Rice Monthly Research Report

Contents

Outlook and Review (Domestic Front)

- The export offer price of Indian rice has risen to a high of nine months due to supply constraints and strong demand from African countries due to the implementation of nationwide lock-down due to Corona virus epidemic. The new export contract of rice has been stalled due to the severe drought conditions in Thailand, increasing the attraction of buyers for Indian rice.

- According to rice industry experts, many exporters could not succeed in signing a new rice export contract due to the lock-down. The acute shortage of trucks and laborers was causing serious problems in transporting rice. Although the situation is gradually improving now, there is also an atmosphere of rapid and strong prices of Indian rice.

- On March 25, the entire business came to a standstill for three weeks after the simultaneous lock-down was implemented across the country. But some government concessions were obtained when the second phase lock down from mid-April and third phase lock down from May 4 came into force. Indian exporters have started re-contracting rice exports since early May.

- Experts of PAU (Punjab Agriculture University) are suggesting farmers to pay more attention to the cultivation of such species and varieties of paddy in the upcoming kharif season, which can be cultivated through direct sowing, which reduces the laborer in this pandemic period. Punjab is expected to cultivate paddy in an area of about 70 lakh acres in the Kharif season of Crop year 2020-21 which will starts from July.

- The central government of India has decided to distribute grains and pulses free of cost to poor people every month during the quarter of April-June 2020. For this, a total of 120 lakh tonnes of food grains will be required along with about 104.4 lakh tonnes of rice and 15.60 lakh tonnes of wheat. According to the Union Food, Consumer Affairs and Public Distribution Minister Ram Vilas Paswan, a total of 64.40 lakh tonnes of food grains including 56.70 lakh tonnes of rice and 7.70 lakh tonnes of wheat have been lifted by various states and union territories under this scheme.

- Kharif area sown to rice in India increased by 37.70 percent to 34.73 lakh hectare so far in the kharif (summer) season of the 2020-21 crop year. Farmers had planted rice in 25.22 lakh hectare area in the year-ago period in the same season. With regard to rice planting, the ministry has advised states to promote Direct Seeded Rice (DSR) which require less labour and tend to mature faster than transplanted crops. It has also asked themillion tonso promote cultivation of hybrid rice. Currently, 8 percent farmers use this method especially in states like Jharkhand, Odisha, Chhattisgarh and Madhya Pradesh. The government is targeting 102.6 million tonne of rice production in the kharif season of the 2020-21 crop year (July-June).

- APEDA recently tweeted that it has been approved to export 4,15,698 tonnes of rice under RCAC during corona virus.

- Farmers in Telangana are facing the problem of excess Paddy production in the state is expected to reach one million (100 lakh) tonnes due to the availability of sufficient water for irrigation and increase in sowing area. But due to lock-down restrictions and the closure of mandis since the last week of March, farmers are facing difficulty in selling their paddy.

All India Weather Status:

Last week all India Rainfall status: 16th April 2020 to 22nd April 2020.

- Madhya Pradesh and Telangana states received the deficit rainfall
- Assam, Haryana, Jammu & Kashmir, Karnataka, Manipur, Rajasthan and Tripura states received the excess rainfall
- Andhra Pradesh and Tamil Nadu states received the large deficit rainfall
- Bihar, Chhattisgarh, Goa, Himachal Pradesh, Jharkhand, Maharashtra, Meghalaya, Nagaland, Odisha, Punjab, Sikkim, Uttrakhand and West Bengal state received the large excess rainfall
- Arunachal Pradesh, Kerala, Mizoram and Uttar Pradesh states received the normal rainfall
- No rainfall has observed in Gujarat state.

Seasonal all India Rainfall status: 1st March 2020 to 22nd April 2020.

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

For the country as a whole, cumulative rainfall during 1st March 2020 to 22nd April 2020was above Long Period Average (LPA) by 22% over the country as a whole

Price Projection for Next Month (May) in Domestic Market

Duration	Trend	Average Price Range	Reason
May - 2020	**Steady to Firm**	**Rs.3300-3600/Quintal**	Due to global competitive price of Indian rice and expected upcoming demand after lockdown, rice price in India expected to increase slightly, however ample stock and higher kharif sowing would like to stabilize at certain level.

Comparative Rice Varity Prices of Delhi (Naya Bazaar) in Rs./Quintal

Market	Variety	Today	Week Ago	Month Ago	Year ago	% Change From last week	% Change from last Month	% Change from last Year
		4-May-20	28-Apr-20	2-Apr-20	3-May-19			
Delhi	**1121 Steam**	6250	6400	#N/A	8100	-2.34	#N/A	-22.84
Delhi	**1121 Sella**	5250	5100	#N/A	7100	2.94	#N/A	-26.06
Delhi	**1121 Raw**	6200	6200	#N/A	7900	0.00	#N/A	-21.52
Delhi	**Basmati Raw**	7000	7000	#N/A	9400	0.00	#N/A	-25.53
Delhi	**1509 Steam Wand New**	5800	5700	#N/A	7800	1.75	#N/A	-25.64
Delhi	**Sugandh Steam**	4900	4700	#N/A	5800	4.26	#N/A	-15.52
Delhi	**Sharbati Raw**	4000	3900	#N/A	4600	2.56	#N/A	-13.04
Delhi	**Pusa Raw Wand**	5000	4700	#N/A	5900	6.38	#N/A	-15.25
Delhi	**Parmal Sella**	3400	3300	#N/A	3000	3.03	#N/A	13.33

Source-Agriwatch(Month ago prices were not available due to lockdown)

Rice Supply & Demand for MY-2019-20 ***(Back to Contents)***

Figure in MMT	2017-18	2018-19	2019-20 *
Carry in	17.33	19.13	25.63
Production	112.00	116.00	117.00
Imports	0.00	0.00	0.00
Total Availability	129.33	135.13	142.63
Consumption	98.40	99.00	103.00
Exports	11.80	10.50	10.80
Total Usage	110.20	109.50	113.80
Carry out	**19.13**	**25.63**	**28.83**
Av Monthly Consumption	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.

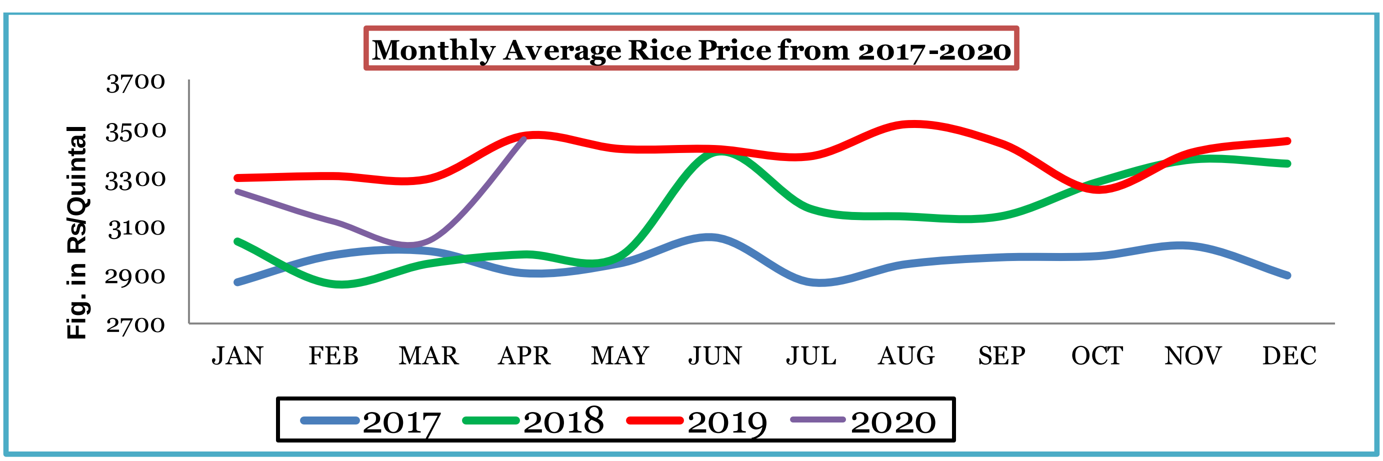
Consumption: Rice consumption is expected to increase as many states announced to give free rice and wheat to BPL and white ration card holder due to lockdown. In the current announcement by Finance Minister, Nirmala Sitaraman, for 3 months, 5 kg of extra wheat, 5 kg of rice and 1 kg of pulses will be 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 April, 2020

State	Prices April, 2020	Prices March, 2020	Prices April, 2019	% Change(Over Previous Month)	% Change(Over Previous Year)
Andhra Pradesh			4135.29	__	__
Assam			3558.64	__	__
Gujarat	4307.28	4028.49	3191.9	6.92	34.94
Jharkhand			3860.64	__	__
Karnataka	3977.46	3502.08	3603.94	13.57	10.36
Kerala	3524.11	3493.53	3496.47	0.88	0.79
Maharashtra	4449.79		3684.91	__	20.76
Manipur			4026.35	__	__
Meghalaya			3540.02	__	__
Nagaland			7100	__	__
NCT of Delhi			2086.57	__	__
Odisha	2740.17	2724.12	2644.33	0.59	3.62
Tripura	3080.78	2983.34	2851.49	3.27	8.04
Uttar Pradesh	2623.97	2499.54	2451.31	4.98	7.04
Uttrakhand		2240.68	2468.15	__	__
West Bengal	2923.25	2810.95	2759.68	4	5.93
Average	3453.35	3035.34	3466.23		

Average monthly wholesale rice prices in India stood at around Rs.3453 per quintal in April- 2020, up by 13.78% from Rs.3035 per quintal in March-2020 and down by 0.40% from Rs.3466 per quintal a year ago. Agriwatch expects non-basmati rice market to move range bound with firm tone due to upcoming demand after lockdown from major importing countries.

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 fromillion tonshe 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 01.05 2020

State	Procurement(in Lakh Tons) 2019-20	2018-19
AP	35.92	32.25
Telangana	45.81	36.14
Assam	0.99	0.52
Bihar	11.82	9.28
Chhattisgarh	39.71	40.80
Haryana	43.03	39.09
Jharkhand	2.00	1.53
Kerala	3.77	4.07
M.P	17.40	13.95
Maharashtra	8.31	4.25
Odisha	35.71	34.48
Punjab	108.76	113.34
Tamilnadu	14.93	11.48
U.P	37.90	32.33
Uttrakhand	6.81	4.62
West Bengal	14.90	16.54
Total	**428.26**	**395.05**

All-India progressive procurement of Rice as on 01.05.2020 for Kharif Marketing Season (KMS) 2019-20 is 428.26 lakh tons against the procurement of 395.05 lakh tonnes in the corresponding period of last year.

Sufficient late 2019 monsoon rains and subsequent improved availability of irrigation water in India's southern and eastern states are supporting a record rabi rice crop this season. Harvest started the first week of April in most states and will continue through the end of July. West Bengal is the leading rabi rice producer but contributes relatively less to GOI procurement programs as most farms are small and have less marketable surpluses. Harvest started the first week of April and will continue through the end of May. Andhra Pradesh and neighboring Telangana are the two leading rabi rice producers in southern India and contribute significantly to GOI MSP procurement. Harvest started the last week of March; about 40 percent of the area has been harvested and will continue through the end of May. The Odisha and Assam rabi rice harvest will begin in May and continue through July.

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***	3.23	2.23	**5.46**
March-19	7.27	5.66	**12.93**	**March-20***	1.52	1.36	**2.88**
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**			
Total	**60.88**	**42.06**	**102.94**	**Total**	**20.82**	**15.36**	**36.18**

Source-DGCIS * Trade Source

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:

Ghana's Ministry of Food and Agriculture has stepped up efforts to make the country self-sufficient in terms of rice production. The Ministry has prepared an action plan to achieve this goal in the next three years, under which it was decided to extend all possible support-support and encouragement to speed up the rice production in the fulfillment part of the country.

Cambodia witnessed a spectacular export of over 3.00 lakh tonnes of rice in the first four months of the current year, a 40.45 per cent increase from 2.14 lakh tonnes in the same period last year. According to official data, 6.20 lakh tonnes of rice valued at $ 501.1 million were exported from Cambodia during the entire period of last year, while 6.26 lakh tonnes worth $ 52.40 million were shipped in 2018.

In Thailand, there are no new deals but the on-going drought has limited rice supplies and kept rates elevated. Thailand’s benchmark 5% broken rice prices were quoted a tad higher this week at $535-$557 from last week’s $530-$556.The on-going drought in Thailand, which started last November, is likely to drag on until July. However, some rainy days in rice-growing provinces this month have lifted hopes the drought might end soon.

Meanwhile, Bangladesh’s summer rice crop this year is likely to edge up 0.51% to 19.5 million tonnes from a year earlier, despite concerns about a shortage of labour to harvest the crop amid a nationwide lockdown. Farmers, although concerned about a labour shortage during harvest, believe this year’s crop has benefited from favourable weather and no major pest or disease infestations,” the federal agency said in a report on the country, released earlier this week. Summer-sown rice crop, locally known as Boro, contributes more than half of Bangladesh’s typical annual rice output of around 35 million tonnes.

Indonesia milled rice production is expected to increase to 34.9 million tons in 2020/21 due to greater use of high yielding varieties and increasing ability for crop intensification on irrigated low-land areas on Java. Imports of non-specialty varieties remain likely in 2020 as the country seeks to stabilize food prices during the COVID-19 crisis.

IGC Balance Sheet:

Attributes (Fig in Million Tons)	2017-18	2018-19 Estimate	2019-20 Forecast	(2020-21) Projection. 27.03.2020	(2020-21) Forecast. 30.04.2020
Production	494	500	498	509	507
Trade	46	43	43	45	44
Consumption	486	490	495	501	502
Carryover stocks	163	173	176	185	181
Y-O-Y change	8	10	3	--	5
Major Exporters	31	39	42	46	45

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

IGC Rice Balance sheet Highlights:

Reflecting a marginal production cut, 2019/20 aggregate **rice** carryovers are trimmed to 176million tons, but would still be the most on record. Against the backdrop of firm prices, export restrictions and logistical constraints, the outlook for trade in 2020 is reduced m/m, to about 43million tons, steady y/y. The Council's projection for output in 2020/21 is lowered and, with a slight upward revision to total use, inventories are cut by 4million tons, to 181m, up by 5m y/y and a new peak. Expectations for trade in 2021 have been scaled back slightly, but volumes are still seen growing by 4% y/y.

Despite record production in India, smaller harvests elsewhere could see 2019/20 global rice output edge lower y/y, yet remain above average. Population growth is expected to underpin record use, although consumption patterns could be altered by the ongoing COVID-19 pandemic. Reflecting subdued demand, together with restrictions in some exporters, trade in 2020 is predicted to be little-changed y/y, at around 43million tons. Production is projected to increase in 2020/21, with stocks advancing to a new peak on gains in India and China. Trade may expand by 4% y/y in 2021 on an assumed upturn in African buying interest.

Indicative Basmati Parity Sheet

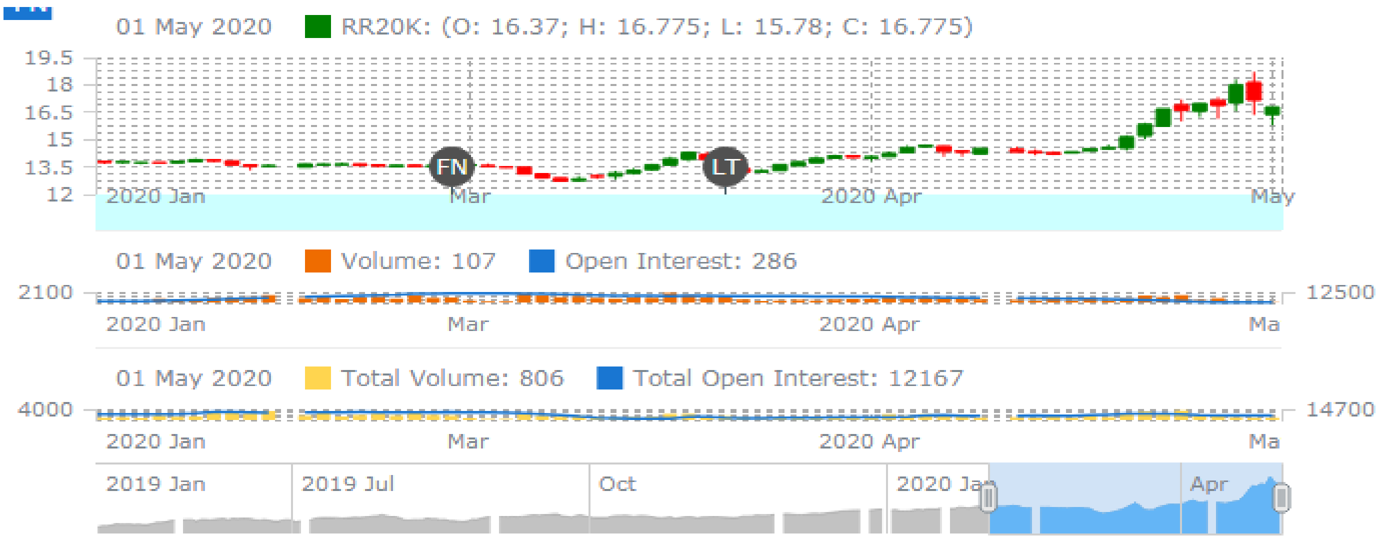
Parity Calculation Sheet	Rajkot (Kandla)	Andhra Pradesh(Vizag)	Punjab(Kandla)	Haryana (kandla)	West Bengal (Kolkata)
Price @ various centre	59500	60000	56000	57000	59000
Port handling charges /Loading/Unloading /Clearing (Rs/ton)	550	550	550	550	550
Freight Charges till port	400	400	1350	1350	450
Indian FOB (Rs/MT)	60450	60950	57900	58900	60000
Indian FOB (USD/MT)	**791.64**	**798.19**	**758.25**	**771.35**	**785.75**
Insurance @ 0.1%	0.79	0.80	0.76	0.77	0.79
Freight Charges (US $/ton) to Dubai	55	55	55	55	55
CIF (Kandla to Dubai)	**847.44**	**853.99**	**814.01**	**827.12**	**841.54**
INR Monthly Average	76.36	76.36	76.36	76.36	76.36

Source-Agriwatch Trade Source

FOB Quotes Aromatic Rice (1121 Steam Vs Pakistan Basmati FOB)

Due to poor performance of basmati and non-basmati rice exports from India, pressure on domestic market prices has increased. Indian FOB for 1121 steamillion tonsraded weak in the month of March and currently is in the range of USD 770-785/MT; Agriwatch expects that aromatic international rice price is likely to trade steady in coming month. 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 911/MT which is down 7.8 % from last month FOB of USD 988/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 firmillion tonsone from last month. We expect market to hover in the range of USD 14.50-19.50 hundred weights in coming sessions.

International Price Projection for Next Month:

Duration	Trend	Support	Resistance
June-2020	Steady to Firm	S1-14.50 S2-15.00	R1-19.00 R2-19.80