

### **Domestic Market Highlights:**

- Price remained mostly stable throughout the day in most of the markets. Although the sentiments remain firm as demand surge due to festivals in southern India and lower kharif sowing area for 2023-24 by 23% compared to same period last year.
- On July 12, 2023, the third E-auction for the period of 2023-24 is set to occur. This auction will offer 4.29 LMT (Lakh Metric Tons) of wheat sourced from 482 depots, as well as 3.95 LMT of rice from 254 depots located throughout the country.
- The price range for India's 5% broken parboiled rice increased to \$412 to \$420 per tonnes, compared to last week's range of \$409 to \$416 per tonnes. While demand has been decreasing at higher price levels. However, limited supplies continue to push prices upwards.
- According to reports from IMD, there is positive news for crop plantations in India in July, particularly for states that grow paddy, as most areas are expecting to receive average rainfall during this month. Average rainfall is defined as ranging from 94 percent to 106 percent. Nevertheless, the increased temperatures in June resulted in substantial planting delays for numerous farmers cultivating kharif crops in India.
- According to reports, there is a growing demand for rice exports in the global market, resulting in an increase in prices for Basmati rice. The price of Basmati rice has risen to over Rs. 90,776 per MT, compared to Rs. 83,068 per MT last year. This surge in prices is expected to benefit Basmati growers and traders during the upcoming Kharif marketing season of 2023-24, as all varieties of aromatic long-grained rice have experienced price hikes in both the domestic and international markets.
- To tackle the escalating retail prices of rice, the government plans to auction a total of 400,000 tonnes of rice from its buffer stock. The Food Corporation of India (FCI) will start the e-auction process. The auction for ice auction will take place on July 5. The tender announcements will be made in the near future to engage bulk consumers and traders and enhance domestic supplies while tackling price inflation.
- During the Kharif Marketing Season (KMS) 2022-23, the Government of India has efficiently conducted paddy procurement. As of 19.06.2023, the Central Pool has acquired more than 830 Lakh Metric Ton (LMT) of paddy through Minimum Support Price (MSP). The delivery of rice from the acquired paddy is also underway, and out of the total procurement of 830 LMT paddy (equivalent to 558 LMT of rice), approximately 401 LMT of rice has already been received in the Central Pool as of

19.06.2023, while an additional 150 LMT is yet to be received.

- FCI has the option to sell rice from the central pool to private parties under the Open Market Sale Scheme (OMSS) domestic in order to regulate market prices. Nevertheless, the sale of rice under (OMSS) domestic will persist at the current rate of Rs. 3400 per quintal for North-East States, Hilly States, and States that are dealing with law-and-order issues or natural disasters.
- As per trade sources, rice prices went up in Tiruchi, Tamil Nadu however, the rice varieties that are sown mostly in the delta region of the state has seen a moderate increases as farmers are sowing rice which is meant for procurement by state government instead of popular varieties. Hence, the traders and millers in the region depend on supply from A.P, Karnataka and Telangana to tackle the demand of popular varieties such as Ponni (RNR).
- 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.
- 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.

#### **International Market Highlights:**

- The price range for Vietnam's 5% broken rice remained steady at \$500 to \$510 per tonnes, the same as last week. There is a robust demand for this rice variety, leading exporters to quickly procure paddy from farmers in order to fulfill their export agreements.
- The price of Thailand's 5% broken rice remained steady at \$515 per tonnes, showing no change from the previous period. The sustained high prices due to the robust demand from countries such as Indonesia, the Philippines, Malaysia, and certain African nations. Concerns over drought have prompted these countries to increase their rice stockpiles.
- Next week, South Korea is scheduled to enter into an agreement with eight African nations aimed at enhancing rice production. The agreement stands for providing improved seed production facilities and high-yielding varieties that can yield two to three times more than domestic varieties. The goal is to reduce their reliance on imports, as current local production in West Africa only satisfies approximately 60% of the demand. In contrast, South Korea has managed to produce sufficient rice to fulfill over 90% of its local demand.
- Global rice prices, currently at their highest point in 11 years, are expected to continue rising. This

comes as El Nino poses a threat to crop yields in major rice-producing regions and as the prices of alternative food staples become more expensive for impoverished populations in Asia and Africa.

- Mali, a West African country, is set to receive 2.9 Lakh tonnes of fully broken white rice from India through government-to-government (G2G) channels. This action comes after India's recent approval in May to permit the export of fully broken white rice, which had been prohibited since September of the previous year.
- In the fiscal year 2022-23, Iran purchased approximately one million tonnes of aromatic rice from India, which accounted for 20.35% of India's total basmati rice exports of 4.5 million tonnes. Nevertheless, India is now confronted with the potential risk of losing Iran as one of its major markets for basmati rice exports due to the depletion of rupee reserves held by the West Asian country in recent weeks.
- The demand for Thai rice remains robust, by the interest shown by governments such as Indonesia and Bangladesh in procuring the grain through government-to-government (G2G) agreements. While Indonesia expresses interest in purchasing Thai rice through G2G deals, the Thai government does not currently have a policy in place to sell rice through this method, as it prefers to involve the private sector.
- Between January and May, Thailand's rice exports reached 3.4 million metric tons, showing a significant 26.6% increase compared to the previous year. The surge in exports is due to a combination of heightened demand and the devaluation of the baht currency.
- In response to requests from certain countries to permit the export of wheat and broken rice, India has made the decision to approve these shipments, in an effort to reduce domestic prices, the South Asian nation had implemented a ban on the export of wheat and broken rice in 2022. However, India has now granted permission for the export of broken rice to Indonesia, Senegal, and Gambia during the 2023-24 financial year, which commenced on April 1<sup>st</sup>
- It is anticipated that Thailand's rice exports will exceed 8 million tonnes this year, surpassing the previous year's figure of 7.69 million tonnes. This achievement outperformed the ministry's initial target of 7.5 million tonnes. The driving force behind this growth is the heightened global demand as countries proactively stockpile rice to prepare for the potential impacts of the El Niño weather phenomenon.

**TODAY**

State/Centre	Variety	Prices (Rs/Qtl)		Change
		08-Jul-23	07-Jul-23	
Delhi (Naya Bazar)	1121 Paddy	4100	4100	Unch
	1509 Paddy	3200	3200	Unch
	DB Paddy	3700	3700	Unch
	Traditional Basmati Paddy	4700	4700	Unch
	Basmati Rice Common (Raw Wand)	9000	9000	Unch
	1121 Raw Wand	9200	9200	Unch
	1121 White Parboiled (Sella) Wand	8000	8000	Unch
	1121 Steam Wand	9200	9200	Unch
	1121 Golden Parboiled (Sella) Wand	8500	8500	Unch
	1509 Steam Wand	8600	8600	Unch
	1509 White Parboiled (Sella) Wand	6800	6800	Unch
	Sugandha Steam	7450	7450	Unch
	Sarbati Raw Wand	6400	6400	Unch
	Sarbati White Parboiled (Sella) Wand	5500	5500	Unch
	Parmal Raw	4600	4600	Unch
	Parmal Steam Wand	4400	4400	Unch
	Parmal White Parboiled (Sella) Wand	4200	4200	Unch
	1718 Steam Wand	8900	8900	Unch
	1718 White Parboiled (Sella) Wand	7700	7700	Unch
	1401 Steam Wand	8900	8900	Unch
	1401 White Parboiled (Sella) Wand	8200	8200	Unch
	DB(Duplicate Basmati) (Pusa) Raw Wand	9000	9000	Unch
Punjab (Amritsar)	1121 Paddy	4500	4500	Unch
	1509 Paddy	4000	4000	Unch
	Traditional Basmati Paddy	5200	5200	Unch
	Basmati Rice Common (Raw Wand)	9200	9200	Unch
	1121 Steam Wand	9300	9300	Unch
	1121 White Parboiled (Sella) Wand	7950	7950	Unch
	1509 Steam Wand	8850	8850	Unch
	1509 White Parboiled (Sella) Wand	7000	7000	Unch
	Sarbati Raw Wand	6350	6350	Unch
	Sarbati Steam Wand	6150	6150	Unch
	Sarbati White Parboiled (Sella) Wand	5300	5300	Unch
	Parmal Steam Wand	4400	4400	Unch
	1718 Steam Wand	8900	8900	Unch
	1718 White Parboiled (Sella) Wand	7650	7650	Unch
	1401 Steam Wand	9000	9000	Unch

State/Centre	Variety	Prices (Rs/Qtl)		Change
		08-Jul-23	07-Jul-23	
	PR-47 Govt. Quality	3050	3050	Unch
Haryana (Karnal)	1121 Paddy	4600	4600	Unch
	1509 Paddy	3800	3800	Unch
	Basmati Paddy 31no.	5200	5200	Unch
	Basmati Rice Common (Raw Wand)	9200	9200	Unch
	1121 Steam	9300	9300	Unch
	1121 White Parboiled (Sella) Wand	7950	7950	Unch
	1509 White Parboiled (Sella) Wand	7000	7000	Unch
	Sarbati Steam	6150	6150	Unch
	Sarbati White Parboiled (Sella) Wand	5300	5300	Unch
	DB(Duplicate Basmati) Steam	9100	9100	Unch
	DB(Duplicate Basmati) White Parboiled	8100	8100	Unch
	Parmal Raw	4600	4600	Unch
	Parmal Steam Wand	4400	4400	Unch
	Parmal White Parboiled (Sella) Wand	4400	4400	Unch
	1718 Steam Wand	8850	8850	Unch
	1718 White Parboiled (Sella) Wand	7650	7650	Unch
	1401 Steam Wand	9000	9000	Unch
	IR-08	3050	3050	Unch
West Bengal (Kolkata)	Swarna White Parboiled 5% Silky Sortex	3200	3200	Unch
	Swarna White Parboiled 100% Silky Sortex	3220	3220	Unch
	IR-36 White Parboiled 5% Silky Sortex	3200	3200	Unch
	IR-64 White Parboiled 25% Silky Sortex	3600	3600	Unch
	Miniket 5% Broken	4500	4500	Unch
	Gobind Bhog	7200	7200	Unch
Andhra Pradesh (Kurnool)	Sona Fine	5000	5000	Unch
Andhra Pradesh (Machilipatnam)	BPT Steam	5200	5200	Unch
Chhattisgarh (Bhatapara)	HMT	4900	4900	Unch
	JSR (Jai Shri Ram)	5300	5300	Unch
	Vishnu Bhog	7400	7400	Unch
	Dugraj	NA	0	-
	Swarna	3250	3250	Unch
Chhattisgarh (Rajim)	Swarna 5% Broken	3100	3100	Unch
	BPT Steam	3850	3850	Unch
	BPT White Parboiled	3300	3300	Unch
Maharashtra (Nagpur)	HMT Raw	4800	4800	Unch
	JSR (Jai Shri Ram) Best	6100	6100	Unch
	Chinnor Best	5000	5000	Unch

State/Centre	Variety	Prices (Rs/Qtl)		Change
		08-Jul-23	07-Jul-23	
	BPT	4400	4400	Unch
	Rupali	4600	4600	Unch
Maharashtra (Gondia)	IR-36 White Parboiled (Sella)	2950	2950	Unch
	HMT RAW	5000	5000	Unch
	BPT White Parboiled (Sella)	4400	4400	Unch
Karnatka (Raichur)	Sona Steam	4800	4800	Unch
	Sona Raw	5300	5300	Unch
	Ganga Kaveri	5300	5300	Unch
	HMT	5500	5500	Unch
Telangna (Nizamabad)	BPT Steam	5800	5800	Unch
	BPT raw	5600	5600	Unch
	kolam Steam Sortex	5500	5500	Unch
	JSR (Jai Shree Ram) kolam	5400	5400	Unch
	IR-64	2700	2700	Unch
	Kinki	2500	2500	Unch
Telangana (Hyderabad)	IR-64-Bold Sortex	3000	3000	Unch
	Sona Masuti Steam	5000	5000	Unch
	IR-Silki Sortex	2800	2800	Unch
Uttarakhand (Uddhamsingh Nagar)	Organic Basmati	11000	11000	Unch
	Dehraduni Basmati	9300	9300	Unch
	1121 Steam	9300	9300	Unch
	1509 Steam	8700	8700	Unch
	Sugandha White Parboiled (Sella)	6000	6000	Unch
	Parmal White Parboiled (Sella)	4300	4300	Unch
	Sharbati Steam	6300	6300	Unch
Gujarat (Ahmedabad)	IR-08 Jaya Sortex	3200	3200	Unch
	Parmal Sortex	3100	3100	Unch
	Kolam Sortex	3500	3500	Unch

### Disclaimer

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