

Domestic Market Highlights:

- Throughout the day price remained steady in most of the markets. As a reaction for ban of export of non-Basmati white rice. However, 1121 paddy up by Rs. 200 to Rs. 4600 per qtl. at Naya bazar, Delhi market.
- On Thursday, India took the decision to suspend its largest rice export category as a measure to curb domestic prices. The country has been experiencing multi-year highs in rice prices due to unpredictable weather conditions may decline production. With this ban in place, Thai rice mills and exporters may hold off on their rice purchase orders to assess the potential impact, given that India holds the title of being the world's largest rice exporter.
- India's 5% broken rice prices remained stable and close to a five-year peak at \$421-\$428 per MT. The market was in panic due to the news of an export ban, leading sellers to refrain from entering into new contracts. Despite this situation, there was a positive development in rice planting, as the monsoon rainfall revived over the past fortnight.
- Punjab and Haryana witnessed rainfall exceeding 96% and 91% above the long period average (LPA), respectively, from 1st June to 12th July. The heavy rainfall in these states has caused the flooding of standing paddy crops in districts such as Amritsar, Hoshiarpur, Gurdaspur, and Fatehgarh in Punjab, and Ambala, Kurukshetra, and Yamuna Nagar in Haryana. About 250,000 hectares of paddy fields in 14 districts of Punjab and 150,000 hectares in seven districts of Haryana are flooded in water. Consequently, there is a high possibility of significant reduced yields and lower crop production.
- If the monsoon fails to stabilize, rice crops is at risk due to inadequate and uneven rainfall across multiple states this year. Although there has been an increase in sowing activity in the past week, still rice remains a cause for concern due to 20 percent decrease in stocks compared to the previous year. However, with the monsoon progressing into different regions of the country, there has been an improvement in terms of rice planting.
- Food Corporation of India (FCI) has faced challenges in selling rice through the weekly e-auctions held recently. In the past two auctions, FCI was able to sell only 460 tonnes of rice out of the approximately 385,000 tonnes offered under the Open Market Sale Scheme (OMSS). One possible reason for the low sales could be that the price of Rs 31/kg set by FCI for the e-auction is higher than the price of a similar variety of rice available in the market.

- Additionally, FCI's rice has around 25% broken grains, which makes it less attractive for traders. In comparison, white raw rice without broken grains is currently available for export at the Mundra port in Gujarat at a similar cost. These factors could be the possible reason for less attraction towards OMSS sale for rice from buyers. Considering these circumstances, the government may reduce the prices of rice offered under the OMSS in order to make it more competitive in the market. The next e-auction is scheduled to take place on Wednesday.
- It is estimated that 2.40 lakh hectares of paddy fields are at risk of being damaged due to continuous rainfall in various districts of Punjab, including Patiala, Sangrur, Mohali, Ludhiana, Jalandhar, and Fatehgarh Sahib. Out of this total, approximately 83,000 hectares of crops will be replanted. The farmers will receive paddy nurseries to facilitate the replantation process and will be encouraged to sow the PR 126 variety of paddy, as well as basmati.
- India, which represents approximately 40% of the global rice trade, has taken measures to tighten the trade of certain rice varieties. Following Russia's invasion of Ukraine, food staple prices such as wheat and corn have been rising, leading to the South Asian nation banning broken rice exports and imposing a 20% duty on shipments of white and brown rice last year.
- The Food Corporation of India (FCI) has recently decreased the price of rice and wheat offered through the domestic open market sale scheme for registered bulk buyers. Previously sold at ₹34/kg, fortified rice is now available at ₹31/kg.
- The Government of India is considering a proposal to prohibit the export of all non-Basmati Rice, which will be impacting around 80% of India's rice exports. While this action may potentially reduce domestic prices, there is a risk of escalating global costs. Whereas, Rice is a staple food for approximately half of the world's population, with Asia consuming roughly 90% of the global supply. Concerns over the return of the El Niño weather phenomenon have already caused benchmark prices to reach a two-year high, as it may potentially harm crops.
- Since the majority of the Kharif season sowing occurs in July, the progress of rainfall during this month will be crucial for rice production in eastern belt states such as Bihar, Jharkhand, and Odisha, as well as in the central state of Maharashtra and the southern regions of Telangana and Karnataka. These areas receiving deficient and weak rainfall progress so far. Moreover, farmers are shifting to Millets as certain state governments are offering incentives in light of 2023 being declared the "Year of Millets."

- The first e-auction round, held on July 5, for the open market sale scheme of rice to small traders received a very low response. The Food Corporation of India (FCI) had offered 3.88 lakh tonnes of rice, but only 170 tonnes were sold to five bidders. The next auction is scheduled for July 12, 2023.
- Despite ongoing restrictions on outbound shipments, India will continue to export food grains, such as wheat and rice, to countries in vulnerable situations. Last month, India granted approval for the shipment of broken rice to Senegal, Gambia, and Indonesia, responding to specific requests from these nations.
- 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.
- 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.

International Market Highlights:

- The Indian government has imposed a ban on the export of non-basmati white rice, potentially impacting approximately 80 percent of India's rice exports and leading to a decrease in rice prices within the country. However, this decision by DGFT has had adverse effects on global prices, causing a 'panic buy' situation in the US.
- The price of Vietnam's 5% broken rice reached its highest level since 2011, being offered at \$515-\$525 per MT, up from last week's range of \$510-\$513 per MT. The strong demand is driven by several factors, including countries bolstering their stocks in preparation for the anticipated adverse impacts of El Nino on production. Furthermore, India imposing restrictions on rice exports also contributed to the price surge.
- Thailand's 5% broken rice prices surged to \$545 per metric ton, reaching their highest level since February 2021, up from \$515 per ton last week. Amidst robust demand from concerned buyers.
- According to the General Department of Vietnam Customs, Rice exports reached up to 4.2 million MT in the first half of the year, up by 21% compared to the same period last year. In June, the average

export price of rice reached \$650 per MT, indicating a 9.4% increase from May and a substantial 20.8% rise from the same period last year. The surge in rice prices for export is due to a worldwide decrease in rice supply and the impact of the El Niño climate pattern.

- To ensure food security within the country, the government has established a target of collecting 2.46 million metric tons of rice during the current financial year 2023-2024. Out of this quantity, 1.96 million metric tons of rice will be procured domestically, while 500,000 metric tons will be sourced internationally. Regarding international sources, there is a plan to import 300,000 metric tons of rice through Government-to-Government (G-to-G) channels and obtain 200,000 metric tons through international tenders.
- 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.

TODAY

| State/Centre | Variety | Prices (Rs/Qtl) | | Change |
|--------------------|---------------------------|-----------------|-----------|--------|
| | | 22-Jul-23 | 21-Jul-23 | |
| Delhi (Naya Bazar) | 1121 Paddy | 4600 | 4400 | 200 |
| | 1509 Paddy | 3800 | 3750 | 50 |
| | DB Paddy | 3600 | 3600 | Unch |
| | Traditional Basmati Paddy | 4700 | 4700 | Unch |

| State/Centre | Variety | Prices (Rs/Qtl) | | Change |
|-------------------|--|-----------------|-----------|--------|
| | | 22-Jul-23 | 21-Jul-23 | |
| | Basmati Rice Common (Raw Wand) | 10500 | 10500 | Unch |
| | 1121 Raw Wand | 10000 | 10000 | Unch |
| | 1121 White Parboiled (Sella) Wand | 7900 | 7900 | Unch |
| | 1121 Steam Wand | 9800 | 9800 | Unch |
| | 1121 Golden Parboiled (Sella) Wand | 8500 | 8500 | Unch |
| | 1509 Steam Wand | 9200 | 9200 | Unch |
| | 1509 White Parboiled (Sella) Wand | 7300 | 7300 | Unch |
| | Sugandha Steam | 7400 | 7400 | Unch |
| | Sarbati Raw Wand | 6500 | 6500 | Unch |
| | Sarbati White Parboiled (Sella) Wand | 5400 | 5400 | Unch |
| | Parmal Raw | 5000 | 5000 | Unch |
| | Parmal Steam Wand | 4800 | 4800 | Unch |
| | Parmal White Parboiled (Sella) Wand | 4600 | 4600 | Unch |
| | 1718 Steam Wand | 9200 | 9200 | Unch |
| | 1718 White Parboiled (Sella) Wand | 7700 | 7700 | Unch |
| | 1401 Steam Wand | 9600 | 9600 | Unch |
| | 1401 White Parboiled (Sella) Wand | 8300 | 8300 | Unch |
| | DB (Duplicate Basmati) (Pusa) Raw Wand | 9200 | 9200 | Unch |
| Punjab (Amritsar) | 1121 Paddy | 4600 | 4600 | Unch |
| | 1509 Paddy | 3900 | 3900 | Unch |
| | Traditional Basmati Paddy | 5200 | 5200 | Unch |
| | Basmati Rice Common (Raw Wand) | 10800 | 10800 | Unch |
| | 1121 Steam Wand | 9800 | 9800 | Unch |
| | 1121 White Parboiled (Sella) Wand | 9000 | 9000 | Unch |
| | 1509 Steam Wand | 9100 | 9100 | Unch |
| | 1509 White Parboiled (Sella) Wand | 8000 | 8000 | Unch |
| | Sarbati Raw Wand | 6400 | 6400 | Unch |
| | Sarbati Steam Wand | 6200 | 6200 | Unch |
| | Sarbati White Parboiled (Sella) Wand | 5300 | 5300 | Unch |
| | Parmal Steam Wand | 4750 | 4750 | Unch |
| | 1718 Steam Wand | 9300 | 9300 | Unch |
| | 1718 White Parboiled (Sella) Wand | 8700 | 8700 | Unch |
| | 1401 Steam Wand | 9300 | 9300 | Unch |
| | PR-47 Govt. Quality | 3100 | 3100 | Unch |
| Haryana (Karnal) | 1121 Paddy | 4800 | 4800 | Unch |
| | 1509 Paddy | 3800 | 3800 | Unch |
| | Basmati Paddy 31no. | 5200 | 5200 | Unch |
| | Basmati Rice Common (Raw Wand) | 11000 | 11000 | Unch |

| State/Centre | Variety | Prices (Rs/Qtl) | | Change |
|--------------------------------|--|-----------------|-----------|--------|
| | | 22-Jul-23 | 21-Jul-23 | |
| | 1121 Steam | 10000 | 10000 | Unch |
| | 1121 White Parboiled (Sella) Wand | 8200 | 8200 | Unch |
| | 1509 White Parboiled (Sella) Wand | 7200 | 7200 | Unch |
| | Sarbati Steam | 6200 | 6200 | Unch |
| | Sarbati White Parboiled (Sella) Wand | 5700 | 5700 | Unch |
| | DB (Duplicate Basmati) Steam | 9200 | 9200 | Unch |
| | DB (Duplicate Basmati) White Parboiled | 8200 | 8200 | Unch |
| | Parmal Raw | 4900 | 4900 | Unch |
| | Parmal Steam Wand | 4900 | 4900 | Unch |
| | Parmal White Parboiled (Sella) Wand | 4450 | 4450 | Unch |
| | 1718 Steam Wand | 9400 | 9400 | Unch |
| | 1718 White Parboiled (Sella) Wand | 7800 | 7800 | Unch |
| | 1401 Steam Wand | 9400 | 9400 | Unch |
| | IR-08 | 3100 | 3100 | Unch |
| West Bengal (Kolkata) | Swarna White Parboiled 5% Silky Sortex | 3160 | 3160 | Unch |
| | Swarna White Parboiled 100% Silky Sortex | 3250 | 3250 | Unch |
| | IR-36 White Parboiled 5% Silky Sortex | 3300 | 3300 | Unch |
| | IR-64 White Parboiled 25% Silky Sortex | 3500 | 3500 | Unch |
| | Miniket 5% Broken | 4600 | 4600 | Unch |
| | Gobind Bhog | 7200 | 7200 | Unch |
| Andhra Pradesh (Kurnool) | Sona Fine | 5300 | 5300 | Unch |
| Andhra Pradesh (Machilipatnam) | BPT Steam | 5400 | 5400 | Unch |
| Chhattisgarh (Bhatapara) | HMT | 4900 | 4900 | Unch |
| | JSR (Jai Shri Ram) | 5300 | 5300 | Unch |
| | Vishnu Bhog | 7400 | 7400 | Unch |
| | Dugraj | NA | NA | - |
| | Swarna | 3200 | 3200 | 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 | 5600 | 5600 | Unch |
| | Chinnor Best | 5000 | 5000 | Unch |
| | BPT | 4200 | 4200 | Unch |
| | Rupali | 4400 | 4400 | Unch |
| Maharashtra (Gondia) | IR-36 White Parboiled (Sella) | 2900 | 2900 | Unch |
| | HMT RAW | 4900 | 4900 | Unch |
| | BPT White Parboiled (Sella) | 4600 | 4600 | Unch |

| State/Centre | Variety | Prices (Rs/Qtl) | | Change |
|--------------------------------|----------------------------------|-----------------|-----------|--------|
| | | 22-Jul-23 | 21-Jul-23 | |
| Karnatka (Raichur) | Sona Steam | 5000 | 5000 | Unch |
| | Sona Raw | 5300 | 5300 | Unch |
| | Ganga Kaveri | 5300 | 5300 | Unch |
| | HMT | 5800 | 5800 | Unch |
| Telangna (Nizamabad) | BPT Steam | 5600 | 5600 | Unch |
| | BPT raw | 5400 | 5400 | Unch |
| | kolam Steam Sortex | 5600 | 5600 | Unch |
| | JSR (Jai Shree Ram) kolam | 5700 | 5700 | Unch |
| | IR-64 | 2500 | 2500 | Unch |
| | Kinki | 2400 | 2400 | Unch |
| Telangana (Hyderabad) | IR-64-Bold Sortex | 3000 | 3000 | Unch |
| | Sona Masuti Steam | 5300 | 5300 | Unch |
| | IR-Silki Sortex | 2800 | 2800 | Unch |
| Uttrakhand (Uddhamsingh Nagar) | Organic Basmati | 11500 | 11500 | Unch |
| | Dehraduni Basmati | 10800 | 10800 | Unch |
| | 1121 Steam | 9900 | 9900 | Unch |
| | 1509 Steam | 9300 | 9300 | Unch |
| | Sugandha White Parboiled (Sella) | 6000 | 6000 | Unch |
| | Parmal White Parboiled (Sella) | 4700 | 4700 | Unch |
| | Sharbati Steam | 6400 | 6400 | Unch |
| Gujarat (Ahmedabad) | IR-08 Jaya Sortex | 3300 | 3300 | Unch |
| | Parmal Sortex | 3300 | 3300 | Unch |
| | Kolam Sortex | 3600 | 3600 | Unch |

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