

### **Domestic Market Highlights:**

- Markets remained bearish throughout the day in most of the markets amid varied demand and supply.
- The Centre issued an advisory to the States on Wednesday, urging them to prepare for a potential worst-case scenario by ensuring an adequate supply of seeds for the kharif season in the event of deficient monsoon rainfall. The advisory was prompted by the India Meteorological Department's (IMD) confirmation that most global models indicate a moderate El Nino during the crucial monsoon season (June-September), which contributes 72% of the annual rainfall in India. Speaking at the annual Kharif Campaign, which aimed to prepare strategies for the upcoming season, Union Agriculture Secretary Manoj Ahuja noted that the weather department has forecasted normal monsoon conditions, but El Nino conditions could develop during the monsoon season.
- As per trade sources, the unseasonal rainfall that occurred during March and April resulted in significant losses for farmers, with thousands of acres of paddy and mango crops being destroyed. Many farmers had made substantial investments and are now facing difficulties in repaying their debts. Furthermore, during the paddy procurement process, the storage of paddy in open areas led to complete damage and in certain instances, germination of the wet paddy.
- As per trade sources, there is subdued demand in markets of Rajasthan amid local payment issues which has resulted in bearish sentiments in market. It is expected that mid-may onwards, demand for seed might start for Kharif paddy sowing.
- According to trade sources, arrivals from summer crop of Chhattisgarh has started coming into the markets.
- According to trade sources, India's 5% broken parboiled rice rates have declined to \$378-\$382 per tonne this week, falling from last week's rate of \$382-\$388, the lowest since January 13, 2023, due to sluggish demand.
- As per trade sources, there has been a surge of more than 25 USD per tonne in the prices of Indian non-basmati white (raw) rice for export during the past two weeks, primarily driven by limited domestic supplies and a rising demand from international markets. On the other hand, parboiled (boiled) rice prices have witnessed a decline of 5 USD per tonne. Despite this trend, Indian white rice remains competitive, with a lead of 20-30 USD over its closest rival in the global market. In terms of parboiled rice, the Indian variety is currently at least 100 USD per tonne more affordable compared to its competitors.

- As per trade sources, the recent heavy rains and hailstorms have caused significant damage to standing crops across Nizamabad, Suryapet, and Adilabad districts, affecting thousands of acres. The inclement weather has persisted for the last two days, with all 29 mandals in Nizamabad district experiencing rainfall. As a result, paddy brought to the procurement centres has been soaked in rainwater, causing great distress to farmers. Approximately 30,000 metric tonnes of paddy have been impacted by the rains. The corporation has assured farmers that the damaged paddy stocks will be purchased once permission is obtained from higher officials. As of Monday, standing crops on 3,500 acres have been damaged in Nizamabad district, while horticulture crops on 5,000 acres and paddy on over 25,000 acres have been affected in Suryapet district.
- The government has recently announced the removal of the 20% export duty on rice of “seed quality in the husk”, following a thorough review of rice stocks. This exemption has been implemented as of April 11th, and aims to facilitate trade in the rice sector.
- As of 15<sup>th</sup> March, 2023, the GOI has granted approval for the provision of fortified rice via the Targeted Public Distribution System (TPDS) under the National Food Security Act (NFSA), as well as in other government welfare schemes in all states and union territories (UTs) by 2024, in a phased approach. During Phase I, states/UTs have procured roughly 17.51 LMT of fortified rice for distribution under ICDS and PM POSHAN. The implementation of Phase II is ongoing, and as of February 2023, 92.77 LMT of fortified rice has been procured for distribution under TPDS in Aspirational and High Burden Districts. Additionally, states/UTs have procured about 27.46 LMT of fortified rice for ICDS and PM-POSHAN.
- According to trade sources, the forthcoming rabi crop of the current KMS 2022-23 is expected to yield 106 LMT rice, which will be procured from 11 states that produce rabi crop rice. The states have been advised to increase their milling capacity to ensure that the milling of one season is completed before the start of the next season, thus preventing the recycling of rice.

#### **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**

- As per trade sources, this week, the 5% broken parboiled rice variety in India was quoted at a price range of \$376-\$380 per tonne, compared to the previous week's range of \$378-\$382. Buyers are

delaying their purchases as prices continue to decrease, waiting to observe the extent of further price drops.

- Vietnam's 5% broken rice was offered at \$485-\$495 per tonne, down from \$495-\$500 a week ago. Following a prolonged holiday that ended on 4<sup>th</sup> May, 2023, trading activity in Vietnam has not yet picked up.
- Vietnam's April exports nearly doubled year-on-year to 1.1 million tonnes, with shipments in the first four months of 2023 up 43.6% from a year earlier, valued at \$1.56 billion.
- Thailand's 5% broken rice prices fell to approximately \$485 per tonne. The prices had increased to a more than two-month high of \$490-\$495 per tonne last week due to demand from Indonesia and depleting local supplies as the harvest season came to a close. Despite an increase in orders since last week, exporters are still fulfilling shipments to Indonesia. Prices are expected to remain at this level for some time as the supply slows near the end of the harvesting period.
- In Bangladesh, the output of the summer crop is expected to surpass the target and reach 22 million tonnes, with farmers increasing acreage to capitalize on higher prices. This week, the retail prices of coarse rice ranged from 65 to 70 taka (\$0.6107-\$0.6576) per kilogram. The 'Boro' crop, which typically constitutes over half of Bangladesh's yearly output of around 35 million tonnes, is the summer-sown crop.
- Bangladesh has advised to harvest paddy rapidly in wetland areas in the northeastern part of the country due to the likelihood of flash floods caused by heavy rains anticipated in neighboring India's Meghalaya state.
- The National Food Authority (NFA), the state grains agency of the Philippines, has submitted a proposal to import 330,000 tonnes of rice to address an anticipated deficit in the country's buffer stock. As of the end of the year, the Philippines is projected to have 1.69 million tonnes of rice inventory, which is equivalent to 45 days of buffer stocks, only half of the ideal 90-day stock needed for price stabilization. However, due to budgetary constraints, the NFA expects its buffer stocks to decrease to less than 500,000 sacks of rice by July 2023, equivalent to less than a day of public consumption. To address this shortfall, the NFA is seeking a government-to-government arrangement for the rice importation, as the current regulations only permit private traders to import rice, with the NFA's function being limited to emergency buffer stocking. The Philippines is one of the largest buyers of rice in the world, primarily importing from Vietnam, its Southeast Asian neighbor, and also purchasing

from Thailand, India, and other Asian producers.

- During the January-March period, Vietnam successfully exported 1.85 million tonnes of rice, reflecting a significant increase of 23.4% compared to the corresponding period last year. Notably, the Philippines and China continued to be the major importers of Vietnamese rice in the first quarter, showcasing the sustained demand from these key markets.
- The Indian Government has granted special consideration for the export of 3.5 lakh tonnes (lt) of broken rice to Gambia and Senegal. The Commerce Ministry has authorized the export of 1 lakh tonnes of broken rice to Gambia and 2.5 lakh tonnes to Senegal. Furthermore, the Ministry has permitted the shipment of 9,990 tonnes of broken rice to Djibouti and Ethiopia.
- According to WASDE Report of March, 2023, the global outlook for 2022/23 indicates a significant increase in supplies, consumption, trade, and ending stocks. The projected supplies have been raised by 7.0 million tons to a total of 693.3 million, with India's production alone accounting for the entire increase. The country's production has been raised to a record 132.0 million tons, based on the Second Advanced Estimate by the Government of India and the expectation of further increase in the final estimate, given the recent trend. The global consumption for 2022/23 is expected to reach a record high of 520.0 million tons, with an increase of 2.8 million tons, primarily due to India. The global trade for rice is projected to increase by 0.9 million tons to reach 54.9 million, with India's exports surpassing reductions in Uruguay and the United States. The estimated global ending stocks have been raised by 4.2 million tons to 173.3 million, with China and India contributing to 81 percent of the total rice stocks worldwide.

## TODAY

State/Centre	Variety	Prices (Rs/Qtl)		Change
		06-May-23	05-May-23	
Delhi (Naya Bazar)	1121 Paddy	4500	4500	Unch
	1509 Paddy	4000	4000	Unch
	DB Paddy	4300	4300	Unch
	Traditional Basmati Paddy	5000	5000	Unch
	Basmati Rice Common (Raw Wand)	10200	10300	-100
	1121 Raw Wand	9600	9900	-300
	1121 White Parboiled (Sella) Wand	8200	8400	-200
	1121 Steam Wand	9400	9600	-200
	1121 Golden Parboiled (Sella) Wand	8700	8900	-200
	1509 Steam Wand	9200	9300	-100

	1509 White Parboiled (Sella) Wand	7800	8000	-200
	Sugandha Steam	7800	8000	-200
	Sarbati Raw Wand	6700	6800	-100
	Sarbati White Parboiled (Sella) Wand	5900	5900	Unch
	Parmal Raw	4600	4700	-100
	Parmal Steam Wand	4400	4500	-100
	Parmal White Parboiled (Sella) Wand	4300	4400	-100
	DB(Duplicate Basmati) (Pusa) Raw Wand	9600	9700	-100
Punjab (Amritsar)	1121 Paddy	5000	5000	Unch
	1509 Paddy	4600	4600	Unch
	Traditional Basmati Paddy	5600	5600	Unch
	Basmati Rice Common (Raw Wand)	10200	10300	-100
	1121 Steam Wand	9400	9400	Unch
	1121 White Parboiled (Sella) Wand	8350	8350	Unch
	1509 Steam Wand	9250	9250	Unch
	1509 White Parboiled (Sella) Wand	7800	7800	Unch
	Sarbati Raw Wand	6750	6750	Unch
	Sarbati Steam Wand	6550	6550	Unch
	Sarbati White Parboiled (Sella) Wand	5950	5950	Unch
	Parmal Steam Wand	4400	4400	Unch
	PR-47 Govt. Quality	3050	3050	Unch
	1121 Paddy	5000	5000	Unch
Haryana (Karnal)	1509 Paddy	4600	4600	Unch
	Basmati Paddy 31no.	5800	5800	Unch
	Basmati Rice Common (Raw Wand)	10200	10300	-100
	1121 Steam	9400	9400	Unch
	1121 White Parboiled (Sella) Wand	8350	8350	Unch
	1509 White Parboiled (Sella) Wand	7800	7800	Unch
	Sarbati Steam	6550	6550	Unch
	Sarbati White Parboiled (Sella) Wand	5950	5950	Unch
	DB(Duplicate Basmati) Steam	9250	9350	-100
	DB(Duplicate Basmati) White Parboiled	9050	9250	-200
	Parmal Raw	4600	4600	Unch
	Parmal Steam Wand	4400	4400	Unch
	Parmal White Parboiled (Sella) Wand	4350	4350	Unch
	IR-08	3200	3200	Unch
West Bengal (Kolkata)	Swarna White Parboiled 5% Silky Sortex	2800	2800	Unch
	Swarna White Parboiled 100% Silky Sortex	2830	2830	Unch
	IR-36 White Parboiled 5% Silky Sortex	3100	3100	Unch

	IR-64 White Parboiled 25% Silky Sortex	3400	3400	Unch
	Miniket 5% Broken	4100	4100	Unch
	Gobind Bhog	6200	6200	Unch
Andhra Pradesh (Kurnool)	Sona Fine	4600	4600	Unch
Andhra Pradesh (Machilipatnam)	BPT Steam	4700	4700	Unch
Chhattisgarh (Bhatapara)	HMT	4700	4700	Unch
	JSR (Jai Shri Ram)	5000	5000	Unch
	Vishnu Bhog	7200	7200	Unch
	Dugraj	NA	NA	-
	Swarna	2750	2750	Unch
Chhattisgarh (Rajim)	Swarna 5% Broken	2750	2750	Unch
	BPT Steam	4300	4300	Unch
	BPT White Parboiled	3300	3300	Unch
Maharashtra (Nagpur)	HMT Raw	4700	4700	Unch
	JSR (Jai Shri Ram) Best	5500	5500	Unch
	Chinnor Best	5050	5050	Unch
	BPT	4000	4000	Unch
	Rupali	4200	4200	Unch
Maharashtra (Gondia)	IR-36 White Parboiled (Sella)	2750	2750	Unch
	HMT RAW	4650	4650	Unch
	BPT White Parboiled (Sella)	3800	3800	Unch
Karnatka (Raichur)	Sona Steam	4100	4100	Unch
	Sona Raw	5300	5300	Unch
	Ganga Kaveri	5300	5300	Unch
	HMT	4800	4800	Unch
Telangna (Nizamabad)	BPT Steam	4600	4600	Unch
	BPT raw	5300	5300	Unch
	kolam Steam Sortex	5700	5700	Unch
	JSR (Jai Shree Ram) kolam	4600	4600	Unch
	IR-64	2400	2400	Unch
	Kinki	2500	2500	Unch
Telangana (Hyderabad)	IR-64-Bold Sortex	2600	2600	Unch
	Sona Masuti Steam	4900	4900	Unch
	IR-Silki Sortex	2550	2550	Unch
Uttrakhand (Uddhamsingh Nagar)	Organic Basmati	10800	10800	Unch
	Dehraduni Basmati	10300	10300	Unch
	1121 Steam	9500	9700	-200
	1509 Steam	9300	9400	-100
	Sugandha White Parboiled (Sella)	6900	6900	Unch
	Parmal White Parboiled (Sella)	4400	4500	-100

	Sharbati Steam	6600	6700	-100
Gujarat (Ahmedabad)	IR-08 Jaya Sortex	3000	3000	Unch
	Parmal Sortex	3000	3000	Unch
	Kolam Sortex	3200	3200	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 positions in any commodities (or investment). Please see the detailed disclaimer at © 2023 Indian Agribusiness Systems Limited.