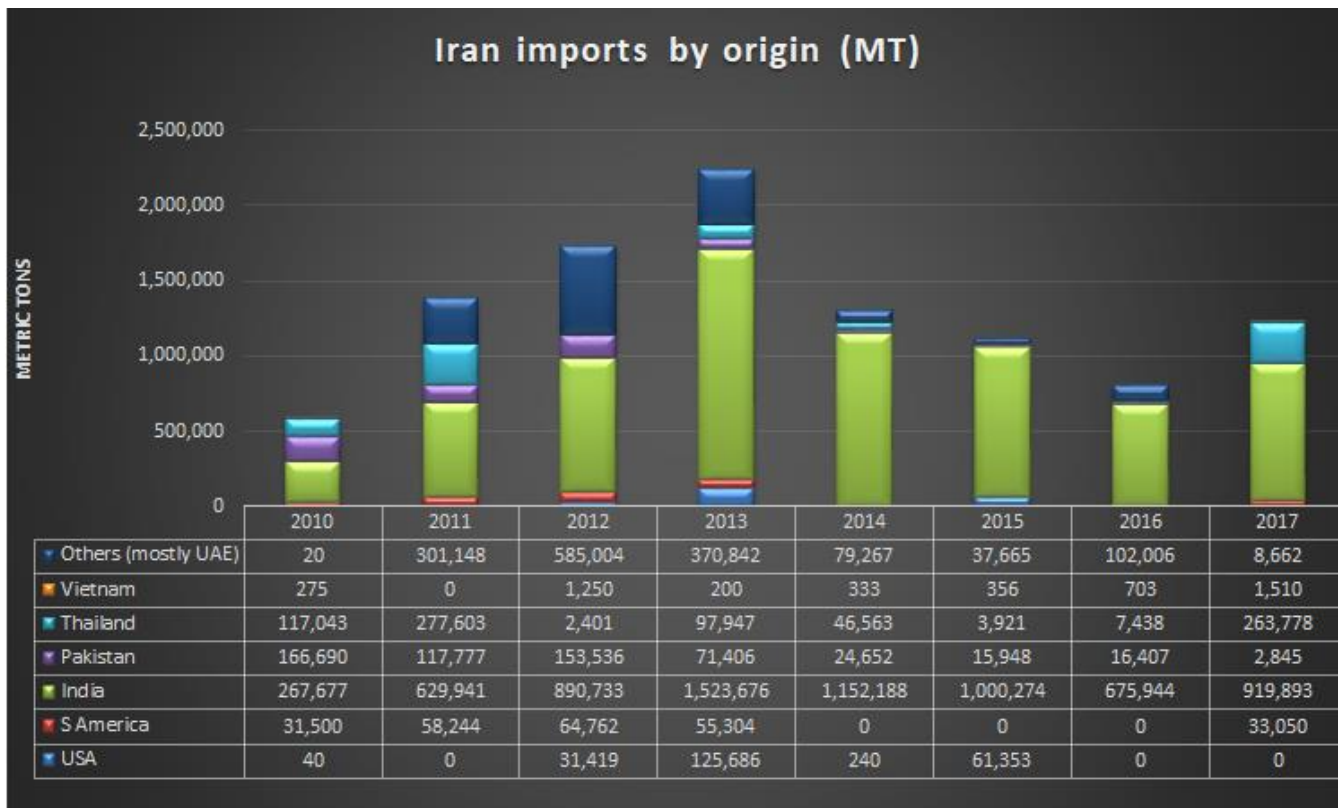
IRAN IMPORTS SINCE 2010 BY ORIGIN (%)

■ USA ■ S America ■ India ■ Pakistan ■ Thailand ■ Vietnam ■ Others (mostly UAE)



Looking at the origins that have supplied Iran over the years, India's dominance is clear and has been a force since as early as 2010 when India commanded a 46% market share in a market that was shared, with South America (5%), U.S (20%), and Pakistan (29%). The darker blue "others" segment represents U.A.E. exports to Iran and could have represented a period when transshipment, or even grey trades, was on the rise. This was during a ban, or during the years when sanctions were preventing a more direct route to trade with Iran. The period of a wider range of origins present in Iran also coincided with the years when India's rice export ban was in place, perhaps more closely associated with a restricted Indian basmati market that was held back by a Minimum Export Price (MEP), which also created the rise of transshipment business to get around the rules.

The 2017 import year saw India lead with a 75% market share (down from 84% in 2016). South America returned with a 3% share of Iran imports. Thailand received a boost with a 21% share as success in Q2 tenders and some direct purchases of both Hom Mali and white rice led Thai exports higher, while Pak exports inched in with a 1% share. Iran was seen broadening its base of origins, and the same is hoped for in 2018, with some early signs showing some South American progress, but with a higher Asian Hom Mali price and with Asian white rice prices also higher – there are questions being asked about the likelihood of a repeat of the Thai business of last year. The news of dry weather affecting Iranian production would support the need for more imports. There is a changing price competitiveness emerging in the market with higher prices for all grades of rice, with Hom Mali prices rising the most, while Indian basmati rice prices have also exhibited the ability to rise whenever Iran is in the market. The details of the imports by volume are found in the table in the next page where we can see Indian exports actually rise from 676 TMT to 920 TMT in 2017 for an impressive gain, despite the weaker market share. Thailand was impressive with 264 TMT in 2017 compared to 7 TMT in 2016. Pakistan was weaker at 3 TMT in 2017 compared to 16 TMT in 2016. South America was up at 33 TMT in 2017 from nothing in 2016, while the "other" transshipment reflection saw more direct deals with Iran to end at 9 TMT, down from 102 TMT in 2016. Vietnam was up at 2 TMT in 2017, up from 1 TMT in 2016 to round up all the key shifts in volumes. The reality is, India's market share drop was hardly felt, as volumes were impressively higher.



Looking ahead, the big question seems to be, will Iran buy as they did in 2017? Moreover, the answer seems to be that by volume, Iran will need a similar import, if not more, just to adjust and accommodate to the weather related impact on its food production. The difficulty is seeing who will benefit. We feel India will maintain its leadership and deliver volumes to an Iranian market that is not only familiar, but also one that has often shown a preference for Indian rice. The big test seems to be whether an \$1100 PMT Hom Mali from Thailand can still secure sales to Iran in the manner they did in 2017 and if the white rice sales will resume. We are more comfortable with the idea of white rice sales continuing through private deals, but some of the difficulties in deals last year could also keep this business cautious. South America looks likely to maintain its small presence in the Iran market as buyers, both private and the GTC of Iran would need to look at the options in the global markets and decide on the best values.

Most importantly, we do expect Iran to buy more or at least the same in 2018 as in 2017, with only questions over the breakdown in terms of origins. India seems to be the main supplier, while the rest will be chosen from price competitiveness, as well the acceptance of the rice imported in 2017 and how these supplies performed in the market. A competitive Thai offer could also be considered, especially if the Thai shipments of 2017 (both tender and private sales) were well received and allow a repeat business.

FAO Rice Price Update – Summary:

The FAO All Rice Price Index averaged 228.7 points in Feb 2018, up 3.6 points (1.6%) from its Jan value. Aromatic prices posted the largest monthly increase – up 3.7% in Feb, sustained by Iranian purchases and tight fragrant availabilities in Thailand. Lower quality indica and japonica quotations also strengthened, while subsiding demand tended to steady prices of higher quality indica rice.

Asian quotations followed mixed trends during Feb, despite generally quiet trading activities owing to festivities and a relapse in demand. Indica prices were steady to weaker in Thailand and Pakistan due to

a lack of substantial fresh deals. Uncertainty over importing plans in the Philippines added to the downward pressure, as did news of Bangladesh cancelling a previous order of Thai parboiled rice and of a foregone sale of Pakistani supplies to Indonesia. By contrast, indica prices advanced in Vietnam, underpinned by thinning availabilities ahead of the 2018 winter-spring harvest, and in India owing to state purchases and African demand. In the Americas, quotations remained stable in Uruguay, while tight availabilities lifted long grain prices in the U.S. to their highest level since Nov 2014. Instead, values tended to ease in Argentina in response to currency movements, and in Brazil, notwithstanding the launch of state auctions geared at sustaining paddy prices.

According to the FAO All Rice Price Index, international rice prices in the first two months of 2018 were 18% above year earlier levels, mirroring gains in all the major rice market segments.

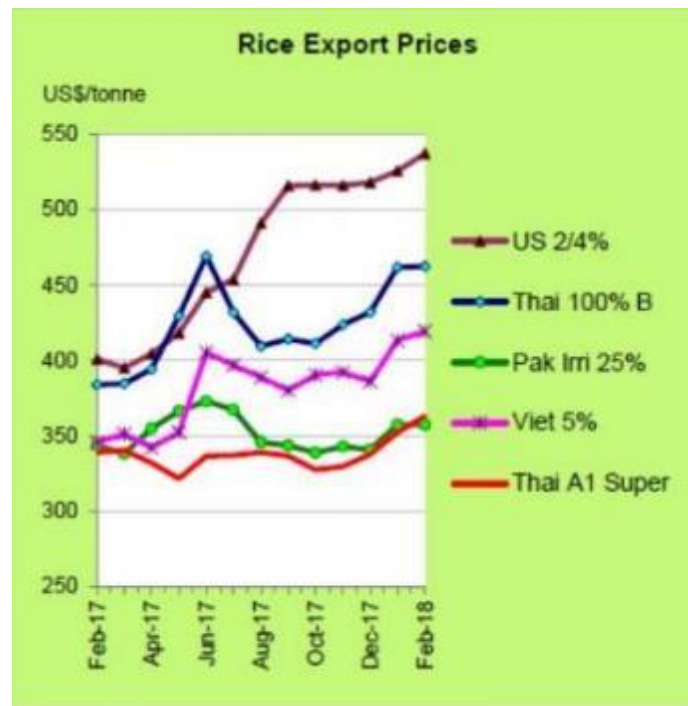
EXPORT PRICES FOR RICE														
	Thai White 100% B Second grade	Thai Parboiled 100%	U.S. Long Grain #2, 4%	Thai 5%	Viet 5%	Uru 5% 1/	India 25%	Pak 25%	Thai 25%	Viet 25%	Thai AI Super 2/	U.S. California Medium Grain #1, 4%	Pak Basmati 3/	Thai Fragrant 4/
	(US \$/tonne, f.o.b.)													
2013	534	530	628	518	391	598	402	371	504	363	483	692	1 372	1 180
2014	435	435	571	423	410	599	377	366	382	377	322	1 007	1 324	1 150
2015	395	392	490	386	353	541	337	318	373	334	327	857	849	1 008
2016	407	410	438	396	347	473	333	327	385	332	348	651	795	768
2017	415	421	456	398	372	499	361	350	384	351	334	673	1 131	843
2017														
February	384	392	401	367	346	510	345	344	361	326	339	571	1 029	696
March	385	383	395	370	351	475	344	338	364	333	340	577	1 078	683
April	394	393	405	380	342	491	350	355	369	329	332	578	1 204	697
May	430	431	418	415	352	485	360	367	394	332	322	590	1 214	717
June	469	479	445	454	405	495	375	373	427	378	337	627	1 205	799
July	432	442	454	417	397	502	379	367	399	375	337	675	1 195	851
August	410	416	491	394	389	502	374	346	382	372	339	706	1 125	949
September	414	426	516	399	380	504	373	344	385	357	337	717	1 100	1 064
October	411	429	516	394	390	500	363	339	379	365	328	795	1 169	986
November	424	428	516	399	392	509	366	343	383	363	330	830	1 155	952
December	432	434	518	407	386	506	371	341	392	364	338	838	1 136	1 030
2018														
January	462	458	526	436	413	503	384	358	416	391	352	860	1 087	1 100
February	463	454	537	436	419	500	390	357	419	398	363	885	1 095	1 169
2017 Jan.-Feb.	388	393	398	372	340	508	341	342	365	324	338	573	999	692
2018 Jan.-Feb.	462	456	531	436	416	501	387	357	418	394	358	873	1 091	1 134
% Change	19.1	16.1	33.4	17.1	22.3	-1.2	13.3	4.6	14.4	21.8	6.0	52.2	9.2	63.8

Sources: Livestockindex.com, Thai Department of Foreign Trade (DFT) and other public sources.

1/ Long grain white rice, fob fcl. 2/ White broken rice. 3/ Basmati ordinary up to May 2011. Super kernel white basmati 2% from June 2011 onwards.

4/ Hom Mali rice, grade A.

... = unquoted



FAO Rice Price Indices					
	All	Indica		Japonica	Aromatic
		Higher quality	Lower quality		
2002-2004 = 100					
2014	235	207	201	266	255
2015	211	184	184	263	176
2016	194	180	187	228	153
2017	206	183	195	232	204
2017 February	194	173	189	216	187
March	195	171	189	216	193
April	198	174	191	216	208
May	202	181	193	218	209
June	209	194	204	224	205
July	210	188	204	231	208
August	212	186	200	241	209
September	212	188	197	238	215
October	216	188	195	250	216
November	219	191	196	256	213
December	220	192	197	254	216
2018 January	225	200	207	258	219
February	229	200	211	261	227
2017 Jan.-Feb.	192	173	188	216	178
2018 Jan.-Feb.	227	200	209	259	223
% Change	18.1	15.7	11.3	19.9	25.0

Source: FAO

N.B. - The FAO Rice Price Index is based on 16 rice export quotations. "Quality" is defined by the percentage of broken kernels, with higher (lower) quality referring to rice with less (equal to or more) than 20 percent broken. The Sub-Index for Aromatic Rice follows movements in prices of Basmati and Fragrant rice.

11. TENDER VITALS:

TENDERS

Apr 10 Iran – The Government Trading Corporation (GTC) issued a tender to buy 45 TMT of rice to be sourced from India 1121 Sella for May – Jun shipment. The Sella grade rice is sought in 3 consignments of 15 TMT per shipment in Apr 2018. *Award date is not listed.*

Mar 6 KCCO (Inv. 2000005232) – Tender to buy 340 MT 5/20 long grain, well-milled rice, 50kg for shipping to inland plants Apr 1 – Apr 15, 2018 and/or Apr 16 – Apr 30, 2018. *Mar 7, 2018.*

Feb 26 Taiwan SBS – COA/BOT announced a tender to buy 30.8 TMT brown rice, as follows; 18.5 TMT (GF4-107-031) brown rice of U.S. origins for shipping the day after license awarded Apr 30, 2019. 4 TMT (GF4-107-032) brown rice of Australian origin for shipping the day after license awarded Apr 30, 2019 and 8.3 TMT brown rice of Thai origin for shipping the day after license awarded Apr 30, 2019. *Award date is Mar 23, 2018.*

Feb 25 Iraq - The Grain Board of Iraq (IGB) has issued a tender (USA/MOU) to buy 30 TMT of long grain, milled rice of U.S. origins. No delivery dates listed. *Results are pending.*

TENDER RESULTS

Feb 27 Japan 11th MA – Tender to buy 26 TMT of non-glutinous, well-milled, medium grain rice of U.S. origins for shipment Jun 1 – Jul 10, 2018; 6 TMT of non-glutinous, well-milled, long grain rice of Thai origins for shipment Jun 1 – Jun 30, 2018. 2.975 TMT of non-glutinous, well-milled long grain rice of Thai origins for shipment Jun 1 – Jun 30, 2018 (shipped by container) and 12 TMT of non-glutinous, well-milled medium grain rice of Global origins for shipment Jun 10 – Jul 20, 2018. *Two cargos were awarded at a price estimated to be around \$855 PMT, seller details pending.*

Feb 22 Taiwan SBS – COA/BOT issued a tender to buy 20,652 TMT brown rice basis. *Entire tonnage was purchased at prices ranging \$338 - \$549 PMT.*

Feb 18 Iraq - The Grain Board of Iraq (IGB) has issued a tender to buy 30 TMT of long grain, milled rice of global origins. No delivery dates listed. *The Iraqi Grain Board awarded 1 cargo of Uruguayan rice at \$590, no official details yet. Another tender is anticipated in Mar.*

Feb 9 KCCO (Inv. 2000005222) – Tender to buy 620 MT 5/20 medium grain, well-milled rice, 50kg for shipping to inland plants Mar 19 – Mar 31, 2018 and/or Apr 1 – Apr 15, 2018. 4.3 MT 5/20 long grain, well-milled rice, 50kg for shipping to inland plants Mar 19 – Mar 31, 2018 and/or Apr 1 – Apr 15, 2018 and 820 MT 5/20 long grain, well-milled rice, 50kg for shipping to inland plants Mar 19 – Mar 31, 2018 and/or Apr 1 – Apr 15, 2018 *Bought 500 5/20 medium grain, well-milled rice, 50kg at \$510.89 FAS Houston Palmer.*

Feb 8 Japan 5th SBS – Tender to buy 13.398 TMT of whole-kernel (brown or milled) rice and 1.5 MT of broken (milled) for shipping Aug 15, 2018. *Bought 19.477 TMT, no additional information is available.*

Feb 1 KCCO (Inv. 2000005211) – Tender to buy 500 MT 5/20 long grain, well-milled rice, 50kg for shipping to inland plants Mar 1 – Mar 22, 2018 and/or Mar 23 – Apr 13, 2018. *Bought 500 MT 5/20 long grain, well milled rice, Fort bag 50 KG to Farmers' Rice Milling Co. and 946 MT at \$510.89 PMT.*

Jan 26 KCCO (Inv. 2000005198) – Tender to buy 130 MT 2/7 long grain, well-milled rice, 50kg for shipping to inland plants Mar 1 – Mar 15, 2018 and/or Mar 16 – Mar 31, 2018 and 1.4 MT 3/15 long grain, well-milled rice, 50kg for shipping to inland plants Mar 1 – Mar 15, 2018 and/or Mar 16 – Mar 31, 2018. *Bought 130 MT 2/7 long grain, well-milled rice, 50kg to Colorado County Rice Mill, Inc. at \$532.20 PMT and 1.4 MT 3/15 long grain, well-milled rice, 50kg to Farmers' Rice Milling Company, Inc. at \$495.50 PMT.*

Jan 23 Japan 10th MA – Tender to buy 12 TMT of non-glutinous, well-milled, medium grain rice of U.S. origins for shipment Apr 1 – May 10, 2018 and Apr 20 – May 31, 2018; 12 TMT of non-glutinous, well-milled medium grain rice of global origins for shipment May 10 – Jun 20, 2018 and 19 TMT of non-glutinous, well-milled long grain rice of global origins for shipment Apr 1 – Jun 10, 2018. *(China and ACC were awarded the above tender at a price of \$845 PMT FOB vessel).*

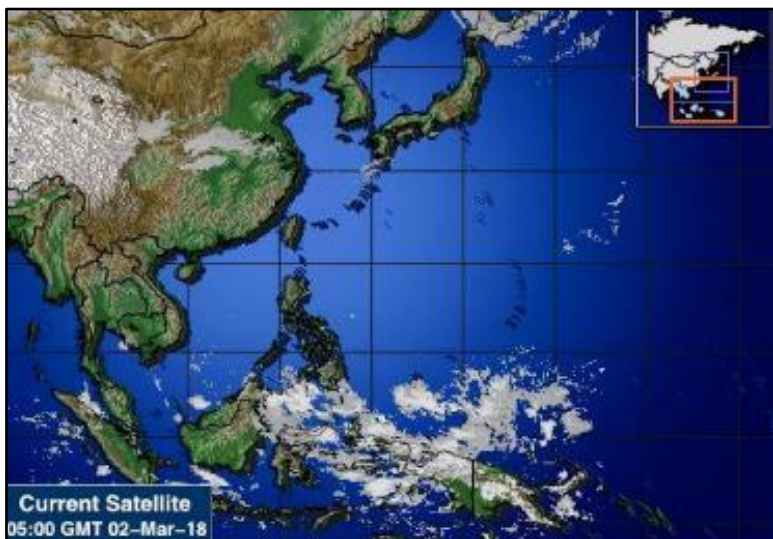
Jan 15 Japan 9th MA – Tender to buy 24 TMT of non-glutinous, well-milled, medium grain rice of U.S. origins for shipment May 1 – May 10, 2018 and Jun 10 – May 31, 2018 and 12 TMT of non-glutinous, well-milled long grain rice of global origins for shipment Apr 1 – May 10, 2018. *(ADM and SWF were awarded the above tender at a price of \$835 PMT FOB vessel). Bought one cargo U.S. medium grain and one cargo China medium grain. U.S. price reportedly reflects \$860-865 PMT FOB vessel. The Chinese medium grain price delivered Japan was slightly lower than the U.S.*

Jan 11 Iran – The Government Trading Corporation (GTC) issued an international tender to buy 45 TMT of rice to be sourced from India. The Sella grade rice is sought in 3 consignments for shipment in Apr 2018. *Award date is Jan 14, 2018. (No further information is available).*

Jan 3 KCCO (Inv. 2000005142) – Tender to buy 500 MT 5/20 long grain, well-milled rice, FORT BAG-50 KG for shipping to inland plants Mar 1 – Mar 15, 2018 and/or Mar 16 – Mar 31, 2018. *Not purchased due to lack of offers.*

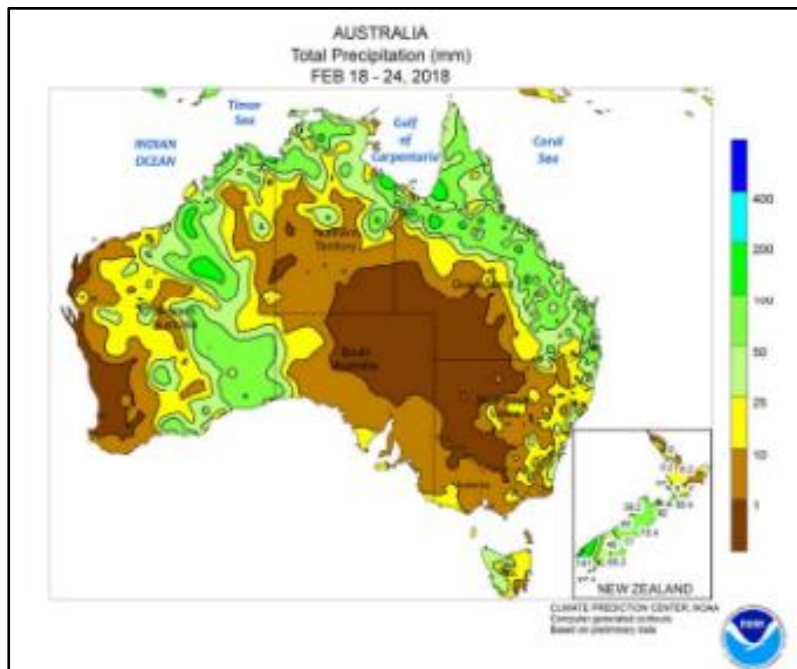
12. WEATHER:

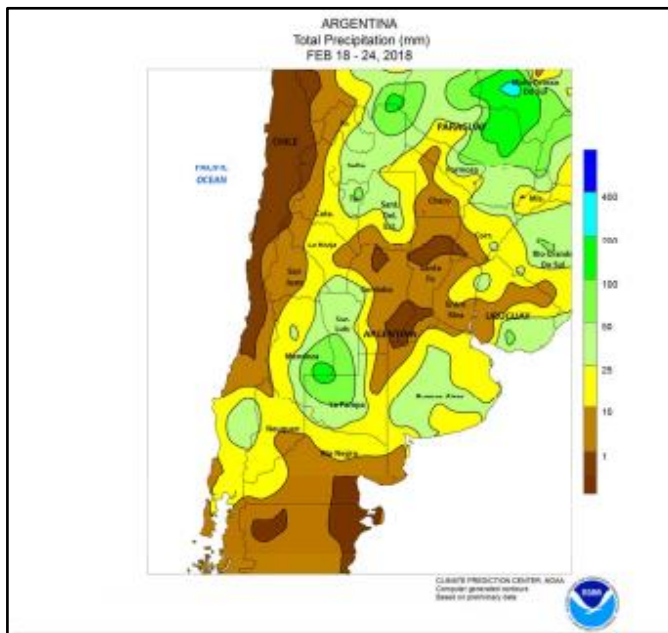
WEATHER: In its weekly report, the meteorologists at the U.S. Department of Agriculture released the following analysis of weather conditions through **5 Mar 2018**.



SOUTHEAST ASIA: Widespread, late-season showers (50-200 mm) in Indonesia and Malaysia improved soil moisture and water reserves for rice and oil palm. The recent heavy rainfall erased lingering moisture deficits in central Java, Indonesia, but deficits dating back to early Dec continued in western Java. Meanwhile, more soaking rainfall (200-300 mm or more) in the eastern Philippines caused localized flooding in the Eastern Visayas region, while mostly dry weather promoted maturation of rice in key northern growing areas.

AUSTRALIA: In the wake of last week's heat and dryness, widespread showers (5-25 mm, locally exceeding 50 mm) and somewhat cooler weather overspread southern Queensland and northern New South Wales. The rain provided a needed boost in soil moisture for immature dryland crops, while generally seasonable temperatures helped reduce evaporative losses. The more favorable weather helped stabilize yield prospects for immature cotton and sorghum, but given the recent dryness likely had little impact on crops that were planted earlier in the growing season, and are thus already drying down.





ARGENTINA: A frontal passage brought scattered showers and favorably cooler weather to corn and soybeans in central Argentina. After an initial period of unseasonable heat (daytime highs ranging from 35-40°C), more seasonable temperatures prevailed across the region, with daytime highs varying from the middle 20s to lower 30s (degrees C). Moderate to heavy rain (10-25 mm, locally higher) fell over Buenos Aires while helping to stabilize immature summer crops; the moisture was insufficient to improve drought conditions in most areas. Other parts of the region recorded only light rain (5 mm or less), including high-yielding farming areas stretching from eastern Cordoba to Entre Rios. The dryness extended northward toward Chaco, sustaining the drying trend in the northeastern cotton belt. However, locally heavy rain (10-50 mm) boosted

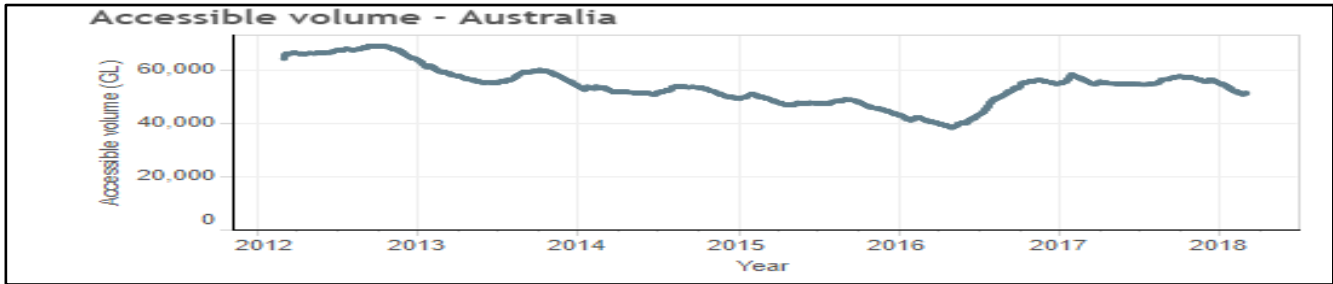
moisture for late-planted corn and soybeans in the northwest (in and around Salta) as well as in outlying production areas of the northeast (Corrientes and Formosa eastward). As in central Argentina, milder weather dominated for much of the week, with daytime highs reaching the lower 30s in some of the warmer spots.

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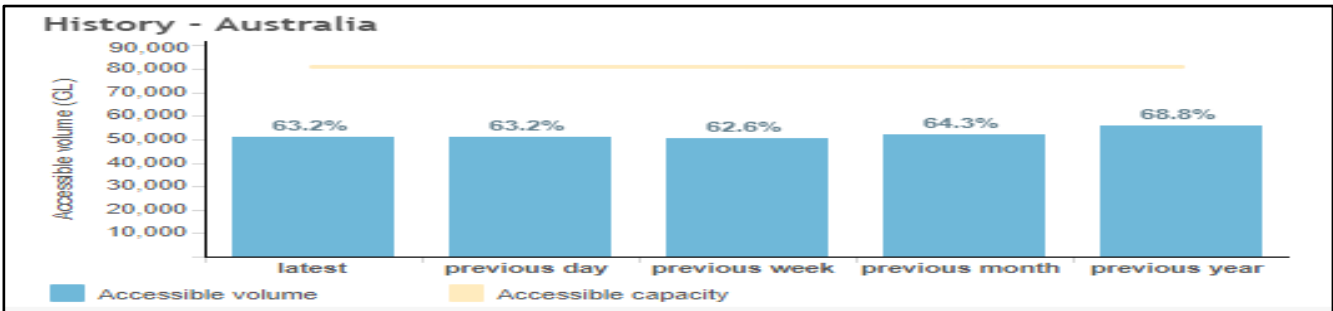


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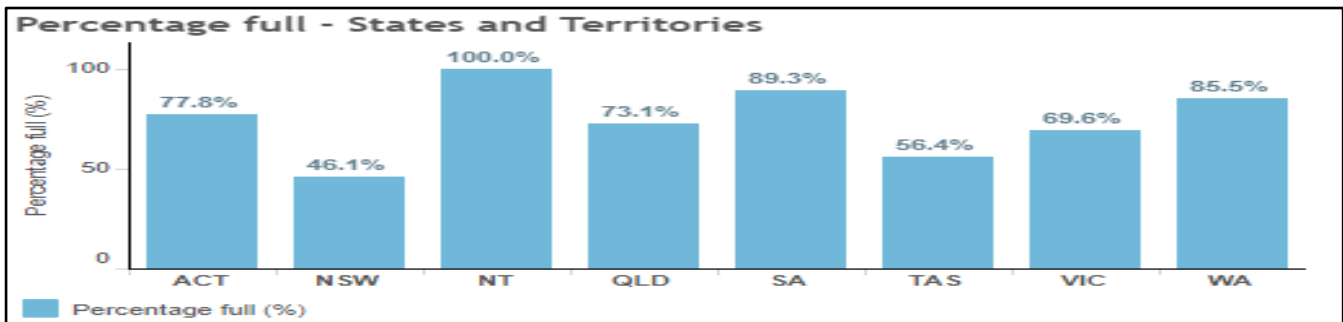
**Australia – Accessible Volume
5 Mar 2018**



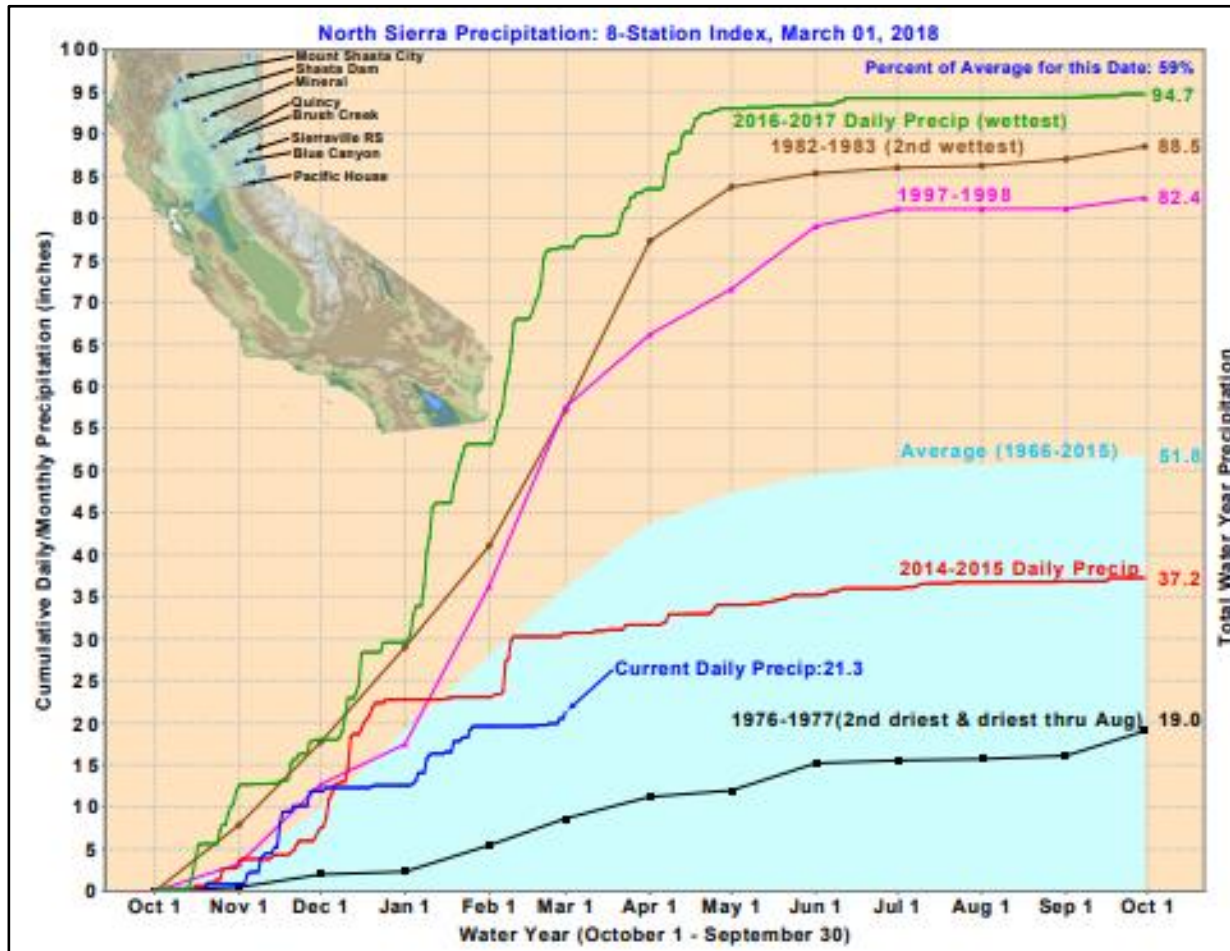
**Australia – Water History – Accessible Volume and Accessible Capacity
5 Mar 2018**



**Australia – Percentage Full – States and Territories
5 Mar 2018**



California Northern Sierra Precipitation 5 Mar 2018

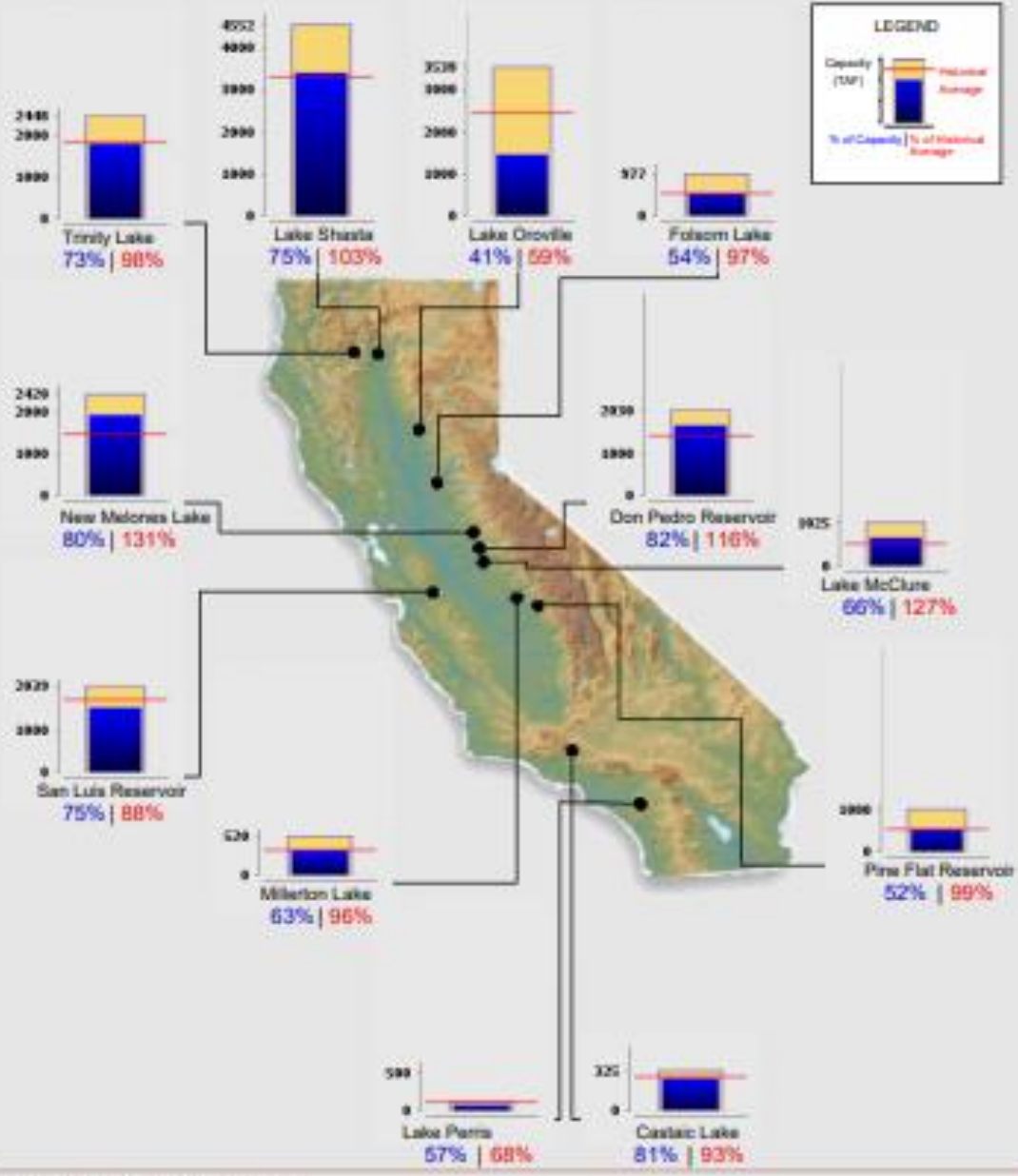




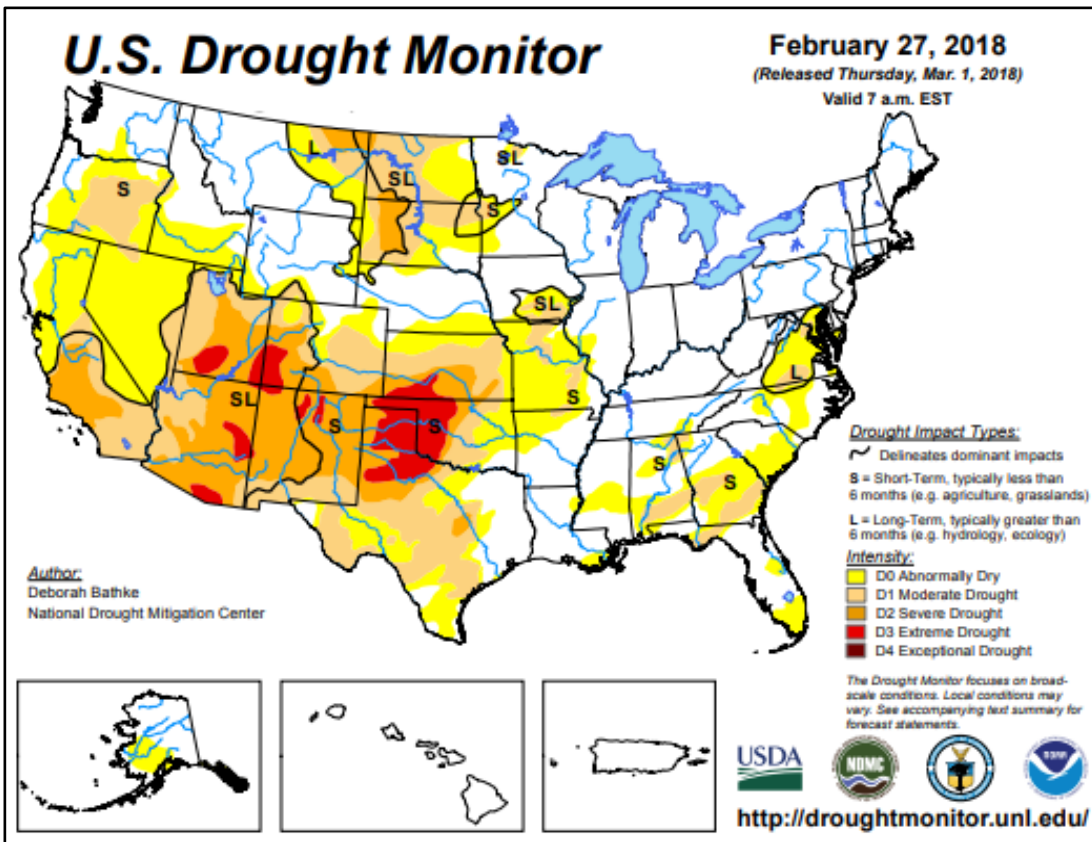
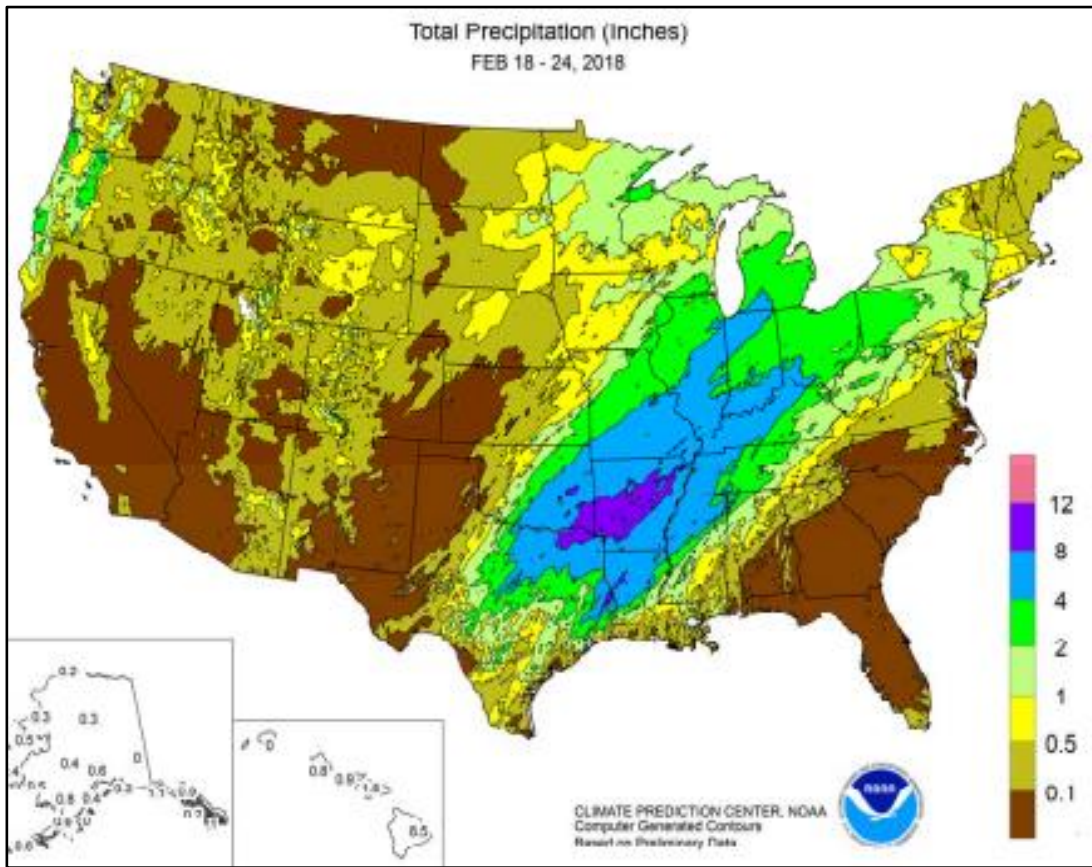
Reservoir Conditions

Ending At Midnight - February 28, 2018

CURRENT RESERVOIR CONDITIONS



Graph Updated 03/01/2018 04:45 PM



13. OCEAN FREIGHT:

DRY BULK MARKETS POISED FOR MORE UPSIDE AS CLOSE OF CHINESE NEW YEAR SHOWS SOME PROMISE AHEAD

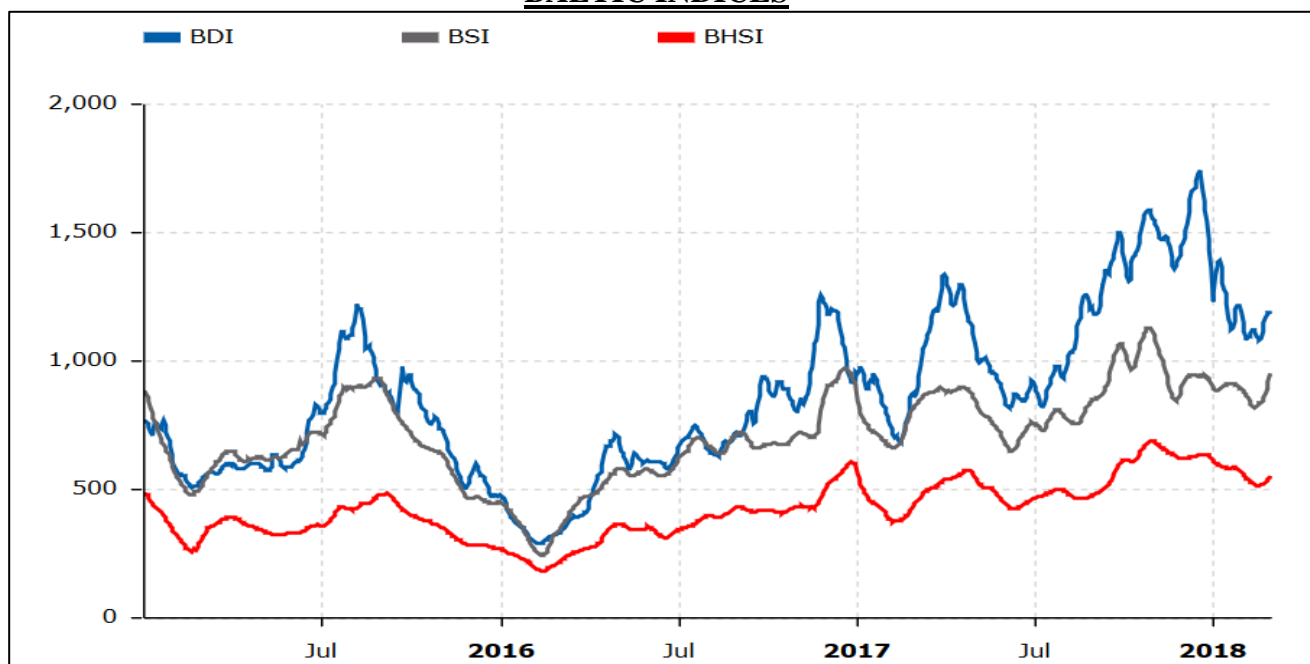
Routes 2-Mar-18	Indicative Rates (\$ PMT)		
	This week	Last week	Diff
Vietnam/Thailand - Phil/M'sia	23	23	0
Vietnam/Thailand - Indonesia	24	24	0
Vietnam/Thailand - North Asia	34	34	0
Vietnam/Thailand - Middle East	37	37	0
Vietnam/Thailand - East Africa	39	39	0
Vietnam/Thailand - South of Africa	35	35	0
Vietnam/Thailand - West Africa	41	41	0

It is typical for post-Chinese New Year markets to offer a more bullish tone, but this week we heard more brokers talk of a longer terms bull in dry bulk markets, as market consolidation over the last year or so seems to have allowed some stability and higher rates, together with an improved global economy to support. The Baltic Dry Index (BDI) rose 2% this week, from

1169 to 1196, led higher by the Supramax and Panamax sectors that saw 14% and 5% gains this week. The Supramax was boosted by a rising tide of demand as the Index was up from 871 to 992, while the Panamax remained relatively quiet, with rates firming as the Index rose from 1438 to 1505 with late week markets showing more promise. The Capesize market remained quiet and fell 9% from 1725 to 1568 with all sectors expected to rise in the weeks and months ahead. The smaller Handysize Index which this week was removed from having any influence on the broader BDI, will now only include Cape, Panamax and Supramax Indexes as its influencing elements, was up 9% from 529 to 579 to round up the week's freight rate moves.

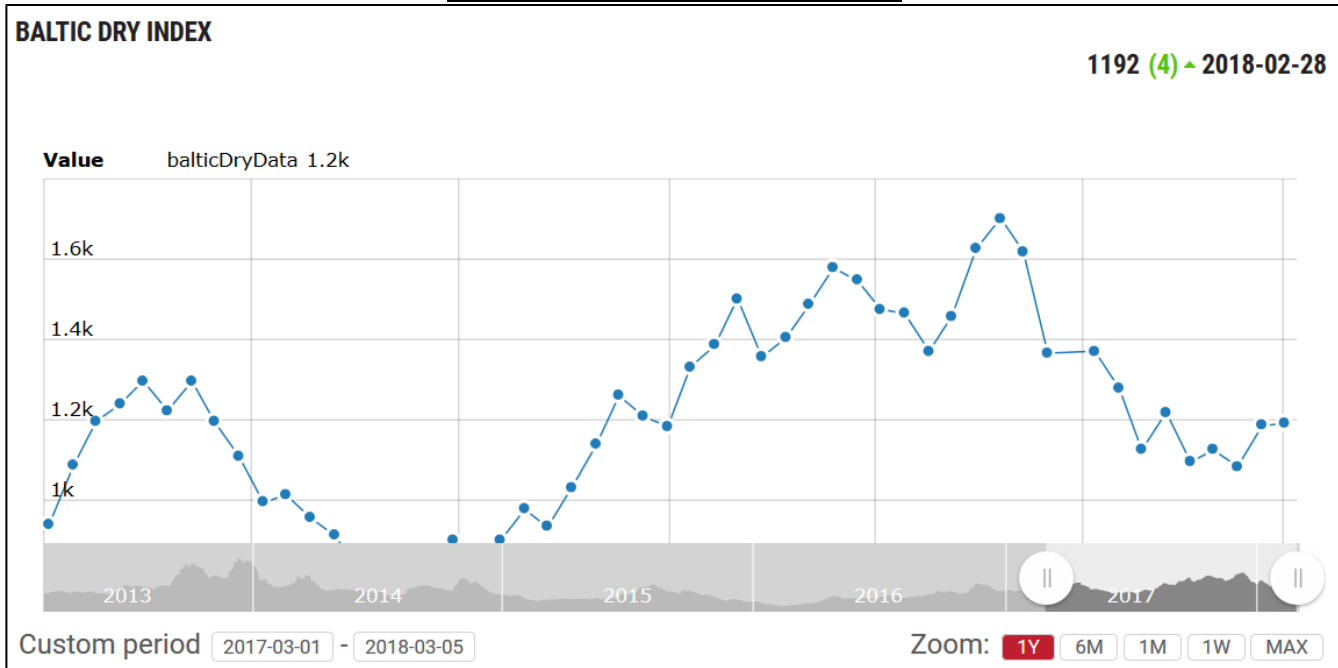
In rice shipping, markets were quiet as the Indian Holi festival and the last day of Chinese New Year festivities (on 2 Mar 2018) left markets relatively quiet in terms of activities. India was showing more loadings for Africa from old contracts, Thailand seems to be slowing, as was Viet and Pak loading activities. Vietnam is expecting more from loadings for Iraq and Africa on the back of good jasmine rice demand.

BALTIC INDICES



1-Mar-18	Baltic Dry Index (BDI)			29	1196				
	BCI	(Cape Index)	BPI	(Panamax Index)	BSI	(Supramax Index)	BHI	(Handysize Index)	
INDEX	1568	-157	1505	67	992	121	579	50	
SPOT 4 TCE AVG (USD)	9359	-937	11234	500	10757	1312	4669	403	

BALTIC DRY INDEX (1 YEAR)



Rates (source: Fearnleys)				
CAPE SIZE (usd/day, usd/tonne)	This week	Last week	Low 2018	High 2018
TCT Cont/Far East (180' dwt)	23,300.00	24,500.00	23,000.00	37,000.00
Tubarao / R.dam (Iron ore)	7.00	7.00	7.00	10.00
Richards Bay/R.dam	7.00	7.00	7.00	10.00
PANAMAX (usd/day, usd/tonne)				
Transatlantic RV	13,250	12,000	9,500	13,250
TCT Cont / F. East	19,000	18,000	16,500	19,000
TCT F. East / Cont	4,900	4,550	4,300	4,900
TCT F. East RV	11,500	10,500	9,000	11,500
Murmansk b.13-ARA 15/25,000 sc	8	8	7	8
SUPRAMAX (usd/day)				
Atlantic RV	13500.00	13000.00	12000.00	16000.00
Pacific RV	9,900	8,700	8,000	9,900
TCT Cont / F. East	19,500	18,000	16,000	19,500
1 YEAR T/C (usd/day)				
Capesize 180,000 dwt	19,500	19,500	17,000	19,500
Capesize 170,000 dwt	17,100	17,100	16,000	17,100
Panamax 75,000 dwt	12,750	12,100	11,250	12,750
Supramax 58,000 dwt	12,250	11,750	10,000	12,250
Baltic Dry Index (BDI):	1,192	previous week:	1,146	

14. FOREIGN CURRENCY & BANKING:

Foreign Currency Exchange Rates (vs. \$1 U.S.)									
Day End Data	US	EU (Euro)	Thai (Baht)	India (Rupee)	China (Yuan)	Japan (Yen)	Sing (Dollar)	Brazil (Real)	S. Africa (Rand)
3/2/2018	90.32	0.8150	31.5221	65.2288	6.3575	106.1912	1.3231	3.2516	11.8728
2/23/2018	89.74	0.8111	31.4777	64.9714	6.3500	106.7465	1.3189	3.2498	11.6687
2/16/2018	88.59	0.7998	31.2869	63.9040	6.3459	106.1240	1.3085	3.2301	11.6221
2/9/2018	90.23	0.8165	31.8938	64.5560	6.3274	108.7448	1.3320	3.2862	12.1648
1 Year Ago	95.39	0.9510	35.0452	66.8042	6.8867	114.4239	1.4115	3.1257	13.1027
5 Years Ago	76.18	0.7704	29.7732	54.9093	6.2275	93.3749	1.2397	1.9842	9.0782
1 week change	0.66%	0.49%	0.14%	0.40%	0.12%	-0.52%	0.31%	0.06%	1.75%
1 year change	-5.31%	-14.30%	-10.05%	-2.36%	-7.68%	-7.19%	-6.27%	4.03%	-9.39%
5 year change	18.56%	5.79%	5.87%	18.79%	2.09%	13.73%	6.73%	63.87%	30.78%

***Besides Dollar Index: Negative numbers represent appreciation against U.S. Dollar*
***If change in country's currency < 0 Then currency appreciated against U.S. Dollar*

Source: St. Louis Fed & Xe Currency

U.S. Stocks ended mostly higher on Friday, with the **Dow Jones Industrial Average** falling 0.29% to 24,538.06, with an intra-day swing from the bottom to the top of the index range of nearly 300 points. The **Nasdaq Composite Index** rose 1.08% to reach 7,257.87, and the **S&P 500** rose 0.51% to end at 2,691.25. The markets ended Fri up, but were down on a very turbulent week for a market that was rattled on Thu, when U.S. President Trump announced his intention to impose trade tariffs of 25% on steel imports and 10% on aluminum imports. The announcement was roundly criticized by U.S. trade partners, and caused some anxiety in the markets as traders and analysts digested the implications of a trade war starting. On Fri, President Trump stated that trade wars were, “good, and easy to win”. Clearly the markets are not pricing in much of a chance of a full-blown trade war erupting, and are anticipating that the tariff talk is mostly rhetoric that will be used to find some more reasonable middle ground. However, on Fri it was reported that the European Union had already indicated an intention of hitting back with tariffs on Harley-Davidsons, Kentucky bourbon and blue jeans, if the U.S. tariffs are implemented. The E.U. response was pointed, in that it was targeted at the home states of key Republican leaders. Related, if the trade disputes escalate, it will raise concerns about inflation, on top of an already strong U.S. economy, which could implicate future interest rate increases by the U.S. Federal Reserve, and would likely put some downward pressure on the market. Although the markets are discounting the potential effects, the U.S. tariffs are intended to go into effect next week, so we have little time to wait to see if a potentially disruptive trade war will begin.

The **U.S. Dollar Ice Index** fell 0.30% to 89.942, adding to a similar 0.30% loss on Thu, as investors sold the U.S. dollar in response to President Trump’s comments that he would be implementing tariffs. The yen rose 1.1% on the week to its strongest level against the dollar since 2016, with the dollar falling from ¥106.24 to ¥105.72 on Thu, in light of U.S. trade tariff talk, and due to the Bank of Japan Gov. Haruhiko Kuroda indicating an end to quantitative easing. The Euro likely bounced off weekly lows on Fri as the dollar sold off. As explained by Mark McCormick, head of North American FX strategy at TD Securities, “Historically, the dollar loses from trade wars, which underscores our structural bearish views, especially as the ramping up of twin deficits will require international funding over the next few years.”

15. RELATED MARKETS:

Related Markets Of Interest (Products Standard Units)							
3/1/2018		Mar/Apr	May/June	Jul/Aug	Sep/Oct	Nov/Dec	Change
Rice /cwt	Jan/Feb	12.42	12.50	12.64	11.88	11.07	\$/cwt 3.33%
Soybeans/bu	Jan/Feb	1057.50	1068.00	1073.50	1052.75	1038.00	cents/Bushel 2.47%
Wheat CBOT/bu	Jan/Feb	505.50	515.50	528.50	541.75	559.75	cents/Bushel 12.02%
Corn/bu	Jan/Feb	378.75	386.25	393.50	398.75	404.75	cents/Bushel 3.27%
Sugar 11%	Jan/Feb	0.00	13.71	13.82	14.11	0.00	cwt 0.96%
Coffee NYBOT	Jan/Feb	122.45	123.95	126.00	128.10	131.30	cents/lb 2.38%
Cotton #2 -NYBOT	Jan/Feb	82.57	81.81	82.11	78.51	77.18	cents/lb 2.52%
Feeder Cattle	Jan/Feb	145.05	148.00	151.73	151.73	150.88	cents/lb -2.04%
NY Crude	Jan/Feb	60.99	60.44	59.45	58.42	57.59	Barrel -2.84%
NY Natural Gas	Jan/Feb	2.693	2.725	2.820	2.812	2.981	Mbtu / Oil Eq 0.64%
Ethanol-ECBOT	Jan/Feb	1.470	1.493	1.498	1.491	1.464	gal -1.93%
Copper	Jan/Feb	3.112	3.123	3.142	3.175	3.177	cents/lb -4.26%

Mar rice closed at \$12.42/cwt on Thu, up 3.33% from last week. Rice closed a little higher Thu on strong export sales and even though Iraq has delayed an award for its tender for U.S. rice. General movement has turned up on the daily charts and the cash market bids continue to be strong during tight supplies. Data indicates that Texas producers are almost sold out for the marketing year and there is a limited amount of rice still owned by farmers in the state, so commercial buyers are increasing bids to try to purchase what is left. Limited amounts of rice in Louisiana and Mississippi owned by farmers has also been reported, although amounts in Arkansas and Missouri is not as clear, but the cash market indicates tight conditions.

Soybean Mar futures closed Thu at \$10.58/bu, up 2.47% on the week. Soybean futures are indicating minuscule losses in most contracts today. Nearby soy meal futures are down \$3.80/ton with soy oil up 18 points. The USDA reported private export sales of 12 TMT of soybeans to unknown destination and 198 TMT to China for 17/18 delivery. Also reported was a sale for 20 TMT of soy oil to unknown through their daily reporting system. Export commitments for soybeans are 12.5% lower than the previous year, adding a little ground since the previous week with the larger sales. BAGE cut their projected Argentina soybean production quantity by 3 MMT to 44 MMT and reported the country's crop conditions at 2.9% good to excellent with 76% poor to very poor. Brazil exported 2.864 MMT of soybeans during the month of Feb according to their country's Trade Ministry was 83.12% more than Jan was, but down from the previous year by 18.9%.

Wheat futures for Mar closed at \$5.06/bu eat exports are now 12.4% lower than this time in 2017. Chicago Winter Wheat markets were significantly higher and Minneapolis finished higher. The export sales report was weak, but this rally is more about supply in the U.S. and stock and logistical problems in Europe and Russia. La Nina conditions are continuing to affect the production potential for Hard Red Winter regions. The market is documenting additional dry conditions in western Kansas and other parts of the western Great Plains and the La Nina Winter weather forecast. Drought conditions are continuing in the region and have become severe. A significant part of the Hard-Red Winter crop is still ranked in poor to very poor condition. Minneapolis prices continue to be weak in part on high Canadian production and in part on thoughts of larger planted area for Spring Wheat in the U.S. this coming season. Black Sea prices are strong due to currency factors and some logistical problems in Russia.

Corn Mar futures closed at \$3.79/bu on Thu, up 3.27% on the week. Corn finished higher on strong demand thoughts and increasing base levels at the Gulf of Mexico and in some inland locations. Corn is a demanding market with motives to move higher once the producer selling was finished. Ethanol demand

continues to be strong. More demand is possible due to the problems in South America due to the weather. Brazil is not offering corn and seems to be sold out, whereas Argentina is overwhelmed with dry weather problems of its own that are being caused by La Nina. Brazil has been extremely wet in central and northern areas to get the corn planted. U.S. farmers has sold a lot of corn and they have held the corn in farm storage for too long. These sales could be less now that the market is moving higher.

Related Markets Of Interest (Metric Tons)							
3/1/2018	Change (PMT)	Mar/Apr	May/Jun	Jul/Aug	Sep/Oct	Nov/Dec	Change
Rough Rice CBOT	\$8.82	\$273.81	\$275.58	\$278.66	\$261.80	\$244.13	Alternative 3.33%
Soybeans CBOT	\$9.37	\$388.56	\$392.42	\$394.44	\$386.82	\$381.40	Alternative 2.47%
Wheat CBOT	\$19.93	\$185.74	\$189.41	\$194.19	\$199.06	\$205.67	Alternative 12.02%
Corn CBOT	\$4.72	\$149.11	\$152.06	\$154.91	\$156.98	\$159.34	Alternative 3.27%
Sugar 11% NYBOT	-\$302.25	\$0.00	\$302.25	\$304.68	\$311.07	\$0.00	Alternative 0.96%
Coffee NYBOT	\$62.83	\$2,699.56	\$2,732.63	\$2,777.82	\$2,824.12	\$2,894.67	Alternative 2.38%
Cotton #2 -NYBOT	\$44.75	\$1,820.36	\$1,803.60	\$1,810.22	\$1,730.85	\$1,701.53	Alternative 2.52%
Feeder Cattle CME	-\$66.69	\$3,197.80	\$3,262.84	\$3,344.96	\$3,344.96	\$3,326.22	Alternative -2.04%
NY Crude NME	-\$13.05	\$447.24	\$443.21	\$435.95	\$428.39	\$422.31	Transport -2.84%
NY Natural Gas NME	\$0.70	\$110.29	\$111.60	\$115.49	\$115.16	\$122.08	Fertilizer 0.64%
Ethanol - ECBOT	-\$9.80	\$496.61	\$504.38	\$506.07	\$503.70	\$494.58	BioEnergy -1.93%
Copper COMEX	-\$3.05	\$68.60	\$68.85	\$69.26	\$69.99	\$70.04	Metals -4.26%

LIGHT CRUDE OIL (NYMEX) WEEKLY CHART



In terms of the fuel complex, oil futures kept increases to break a three-session drop after another small upsurge in the number of U.S. rigs drilling for crude, but experienced a down week. Apr West Texas Intermediate crude added \$0.26, or 0.4%, to end at 61.25 a barrel on the New York Mercantile Exchange. That left the U.S. benchmark with a 3.6% weekly decrease. The worldwide crude benchmark, May Brent jumped \$0.54, or 0.9%, to finish at \$64.37 a barrel on the ICE Futures Europe exchange, decreasing its weekly fall to 4%. Oil held on to improvements after oil-field services firm Baker Hughes said the number of rigs drilling for U.S. crude increased by one unit to 800 this week. The firm's weekly statistics on the number of rigs drilling for oil in the U.S. is a predictor for activity in the sector. Oil spotted weakness in initial action, caused in part to President Donald Trump's announcement yesterday that he would impose tariffs on steel and aluminum imports, fueling fears of a worldwide trade war and adding to a worldwide equity selloff. However, a weaker dollar seemed to help boost crude as the **ICE U.S. Dollar Index** a measure of the U.S. unit against a basket of six major rivals, dropped by 0.4%. The dollar and commodities priced in the currency often exhibit a reverse relationship and a weaker dollar makes oil cheaper to buyers using other currencies. And even though trade-war uncertainties on the whole danger tariffs offers a reason to be positive on crude, because the tariffs would increase the cost of production for crude given that steel is used in virtually every part of the industry from production, refining and processing, and distribution of refined products. An increase in North American crude output has the

market concerned, even with efforts by the Organization of the Petroleum Exporting Countries and external producers such as Russia to restrict worldwide crude production. On Wed, the U.S. Energy Information Administration stated that crude oil stockpiles jumped by 3-mil barrels in the week ended Feb 23, a bigger increase than expected by most analysts.

RICE (CBOT) WEEKLY CHART



SOYBEANS (CBOT) WEEKLY CHART



WHEAT (CBOT) WEEKLY CHART



CORN (CBOT) WEEKLY CHART



16. FUTURES:

CHINA FUTURES:

CHINA FUTURES CLOSE						
Product	1-Mar		22-Feb		Change	
	CNY/ton	\$/ton	CNY/ton	\$/ton	CNY/ton	\$/ton
Early Rice	2990	470.31	2875	452.75	115	17.56
Japonica Rice	3260	512.78	3334	525.04	-74	-12.25

Source: Zhengzhou Commodity Exchange (ZCE)

Early Rice settled at 2990 CNY PMT or \$470.31 up 115 PMT or \$17.56 PMT and Japonica Rice settled at 3260 CNY PMT or \$512.78 down -74 CNY PMT or -\$12.25 PMT.

With regard to Volume and Open Interest, Early Rice had 0 volume and 0 open interest at the close Thu, and Japonica showed 0 Volume and 0 Open Interest on Thu.

PRODUCT	THIS WEEK		PRIOR WEEK		WEEKLY CHANGE	
	Volume	Open Interest	Volume	Open Interest	Volume	Open Interest
Early Rice	0	0	0	0	0	0
Japonica Rice	0	0	0	2	0	-2

Source: Zhengzhou Commodity Exchange (ZCE)

JAPAN FUTURES:

JAPAN FUTURES CLOSE						
Product	1-Mar		22-Feb		Change	
	JPY/ 60 kg	\$/ton	JPY/ 60 kg	\$/ton	JPY/ 60 kg	\$/ton
Feb-18	16,900	2,652.45	16,870	2,633.97	30	18.48
Apr-18	16,320	2,561.42	16,320	2,548.09	0	13.32
Jun-18	15,610	2,449.98	15,610	2,437.24	0	12.74
Aug-18	15,670	2,459.40	15,600	2,435.68	70	23.72
Oct-18	15,630	2,453.12	15,600	2,435.68	30	17.44
Dec-18	15,800	2,479.80	15,680	2,448.17	120	31.63

Osaka Dojima Commodity Exchange

Japanese futures prices JPY/60kg were higher this week. Feb 18 contracts ended Thu at 30 in JPY/60kg and \$18.48 PMT, to end the week at \$2,652.45 PMT. Apr 18 contracts ended Thu at 0 in JPY/60kg and \$13.32 PMT, to end Thu at \$2,561.42 PMT. Jun 18 contracts ended 0 in JPY/60kg and \$12.74 PMT, to end the week at \$2,449.98 PMT. Aug 18 contracts ended 70 in JPY/60kg and \$23.72 PMT, to end the week at \$2,459.40 PMT. Oct 18 contracts closed at 30 in JPY/60kg and \$17.44 PMT, to

close at \$2,435.12 PMT. Dec 18 contracts ended the week at 120 in JPY/60kg and \$31.63 PMT to end at \$2,479.80 PMT.

The chart below shows daily volume and the number of open interest contracts at close of the markets on Thu. Feb 18 ended the week with 6 Volume and 209 Open Interest. Apr 18 contracts ended the week with 6 Volume and 77 Open Interest. Jun 18 contracts ended the week with 13 Volume and 81 Open Interest. Aug 18 ended the week with 30 Volume on and 656 Open Interest. Oct 18 contracts ended the week with 60 Volume and 702 Open Interest. Dec 18 contracts ended the week with 310 Volume and 104 Open Interest.

PRODUCT	THIS WEEK		LAST WEEK		WEEKLY CHANGE	
	Volume	Open Interest	Volume	Open Interest	Volume	Open Interest
Feb-18	6	209	105	333	-99	-124
Apr-18	6	77	105	277	-99	-200
Jun-18	13	81	6	81	7	0
Aug-18	30	656	30	656	0	0
Oct-18	60	702	50	702	10	0
Dec-18	310	104	344	24	-34	80

CAMBODIAN EXPORT PRICES:

Cambodian Rice Quotes - 2018	
	1-Mar USD/MT Average
CAMBODIAN LONG GRAIN WHITE RICE	
5% Broken	480
10% Broken	475
25% Broken	460
CAMBODIAN LONG GRAIN FRAGRANT RICE	
Premium Jasmine Rice 5% (90% Purity)	880
Jasmine 5% (85% Purity)	870
Premium Sen Kra-Ob 5% (90% Purity)	NQ
Sen Kra-Ob 5% (85% Purity)	770
A1 Super 100%	NQ
CAMBODIAN PREMIUM ORGANIC RICE (≥ 92% purity, wet season)	
Organic Jasmine Rice (Phka Malis)	1,362
Organic Brown Jasmine Rice (Phka Malis)	1,250
Organic Red Jasmine Rice (Phka Malis)	1,407
PARBOILED CAMBODIAN LONG GRAIN WHITE RICE (5%)	NQ

Cambodian prices were quoted on Thu as the following: Cambodian long grain, white rice, 5% broken at \$480 PMT, white rice 10% broken at \$475 PMT and 25% at \$460 PMT. Parboiled, Cambodian long grain, white rice (5%) closed with no quote on Thu.

For Cambodian long grain, fragrant rice: Premium, Jasmine Rice 5% (90% Purity) quoted price ended at \$880 PMT, Jasmine 5% (85% Purity) finished at \$870 PMT last Thu, and Premium, Sen Kra-Ob 5% (90% Purity) had no quote. Sen Kra-Ob 5% (85% Purity) ended at 770, and finally, Fragrant, A1 Super 100% had no quote.

Regarding Cambodian premium organic rice, organic, Jasmine rice (Phka Malis) closed at \$1,362 PMT. Organic brown Jasmine rice (Phka Malis) closed at \$1,250 PMT. Organic Red Jasmine rice (Phka Malis) was quoted at \$1,407 PMT.

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