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# Rice Monthly Research Report

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### Outlook and Review (Domestic Front)

- A nationwide lockdown in leading rice exporter India to curtail the spread of the coronavirus pushed export prices to the lowest in about three months, while rates for the Thai variety came off multi-year peaks due to fluctuations in the local currency.
- India's 5% broken parboiled variety rates narrowed to \$361-\$365 per tonne this month - their lowest since late December - as rice exporters were struggling to operate due to the lockdown. Prices slipped from last week's \$363-\$367 range. The lockdown has disrupted the entire supply chain. The Indian rupee hit a record low this week, raising exporters' margin from the overseas sale.
- MY 2019/20 rice production estimate is raised higher to a record 117 MMT, based on higher planting and production prospects of rabi rice and higher-than-earlier-anticipated yields of kharif rice in India's southern and eastern producing states. Strong government rice procurement in most of the rice producing states during the current season, and the recent weakening of domestic prices due to the expected bumper harvest of the upcoming rabi rice supports the estimated record MY 2019/20 rice production. Based on final official estimates, MY 2018/19 rice production has been revised higher to 116.5 MMT on higher-than-earlier estimated planting.
- Buoyed by back-to-back record harvest and higher government minimum support prices (MSP), MY 2019/20 government rice procurement is likely to surge even higher than last year's record procurement (44.4 MMT). Relatively weak export demand for coarse rice has also fueled the government rice procurement. GOI rice procurement under the MSP operation as of February 21, 2020, was estimated at 37.5 MMT, compared to 34.9 MMT during the corresponding period last year.
- FCI tweeted that FCI has sufficient reserves of wheat and rice to meet the requirement of all states including additional allocations announced by the government, since the lockdown has started so far from around 350 rakes to about 10 lakh tonnes of needy has been sent to states.
- Under the NATIONAL FOOD SECURITY ACT for handling food supplies while handling COVID-19, in addition to 5 kg per month per person in addition to 5 kg per person to 81.35 crore people for 3 months under PM Garib Kalyan Anna Yojana. Targeted
- FCI godowns had a stock of 567.6 lakh tonnes of grain as of 31 March, of which the quantity of rice is 307 lakh tonnes and 260.6 lakh tonnes of wheat.
- Apart from wheat, FCI allocated 93387 tonnes of rice to various states at reserve prices of Rs 22.50 per kg.
- State wise quantity is as follows, State quantity (in tonnes)
- Telangana-50000
- Assam-16160
- Meghalaya-11727
- Manipur-10000
- Goa-4500
- Arunachal Pradesh-1000
- **West Bengal to Provide Rice free of cost due to Corona Virus:** As per announcement by West Bengal Government they provide rice from ration shops to 7.5 crore people free of cost till September, The rice is being given to those people who now get it for Rs 2 a kg. In view of the coronavirus outbreak, for the next six months, the state government will give rice free of cost to those who used to get it for Rs 2 a kilo. Altogether 7.5 crore will be benefitted. Also Mamta Banerjee announced that from this week starts from Monday, state government employees would be allowed to work from home by rotation till March 31, 2020.

- **Due to Corona virus**, lockdown and curfew in many states, no prices and arrival seen in mandis and markets are expected to remain closed for next couple of weeks.
- **Continued weak export demand and the likelihood of a bumper harvest of rabi rice have eased domestic rice prices** Prices are likely to remain weak in the coming months due to the harvest of the upcoming rabi crop, which will start arriving from the end of March. Future domestic prices during the marketing year will largely depend on export demand and international price movements.
- **In India, export prices were steady, near their lowest in over two months, as export demand improved** slightly amid depreciation in rupee to a record low. India's 5% broken parboiled variety was quoted \$363-\$367 per tonne this week, unchanged from last week. Indian rupee was trading near a record low this week, raising exporter's margins from the overseas sale. Local broken rice prices could moderate in the coming weeks as demand has been falling from the poultry industry. Chicken sales have plunged on rumours that chickens were spreading coronavirus.
- **The outbreak of Corona virus epidemic has not only weakened the demand for basmati rice in the importing countries** but is also making it difficult to get sufficient number of containers for its export shipments from India. Countries like Qatar have almost ceased trading from India.
- **According to the former chairman of Aria, in the first 10 months of 2019-20 as compared to FY 2018-19 i.e.** April 2019 to January 2020, Indian basmati rice exports are just 1 percent in terms of quantity and in dollar terms. There was a 10 percent drop. But its exports were affected in February and there are also signs of lower shipments in March. This suggests that basmati rice export volume may decline by up to 5 percent overall.
- **Paddy crop affected by pests in Telangana:** Paddy sowing has more than doubled to 27 lakh acres in Telangana as compared to last year, but the crop got damaged due to rice blast disease, which may potentially the decline in productivity per hectare. Due to the huge difference in day and night temperature and excess moisture, there was a disease called rice blast. If strong winds prevail, this disease can spread to other states as well with the favourable weather.
- **Rice stocks with the government rose sharply due to weak off-take from the central pool by private players**, robust procurement in the on-going Kharif marketing season (Oct-Sept) and higher ending stocks from the previous year. As on 01<sup>st</sup> February 2020, the government had 30.4 million tonnes of wheat in its stocks, 27 per cent higher on year. Rice inventory with the government was at 27.4 million tonnes up 20 per cent on year.

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

- **Last week all India Rainfall status: 26th March 2020 to 01<sup>st</sup> April 2020.**
- Odisha, Telangana and Uttar Pradesh states received the deficit rainfall
- Uttarakhand state received the excess rainfall
- Andhra Pradesh, Arunachal Pradesh, Assam, Karnataka, Kerala, Meghalaya, Nagaland, Sikkim, Tamil Nadu, Tripura and West Bengal states received the large deficit rainfall
- Gujarat, Haryana, Himachal Pradesh, Jammu & Kashmir, Madhya Pradesh, Maharashtra, Punjab and Rajasthan states received the large excess rainfall
- Chhattisgarh state received the normal rainfall
- No rainfall has observed in Bihar, Goa, Jharkhand, Manipur and Mizoram state

- Seasonal all India Rainfall status: 1<sup>st</sup> March 2020 to 01<sup>st</sup> April 2020.
- Meghalaya state received the deficit rainfall
- Andhra Pradesh, Himachal Pradesh, Jammu & Kashmir, Kerala and Telangana states received the excess rainfall
- Arunachal Pradesh, Assam, Manipur, Mizoram, Nagaland, Tamil Nadu and Tripura states received the large deficit rainfall
- Bihar, Chhattisgarh, Gujarat, Haryana, Jharkhand, Madhya Pradesh, Maharashtra, Odisha, Punjab, Rajasthan, Uttar Pradesh, Uttarakhand and West Bengal states received the large excess rainfall
- Karnataka and Sikkim states received the normal rainfall
- *No rainfall has been observed only in Goa state. For the country as a whole, cumulative rainfall during 1<sup>st</sup> March 2020 to 01<sup>st</sup> April 2020 was above Long Period Average (LPA) by 46% over the country as a whole*

#### **Price Projection for Next Month (Apr) in Domestic Market**

Duration	Trend	Average Price Range	Reason
Apr - 2020	Steady	Rs.3200-3600/Quintal	Prices are likely to remain weak in the coming months due to the harvest of the upcoming rabi crop, which will start arriving from the end of March. Future domestic prices during the marketing year will largely depend on export demand and international price movements.

## Rice Supply &amp; Demand for MY-2019-20

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Figure in MMT	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20*
Carry in	25.44	24.65	20.08	16.57	17.33	19.13	25.63
Production	<b>106.60</b>	<b>105.40</b>	<b>104.00</b>	<b>109.00</b>	112.00	116.00	117.00
Imports	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Total Availability	132.04	130.05	124.08	125.57	129.33	135.13	142.63
Consumption	96.50	98.00	97.00	97.50	98.40	99.00	103.00
Exports	<b>10.89</b>	<b>11.97</b>	<b>10.51</b>	<b>10.74</b>	11.80	10.50	10.80
Total Usage	107.39	109.97	107.51	108.24	110.20	109.50	113.80
Carry out	<b>24.65</b>	<b>20.08</b>	<b>16.57</b>	<b>17.33</b>	19.13	25.63	28.83
Av Monthly Consumption	8.04	8.17	8.08	8.13	8.20	8.25	8.58

\*AW Forecast (Preliminary)

**Agriwatch Rice Supply & Demand:**

**Rice Production Estimates:** Rice production estimate is raised higher to a record 117 Million tons, based on higher planting and production prospects of rabi rice and higher-than-earlier-anticipated yields of kharif rice in India's southern and eastern producing states. Field reports suggest that excellent late monsoon rains support the higher planting and improved yield prospects for rabi rice, compared to last year. There was some crop losses reported in early planted kharif rice due to late 2019 monsoon rains in September-October at the time of harvest. It is expected that 2019-20 rice production at a record 117 million tons (103.32 million tons kharif and 13.68 million tons in rabi), compared to last year's production of 116. MMT (104 MMT kharif and 12 MMT rabi).

**Export:** After the withdrawal of the export subsidy benefit of 5 percent for coarse grain non-Basmati rice under the Merchandise Exports from India Scheme (MEIS) on March 25, 2019, rice exports have continued to lag behind last year's level on weak export demand. However, assuming a weak value of the Indian rupee vis-a-vis the U.S. dollar and the COVID-19 situation, demand of Indian rice is now taking pace from January onwards and would like to touch 10.8 million tons compared to 10.5 million tons in previous year.

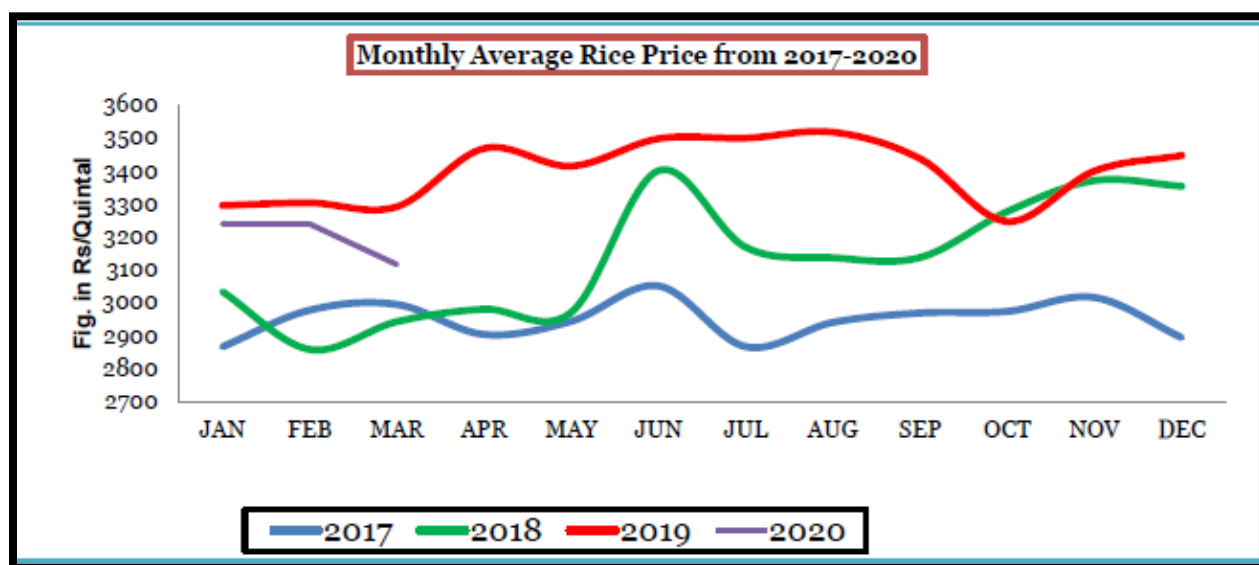
**Consumption:** Rice consumption is expected to increase as many states announced to give free rice and wheat to BPL and white ration card holder due to lockdown. In the current announcement by Finance Minister, Nirmala Sitaraman, for 3 months, 5 kg of extra wheat, 5 kg of rice and 1 kg of pulses will be given to the poor, for which additional money will not have to be paid.

**State wise Wholesale Price Monthly Analysis:**
**State wise Wholesale Prices Monthly Analysis for Rice March, 2020**

State	Prices March, 2020	Prices Febrary, 2020	Prices March, 2019	% Change(Over Previous Month)	% Change(Over Previous Year)
Andhra Pradesh			4052.5	--	--
Assam			3512.49	--	--
Gujarat	4028.49	3640.33	3141.08	10.66	28.25
Jharkhand			3870.73	--	--
Karnataka	3496.65	3750.02	3448.96	-6.76	1.38
Kerala	3493.53	3486.38	3456.23	0.21	1.08
Maharashtra		3650.41	3491.42	--	--
Manipur			3851.65	--	--
Meghalaya			3528.56	--	--
Nagaland			6656.25	--	--
NCT of Delhi			2082.13	--	--
Odisha	2724.12	2964.23	2652.19	-8.1	2.71
Tamil Nadu			1600	--	--
Tripura	2983.34	3004.14	2866.42	-0.69	4.08
Uttar Pradesh	2499.54	2502.58	2435.8	-0.12	2.62
Uttrakhand	2240.68	2209.07	2594.76	1.43	-13.65
West Bengal	2810.95	2832.12	2658.81	-0.75	5.72
<b>Average</b>	<b>3034.66</b>	<b>3115.48</b>	<b>3288.23</b>		

Source-Agmark

Average monthly wholesale rice prices in India stood at around Rs.3035 per quintal in March- 2020, down by 2.59% from Rs.3115 per quintal in Feb-2020 and down by 7.7% from Rs.3288 per quintal a year ago. Agriwatch expects non-basmati rice market to move range bound with weak tone due to higher production estimates and ending stocks.

**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
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	27.63	36.26	38.63
2020	42.39	44.80	50.2									

Source-FCI

India's rice stocks in the central pool as on March- 1, 2020 stood at 50.2 million tons up by 32.52% from 30.04 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 0.69% by from 40.09 million tons recorded on Feb-01, 2019. Highest stock could be seen in the state of Punjab (108.94 lakh tons) followed by A.P (26.37 lakh tons) Uttar Pradesh (25.89 Lakh Tons) and Haryana (24.04 lakh tons).

**State wise Progressive Procurement As on 31.03 2020**

State	Procurement(in Lakh Tons) 2019-20	2018-19
AP	32.30	29.82
Telangana	31.56	27.08
Assam	0.91	0.45
Bihar	9.37	7.69
Chhattisgarh	39.71	40.80

Haryana	43.03	39.09
Jharkhand	1.53	1.21
Kerala	2.07	2.53
M.P	15.35	13.95
Maharashtra	7.02	3.83
Odisha	35.71	34.08
Punjab	108.76	113.34
Tamilnadu	13.36	10.69
U.P	37.17	32.13
Uttrakhand	6.81	4.62
West Bengal	8.54	12.84
<b>Total</b>	<b>393.68</b>	<b>374.51</b>

All-India progressive procurement of Rice as on 31.03.2020 for Kharif Marketing Season (KMS) 2019-20 is 393.68 lakh tonnes against the procurement of 374.51 lakh tonnes in the corresponding period of last year.

### Rice Export Statistics

MY-2018-19	Non Basmati	Basmati	Total Export 2018-19	MY-2019-20	Non Basmati	Basmati	Total Export 2018-19
October-18	6.33	2.12	8.45	October-19	2.99	1.86	4.85
November-18	5.61	1.96	7.57	November-19	4.35	2.15	6.5
December-18	6.77	3.7	10.47	December-19	4.21	3.2	7.41
January-19	5.2	5.03	10.23	January-20	4.52	4.56	9.08
February-19	5.4	4.9	10.3	February-20	4	2.23	6.23
March-19	7.27	5.66	12.93	March-20			
April-19	3.07	4.33	7.4	April-20			
May-19	4.04	4.31	8.35	May-20			
June-19	4.96	2.92	7.88	June-20			
July-19	5.03	2.78	7.81	July-20			
August-19	4.13	2.3	6.43	August-20			
September-19	3.07	2.05	5.12	September-20			
<b>Total</b>	<b>60.88</b>	<b>42.06</b>	<b>102.94</b>	<b>Total</b>	<b>20.07</b>	<b>14</b>	<b>34.07</b>

Source-DGCIS



Based on the current pace of monthly exports, MY 2018/19 export estimate is lowered to 10 MMT on weak export demand, as the higher MSP and relatively firm value of the Indian rupee have made Indian rice relatively uncompetitive in the international market, despite surplus domestic supplies.

After the withdrawal of the export subsidy benefit of 5 percent for coarse grain non-Basmati rice under the Merchandise Exports from India Scheme (MEIS) on March 25, 2019 rice exports have continued to lag behind last year's level on weak export demand. subsidy benefit of 5 percent for coarse grain non-Basmati rice under the Merchandise Exports from India Scheme (MEIS) on March 25, 2019, rice exports have continued to lag behind last year's level on weak export demand.

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

**Neighboring Bangladesh, meanwhile, has failed to secure any overseas deals since a long-standing export ban was lifted in May,** due to cheaper rice from competitors. Country are still looking for a market to export rice. India can export rice at \$370-390 per tonne while country are asking for at least \$500.

**Prices in second biggest exporter Thailand's benchmark 5-percent broken rice rose to \$396-\$410 a tonne on Thursday** from \$395-\$400 last week. Traders attributed the slight rise in prices to the changes in the currency exchange rate. There has been very little change in demand and supply and the strengthening of the baht has moved the price up slightly. A stronger baht has marred demand for the Thai variety for many months now. If the baht weakens a little, we may be able to sell some rice, but at the moment, Thai rice is just too expensive compared with competitors.

**Vietnamese rice export prices rose to a four-and-a-half-month high this week on healthy demand from Africa and Cuba as supply** remained scant, while a stronger rupee helped rates for Indian variety recover from a four-month low. Rates for Vietnam's benchmark 5% broken rice rose to \$350-\$355 a ton, a four-and-a-half month high from \$350 a tonne a week earlier due to limited stockpiles. Supplies are running low while demand remains steady, especially from Africa and also Cuba. The Vietnamese market could get a further fillip as the Philippines, which accounts for 36% of total shipments from Vietnam, might be considering easing its restrictions on rice imports soon. In September, prices for the Vietnamese variety had touched their lowest in nearly 12 years at \$325 per tonne.

**Myanmar Govt. backs minimum price for rice amid weak market.** The Myanmar government has fixed the minimum price for rice at 500,000 kyats for 100 baskets of paddy (US\$327.30 for about 2.09 tons) in a bid to establish a fair market and fair prices for paddy farmers. The government's Leading Committee for the Protection and Promotion of the Rights and Interests of Farmers, led by Vice President Henry Van Thio, met last month to discuss setting the floor price for paddy grains. Paddy rice refers to unprocessed rice harvested from a field, rather than hulled rice. The government has agreed to pay any farmer the floor price, but only for paddy that meets quality standards: the grains, once processed, must have a moisture content of 14 percent and can't have any dust, sand or gravel.

**Traders bypass EU safeguard tariffs on Cambodian rice, Hogan admits.** EU imports of Indica rice have dropped, but purchases of another rice variety have gone up. The renewed EU tariffs on rice from Cambodia and Myanmar are functioning well, yet he admitted that they are being circumvented by European importers.

### IGC Balance Sheet:

Attributes ( Fig in Million Tons)	2015-16	2016-17	2017-18 Estimate	(2019-20) Forecast. 27.02.2020	(2020-21) Projection. 27.03.2020
Production	475	487	490	499	509
Trade	40	48	48	44	45
Consumption	474	486	487	495	501
Carryover stocks	122	123	126	177	185
Y-O-Y change	1	1	1	5	8
Major Exporters	33	31	28	42	46

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

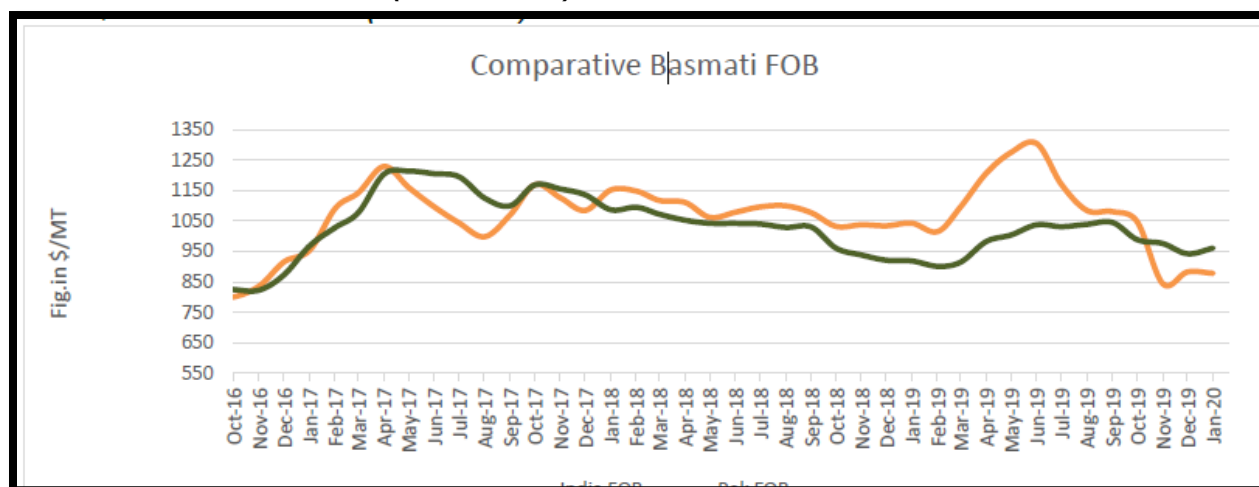
### IGC Rice Balance sheet Highlights:

The Council's forecasts for global rice supply and demand in 2019/20 are broadly unchanged m/m, with carryovers rising to a peak of 177 MT on accumulation in China and India. Led by acreage increases in major exporters, world rice production in 2020/21 is projected to rise by 2% y/y, to a high of 509 MT, with population growth supporting record uptake. Further gains in inventories are anticipated, mainly in key exporter and China. Trade is seen growing by 3% on bigger deliveries to Africa, with India the leading exporter. With record production in India mostly offsetting declines elsewhere, including in China, Thailand and the US, global rice output in 2019/20 is seen little-changed y/y, at 499MT. Consumption is assumed to expand on population growth, with trade rising on buying by importers in Africa. In 2020/21, area gains in Asia are seen underpinning a 2% production increase to 509 MT, with total use at a new high. Inventories are projected to expand to a record of 185 MT on accumulation in China and India. World trade could rise to a three-year peak on African needs.

### Indicative Basmati Parity Sheet

Parity Calculation Sheet	Rajkot (Kandla)	Andhra Pradesh(Vizag)	Punjab(Kandla)	Haryana(kandla)	West Bengal(Kolkata)
Price @ various center	59500	60000	56570	57990	59000
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)	60450	60950	58470	59890	60000
Indian FOB (USD/MT)	811.08	817.79	784.52	803.57	805.04

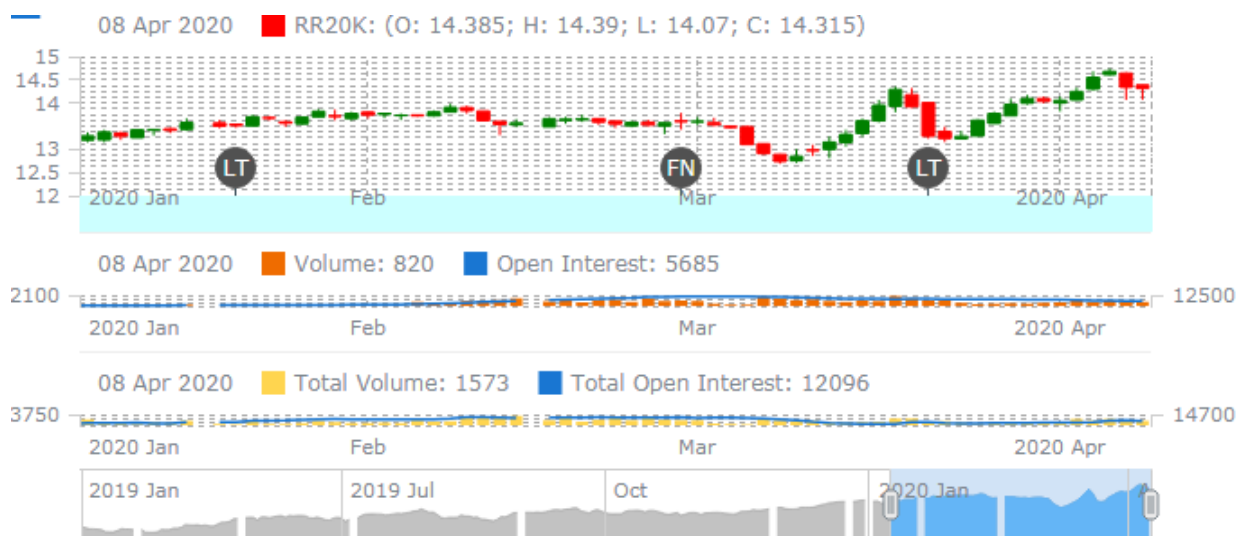
<b>Insurance @ 0.1%</b>	0.81	0.82	0.78	0.80	0.81
<b>Freight Charges (US \$/ton) to Iran</b>	55	55	55	55	55
<b>CIF (Kandla to Dubai)</b>	866.89	873.61	840.30	859.37	860.85
<b>INR Monthly Average</b>	74.53	74.53	74.53	74.53	74.53

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


Source-FAO& AW

Due to poor performance of basmati and non-basmati rice exports from India, pressure on domestic market prices has increased. Indian FOB for 1121 steam traded weak in the month of January and currently is in the range of USD 880/MT which is down by 0.5% from last month price of USD 883/T; Agriwatch expects that aromatic international rice price is likely to trade steady in coming month due diminishing of arrival from major producing states. According to the UN's Food and Agriculture Organization (FAO), Currently Pakistani basmati FOB is moving firm from last month and is now hovering in the range of USD 961-965/MT which is up 1.2 % from last month FOB of USD 943/MT.

**Rice Price Trend – CBOT@ CBOT May- 20, Rough Rice)**  
(Prices in US\$/hundredweight)



**Market Analysis**

The **CBOT May-20** month rough chart for rice indicates steady to firm tone from last month. We expect market to hover in the range of USD 12.00-14.50 hundred weights in coming sessions.

Duration	Trend	Support	Resistance
May-2020	Steady to Firm	S1-12.50 S2-12.00	R1-13.00 R2-13.80

**International Price Projection for Next Month:**

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