

**Domestic Market Highlights:**

- Market prices remained rangebound during the day in most of the mandis throughout the country amid sluggish trade activity.
- As per the 2<sup>nd</sup> advance estimates of production of major agricultural crops released by the Union Ministry of Agriculture and Farmers Welfare on 14<sup>th</sup> February, 2023, the production of rice in India has revised to 130.83 MMT up from the target of 130.5 MMT. Rabi production estimate is revised upward to 22.76 MMT from the target of 18.5 MMT due to increased acreage in key rabi paddy growing states whereas Kharif rice production went down from the target of 112 MMT to 108.07 MMT due to unfavourable weather condition in Kharif season 2022-23.
- APEDA's most recent statistics shows that basmati rice exports climbed from 2.74 million tonnes in the same period last year to 3.2 million tonnes in April–December 2022. However, the increase in value was 40%, from \$2.38 billion to \$3.34 billion. As Iran, Saudi Arabia, and the UAE collectively purchased half of India's total shipments of the aromatic rice, basmati rice exports from India increased by 17% in volume during the first three quarters of the current fiscal year (ended Dec. 21, 2022), and exporters are earning at least 20% more on average in foreign markets.
- India's 5% broken parboiled rice was quoted this week at a nearly two-year high of \$395 to \$402 per tonne, up from \$393 to \$398 last week due to strong demand.
- This year, the cultivation of samba paddy took place on more than 45,000 hectares of land in Madurai. Farmers in Melur claim that the recent rains had an impact on harvesting since they increased the moisture level of the paddy grain. As per sources, only 88 DPCs are currently operational in the area out of the 164 certified direct procurement centres.
- As of February 5<sup>th</sup>, 2023, FCI purchased 51.4 MT of rice, which was slightly more than the previous year at 66 million tonnes (MMT). The paddy procurement totalled 65 MMT over the same period the previous year. The FCI's rice stocks, which had been depleted by the implementation of the free ration scheme, have benefited from higher grain procurement. FCI had 17 MT of rice on hand at the start of the month and another 30 MMT was on the way from millers, greatly exceeding the 7.6 MMT buffer needed at the start of the year.
- As per sources, 17.86 million tons of non-basmati rice were shipped in 2022, whereas 4.4 million tonnes of premium basmati rice were exported. While basmati rice is primarily

exported from India to the Middle East, the United States, and Britain, non-basmati rice is primarily sent to Africa and Asia. Prices were driven up by an export duty on shipments of Indian non-basmati rice, but consumers soon reverted back because Thailand and Vietnam were selling rice for much more prices.

- According to the Ministry of Agriculture's most recent sowing data, which was published on February 2, 2023, paddy has been sown in 46.25 lakh hectares, compared to 35.05 lakh ha the year before, an increase of 32% this rabi season. This will offset the decrease in rice production during the kharif season. Rabi paddy is now being sown in most of the rice-growing states, with the exception of Gujarat, Maharashtra, and Tripura, where it has not yet begun.
- Now that export demand has reduced amid meagre arrivals, the market has started moving downward this week. Arrival in Punjab and Haryana is almost over now. In West Bengal, lower prices are attracting demand from Haryana, Punjab, Delhi. Whereas in Raichur, Karnataka, market is almost steady due to the limited demand from Tamil Nadu, Kerala, and Chhattisgarh despite low arrivals. Due to current market fundamentals, market prices are anticipated to decrease over the upcoming weeks.
- As per sources, in order to make ethanol, over 1 million metric tonnes of consumable rice from the Food Corporation of India's reserves were sold at discounted prices in 2022. In the open markets for rice, maize, and sugarcane in the nation, where food and feed processors (and food customers) compete with oil production corporations for grains, similar crop diversions to create ethanol have been taking place. This can raise concerns regarding India's food security.
- As per sources, with only a week left until the completion of Chhattisgarh's paddy procurement, farmer purchases of the crop surpassed 100 lakh tonnes on Tuesday. This kharif, the government intends to purchase 110 lakh tonnes of paddy by January 31.
- According to sources, farmers in Telangana cultivated in abundance during the Yasangi (rabi) season, placing the state to establish new records this year. As of now, the state's total sown area was 28.56 lakh acres, compared to the normal cultivated area for the season of 47.85 lakh acres. However, this is nearly twice as much as the 14.81 lakh acres that were sown during the Yasangi season last year. Due to unseasonal rainfall and a delay in harvesting operations, early sowing during the Yasangi season was delayed. 17.98 lakh acres, i.e., 60% of the total area sown, are used for paddy cultivation.

- According to sources, an order has been placed to import 100,000 tonnes of rice from Iran shortly after the country recently eased its import restrictions due to shortage of basmati rice in the domestic market. Since the beginning of November, imports of all types of rice have been prohibited. Almost 1.27 million tonnes of rice have been imported so far this year. Around 1.5 million tonnes are imported annually. Iran must therefore acquire almost 250,000 tonnes of the grain by the end of March. Iran imports a substantial amount of rice from India. This will increase Indian Basmati domestic market prices as well.
- As per sources, rumours are circulating regarding the upliftment of the export ban on 100% broken rice which was imposed by govt. in September, 2022. However, according to agriwatch's estimates, it is not likely to lift the export ban any time before the rabi paddy harvesting as right now there is tight supply due to which the current prevailing market prices are moving upwards. After rabi paddy harvesting, govt. might uplift the export ban which will further ease the tension regarding food supply following Russia's invasion of Ukraine.
- According to sources, over 9.1 million individuals who are BPL would receive 5 kg of rice free of charge from the Telangana government starting this month for the duration of the following year.
- As per sources, in Punjab, a record 22 lakh tonnes (LT) of basmati, or the aromatic rice type, have been purchased so far in the harvest cycle of 2022–23, and farmers anticipate selling the grain for an additional 3–4 months.
- As per reports, paddy is typically grown on about 20,000 hectares in Dharmapuri district of Tamil Nadu. The area under cultivation now totals 60,000 hectares as a result of this year's abundant rains. A further aim set by the agriculture department for 2022–2023 is 1,67,000 hectares. The district got more than 1,200 mm of rain this year. Through DPCs, the government purchases paddy for Rs 19 per kg. However, private parties offer Rs. 9 to 12 per kilogramme. Farmers who sell in the private market cannot make money after accounting for labour and input costs.

**Domestic Market Outlook (Non-Basmati):**

- As per prevailing market fundamentals, arrivals of non-basmati have almost come to an end so, it is expected that domestic prices would improve in near term.

**International Market Highlights**

- Prices for Thailand's 5% broken rice fell from \$495 per tonne last week to \$480 to \$490 per tonne this week. Demand is still low because exporters believe the current prices are too high, despite the weakening of the prices brought on by the exchange rate.
- Vietnam's 5% broken rice was sold this week for \$455–460 per tonne, up from a range of \$445–450 per tonne last week amid reduced supply.
- In January, Vietnam exported 400,000 tonnes of rice, a 20.9% decrease from the same month last year.
- As of USDA's recent report, the rice production in Bangladesh for the marketing year ending in April has been increased to 35.8 million tonnes.
- As per sources, there is good demand for all varieties of Basmati from Iraq and Yemen. Dubai festival is also scheduled to start in February, 2023, it would push prices further up. Apart from this, Iran normally starts buying from March every year and is expected to be the same for this year too. Right now, packing/shipping for basmati continues for Yemen, UAE, Saudi Arabia and Russia in south India. Exporters for aromatic rice are active right now.

**TODAY**

State/Centre	Variety	Prices (Rs/Qtl)		Change
		15-Feb-23	14-Feb-23	
Delhi (Naya Bazar)	1121 Paddy	4500	4500	Unch
	1509 Paddy	4000	4000	Unch
	DB Paddy	4500	4500	Unch
	Traditional Basmati Paddy	6100	6100	Unch
	Basmati Rice Common (Raw Wand)	11000	11000	Unch
	1121 Raw Wand	9500	9600	-100
	1121 White Parboiled (Sella) Wand	8300	8300	Unch
	1121 Steam Wand	9450	9500	-50
	1121 Golden Parboiled (Sella) Wand	9000	9000	Unch
	1509 Steam Wand	9200	9250	-50
	1509 White Parboiled (Sella) Wand	7950	7950	Unch
	Sugandha Steam	8150	8150	Unch
	Sarbati Raw Wand	6950	6900	50
	Sarbati White Parboiled (Sella) Wand	6250	6200	50
	Parmal Raw	4550	4550	Unch
	Parmal Steam Wand	4350	4350	Unch
	Parmal White Parboiled (Sella) Wand	4450	4475	-25

	DB(Duplicate Basmati) (Pusa) Raw Wand	9400	8900	500
Punjab (Amritsar)	1121 Paddy	4900	4900	Unch
	1509 Paddy	4300	4300	Unch
	Traditional Basmati Paddy	6000	6000	Unch
	Basmati Rice Common (Raw Wand)	10900	10900	Unch
	1121 Steam Wand	9375	9500	-125
	1121 White Parboiled (Sella) Wand	8375	8300	75
	1509 Steam Wand	9100	9300	-200
	1509 White Parboiled (Sella) Wand	8100	7950	150
	Sarbati Raw Wand	6700	6950	-250
	Sarbati Steam Wand	6500	6750	-250
	Sarbati White Parboiled (Sella) Wand	6200	6250	-50
	Parmal Steam Wand	4250	4350	-100
	PR-47 Govt. Quality	3700	3450	250
Haryana (Karnal)	1121 Paddy	4650	4650	Unch
	1509 Paddy	4500	4500	Unch
	Basmati Paddy 31no.	6000	6000	Unch
	Basmati Rice Common (Raw Wand)	10900	10900	Unch
	1121 Steam	9400	9500	-100
	1121 White Parboiled (Sella) Wand	8400	8300	100
	1509 White Parboiled (Sella) Wand	7800	7950	-150
	Sarbati Steam	6500	6750	-250
	Sarbati White Parboiled (Sella) Wand	6200	6250	-50
	DB(Duplicate Basmati) Steam	9100	9200	-100
	DB(Duplicate Basmati) White Parboiled	8500	8500	Unch
	Parmal Raw	4500	4550	-50
	Parmal Steam Wand	4300	4350	-50
	Parmal White Parboiled (Sella) Wand	4400	4450	-50
	IR-08	3000	3000	Unch
West Bengal (Kolkata)	Swarna White Parboiled 5% Silky Sortex	2800	2800	Unch
	Swarna White Parboiled 100% Silky Sortex	2820	2820	Unch
	IR-36 White Parboiled 5% Silky Sortex	3100	3100	Unch
	IR-64 White Parboiled 25% Silky Sortex	3400	3400	Unch
	Miniket 5% Broken	4500	4500	Unch
	Gobind Bhog	6400	6400	Unch
Andhra Pradesh (Kurnool)	Sona Fine	4600	4600	Unch
Andhra Pradesh (Machilipatnam)	BPT Steam	4800	4800	Unch
Chhattisgarh (Bhatapara)	HMT	4800	4850	-50
	JSR (Jai Shri Ram)	5300	5350	-50
	Vishnu Bhog	7900	7900	Unch

	Dugraj	4400	4400	Unch
	Swarna	2600	2600	Unch
Chhattisgarh (Rajim)	Swarna 5% Broken	2500	2500	Unch
	BPT Steam	3900	3900	Unch
	BPT White Parboiled	2900	2900	Unch
Maharashtra (Nagpur)	HMT Raw	4400	4500	-100
	JSR (Jai Shri Ram) Best	4900	5000	-100
	Chinnor Best	4900	4950	-50
	BPT	3500	3800	-300
	Rupali	3700	4000	-300
Maharashtra (Gondia)	IR-36 White Parboiled (Sella)	2600	2800	-200
	HMT RAW	4200	4500	-300
	BPT White Parboiled (Sella)	3300	3200	100
Karnatka (Raichur)	Sona Steam	4400	4400	Unch
	Sona Raw	5200	5200	Unch
	Ganga Kaveri	5200	5200	Unch
	HMT	5200	5200	Unch
Telangna (Nizamabad)	BPT Steam	4400	4400	Unch
	BPT raw	4600	4600	Unch
	kolam Steam Sortex	4550	4550	Unch
	JSR (Jai Shree Ram) kolam	4900	4900	Unch
	IR-64	2500	2500	Unch
	Kinki	2200	2200	Unch
Telangana (Hyderabad)	IR-64-Bold Sortex	2800	2800	Unch
	Sona Masuti Steam	4650	4650	Unch
	IR-Silki Sortex	2500	2500	Unch
Uttrakhand (Uddhamsingh Nagar)	Organic Basmati	13000	13000	Unch
	Dehraduni Basmati	12000	12000	Unch
	1121 Steam	9350	9400	-50
	1509 Steam	9100	9150	-50
	Sugandha White Parboiled (Sella)	6800	6800	Unch
	Parmal White Parboiled (Sella)	4350	4375	-25
	Sharbati Steam	6650	6600	50
Gujarat (Ahmedabad)	IR-08 Jaya Sortex	3000	3000	Unch
	Parmal Sortex	2700	2700	Unch
	Kolam Sortex	3600	3600	Unch

### Disclaimer

The information and opinions contained in the document have been compiled from sources believed to be reliable. The company does not warrant its accuracy, completeness and correctness. Use of data and information contained in this report is at your own risk. This document is not, and should not be construed as, an offer to sell or solicitation to buy any commodities. This document

*may not be reproduced, distributed or published, in whole or in part, by any recipient hereof for any purpose without prior permission from the Company. IASL and its affiliates and/or their officers, directors and employees may have positions in any commodities mentioned in this document (or in any related investment) and may from time to time add to or dispose of any such commodities (or investment). Please see the detailed disclaimer at © 2023 Indian Agribusiness Systems Limited.*