

Rice Monthly Research Report

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Outlook and Review (Domestic Front)

- **Minimum Support Price of Paddy Hike by 2.92% from Last Year to Rs. 1868/Quintal for Grade-A:** As per by Union Agriculture Minister Narendra Singh Tomar ,the Union Cabinet on June 1 approved minimum support price for 14 kharif crops. The revised prices will provide farmers nearly 50-83 percent more than the cost. The MSP for paddy has been raised by Rs 53 per to Rs 1,868 per quintal for the 2020-21 crop year.
- **Abundant rains from Amphan in Bangladesh and north-eastern India last week lead to flooding** and likely stop any fieldwork. Continued ample rains there this week will lead to additional flooding issues and slow fieldwork considerably. Additionally, rains in south-western India will slow fieldwork there but should progress well elsewhere.
- **Active rains last week slowed remaining Rabi rice harvesting in some areas** but improved moisture as Kharif planting gets underway. Additional rains this week will further improve moisture for Kharif rice in western, central and northeastern India but more would be welcomed across eastern areas.
- **Haryana chief minister, Manohar Lal has appealed to the farmers to adopt crop diversification** and sow crops which consume less water like Maize, Arhar, sesame, Guar, Moong, etc, instead of Rice. Giving detailed information about this, the Chief Minister said that the dark zone, depleting level of groundwater and its excessive exploitation has become a challenge for us and we have started to solve these challenges for the coming generations. The Chief Minister said that he had already made this appeal while talking to the leaders of various farmers associations of the State to encourage the farmers to adopt crop diversification and sow crops consuming less water.
- **South Indian ports traded less in April:** Due to the on-going lock-down and corona global pandemic, the cargo movement from south India to ports during the month of April was reduced and there was a considerable decline in the movement of goods. Earlier in March also, the situation of import-export there was not encouraging. During the period under review, import and export of goods from Tuticorin port declined by about 26 percent to 22.90 lakh tonnes from 30.80 lakh tonnes, slipped 38 percent to 39.50 lakh tonnes at Chennai port to 24.40 lakh tonnes, slipping 1 percent from 32.60 lakh tonnes at Mangalore port to 32.20 lakh. Tonne and Kochi port dropped 34 percent to 18.70 lakh tonne from 28.30 lakh tonne.
- **India's rice exports could rise by as much as 15% in 2020-21** as buyers purchase lower-priced Indian supply to rebuild inventories after growers capped exports amid the coronavirus outbreak. These are among the first forecasts for rice exports during the new fiscal year that began on April 1. Higher shipments from India, the world's biggest rice exporter, could cap global prices and help New Delhi in reducing bulging inventories. There is a surge in demand for Indian rice right now and we are expecting demand to continue for some more time. India's rice exports were 9 million tonnes during the 2019/20 fiscal year, the lowest in eight years. That puts Indian rice at a discount to supplies from competing countries and this has prompted African countries and Asian buyers such as Malaysia and Philippines to make purchases.
- **India to receive above-average monsoon rains, boosting crop output:** Monsoon rains are expected to be 102% of a long-term average (LTA), M. Rajeevan, secretary at the Ministry of Earth Sciences.

Normal rainfall as between 96% and 104% of a 50-year average of 88 centimetres for the four-month season beginning in June. In July, a crucial month for planting summer-sown crops, India could receive 103% rainfall of its LTA, while in August it could receive 97%. Rains usually hit Kerala state, on India's southwest coast, from around June 1 and cover the whole country by mid-July. This year the monsoon came on time and could boost the planting of crops such as rice, soybeans and cotton. The country's rice and cotton growing north-western region could get 107% rainfall of the LTA, while soybean, sugar cane and cotton growing central region could receive 103% rainfall. The rice and tea growing region in north-eastern parts could receive 96% rainfall, while rice, rubber and coffee growing southern India could get 102% rains.

- **FCI delivers 1,12,927 MT rice to UTs of J&K, Ladakh under PMGKAY, ANBS.** In these testing times of COVID-19 pandemic, FCI under UT of J&K/Ladakh has spearheaded the relief work by ensuring sufficient and uninterrupted supply of food-grains to the masses. As on May 31, 2020, FCI has already delivered the total allocated quantity of 1,10,593 MT Rice to UT of J&K/Ladakh under Pradhan Mantri Garib Kalyan Ann Yojana (PMGKAY) for the months of April, May and June 2020. The food-grains under this scheme have been distributed to PHH and AAY population free of cost @5Kg/person/month. In the recently launched Atma Nirbhar Bharat package (ANB), distribution of free foodgrains @5 kg/person/month and free Chana @1 kg/family/month for a period of two months to about 8 Crore persons including migrants/stranded migrant persons across the country who were neither covered under NFSA nor state ration card and hence had no access to food. Under ANB, the GOI has allocated 7241 MT Rice for UT of J&K and 144 MT for Ladakh for the two months and the expenditure nearing Rupees 29 Crores is being borne by the Central Govt.
- **As on 31.05.2020, UT of J&K and Ladakh have lifted 2300 MT and 34 MT Rice respectively.** Besides above schemes, FCI has also delivered entire allocation of 1,23,994 MT stocks under normal PDS i.e. NFSA for the months of April and May 2020 to UT of J&K and for the months of April, May and June 2020 for the UT of Ladakh. In another scheme doled out by GOI to NGOs, 4730 quintal of Rice has been delivered by FCI for charitable work of feeding needy people during hardship of COVID-19.

All India Weather Status:

Seasonal all India Rainfall status: 1st March 2020 to 06th May 2020.

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

For the country as a whole, cumulative rainfall during 1st March 2020 to 06th May 2020 was above Long Period Average (LPA) by 25% over the country as a whole.

Price Projection for Next Month (June) in Domestic Market

Duration	Trend	Average Price Range	Reason
June - 2020	Steady	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 Variety 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
		02-Jun-20	27-May-20	02-May-20	03-Jun-19			
Delhi	1121 Steam	6400	6400	6250	9100	0.00	2.40	-29.67
	1121 Sella	5300	5300	5250	8000	0.00	0.95	-33.75
	1121 Raw	6400	6400	6200	9000	0.00	3.23	-28.89
	Basmati Raw	7500	7500	7000	9800	0.00	7.14	-23.47
	1509 Steam Wand New	5800	5800	5800	8800	0.00	0.00	-34.09
	Sugandh Steam	4800	4900	4900	7000	-2.04	-2.04	-31.43
	Sharbati Raw	4000	4000	4000	4800	0.00	0.00	-16.67
	Pusa Raw Wand	5000	5000	5000	6400	0.00	0.00	-21.88
	Parmal Sella	3500	3500	3400	3400	0.00	2.94	2.94

Rice Supply & Demand for MY-2019-20

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Figure in MMT	2018-19	2019-20	2020-21*
Carry in	19.13	25.63	26.49
Production	116.00	115.16	117.00
Imports	0.00	0.00	0.00
Total Availability	135.13	140.79	143.49
Consumption	99.00	103.50	105.00
Exports	10.50	10.80	11.00
Total Usage	109.50	114.30	116.00
Carry out	25.63	26.49	27.49
Av Monthly Consumption	8.25	8.63	8.75

*AW Forecast (Preliminary)

State wise Wholesale Prices Monthly Analysis for Rice May, 2020

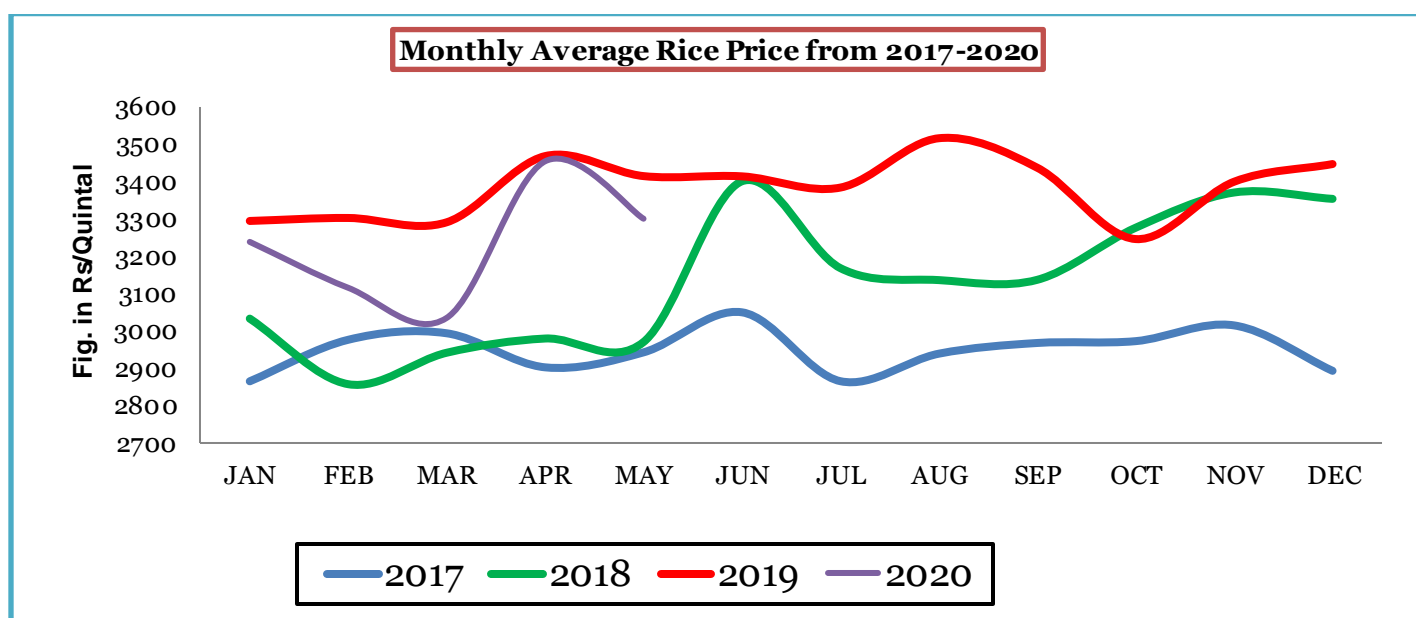
State	Prices May, 2020	Prices April, 2020	Prices May, 2019	% Change(Over Previous Month)	% Change(Over Previous Year)
Andhra Pradesh			4106.52	---	---
Assam			3382.1	---	---
Gujarat	4288.5	4307.28	3223.08	-0.44	33.06
Jharkhand			3861.57	---	---
Karnataka	3123.44	3976.73	3860.28	-21.46	-19.09
Kerala	3534.82	3524.11	3438.73	0.3	2.79
Maharashtra	4554.55	4955.51	3888.96	-8.09	17.11
Manipur			4231.29	---	---
Meghalaya			3655.98	---	---
Nagaland			7161.9	---	---
NCT of Delhi			2017.24	---	---
Odisha	2831.91	2740.17	2764.27	3.35	2.45
Tripura	3094.53	3080.78	2851.66	0.45	8.52
Uttar Pradesh	2640.03	2623.99	2472.11	0.61	6.79
Uttarakhand	2692.67		2778.42	---	-3.09

West Bengal	2922.89	2923.25	2741.14	-0.01	6.63
Average	3298.15	3516.48	3527.2		

Prices in Rs/Quintal

Average monthly wholesale rice prices in India stood at around Rs.3298 per quintal in May- 2020, down by 6.20% from Rs.3516.48 per quintal in April-2020 and down by 6.49% from Rs.3527 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 from million tons the Food Corporation of India (FCI). India's rice stocks in the central pool are down by 0.69% 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 29.05 2020

State	Procurement (in LT) 2019-20	2018-19
AP	48.36	48.10
Telangana	68.95	51.9
Assam	1.08	0.52
Bihar	13.41	9.28
Chhattisgarh	39.71	38.0
Haryana	43.03	39.40
Jharkhand	2.55	1.53
Kerala	4.63	4.07
M.P	17.40	14.0
Maharashtra	8.70	4.25
Odisha	38.97	44.5
Punjab	108.76	113.34
Tamilnadu	15.54	12.9
U.P	37.90	32.33
Uttarakhand	6.81	4.62
West Bengal	14.95	19.8
Total	471.60	444.0

Contingent on the record harvest, MY 2019-20 government rice procurement through May 29 has surged to a record 471.6 LT, nearly 27 Lakh tons higher than procurement levels during the corresponding period last year, and higher than last year's record total procurement for the complete season.

With the exception of Punjab and Chhattisgarh, significant procurement increases in all major rice-producing states supports the estimated record rice production of 116 MMT. With additional procurement of rabi and summer rice likely to continue in the eastern and southern states, government rice procurement in MY 2019/20 is likely to reach a record 48.5 MMT, more than a nine percent increase over last year's procurement levels.

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:

- **Pakistan, in the current marketing year, has so far exported 1.2 MMT of rice compared to 1.3 MMT** during the same period a year ago. Vietnam, Thailand, and India are the main export competitors for Pakistani rice. MY 2019/20 and 2020/2021 rice exports are projected at a steady 4.4 MMT.
- **Myanmar to resume maritime and border rice exports. Myanmar will resume rice exports from May** at regular volumes of 150,000 tonnes. The Myanmar Rice Federation (MRF) said 100,000 tonnes will be shipped overseas while the remaining 50,000 tonnes will be traded at the border. Government estimates indicate that more than two million tonnes will be allocated for export in the current fiscal year. About 10 per cent will be retained as food reserves for Myanmar. A total of 112 companies will handle the maritime exports while 200 companies will be involved in the border trade for May. The MRF said about 60 per cent of the two million tonnes will consist of equal allocations from all the companies. The remaining volumes will consist of additional allocations from companies involved in contract farming and which made investments in mills or warehouses over the last three years.
- **Guyana Harvesting of the 2020 first season paddy crop, which accounts for half of the annual production**, is virtually complete and yields of the harvested crops are similar to the record high yields obtained in 2019. The improvement of extension services of the Guyana Rice Development Board (GRDB) and the expanding of public agricultural investments supported crop yields.
- **Rice export prices increased 4 percent as Thai rice exporters are sourcing new-crop rice to fulfill large volume** contracted shipments of white and parboiled rice to Asian and African buyers. Also, foreign buyers began to seek Thai rice as prices of Thai and Vietnamese white rice are currently about the same, compared to a typical price difference of around U.S. \$15-20/MT, after the Vietnamese government removed its rice export restrictions earlier this month.
- **Since May this year, Vietnam's rice export activities have returned to normal, with the month recording the** highest rice export price seen in recent years and paving the way for the country to outpace Thailand in global rice exports in 2020.
- **Vietnam's rice export volume and value in the last month soared by 47% and 55.3% month-on-month**, respectively. Rice export prices in May shot up to the highest level over the past few years, with the average price recorded at US\$527 per ton, up 21.4% year-on-year. Between January and May, the average price of Vietnamese rice rose by 13% year-on-year at US\$485 per ton.
- **Data from the General Statistics Office indicated that over the first five months of 2020, Vietnam's revenue** from rice exports amounted to US\$1.4 billion, increasing by 17.2% year-on-year. Meanwhile, Thailand exported 2.11 million tons of rice worth US\$1.38 billion from January to April, dipping by 32.1% in volume and 15.7% in value year-on-year, according to Thailand's Ministry of Commerce. As such, the Vietnamese Ministry of Industry and Trade forecast that the country is likely to surpass Thailand in terms of rice exports this year. From March 24 to April, Vietnam halted

rice exports to ensure food security amid the spreading Covid-19 infection, affecting local rice exporters and export activities.

IGC Balance Sheet:

Attributes (Fig in Million Tons)	2015-16	2016-17	2017-18 Estimate	(2019-20) Forecast. 30.04.2020	(2020-21) Projection. 28.05.2021
				0	0
Production	475	487	490	507	506
Trade	40	48	48	44	44
Consumption	475	488	494	502	500
Carryover stocks	164	174	176	181	182
Y-O-Y change	9	9	3		5
Major Exporters	31	39	42	45	46

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

IGC Rice Balance sheet Highlights:

With record production in India contrasting with smaller crops elsewhere, global rice output is estimated steady y/y in 2019/20. While the full impact of COVID-19 on demand patterns remains uncertain, the Council expects total use to rise on population growth. Amid heavy supplies, stocks are forecast to climb to a new high on gains in China and major exporters, while trade in 2020 is seen steady y/y. Tied to anticipated acreage increases in Asia, the 2020/21 world rice outturn is predicted at a peak of 506m t, up 9m y/y, with accumulation in key exporters pushing up global carryovers to a record of 182m. A recovery in African demand could boost trade by 4% y/y in 2021.

Indicative Basmati Parity Sheet

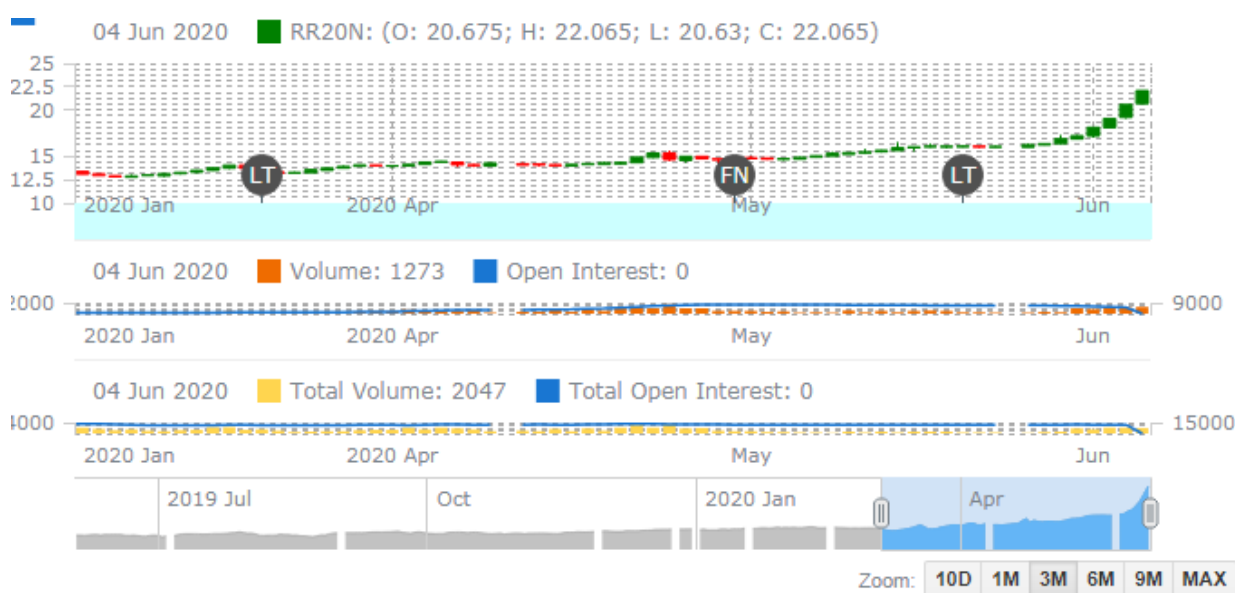
Parity Calculation Sheet	Rajkot (Kandla)	Andhra Pradesh(Vizag)	Punjab(Kandla)	Haryana(kandla)	West Bengal(Kolkata)
Price @ various center	67000	69000	66000	64000	68000
Port handling charges /Loading/Unloading /Clearing (Rs/ton)	550	550	550	550	550
Freight Charges till port	400	400	1350	1350	450
Indian FOB (Rs/MT)	67950	69950	67900	65900	69000
Indian FOB (USD/MT)	897.27	923.68	896.61	870.20	911.13
Insurance @ 0.1%	0.90	0.92	0.90	0.87	0.91
Freight Charges (US \$/ton) to Dubai	55	55	55	55	55
CIF (Kandla to Dubai)	953.16	979.60	952.50	926.07	967.04
INR MonthlyAverage	75.73	75.73	75.73	75.73	75.73

Source-Agrivatch 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 steam million tons rated 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 Jul- 20, Rough Rice) **(Prices in US\$/hundredweight)**



Market Analysis

The CBOT Jul-20 month rough chart for rice indicates steady to firm tone from last month. We expect market to hover in the range of USD 22.80-25.00 hundred weights in coming sessions.

International Price Projection for Next Month:

Duration	Trend	Support	Resistance
June-2020	Steady to Firm	S1-18.90	R1-25.00
		S2-19.00	R2-28.80

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