

Domestic Market Highlights:

- Markets sentiments remained bearish throughout the day in most of the markets amid varied demand and supply.
- The price range for India's 5% broken parboiled rice variety was quoted at \$375-\$380 per tonne, reflecting an increase compared to the previous week's range of \$374-\$378. The demand for rice imports from Asian countries has shown some improvement, primarily driven by the lower prices available. However, a significant proportion of buyers remain hesitant to make purchases.
- The G.O.I. has authorized the export of approximately 1.06 million tonnes of grains, comprising wheat and rice, as part of the nation's diplomatic food assistance program to four countries. However, it should be noted that restrictions on the export of wheat and limitations on rice shipments will remain in effect. In line with discussions held with the Ministry of External Affairs regarding humanitarian food assistance, the Ministry of Food has approved the export of over 200,000 tonnes of broken rice to Indonesia, 500,000 tonnes of broken rice to Senegal, and 50,000 tonnes of broken rice to Gambia.
- On 29th May, 2023, The Directorate General of Foreign Trade (DGFT) has announced changes to a notification from August 17, 2022. These changes will affect the export of rice (both basmati and non-basmati) to European Union (EU) member states and other European countries such as Iceland, Liechtenstein, Norway, Switzerland, and the UK. According to the new rules, exporters will only need to obtain a certificate of inspection from the Export Inspection Council/Export Inspection Agency for exports to these specific countries. For the next six months, exports to other European countries will not require a certificate of inspection from the Export Inspection Council/Export Inspection Agency.
- As per trade sources, Kharif rice sowing just started in South Indian states, West Bengal, Odisha, Maharashtra, Karnataka and Assam. Farmers have taken advantage of pre-Monsoon rains. Total 28.3 lakh Ha has been planted so far, down by 6.69% from the corresponding period last year. West Bengal is leading in the initial stage, covering 7.9 lakh Ha, followed by Telangana covering 4.77 lakh Ha. Farmers in Karnataka have covered 3.29 lakh Ha so far. The sowing pace may increase if pre-Monsoon rains continue.
- During the Kharif Marketing Season (KMS) 2022-23, as of 22nd May 2023, the estimated production of rice stands at 1308.37 LMTs, according to the second advance estimate. The procurement estimate for rice is 626.06 LMTs, with an actual quantity of rice procured amounting to 520.63 LMTs. These figures have resulted in a total Minimum Support Price (MSP) payment of Rs. 159,659.59 Crores,

benefiting a significant number of 1,12,96,159 farmers within the same KMS period.

- According to the 3rd Advance Estimates of agricultural year 2022-23, recently published by the Ministry of Agriculture and Farmers Welfare, the total production of rice has been revised to 1355.42 LMT. This figure represents a 3.59% increase compared to the 2nd advance estimate which was 1308.37 and a significant increase of 60.71 LMT when compared to the previous year.
- On 24th 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 4th of June, 2023, with a model error margin of plus or minus four days.
- 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 15th 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, Vietnam's 5% broken rice continued to be offered at \$490-\$495 per tonne, maintaining the same level as the previous week, which marked the highest price since late April. Trading activity has been subdued as certain buyers have reduced their purchases in response to the high prices.
- Notably, Vietnam's rice exports in the first five months of this year are estimated to have surged by approximately 40.8% compared to the same period last year, amounting to 3.9 million tonnes. Moreover, rice shipments from Vietnam in May reached an estimated volume of 1 million tonnes.
- As for Thailand, the prices for their 5% broken rice remained steady at \$495 per tonne, with minimal fluctuations compared to the range of \$495-\$500 quoted in the preceding week due to subdued demand and the weakened baht currency.
- Bangladesh government has allocated a substantial incentive of Taka 33.20 crore with the objective of bolstering the cultivation and production of Aman paddy during the current year. This incentive program entails the provision of essential resources to farmers, including five kilograms of high-quality seeds, as well as ten kilograms each of DAP and MOP fertilizers, all of which will be provided free of charge. These resources are intended to support the cultivation of the high-yielding variety of Ropa Aman paddy on one bigha of land per farmer.
- Meanwhile, Bangladesh is presently engaged in a procurement drive for newly harvested rice. The government aims to acquire 1.2 million tonnes of rice from local farmers between May 7 and August 31, as part of its strategic efforts in the rice market.

- 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.
- 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.

TODAY

State/Centre	Variety	Prices (Rs/Qtl)		Change
		05-Jun-23	03-Jun-23	
Delhi (Naya Bazar)	1121 Paddy	4100	4300	-200
	1509 Paddy	3650	3600	50
	DB Paddy	4100	3800	300
	Traditional Basmati Paddy	4500	4500	Unch
	Basmati Rice Common (Raw Wand)	9500	9500	Unch

	1121 Raw Wand	9000	9300	-300
	1121 White Parboiled (Sella) Wand	8000	8050	-50
	1121 Steam Wand	9000	9200	-200
	1121 Golden Parboiled (Sella) Wand	8500	8600	-100
	1509 Steam Wand	8500	8900	-400
	1509 White Parboiled (Sella) Wand	7200	7150	50
	Sugandha Steam	7200	7450	-250
	Sarbati Raw Wand	6500	6650	-150
	Sarbati White Parboiled (Sella) Wand	5500	5550	-50
	Parmal Raw	4400	4400	Unch
	Parmal Steam Wand	4200	4200	Unch
	Parmal White Parboiled (Sella) Wand	4100	4250	-150
	1718 Steam Wand	8700	8800	-100
	1718 White Parboiled (Sella) Wand	7900	7850	50
	1401 Steam Wand	8900	9000	-100
	1401 White Parboiled (Sella) Wand	8400	8500	-100
	DB(Duplicate Basmati) (Pusa) Raw Wand	8900	9400	-500
Punjab (Amritsar)	1121 Paddy	4000	4200	-200
	1509 Paddy	3800	4000	-200
	Traditional Basmati Paddy	5000	5000	Unch
	Basmati Rice Common (Raw Wand)	9500	9500	Unch
	1121 Steam Wand	9200	9200	Unch
	1121 White Parboiled (Sella) Wand	8050	8050	Unch
	1509 Steam Wand	8900	8900	Unch
	1509 White Parboiled (Sella) Wand	7150	7150	Unch
	Sarbati Raw Wand	6650	6650	Unch
	Sarbati Steam Wand	6450	6450	Unch
	Sarbati White Parboiled (Sella) Wand	5550	5550	Unch
	Parmal Steam Wand	4200	4200	Unch
	1718 Steam Wand	8800	8800	Unch
	1718 White Parboiled (Sella) Wand	7850	7850	Unch
	1401 Steam Wand	9000	9000	Unch
Haryana (Karnal)	PR-47 Govt. Quality	3050	3050	Unch
	1121 Paddy	4200	4500	-300
	1509 Paddy	4000	4200	-200
	Basmati Paddy 31no.	5000	5500	-500
	Basmati Rice Common (Raw Wand)	9500	9500	Unch
	1121 Steam	9200	9200	Unch
	1121 White Parboiled (Sella) Wand	8050	8050	Unch
	1509 White Parboiled (Sella) Wand	7150	7150	Unch

	Sarbati Steam	6450	6450	Unch
	Sarbati White Parboiled (Sella) Wand	5550	5550	Unch
	DB(Duplicate Basmati) Steam	8850	8950	-100
	DB(Duplicate Basmati) White Parboiled	8250	8250	Unch
	Parmal Raw	4400	4400	Unch
	Parmal Steam Wand	4200	4200	Unch
	Parmal White Parboiled (Sella) Wand	4250	4250	Unch
	1718 Steam Wand	8800	8800	Unch
	1718 White Parboiled (Sella) Wand	7850	7850	Unch
	1401 Steam Wand	9000	9000	Unch
	IR-08	3050	3050	Unch
West Bengal (Kolkata)	Swarna White Parboiled 5% Silky Sortex	3100	3100	Unch
	Swarna White Parboiled 100% Silky Sortex	3120	3120	Unch
	IR-36 White Parboiled 5% Silky Sortex	3200	3200	Unch
	IR-64 White Parboiled 25% Silky Sortex	3500	3500	Unch
	Miniket 5% Broken	4500	4500	Unch
	Gobind Bhog	6800	6800	Unch
Andhra Pradesh (Kurnool)	Sona Fine	4200	4400	-200
Andhra Pradesh (Machilipatnam)	BPT Steam	4300	4500	-200
Chhattisgarh (Bhatapara)	HMT	4800	4900	-100
	JSR (Jai Shri Ram)	5400	5300	100
	Vishnu Bhog	7300	7300	Unch
	Dugraj	NA	NA	-
	Swarna	3050	3000	50
Chhattisgarh (Rajim)	Swarna 5% Broken	2825	2825	Unch
	BPT Steam	3700	3800	-100
	BPT White Parboiled	3650	3400	250
Maharashtra (Nagpur)	HMT Raw	4700	4700	Unch
	JSR (Jai Shri Ram) Best	5600	5600	Unch
	Chinnor Best	4900	4900	Unch
	BPT	3800	3800	Unch
	Rupali	4000	4000	Unch
Maharashtra (Gondia)	IR-36 White Parboiled (Sella)	2880	2880	Unch
	HMT RAW	5050	5050	Unch
	BPT White Parboiled (Sella)	4450	4450	Unch
Karnatka (Raichur)	Sona Steam	4400	4500	-100
	Sona Raw	5400	5500	-100
	Ganga Kaveri	5400	5500	-100
	HMT	4800	4900	-100
Telangna (Nizamabad)	BPT Steam	4400	4600	-200

	BPT raw	4900	5100	-200
	kolam Steam Sortex	5600	5600	Unch
	JSR (Jai Shree Ram) kolam	5400	5400	Unch
	IR-64	2500	2500	Unch
	Kinki	2300	2300	Unch
Telangana (Hyderabad)	IR-64-Bold Sortex	2700	2700	Unch
	Sona Masuti Steam	4800	4900	-100
	IR-Silki Sortex	2500	2600	-100
Uttarakhand (Uddhamsingh Nagar)	Organic Basmati	10100	10500	-400
	Dehraduni Basmati	9600	9600	Unch
	1121 Steam	9100	9300	-200
	1509 Steam	8600	9000	-400
	Sugandha White Parboiled (Sella)	6500	6550	-50
	Parmal White Parboiled (Sella)	4200	4350	-150
	Sharbati Steam	6400	6550	-150
Gujarat (Ahmedabad)	IR-08 Jaya Sortex	3025	2950	75
	Parmal Sortex	3125	3050	75
	Kolam Sortex	3200	3100	100

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.