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# Rice Monthly Research Report

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**Outlook and Review (Domestic Front)**

- **India's rice output this Kharif season may fall from last year's actual yield.** While rice sowing has been a concern for several months now owing to lesser acreage this Kharif season, according to the advanced estimates of this year, the yield will be lower than last year's actual production. Rice production in India is actually lower at 100.4 million tonnes while compared to last year's yield of about 103 million tonnes. In fact, Further, it is not just rice yield that has taken a hit this sowing season. The whole kharif production of foodgrain is likely to be 0.7% lower at 140.6 million tonnes compared to first advance estimate of FY2019." The acreage for food grain has also dipped and is 0.8% lower than actual Kharif production in last fiscal.
- **FCI Plans to Cut the Rice Reserve Price.** FCI is regularly conducting e-auctions every week to sell rice under the Open Market Sales Scheme (OMSS) but its purchase includes bulk consumers (millers, traders and exporters etc.) The interest is not shown as the minimum selling price of this rice is higher than the prevailing price in the domestic market. The sale of rice is slowing down due to no commercial purchase. It is being procured in limited quantities only by the states. It is noteworthy that the minimum selling price of rice sold under OMSS is currently running at Rs 2785 per quintal. The government had earlier said that this price will continue till September and when the arrival of new goods starts in October, then it will be decided that this price should be retained or any modification or modification in it. The month of September is coming to an end and the performance of government rice sales is very weak, so its price can be reduced to make it attractive to buyers.
- **FCI OMSS rice in major states.** On September 25, under Maharashtra FCI OMSS scheme, 50 metric tons of rice at Rs. 2,790 per quintal. FCI sold 4,300 metric tons of rice from Jammu and Kashmir at Rs. 2,785 per quintal. Under the FCI OMSS scheme, on September 25, 30,000 metric tons of rice was sold from Karnataka at a price of Rs 2,785 per quintal.
- **Basmati exports growth to slow down in FY20.** Indian basmati exports are facing headwinds in the current fiscal, after two years of strong growth. ICRA says that with uncertainty over level of exports to Iran as well as likely moderation in average export realisations, basmati rice exports are expected to be muted in FY2020. This is after basmati rice exports in FY2019 were at an all-time high at Rs. 32,806 crore, primarily led by aggressive buying by Iran, that enabled healthy growth in volumes besides favourable pricing. There is increased uncertainty over level of imports by Iran going forward in light of ongoing trade sanctions; and tighter pesticide residue norms continuing to weigh on exports to European Union (EU). Also, some changes in import policies proposed by Saudi Arabia are likely to come into effect by the end of the year. While EU is a comparatively smaller market, Iran and Saudi Arabia are leading destinations, accounting for 50-55 per cent of Basmati rice exports from India.

- **Telangana pumps up paddy storage capacity.** With a bumper harvest of 55 lakh metric tonnes of paddy expected this kharif due to bountiful rains and a slew of farmers-friendly sops, the government has started making preparations for procurement and storage of produce on a large scale. Government was fully prepared to store the agriculture produce of the state. The storage capacity of godowns constructed by the Telangana government during the last five years has gone up to over 17 lakh metric tonnes. The overall storage capacity of godowns, including those managed by Central Warehousing Corporation and private sector together, would soon take the total storage capacity in Telangana to over 56 lakh metric tonnes, making it number one in India in terms of godown storage capacity.
- **Punjab state awaits CCL to purchase paddy, procurement begins tomorrow.** Punjab is waiting for Rs 34,000 crore from the Centre as Cash Credit Limit (CCL) to buy 170 lakh metric tonnes (lmt) of paddy. The arrival of paddy in mandis has already begun. Food and Supplies Department told that they had to first clear dues of a consortium of banks for the previous wheat season. “We have received funds from the Finance Department and the dues will be cleared in two-three days, following which we will get the sanctions of Cash Credit Limit (CCL).
- **Source says food min mulls cut in rice price under open market sale plan.** The food ministry is mulling lowering the auction price of rice under the open market sale scheme to attract private players and reduce its inventory. The ministry has written to the FCI to decide on the quantum of the cut. The government currently offers rice under the open market sale scheme at 2,785 rupees per 100 kg. While announcing the price in May, the government had said it would revise the price from October based on the increase in the minimum support price of rice. Instead of increasing the price, the government is now looking at reducing it, as rice offtake under the scheme has been quite low so far. The government has so far sold 410,000 tn rice under the open market sale scheme, most of it to state governments, out of 5 mln tn earmarked for the year. Private players have picked up only 50 tn rice so far under the scheme, as prices are lower in the spot markets. The Centre wants to make rice purchases under the scheme attractive for private players, as it is sitting on very large stocks, and will add more to its inventories once the new procurement season starts from Oct 1.
- **Punjab targets paddy procurement of 170 lakh tonnes.** Punjab CM has directed the Food Department to obtain all receivables from Gol and FCI at the earliest, to ensure that the Cash Credit Limit (CCL) is availed in time for the smooth procurement of Paddy. The Chief Minister was reviewing the arrangements for the procurement season, beginning from October 1. With 29.20 Lakh hectares of area under paddy cultivation, Punjab is targeting procurement of 170 Lakh Metric Tonnes, requiring CCL to the tune of Rs. 34,500 Crores in Kharif Season 2019-20.
- **Odisha government sets target to procure 60 lakhs metric tonne of paddy from farmers during 2019-20.** The state government would procure over 60 lakhs metric tonne of paddy (41 lakh MT in terms of rice) from the farmers during the kharif marketing season 2019-20 through its various agencies.
- **Farm exports body sees India’s 2019-20 basmati output up 15%.** Production of basmati rice in the country is likely to rise 15% on year to 5.7 mln tn in 2019-20. The expected rise in production is due to an increase in acreage in the 2019-20 season. The area under basmati paddy is pegged at 1.9 mln ha this year, compared with 1.5 mln ha last year. The acreage had been shrinking since three years due to poor returns, has increased this season as farmers expect better returns from the premium rice variety. So far, there is no concern over the crop anywhere. It is in good condition, and we do not expect any damage to the standing crop. Basmati exports during Apr-Jul pegged at 1.4 mln tn, down 9% on year.

- **Govt. Sep 1 food grain stock 67 mln tn, 13% higher on year.** Food grain inventory in the central pool was at 66.92 mln tn as of Sep 1, over 13% higher on year. Rice stocks rose 23% from a year ago to 25.43 mln tn, while wheat stocks were up nearly 8% on year at 41.49 mln tn. The sharp rise in rice stocks was primarily due to robust rice procurement so far in 2018-19 (Oct-Sep). So far, the government had procured 44.3 mln tn of the commodity, higher than 38.1 mln tn procured in the corresponding period a year ago. This year's procurement has been robust due to a sharp rise in minimum support price and a higher output of both rice and wheat in 2018-19 (Jul-Jun). For 2018-19, the government pegged production of rice at a record 116.4 mln tn, 3.2% higher than in the previous year. In 2018-19.
- **Basmati 1509 started arriving in Punjab.** The early-ripening paddy varieties such as Basmati-1509 have started arriving at atleast 20 of total 39 grain markets in the district of Punjab. The best quality produce was getting a maximum of Rs2,650 per quintal. They complained that the prices were lower than the previous season by Rs200 to Rs300. The rate is lower for produce with more moisture content and less sheen. The price for this quality is around Rs2,400 per quintal. As the basmati varieties are not procured by the government, farmers are solely at the mercy of private players.
- **Rain damages paddy in 5000 hectares in Pilibhit.** Incessant rainfall accompanied by high-speed winds over the past two days has flattened paddy crop in around 4,000 to 5,000 hectare area in the district. The worst-affected areas are in Puranpur and Kalinagar tehsils, where massive damage to crops has been reported. this season, paddy has been cultivated in 1,37,506 hectares. But of the total 2.20 lakh farmers, only 47,000 had got their paddy crop insured under the Pradhan Mantri fasal Bima Yojana.

### ***All India Weather Status:***

#### **Seasonal all India Rainfall status: 1st June 2019 to 30th September 2019.**

- Manipur, Haryana and Jammu & Kashmir states received the deficit rainfall.
- Sikkim, Rajasthan, Madhya Pradesh, Gujarat, Goa, Maharashtra and Karnataka states received the excess rainfall
- Arunachal Pradesh, Assam, Meghalaya, Nagaland, Mizoram, Tripura, West Bengal, Jharkhand, Bihar, Uttar Pradesh, Uttarakhand, Punjab, Himachal Pradesh, Odisha, Chhattisgarh, Andhra Pradesh, Telangana, Tamil Nadu and Kerala states received Normal rainfall.

***For the country as a whole, cumulative rainfall during 1st June 2019 to 30th September 2019 was above LPA by 10% over the country as a whole.***

### **Weather Forecast:**

- Thunderstorm accompanied with lightning very likely to occur at isolated places over Bihar, Odisha Assam & Meghalaya, Tamilnadu, Puducherry & Karaikal and Kerala during next 2-3 days
- The cumulative rainfall is likely to be above normal over Jammu & Kashmir, Himachal Pradesh, Punjab, Haryana, Chandigarh & Delhi, north Rajasthan, Telangana and adjoining areas of interior Maharashtra & Karnataka. Near normal rainfall is likely over the rest of the country outside Kerala, Tamil Nadu, Lakshadweep, Andaman & Nicobar Islands, Bihar, Sub-Himalayan west Bengal & Sikkim and Arunachal Pradesh where it is likely to remain below normal during 4th to 10th October 2019.

**Price Projection for Next Month (October) in Domestic Market**

Duration	Trend	Average Price Range	Reason
October - 2019	Steady to weak	Rs.3200-3700/Quintal	In the beginning of new crop year of MY-2019-20, due to arrival pressure. Arrival of fresh crops starts in many regions of north India and thus prices would likely to go down to some extent in the first quarter, however higher MSP of paddy will keep the prices tightly to some extent.

As per the Ministry of Agriculture, current Kharif Rice acreage as on 27<sup>th</sup> September 2019 declined by 1.81 per cent at 382.34 lakh hectares as compared to 386.92 lakh hectares last year same period. Less area is reported from Bihar (4.84 lakh tonnes), Jharkhand (1.62 lakh tonnes), Karnataka (1.44 lakh tonnes), West Bengal (2.41 lakh tonnes), Assam (0.93 lakh tonnes), Manipur (0.58 lakh tonnes) Punjab (0.42 lakh tonnes), Mizoram (0.35 lakh tonnes), Jammu and Kashmir (0.28 lakh tonnes), Maharashtra (0.26 lakh hectares), Tamil Nadu (0.25 lakh hectares) Andhra Pradesh (0.19 lakh hectares), Sikkim (0.11 lakh hectares).

**Paddy Kharif Sowing Updates as on 28<sup>th</sup> September -2019:**

RICE						
State	Normal Area	Normal Area as on date	Area sown reported			Absolute Change
			This Year	% of Normal	Last Year	
Andhra Pradesh	15.19	13.71	13.70	90.2	14.35	-0.65
Arunachal Pradesh	1.30	1.30	1.31	100.8	1.31	0.00
Assam	20.60	20.56	19.71	95.7	19.77	-0.06
Bihar	31.73	32.98	27.72	87.4	32.56	-4.84
Chhattisgarh	38.04	36.95	38.33	100.8	37.54	0.79
Goa	0.28	0.26	0.28	100.9	0.28	0.00
Gujarat	7.68	7.89	8.48	110.5	8.06	0.42
Haryana	13.35	12.62	13.57	101.6	13.29	0.28
Himachal Pradesh	0.73	0.75	0.73	99.6	0.74	-0.01
J&K	2.82	1.43	1.15	40.8	1.14	0.01
Jharkhand	15.58	16.11	13.57	87.1	15.19	-1.62
Karnataka	9.38	8.90	8.12	86.5	9.56	-1.44
Kerala	1.47	0.56	0.68	46.4	0.57	0.11
Madhya Pradesh	20.78	20.82	24.60	118.4	21.65	2.95
Maharashtra	14.88	15.14	14.82	99.6	15.53	-0.71
Manipur	0.40	1.79	0.97	244.5	1.51	-0.54

Meghalaya	0.97	1.00	0.97	100.4	1.01	-0.04
Mizoram	0.37	0.35	0.35	95.4	0.35	0.00
Nagaland	1.96	1.98	2.11	107.4	2.08	0.03
Odisha	37.25	36.50	37.42	100.4	37.06	0.36
Punjab	29.37	29.62	29.20	99.4	30.42	-1.22
Rajasthan	1.77	1.47	1.82	102.9	1.15	0.67
Sikkim	0.11	0.11	0.11	103.8	0.11	0.01
Tamil Nadu	16.07	4.12	5.10	31.7	4.23	0.87
Telangana	9.38	7.67	12.59	134.2	10.38	2.21
Tripura	2.00	1.63	1.65	82.7	1.83	-0.18
Uttar Pradesh	58.78	59.27	60.05	102.2	59.73	0.32
Uttrakhand	2.45	2.50	2.49	101.8	2.48	0.01
West Bengal	41.19	41.77	40.31	97.9	42.72	-2.41
Others	0.28	0.45	0.43	152.5	0.32	0.11
All-India	396.26	380.21	382.34	96.5	386.92	-4.58

As per the Ministry of Agriculture, current Kharif Rice acreage as on 27<sup>th</sup> September 2019 declined by 1.81 per cent at 382.34 lakh hectares as compared to 386.92 lakh hectares last year same period. Less area is reported from Bihar (4.84 lakh tonnes), Jharkhand (1.62 lakh tonnes), Karnataka (1.44 lakh tonnes), West Bengal (2.41 lakh tonnes), Assam (0.93 lakh tonnes), Manipur (0.58 lakh tonnes) Punjab (0.42 lakh tonnes), Mizoram (0.35 lakh tonnes), Jammu and Kashmir (0.28 lakh tonnes), Maharashtra (0.26 lakh hectares), Tamil Nadu (0.25 lakh hectares) Andhra Pradesh (0.19 lakh hectares), Sikkim (0.11 lakh hectares).

#### **Monthly Rice Price Change in Delhi Market (Figure: in Rs. /Quintal)**

Variety	3-Oct-19	2-Sep-19	(Year Ago) 02 Sep 2018	% Change from last Month	% Change from last Year
1121 Sella	6350	6350	6650	0.00	-4.51
1121 Raw	7500	7600	7000	-1.32	7.14
Basmati Raw	9500	9200	7000	3.26	35.71
1509 Steam Wand New	5800	5800	6800	0.00	-14.71
Sugandh Steam	5300	5400	5500	-1.85	-3.64
Sharbati Raw	4300	4050	5000	6.17	-14.00
Pusa Raw Wand	5500	5700	6600	-3.51	-16.67
Parmal Sella	3100	3200	3050	-3.125	1.64

## Quarterly Rice Supply &amp; Demand for MY-2018-19

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Figure in MMT	2017-18	2018-19*	2019-20
Carry in	15.56	15.81	19.71
Production	<b>111.00</b>	<b>115.00</b>	<b>111.50</b>
Imports	0.00	0.00	0.00
Total Availability	126.56	130.81	131.21
Consumption	98.00	99.50	100.20
Exports	12.75	11.60	11.80
Total Usage	110.75	111.10	112.00
Carry out	<b>15.81</b>	19.71	19.21
Av Monthly Consumption	8.17	8.29	8.35
Stock to Month Use	1.94	2.38	2.30
Stock to Consumption Ratio	0.02	0.02	0.02

\*AW Forecast (Preliminary)

Agriwatch estimates the preliminary forecast for MY-2019-20 rice balance sheet in which rice production is expected around 111.5 million tons which is down from last year production due to rabi rice production is likely to down as government discourage the paddy production to other cash crops. Export in next MY of 2019-20 is estimated slightly up due to demand of Indian rice and strengthen of USD to INR, however it would vary if competitive countries prices go down. Carry over stock for next year is likely to remain 19.21 lakh tons which is down from this year which helps prices to move in steady range.

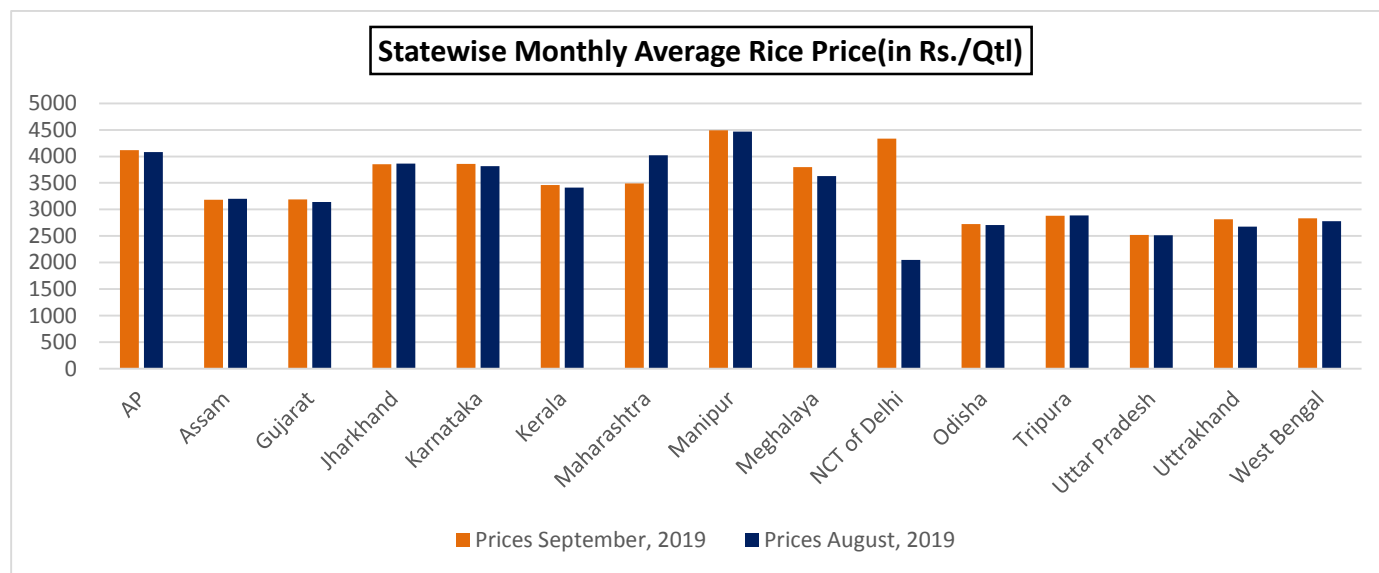
## State wise Wholesale Price Monthly Analysis:

State	Prices September, 2019	Prices August, 2019	Prices September, 2018	% Change(Over Previous Month)	% Change(Over Previous Year)
AP	4118.75	4084.21	4133.98	0.85	-0.37
Assam	3183.62	3201.96	3244.16	-0.57	-1.87
Gujarat	3186.66	3142.88	3167.06	1.39	0.62
Jharkhand	3854.75	3865.1	2778.59	-0.27	38.73
Karnataka	3855.89	3817.53	3619.26	1	6.54
Kerala	3460.7	3413.21	3714.74	1.39	-6.84
Maharashtra	3488.89	4019.86	3255.46	-13.21	7.17
Manipur	4488.32	4469	3372.09	0.43	33.1
Meghalaya	3800	3628.57	2716.81	4.72	39.87
NCT of Delhi	4333.33	2051.35	2176.67	111.24	99.08
Odisha	2727.74	2707.2	2746.59	0.76	-0.69
Tripura	2878.93	2887.08	2052.66	-0.28	40.25
Uttar Pradesh	2520.5	2511.38	2329.74	0.36	8.19
Uttarakhand	2813.47	2679.5	2527.79	5	11.3
West Bengal	2831.77	2777.83	2787.3	1.94	1.6
Average	3436.22	3515.1	3174.68		

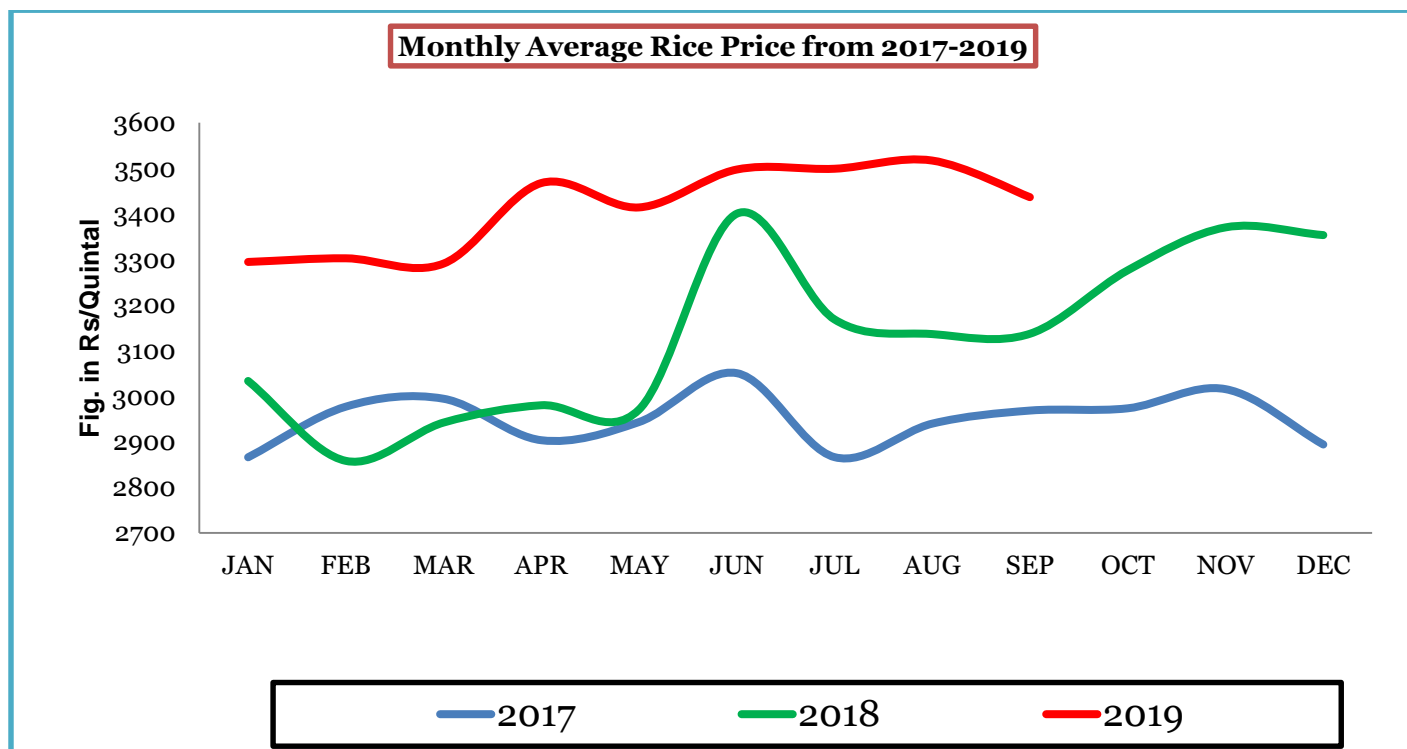
Source-Agmark

Average monthly wholesale rice prices in India stood at around Rs.3436.22 per quintal in September- 2019, down by 2.24% from Rs.3515 per quintal in August-2019 and up by 8.23% from Rs.3175 per quintal a year ago. Agriwatch expects non-basmati rice market to move range bound to weak. Prices are likely to remain steady to weak on higher area coverage and thus arrival pressure in the first quarter of MY-2019-20.

### Indian Average Rice Price Trend- September



### Monthly Average Rice Price Trend





Source-Agmarknet

**Month-wise Rice Stock in Central Pool**

Year	Jan	Feb	Mar	Apr	May	June	July	Aug	Sept	Oct	Nov	Dec
2014	38.01	38.99	37.93	35.61	32.72	32.01	27.66	27.4	23.98	20.21	27.94	27.49
2015	28.74	30.98	28.4	27.13	25.01	25.72	24.52	20.32	17.51	14.93	25.89	30.35
2016	26.02	28.94	34.06	22.16	21.32	27.21	29.00	24.17	19.73	16.56	31.2	26.95
2017	29.69	29.29	31.43	29.78	29.07	28.84	26.46	23.70	20.39	16.56	27.19	30.13
2018	33.25	33.96	33.32	30.04	29.74	29.54	23.25	24.94	22.61	19.74	27.35	32.64
2019	36.66	40.67	40.09	39.81	38.02	35.62	35.46	32.85	30.14			

Source-FCI

India's rice stocks in the central pool as on September- 1, 2019 stood at 30.14 million tons up by 33.30% from 22.61 million tons recorded during the corresponding period last year, according to data from the Food Corporation of India (FCI). India's rice stocks in the central pool are down by 8.24% by from 32.85 million tons recorded on August-01, 2019. Highest stock could be seen in the state of Punjab (95.09 lakh tons) followed by Telangana (24.25 lakh tons), A.P (22.34 lakh tons) Uttar Pradesh (15.05 Lakh Tons) and Haryana (20.82 lakh tons).

**State wise Progressive Procurement for MY 2018-19**

State/UTs (in Lakh T)	Target (only kharif crop) in marketing season 2018-19 (Oct. – Sept.)	Progressive Procurement as on 30.09.2019	
		In Marketing season 2018-19	In Marketing season 2017-18
AP	52.54	48.08	39.75
Telangana	45.00	51.86	36.19
Bihar	8.00	9.49	7.93
Chhattisgarh	40.00	39.71	32.07
Haryana	39.75	39.42	39.92
Jharkhand	2.50	1.53	1.43
Kerala	3.70	4.65	3.25
M.P	13.00	13.95	11.00
Maharashtra	5.50	5.80	1.79
Odessa	37.00	43.83	32.80
Punjab	114.00	113.34	118.39
Tamilnadu	14.80	12.54	9.12
U.P	33.00	32.33	28.75
Uttrakhand	5.00	4.62	0.38
West Bengal	31.00	17.21	0.64
<b>Total</b>	<b>448.04</b>	<b>443.31</b>	<b>364.00</b>

Due to the record production and high MSP compared to open market prices, government rice procurement during the ongoing season has continued to grow. Government estimates MY 2018-19 rice procurement through September 30<sup>th</sup>, 2019 at 44.33 MMT compared to 36.4MMT during the same period last year. With some additional procurement in eastern and southern states to continue through September, total MY 2018-19 rice procurement is already crosses the record of 44 MMT, a whopping 15 percent increase over last year's record procurement.

Government procurement of paddy has started since October 1, but FCI rice sales are weak, the stock of food grains has increased in the go downs compared to the previous year, due to lack of space.

### ***Rice Export Statistics***

MY-2017-18	Non-Basmati	Basmati	Total Export 2017-18	MY-2018-19	Non-Basmati	Basmati	Total Export 2018-19
October-17	7.27	2.34	9.61	October-18	6.33	2.12	8.45
November-17	6.83	2.56	9.39	November-18	5.61	1.96	7.57
December-17	7.68	2.81	10.49	December-18	6.77	3.7	10.47
January-18	10.91	3.49	14.4	January-19	5.2	5.03	10.23
February-18	7.67	3.35	11.02	February-19	5.4	4.9	10.3
March-18	8.72	4.3	13.02	March-19	7.27	5.66	12.93
April-18	6.19	3.7	9.89	April-19	3.07	4.33	7.4
May-18	8.16	3.71	11.87	May-19	4.04	4.31	8.35
June-18	5.44	4.28	9.72	June-19	4.83	2.92	7.75
July-18	5.68	4.07	9.75	July-19	9.25	2.01	11.26
August-18	5.5	2.89	8.39	August-19			
September-18	7.79	2.13	9.92	September-19			
<b>Total</b>	<b>87.84</b>	<b>39.63</b>	<b>127.47</b>	<b>Total</b>	<b>57.77</b>	<b>36.94</b>	<b>94.71</b>

Source-DGCIS

Total rice export from India till in MY-2018-19 starting from October to July-2019 stood at 94.71 Lakh tons which is down by 13.23% from last year export of 109.16 Lakh MT till the same period. Total non-basmati rice export from October to July were 57.77 lakh tons which was around 74.5 LMT in MY 2017-18 same period, whereas export of aromatic rice were up from last year and till July'19, it was 36.94 Lakh tons which was up by 6.4 lakh tons from last year basmati export of 30.54 Lakh tons. MY 2018/19 rice exports estimate has been revised lower to 11.5 MMT based on the current pace of exports. After robust rice exports in the first half of MY 2018/19, rice exports have slowed considerably since April 2019 on weak demand from traditional markets, particularly for non-Basmati rice after the GOI's export subsidy (5 percent of FOB value) ended in March 2019.

### Global Market Scenario

- Thailand Rice export prices remain unchanged at high levels as Thai rice exporters are concerned about exchange rate volatility. The Thai baht strengthened to 30.35 baht/U.S. \$1.00 compared to the previous week's exchange rate of 30.50 baht/U.S. \$1.00. Foreign buyers are reportedly purchasing Indian and Vietnamese white rice which is respectively U.S. \$30-40/MT and U.S. \$75-80/MT cheaper than Thai rice. Rice Export Update Unofficial and preliminary rice exports (excluding fragrant rice) for September 2-8, 2019, totaled 71,109 metric tons, down 71,949 metric tons from the previous week and down 32,983 metric tons from the four weeks moving average of 104,092 metric tons. Rice exports from January 1 – September 8, 2019, totaled 4,356,565 metric tons, down 33 percent from the same period last year.
- Rice production in Sri Lanka to increase to 3 million metric tons in the marketing year (MY) 2019/20 under average weather conditions. The year 2018/19 production rebounded after several seasons of drought-affected production and Post expects production to reach 2.9 million metric tons of rice. Imports for 2019/20 should drop since local production is sufficient for domestic consumption. Paddy stocks, which had been low in recent years, are likely to increase after significant production improvements but only a marginal increase in consumption.
- China Rice consumption continues to decline due to a shrinking population and reductions in per capita consumption. Price competitiveness is expected to continue driving increased demand for imported corn at the expense of sorghum, rice, wheat, and DDGS in livestock feed mixes and compounds. US wheat is maintaining its share in the market despite Japan's preferential trade agreements with competitors. Tight global supplies and high cost, insurance, and freight prices put downward pressure on feed barley imports, but demand remains strong for US varieties high in beta glucan for food consumption.
- Bangladesh rice production is forecast marginally lower at 35.2 million metric tons (MMT) on estimated lower planting (11.7 million hectares) due to *Aus* season rice area reduction and crop damaged by flooding. MY 2019/20 rice imports forecast are also revised lower to 0.1 MMT on sufficient domestic supplies and uncompetitive imports due to the government decision to raise import duty to 55 percent.
- The amount of Boro rice procurement in Bangladesh from millers (1.15 MMT) covers six percent of the 19.4 MMT Boro season rice produced in MY 2019/20. GOB's procurement of Boro paddy (un-milled rice) (0.4 MMT) from the farmers is only one percent of the 29.84 MMT of paddy production in this Boro rice season. This procurement has minimal impact to raise farm gate paddy prices for the farmers, who are mostly excluded from the GOB's price support program. These insignificant price supports indicate that the GOB prefers to provide input or cost support to the rice farmers rather than to support prices through procurement. This season farmers sold nearly all of their harvested paddy to rice miller's agents and collectors at open market prices of BDT10-12.5 (\$0.11-0.14) per kilogram, which was well below the breakeven price.

### ***Rice Market Outlook***

The recent hike in the MSP for MY 2019/20 will prevent any decline in prices in the upcoming MY 2019/20, but future price movements will critically depend on the planting and harvest prospects of the upcoming crop and international demand. Demand of basmati from Middle East, weakening of INR would likely to play a major role in firming of prices. Agriwatch expects that due to fresh arrival of paddy prices for non-basmati rice would like to move in the range of Rs.1600-1900/quintal depend upon the moisture content, however recent rain in major producing states damage the crop and thus firmness of prices is stiff. Basmati rice price is expected to down in this quarter due to higher production estimate and arrival season.

### ***IGC Balance Sheet-***

<b>Attributes ( Fig in Million Tons)</b>	<b>2015-16</b>	<b>2016-17</b>	<b>2017-18 Estimate</b>	<b>(2018-19) Forecast. 29.08.2019</b>	<b>(2019-20) Projection. 26.09.2019</b>
<b>Production</b>	475	487	490	601	600
<b>Trade</b>	40	48	48	46	46
<b>Consumption</b>	474	486	487	496	496
<b>Carryover stocks</b>	122	123	126	178	178
<b>Y-O-Y change</b>	1	1	1		4
<b>Major Exporters</b>	33	31	28	39	38

Note: Major exporters are India, Pakistan, Thailand, Vietnam, and United States

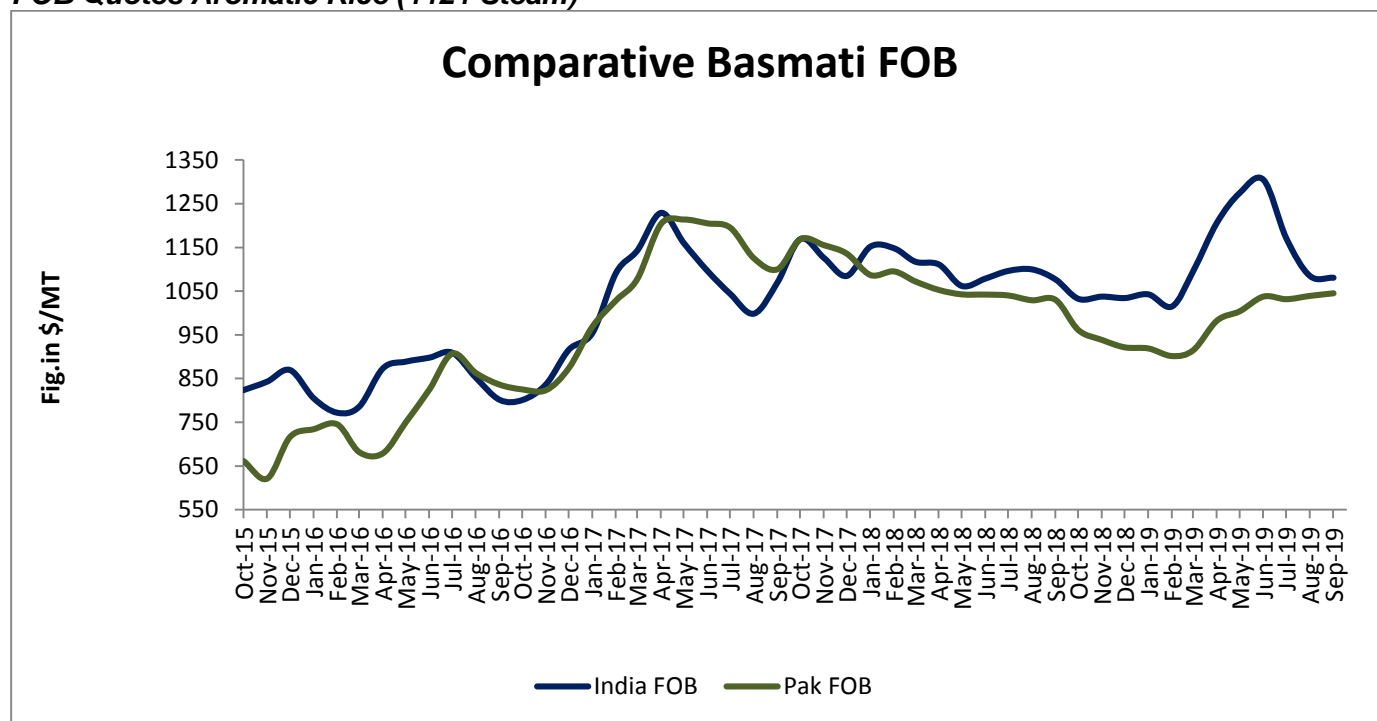
### **IGC Rice Balance sheet Highlights:**

Global rice fundamentals in 2018/19 are little changed from August, with production, consumption and stocks seen at all-time peaks. Due to a marginal m/m reduction, world output in 2019/20 is predicted steady y/y, at a high of 500m t. Population growth will again be the key driver of demand as consumption advances further and, with supplies expected to be boosted by heavy carry-ins, aggregate end-season inventories are likely to rise by 2% y/y, to 178m t. Traded volumes could recover in 2020 on firmer demand from buyers in Africa.

World rice trade in 2019 is forecast to decline by 4% y/y as a steep fall in deliveries to Far East Asia – including to the key markets of Indonesia and China – is only partly offset by bigger shipments to Africa. Building on the prior season's gains, projections point to record production, total use and stocks in 2019/20. With accumulation in China and the major exporters likely, aggregate inventories are predicted to rise by 4m t y/y, to a peak of 178m. Global import demand could recover in 2020 on an uptick in deliveries to sub-Saharan Africa. With China again expected to provide export competition in African markets, shipments by India and Thailand are likely to fall short of past highs.

**Indicative Basmati Parity Sheet**

Parity Calculation Sheet	Rajkot (Kandla)	Andhra Pradesh(Vizag)	Punjab(Kandla)	Haryana(kandla)	West Bengal(Kolkata)
Price @ various center	80000	78500	76000	75000	78500
Port handling charges /Loading/Unloading /Clearing (Rs/ton)	550	550	550	550	550
Freight Charges till port	400	400	1350	1350	450
Indian FOB (Rs/MT)	80950	79450	77900	76900	79500
Indian FOB (USD/MT)	<b>1134.07</b>	<b>1113.06</b>	<b>1091.34</b>	<b>1077.33</b>	<b>1113.76</b>
Insurance @ 0.1%	1.13	1.11	1.09	1.08	1.11
Freight Charges (US \$/ton) to Iran	55	55	55	55	55
CIF (Kandla to Dubai)	1190.21	1169.17	1147.43	1133.41	1169.87
INR Monthly Average	71.38	71.38	71.38	71.38	71.38

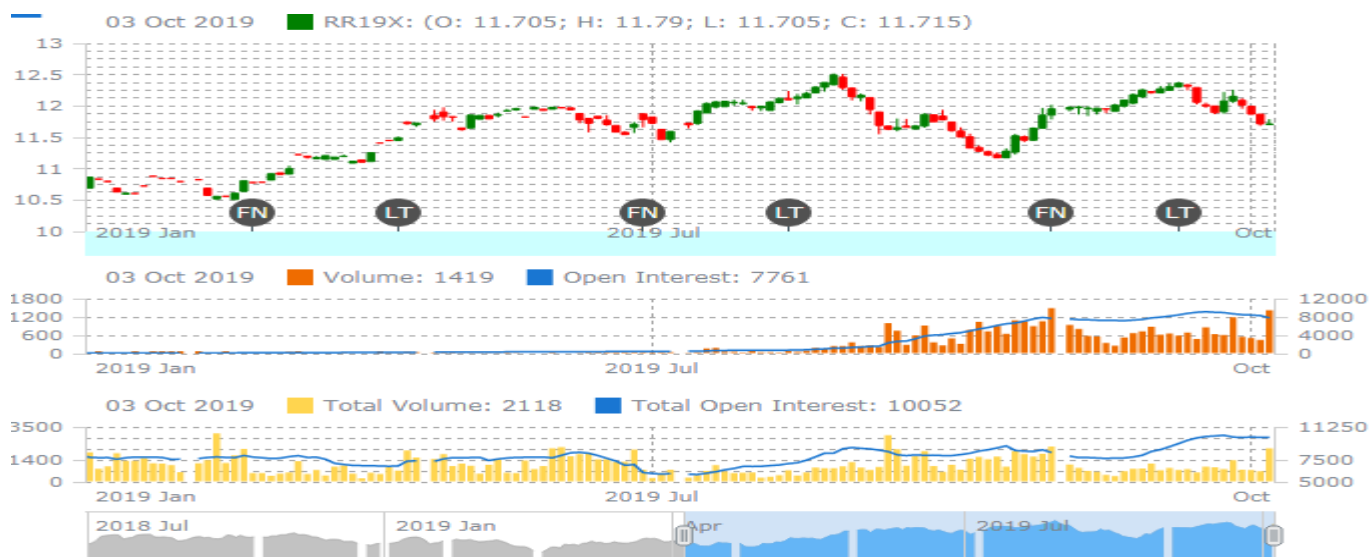
**FOB Quotes Aromatic Rice (1121 Steam)**


Source-FAO& AW

Indian FOB for 1121 steam traded weak in the month of September and currently is in the range of USD 1080/MT which is down by 0.37% from last month price of USD 1085/T due to arrival pressure and also export as many companies in Iran, who is largest basmati importer, payment of 1000 crores (\$ 14 million) of many Indian rice exporter firms has been hanging in the balance; Agriwatch expects that aromatic international rice price is likely to trade steady in coming month due steady demand. According to the UN's Food and Agriculture Organization (FAO), Currently Pakistani basmati

FOB is moving steady to firm from last month and is now hovering in the range of USD 1045/MT which is up by 0.57% from last month FOB of USD 1039/MT.

**Rice Price Trend – CBOT@ CBOT Nov- 19, Rough Rice)**  
(Prices in US\$/hundredweight)



**Market Analysis**

The CBOT Nov-19 month rough chart for rice indicates steady to weak tone from last week. We expect market to hover in the range of USD 11.00-12.25 hundred weights in coming sessions.

**International Price Projection for Next Month:**

Duration	Trend	Support	Resistance
Oct-2019	Steady	S1-11.00 S2-10.50	R1-11.50 R2-12.25



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