

### **Domestic Market Highlights:**

- Markets remained rangebound throughout the day in most of the markets amid varied demand and supply.
- The government has announced its decision to procure the entire 15 lakh metric tonnes of paddy produced during the Rabi season of 2021-22. This procurement includes 13.73 lakh MTs of parboiled rice and the remaining amount of raw rice, subject to the condition that the State government hands it over to the Food Corporation of India.
- 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.
- 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.
- 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**

- This year, Asia's rice production is poised to increase as a result of higher prices that have encouraged farmers to expand acreage and utilize more fertilizer. Such developments are easing supply concerns that arose after production experienced its first decline in seven years during 2022. Recently harvested off-season rice crops from India and Thailand, the top two exporters globally, have surpassed the previous year's output levels, and farmers are preparing for the planting of main crops in the upcoming months, with prices remaining close to their two-year peak.
- As per trade sources, the cost of raw white rice has recently experienced an upswing throughout Asia. This trend can be attributed to certain countries' efforts to increase their rice reserves in preparation for potential impacts of the anticipated development of El Nino in the latter half of 2023. Specifically, countries like Indonesia, the Philippines, and Malaysia have shown increased interest in purchasing greater quantities of rice. Moreover, there is heightened demand for rice from islands near the Philippines, and the Malaysian market has become more accessible. India have also received inquiries from Vietnam, where new crops are projected to arrive by the end of this month. Buyers have requested expedited shipments to accommodate their urgent needs.
- 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
		11-May-23	10-May-23	
Delhi (Naya Bazar)	1121 Paddy	4500	4500	Unch
	1509 Paddy	3900	3900	Unch
	DB Paddy	4200	4200	Unch
	Traditional Basmati Paddy	5500	5500	Unch
	Basmati Rice Common (Raw Wand)	9900	9900	Unch
	1121 Raw Wand	9800	9500	300
	1121 White Parboiled (Sella) Wand	8000	8200	-200
	1121 Steam Wand	9300	9300	Unch
	1121 Golden Parboiled (Sella) Wand	8500	8700	-200
	1509 Steam Wand	9000	9000	Unch
	1509 White Parboiled (Sella) Wand	7700	7800	-100
	Sugandha Steam	7800	7800	Unch
	Sarbati Raw Wand	6600	6500	100
	Sarbati White Parboiled (Sella) Wand	5600	5800	-200
	Parmal Raw	4500	4500	Unch
	Parmal Steam Wand	4300	4300	Unch
	Parmal White Parboiled (Sella) Wand	4200	4300	-100
	DB(Duplicate Basmati) (Pusa) Raw Wand	9600	9500	100
Punjab (Amritsar)	1121 Paddy	4800	4800	Unch
	1509 Paddy	4600	4600	Unch
	Traditional Basmati Paddy	5800	5800	Unch
	Basmati Rice Common (Raw Wand)	9900	9900	Unch
	1121 Steam Wand	9400	9400	Unch
	1121 White Parboiled (Sella) Wand	8250	8250	Unch
	1509 Steam Wand	9100	9100	Unch
	1509 White Parboiled (Sella) Wand	7700	7700	Unch
	Sarbati Raw Wand	6650	6650	Unch
	Sarbati Steam Wand	6450	6450	Unch
	Sarbati White Parboiled (Sella) Wand	5700	5700	Unch
	Parmal Steam Wand	4300	4300	Unch

	PR-47 Govt. Quality	3050	3050	Unch
Haryana (Karnal)	1121 Paddy	4900	4900	Unch
	1509 Paddy	4700	4700	Unch
	Basmati Paddy 31no.	6000	6000	Unch
	Basmati Rice Common (Raw Wand)	9900	9900	Unch
	1121 Steam	9400	9400	Unch
	1121 White Parboiled (Sella) Wand	8250	8250	Unch
	1509 White Parboiled (Sella) Wand	7700	7700	Unch
	Sarbati Steam	6450	6450	Unch
	Sarbati White Parboiled (Sella) Wand	5700	5700	Unch
	DB(Duplicate Basmati) Steam	9450	9450	Unch
	DB(Duplicate Basmati) White Parboiled	9350	9350	Unch
	Parmal Raw	4500	4500	Unch
	Parmal Steam Wand	4300	4300	Unch
	Parmal White Parboiled (Sella) Wand	4300	4300	Unch
	IR-08	3200	3200	Unch
West Bengal (Kolkata)	Swarna White Parboiled 5% Silky Sortex	2800	2820	-20
	Swarna White Parboiled 100% Silky Sortex	2820	2840	-20
	IR-36 White Parboiled 5% Silky Sortex	3100	3100	Unch
	IR-64 White Parboiled 25% Silky Sortex	3500	3500	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	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	2850	2850	Unch
Chhattisgarh (Rajim)	Swarna 5% Broken	2750	2750	Unch
	BPT Steam	4300	4300	Unch
	BPT White Parboiled	3300	3300	Unch
Maharashtra (Nagpur)	HMT Raw	4800	4800	Unch
	JSR (Jai Shri Ram) Best	5400	5400	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	4750	4750	Unch

	BPT White Parboiled (Sella)	3800	3800	Unch
Karnatka (Raichur)	Sona Steam	4150	4100	50
	Sona Raw	5350	5300	50
	Ganga Kaveri	5350	5300	50
	HMT	4850	4800	50
Telangna (Nizamabad)	BPT Steam	4700	4600	100
	BPT raw	5400	5300	100
	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	4950	4900	50
	IR-Silki Sortex	2600	2550	50
Uttrakhand (Uddhamsingh Nagar)	Organic Basmati	10500	10500	Unch
	Dehraduni Basmati	10000	10000	Unch
	1121 Steam	9400	9400	Unch
	1509 Steam	9100	9100	Unch
	Sugandha White Parboiled (Sella)	6600	7000	-400
	Parmal White Parboiled (Sella)	4300	4400	-100
	Sharbati Steam	6500	6400	100
Gujarat (Ahmedabad)	IR-08 Jaya Sortex	3000	3000	Unch
	Parmal Sortex	3000	3000	Unch
	Kolam Sortex	3200	3200	Unch

### ***Disclaimer***

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