

### **Domestic Market Highlights:**

- Markets sentiments showed bearish sentiments throughout the day in most of the markets amid varied demand and supply.
- On 24<sup>th</sup> May, 2023, the G.O.I. granted authorization for the exportation of broken rice, within the context of government-approved shipments to other nations aimed at fulfilling their food security requirements. It is noteworthy that under ordinary circumstances, the export of broken rice is prohibited.
- 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 4<sup>th</sup> 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**

- As per trade sources, in the initial month of the current fiscal year (March 21-April 20), the Islamic Republic of Iran imported a substantial quantity of rice totaling 77,932 tons which is down by 52% when compared to the corresponding month of the previous year. Among the exporting nations, India emerged as the primary rice supplier to Iran, shipping 41,000 tons, followed by Pakistan with 30,000 tons and the United Arab Emirates with 2,000 tons.
- As per trade sources, between the months of January and April, Thailand experienced a commendable achievement in its rice exports, reaching a significant volume of 2.79 million tonnes. Projections for the entire year indicate that the total rice export quantity will exceed 8 million tonnes. These exports have generated a noteworthy revenue of US\$1.5 billion (equivalent to 51.2 billion baht), marking a substantial increase of 23% when compared to the corresponding period in the previous year.
- The prices of Thailand's 5% broken rice have experienced a modest increase at \$500 per tonne. This marks the highest price level since January. The price upturn can be attributed to a surge in domestic demand. Given the prevailing strength of the baht and a delay in the release of the new harvest, prices are expected to remain firm for an extended period. Climate-related risks have also contributed to concerns regarding global crop production, as the onset of El Nino, characterized by above-normal ocean temperatures in the central and eastern Pacific Ocean, could affect output.
- In contrast, Vietnam's 5% broken rice prices have remained steady this week, with offers ranging from

\$485 to \$495 per tonne, unchanged from the previous week. The country is grappling with low domestic supplies and sustained high demand, led by reduced output from rice-producing nations such as Myanmar and Pakistan. Concurrently, farmers in select Mekong Delta provinces have initiated the sowing process for the summer-autumn crop. It is worth noting that the El Nino phenomenon also has the potential to impact India, a key exporter, during the critical monsoon season.

- Vietnam achieved significant gains in its rice export sector during the initial four months of the current year. With a shipment of 2.95 million tonnes, the country garnered a total revenue of 1.56 billion USD, reflecting impressive year-on-year increases of 54.5% and 43.6% in terms of volume and value, respectively. This notable growth in both export volume and value positions rice as one of the leading agricultural commodities driving Vietnam's economy in the first four months of 2023.
- 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.

## TODAY

State/Centre	Variety	Prices (Rs/Qtl)		Change
		25-May-23	24-May-23	
Delhi (Naya Bazar)	1121 Paddy	4200	4200	Unch
	1509 Paddy	3800	3900	-100
	DB Paddy	4000	4000	Unch
	Traditional Basmati Paddy	5000	5500	-500
	Basmati Rice Common (Raw Wand)	9500	9600	-100
	1121 Raw Wand	9000	9400	-400
	1121 White Parboiled (Sella) Wand	7900	8200	-300
	1121 Steam Wand	9000	9300	-300
	1121 Golden Parboiled (Sella) Wand	8400	8600	-200
	1509 Steam Wand	8700	9100	-400
	1509 White Parboiled (Sella) Wand	7100	7300	-200
	Sugandha Steam	7000	7500	-500
	Sarbati Raw Wand	6400	6500	-100
	Sarbati White Parboiled (Sella) Wand	5600	5450	150
	Parmal Raw	4300	4450	-150
	Parmal Steam Wand	4100	4250	-150
	Parmal White Parboiled (Sella) Wand	4100	4300	-200
	1718 Steam Wand	8600	9000	-400
	1718 White Parboiled (Sella) Wand	7600	7650	-50
	1401 Steam Wand	8800	9000	-200

	1401 White Parboiled (Sella) Wand	8500	8700	-200
	DB(Duplicate Basmati) (Pusa) Raw Wand	8800	9000	-200
Punjab (Amritsar)	1121 Paddy	4600	4800	-200
	1509 Paddy	4300	4600	-300
	Traditional Basmati Paddy	5500	5800	-300
	Basmati Rice Common (Raw Wand)	9700	9700	Unch
	1121 Steam Wand	9100	9300	-200
	1121 White Parboiled (Sella) Wand	8200	8200	Unch
	1509 Steam Wand	9100	9100	Unch
	1509 White Parboiled (Sella) Wand	7300	7300	Unch
	Sarbati Raw Wand	6500	6500	Unch
	Sarbati Steam Wand	6300	6300	Unch
	Sarbati White Parboiled (Sella) Wand	5450	5450	Unch
	Parmal Steam Wand	4250	4250	Unch
	1718 Steam Wand	9000	9000	Unch
	1718 White Parboiled (Sella) Wand	7600	7650	-50
	1401 Steam Wand	9000	9000	Unch
	PR-47 Govt. Quality	3050	3050	Unch
Haryana (Karnal)	1121 Paddy	4700	4900	-200
	1509 Paddy	4400	4700	-300
	Basmati Paddy 31no.	5700	6000	-300
	Basmati Rice Common (Raw Wand)	9700	9700	Unch
	1121 Steam	9100	9300	-200
	1121 White Parboiled (Sella) Wand	8200	8200	Unch
	1509 White Parboiled (Sella) Wand	7300	7300	Unch
	Sarbati Steam	6300	6300	Unch
	Sarbati White Parboiled (Sella) Wand	5450	5450	Unch
	DB(Duplicate Basmati) Steam	9050	9050	Unch
	DB(Duplicate Basmati) White Parboiled	8750	8750	Unch
	Parmal Raw	4450	4450	Unch
	Parmal Steam Wand	4250	4250	Unch
	Parmal White Parboiled (Sella) Wand	4300	4300	Unch
	1718 Steam Wand	9000	9000	Unch
	1718 White Parboiled (Sella) Wand	7600	7650	-50
	1401 Steam Wand	9000	9000	Unch
West Bengal (Kolkata)	IR-08	3050	3050	Unch
	Swarna White Parboiled 5% Silky Sortex	2960	2960	Unch
	Swarna White Parboiled 100% Silky Sortex	2980	2980	Unch
	IR-36 White Parboiled 5% Silky Sortex	3200	3200	Unch
	IR-64 White Parboiled 25% Silky Sortex	3600	3600	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)	5200	5200	Unch
	Vishnu Bhog	7200	7200	Unch
	Dugraj	NA	NA	-
	Swarna	2950	2850	100
Chhattisgarh (Rajim)	Swarna 5% Broken	2850	2850	Unch
	BPT Steam	3700	3700	Unch
	BPT White Parboiled	3200	3200	Unch
Maharashtra (Nagpur)	HMT Raw	4800	4800	Unch
	JSR (Jai Shri Ram) Best	5600	5600	Unch
	Chinnor Best	5100	5100	Unch
	BPT	3600	3600	Unch
	Rupali	3800	3800	Unch
Maharashtra (Gondia)	IR-36 White Parboiled (Sella)	2700	2700	Unch
	HMT RAW	4750	4750	Unch
	BPT White Parboiled (Sella)	3600	3600	Unch
Karnatka (Raichur)	Sona Steam	4500	4500	Unch
	Sona Raw	5500	5500	Unch
	Ganga Kaveri	5500	5500	Unch
	HMT	4900	4900	Unch
Telangna (Nizamabad)	BPT Steam	4800	4800	Unch
	BPT raw	5200	5200	Unch
	kolam Steam Sortex	5500	5500	Unch
	JSR (Jai Shree Ram) kolam	4800	4800	Unch
	IR-64	2500	2500	Unch
	Kinki	2200	2200	Unch
Telangana (Hyderabad)	IR-64-Bold Sortex	2700	2700	Unch
	Sona Masuti Steam	4900	4900	Unch
	IR-Silki Sortex	2600	2600	Unch
Uttarakhand (Uddhamsingh Nagar)	Organic Basmati	10500	10500	Unch
	Dehraduni Basmati	9600	9800	-200
	1121 Steam	9100	9400	-300
	1509 Steam	8800	9200	-400
	Sugandha White Parboiled (Sella)	6100	6350	-250
	Parmal White Parboiled (Sella)	4200	4400	-200
	Sharbati Steam	6300	6400	-100

Gujarat (Ahmedabad)	IR-08 Jaya Sortex	2850	2850	Unch
	Parmal Sortex	3000	3000	Unch
	Kolam Sortex	3200	3200	Unch

### Disclaimer

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