

### **Domestic Market Highlights:**

- Prices remained rangebound throughout the day in most of the markets amid varied demand and supply. In south-Indian paddy growing belt, supply of non-basmati is tight amid increased demand, which has resulted in a hike in prices.
- The Cabinet Committee on Economic Affairs (CCEA) has granted approval for an increase in the Minimum Support Price (MSP) of paddy, aiming to incentivize farmers to expand the cultivation area for this crop and enhance their income. In the 2023-24 crop year (July-June), the MSP for the common grade variety of paddy has been raised by ₹143 to ₹2,183 per quintal, surpassing the previous year's rate of ₹2,040. Additionally, the support price for the 'A' grade variety of paddy has been elevated by ₹163 to ₹2,203 per quintal, compared to the previous rate of ₹2,060.
- This week, price for India's 5% broken parboiled rice variety stands at \$388-\$395 per tonne, exhibiting an increase compared to the previous week's range of \$375-\$380. Over the past month, local paddy prices have surged, driven by the anticipation of a minimum support price hike, consequently leading to an upward trend in rice export prices.
- As per trade sources, the rice market may experience further decline, primarily due to financial constraints and a lack of demand. Currently, the selling price of 1718 Sela ranges from Rs.7450 to Rs. 7600 per quintal, while Sugandha is priced at Rs. 5900. Taj Sela is available up to Rs. 6000, and RH10 Sela is priced up to Rs. 5100. In the same market, Golden Rs.1718 is being sold at prices reaching Rs.7850, while Steam is being sold at up to Rs. 8600. This situation is mainly attributed to the absence of strong buyers in the market at present. Despite the abundant crop of 1509 paddy, the upside potential remains uncertain. The current stock levels are reported to be significantly high due to the availability of both 1509 paddy and rice in large quantities, resulting in increased sales and subsequent buyer hesitation.
- 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 29<sup>th</sup> 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 22<sup>nd</sup> 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 3<sup>rd</sup> 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 2<sup>nd</sup> advance estimate which was 1308.37 and a significant increase of 60.71 LMT when compared to the previous year.
- 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 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 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**

- Thailand's 5% broken rice prices have experienced a slight decline to \$490-\$495 per tonne, as opposed to last week's figures of \$495. Although demand remains stagnant, the forthcoming harvest is expected to bring additional supply next month. It has been observed that African countries have displayed

subdued demand due to the relatively higher prices of Thai rice compared to Indian rice. Conversely, concerns regarding droughts and exports to Indonesia have lent support to prices.

- Vietnam's 5% broken rice rates have remained steady at \$490-\$495 per tonne. Traders are accelerating their rice purchases from farmers to fulfill their export commitments for the year, as high prices have encouraged increased investment in the summer-autumn crop.
- 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.
- 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.

## TODAY

State/Centre	Variety	Prices (Rs/Qtl)		Change
		12-Jun-23	10-Jun-23	
Delhi (Naya Bazar)	1121 Paddy	4100	4100	Unch
	1509 Paddy	3600	3600	Unch
	DB Paddy	4100	4100	Unch

	Traditional Basmati Paddy	4500	4500	Unch
	Basmati Rice Common (Raw Wand)	9500	9500	Unch
	1121 Raw Wand	9000	9000	Unch
	1121 White Parboiled (Sella) Wand	7800	7800	Unch
	1121 Steam Wand	8800	9000	-200
	1121 Golden Parboiled (Sella) Wand	8300	8300	Unch
	1509 Steam Wand	8500	8500	Unch
	1509 White Parboiled (Sella) Wand	6800	6800	Unch
	Sugandha Steam	7200	7200	Unch
	Sarbati Raw Wand	6300	6400	-100
	Sarbati White Parboiled (Sella) Wand	5400	5500	-100
	Parmal Raw	4400	4400	Unch
	Parmal Steam Wand	4200	4200	Unch
	Parmal White Parboiled (Sella) Wand	4100	4100	Unch
	1718 Steam Wand	8600	8500	100
	1718 White Parboiled (Sella) Wand	7600	7500	100
	1401 Steam Wand	8800	8900	-100
	1401 White Parboiled (Sella) Wand	8200	8300	-100
	DB(Duplicate Basmati) (Pusa) Raw Wand	9000	9000	Unch
Punjab (Amritsar)	1121 Paddy	4000	4000	Unch
	1509 Paddy	3800	3800	Unch
	Traditional Basmati Paddy	5000	5000	Unch
	Basmati Rice Common (Raw Wand)	9500	9500	Unch
	1121 Steam Wand	9100	9300	-200
	1121 White Parboiled (Sella) Wand	8050	8050	Unch
	1509 Steam Wand	8900	8900	Unch
	1509 White Parboiled (Sella) Wand	7050	7050	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	7600	7600	Unch
	1401 Steam Wand	9000	9000	Unch
	PR-47 Govt. Quality	3050	3050	Unch
Haryana (Karnal)	1121 Paddy	4200	4200	Unch
	1509 Paddy	4000	4000	Unch
	Basmati Paddy 31no.	5000	5000	Unch
	Basmati Rice Common (Raw Wand)	9500	9500	Unch
	1121 Steam	9100	9300	-200

	1121 White Parboiled (Sella) Wand	8050	8050	Unch
	1509 White Parboiled (Sella) Wand	7050	7050	Unch
	Sarbati Steam	6450	6450	Unch
	Sarbati White Parboiled (Sella) Wand	5550	5550	Unch
	DB(Duplicate Basmati) Steam	9050	9050	Unch
	DB(Duplicate Basmati) White Parboiled	8250	8050	200
	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	7600	7600	Unch
	1401 Steam Wand	9000	9000	Unch
	IR-08	3050	3050	Unch
West Bengal (Kolkata)	Swarna White Parboiled 5% Silky Sortex	3200	3120	80
	Swarna White Parboiled 100% Silky Sortex	3230	3150	80
	IR-36 White Parboiled 5% Silky Sortex	3250	3200	50
	IR-64 White Parboiled 25% Silky Sortex	3600	3500	100
	Miniket 5% Broken	5000	4500	500
	Gobind Bhog	7300	6800	500
Andhra Pradesh (Kurnool)	Sona Fine	4200	4200	Unch
Andhra Pradesh (Machilipatnam)	BPT Steam	4300	4300	Unch
Chhattisgarh (Bhatapara)	HMT	4800	4900	-100
	JSR (Jai Shri Ram)	5200	5400	-200
	Vishnu Bhog	7200	7300	-100
	Dugraj	NA	NA	-
	Swarna	3200	3050	150
Chhattisgarh (Rajim)	Swarna 5% Broken	2850	2825	25
	BPT Steam	3700	3700	Unch
	BPT White Parboiled	3400	3400	Unch
Maharashtra (Nagpur)	HMT Raw	4900	4700	200
	JSR (Jai Shri Ram) Best	5600	5600	Unch
	Chinnor Best	5100	4900	200
	BPT	4000	3800	200
	Rupali	4000	4000	Unch
Maharashtra (Gondia)	IR-36 White Parboiled (Sella)	2900	2900	Unch
	HMT RAW	5100	5050	50
	BPT White Parboiled (Sella)	4500	4450	50
Karnatka (Raichur)	Sona Steam	4400	4500	-100
	Sona Raw	5100	5500	-400
	Ganga Kaveri	5100	5500	-400

	HMT	5200	4800	400
Telangna (Nizamabad)	BPT Steam	4400	4100	300
	BPT raw	4600	4500	100
	kolam Steam Sortex	5600	5800	-200
	JSR (Jai Shree Ram) kolam	5400	5400	Unch
	IR-64	2500	2500	Unch
	Kinki	2300	2300	Unch
Telangana (Hyderabad)	IR-64-Bold Sortex	2600	2600	Unch
	Sona Masuti Steam	4600	4600	Unch
	IR-Silki Sortex	2500	2500	Unch
Uttarakhand (Uddhamsingh Nagar)	Organic Basmati	10600	10600	Unch
	Dehraduni Basmati	9600	9600	Unch
	1121 Steam	8900	9100	-200
	1509 Steam	8600	8600	Unch
	Sugandha White Parboiled (Sella)	6100	5900	200
	Parmal White Parboiled (Sella)	4200	4200	Unch
	Sharbati Steam	6200	6300	-100
Gujarat (Ahmedabad)	IR-08 Jaya Sortex	3125	3025	100
	Parmal Sortex	3225	3125	100
	Kolam Sortex	3300	3200	100



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