

### **Domestic Market Highlights:**

- Markets remained bearish throughout the day in most of the markets amid varied demand and supply.
- As per trade sources, due to payment issues there is sluggish trade activity in Telangana, hence, market sentiments are bearish.
- As per the press release issued by the Indian Meteorological Department (IMD), it has been projected that the commencement of the Southwest Monsoon over the mainland region, specifically in Kerala, is expected to be postponed compared to the usual onset date. The anticipated date for the onset of the Southwest Monsoon over Kerala is forecasted to be around the 4th of June, 2023, with a model error margin of plus or minus four days.
- The price for India's 5% broken parboiled rice variety, on the other hand, remained unchanged from the previous week, at \$376-\$380 per tonne, which is the lowest level recorded since December. Demand for the product is low, and supplies from the winter crop are being delayed due to unexpected rainfall in recent weeks.
- 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.
- 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 week, the price range for Vietnam's 5% broken rice remained steady at \$485-\$495 per tonne, which is in close proximity to the highs observed in April 2021.
- Meanwhile, in Thailand, the price range for the 5% broken rice increased to \$498-\$500 per tonne, up from last week's \$485, reaching its highest point since January. As per trade sources, the rise in prices to the growing demand for rice in the region, including in Indonesia, and a strengthening baht. The appreciation of the domestic currency leads to an increase in the cost of exports from the country in dollar terms.
- 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.
- 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
		20-May-23	19-May-23	
Delhi (Naya Bazar)	1121 Paddy	4300	4450	-150
	1509 Paddy	3900	4000	-100
	DB Paddy	4500	4500	Unch
	Traditional Basmati Paddy	5500	5500	Unch
	Basmati Rice Common (Raw Wand)	9700	9600	100
	1121 Raw Wand	9500	9600	-100
	1121 White Parboiled (Sella) Wand	8000	8100	-100
	1121 Steam Wand	9400	9300	100
	1121 Golden Parboiled (Sella) Wand	8500	8600	-100
	1509 Steam Wand	9000	9000	Unch
	1509 White Parboiled (Sella) Wand	7600	7800	-200
	Sugandha Steam	7500	7500	Unch
	Sarbati Raw Wand	6600	6600	Unch
	Sarbati White Parboiled (Sella) Wand	5600	5600	Unch
	Parmal Raw	4400	4400	Unch
	Parmal Steam Wand	4200	4200	Unch
	Parmal White Parboiled (Sella) Wand	4100	4200	-100
	DB(Duplicate Basmati) (Pusa) Raw Wand	9100	9200	-100
Punjab (Amritsar)	1121 Paddy	4800	4800	Unch
	1509 Paddy	4600	4600	Unch
	Traditional Basmati Paddy	5800	5800	Unch
	Basmati Rice Common (Raw Wand)	9700	9600	100
	1121 Steam Wand	9400	9400	Unch
	1121 White Parboiled (Sella) Wand	8200	8200	Unch
	1509 Steam Wand	9200	9250	-50
	1509 White Parboiled (Sella) Wand	7650	7650	Unch
	Sarbati Raw Wand	6750	6750	Unch
	Sarbati Steam Wand	6550	6550	Unch
	Sarbati White Parboiled (Sella) Wand	5650	5700	-50
	Parmal Steam Wand	4250	4250	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)	9700	9600	100
	1121 Steam	9400	9400	Unch
	1121 White Parboiled (Sella) Wand	8200	8200	Unch
	1509 White Parboiled (Sella) Wand	7650	7650	Unch
	Sarbati Steam	6550	6550	Unch
	Sarbati White Parboiled (Sella) Wand	5650	5650	Unch
	DB(Duplicate Basmati) Steam	9050	9150	-100
	DB(Duplicate Basmati) White Parboiled	8550	8750	-200
	Parmal Raw	4450	4450	Unch
	Parmal Steam Wand	4250	4250	Unch
	Parmal White Parboiled (Sella) Wand	4300	4300	Unch
	IR-08	3050	3050	Unch
West Bengal (Kolkata)	Swarna White Parboiled 5% Silky Sortex	2920	2940	-20
	Swarna White Parboiled 100% Silky Sortex	2940	2960	-20
	IR-36 White Parboiled 5% Silky Sortex	3100	3100	Unch
	IR-64 White Parboiled 25% Silky Sortex	3500	3500	Unch
	Miniket 5% Broken	4200	4200	Unch
	Gobind Bhog	6500	6500	Unch
Andhra Pradesh (Kurnool)	Sona Fine	4500	4500	Unch
Andhra Pradesh (Machilipatnam)	BPT Steam	4600	4600	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	2825	2825	Unch
	BPT Steam	3700	3700	Unch
	BPT White Parboiled	3400	3400	Unch
Maharashtra (Nagpur)	HMT Raw	4500	4500	Unch
	JSR (Jai Shri Ram) Best	5200	5200	Unch
	Chinnor Best	4900	4900	Unch
	BPT	3500	3500	Unch
	Rupali	4000	4000	Unch
Maharashtra (Gondia)	IR-36 White Parboiled (Sella)	2680	2680	Unch
	HMT RAW	4450	4450	Unch

	BPT White Parboiled (Sella)	3750	3750	Unch
Karnatka (Raichur)	Sona Steam	4400	4400	Unch
	Sona Raw	5300	5300	Unch
	Ganga Kaveri	5250	5250	Unch
	HMT	4800	4800	Unch
Telangna (Nizamabad)	BPT Steam	4500	4500	Unch
	BPT raw	5200	5200	Unch
	kolam Steam Sortex	5500	5500	Unch
	JSR (Jai Shree Ram) kolam	4600	4600	Unch
	IR-64	2400	2400	Unch
	Kinki	2300	2300	Unch
Telangana (Hyderabad)	IR-64-Bold Sortex	2600	2600	Unch
	Sona Masuti Steam	4950	4950	Unch
	IR-Silki Sortex	2600	2600	Unch
Uttrakhand (Uddhamsingh Nagar)	Organic Basmati	10500	10400	100
	Dehraduni Basmati	9800	9700	100
	1121 Steam	9500	9400	100
	1509 Steam	9100	9100	Unch
	Sugandha White Parboiled (Sella)	6400	6700	-300
	Parmal White Parboiled (Sella)	4200	4300	-100
	Sharbati Steam	6500	6500	Unch
Gujarat (Ahmedabad)	IR-08 Jaya Sortex	2900	2900	Unch
	Parmal Sortex	3000	3000	Unch
	Kolam Sortex	3150	3150	Unch

### ***Disclaimer***

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