

Rice Monthly Research Report

Contents

Outlook and Review
Weather Watch
Price Estimate
Sowing Updates
Comparative Price
Balance Sheet
Indian Rice APY Projection
Basmati Production Estimates
Monthly Price Analysis
Price Trend
Monthly Stock & Procurement
Export Statics
Monthly Rice Export Destination wise
Monthly Basmati Export vs. FoB
Technical Analysis of 1121 Steam Rice
Outlook
International Rice Market Summary
IGC
Parity Sheet
FOB of 1121 Steam Rice
CBOT Trend

Outlook and Review (Domestic Front)

- **Considering the on-going sowing of the Kharif season, it is expected that the Kharif crop area will be more** this year and could also exceed the previous year acreage of kharif crops. This is mainly because the monsoon was late by 10 days last season but this year it has covered the whole of India by end June.
- **As of July 3 last year, the acreage under Kharif crops at the national level was around 230 lakh hectare**, which has jumped 88 percent to 433 lakh hectare in the current year. The process of vigorous sowing is still in progress. Paddy area at this point has increased from 49.20 lakh hectare to over 68 lakh hectare.
- **About 6.80 million hectares area coverage under paddy has been reported as on 03 Jul 2020, compared to last year acreage** of 4.92 million hectares. Thus 1.88 million hectares more area has been covered compared to last year. Higher area is reported from the states of Chhattisgarh, Uttar Pradesh, Bihar, Madhya Pradesh, Haryana, Telangana, Jharkhand, Karnataka, Orissa, whereas lower area is reported from the states of Punjab, Assam, Tamilnadu, West Bengal.
- **According to the Telangana Agriculture Department, till July 1, paddy was sown in 1.6 lakh hectares in the state**, which is 3 times from the previous year.
- **According to Indian Prime Minister, around 80 Cr. BPL people would be benefitted under PMGKAY. Around 200 lakh tons of food grains (either wheat or rice) and 9.78 lakh tons of gram will be distributed under this scheme.**
- **As far as the world's largest exporting country - India is concerned, the export offer price of 5 percent** broken sela rice is running at USD 373-378 per ton. There remains a general demand for importers. Now the rupee is starting to strengthen so there is no cut in the export offer price of rice. 1121 basmati rice and paddy prices are also increased in the month of June. 1121 FOB reported USD 1100-1200/MT which was USD 900-1000/MT in May-2020.
- **During the current kharif season, farmers in Punjab, the state that contributed the most to food-grains** in the central pool, were worried about labour shortage as most migrant workers have returned to their homes. But still there is reported to be proper planting of paddy in the state. For the current season in Punjab, a target of paddy cultivation in a total of 67 lakh acres of land has been set, out of which 60% of it has been completed. Paddy sowing started in the state this time from June 10 and despite lack of labour, transplanting is going on uninterruptedly. At this time of pandemic, farmers have become dependent on their family members and village colleagues for cultivating kharif crops including paddy.

- **Apart from this, emphasis is being laid on paddy cultivation through this Direct Seeded Rice (DSR)** method which is a direct sowing method. Paddy farming is expected to be done in about 12 lakh acres by this method and due to which yield would likely to down by 15-20% in MY 2020-21.
- **Third advance estimate of 2019-20 crops season has been released in West Bengal on Friday.** Under this, the production of rice has been estimated to increase from 159.48 lakh tonnes in the 2018-19 seasons to 160.70 lakh tonnes and wheat to 7.30 lakh tonnes to 9.30 lakh tonnes in MY 2019-20.
- **The Agriculture Department of Karnataka has released the fourth advance estimate of crops produced** during the 2019-20 season. Under this, the production of all commodities except sugarcane is projected to increase compared to the 2018-19 season. According to the Agriculture Department, the production of rice is expected to improve from 34.48 lakh tonnes to 37.43 lakh tonnes during the 2019-20 seasons as compared to 2018-19.
- **Recently, in Chandauli district of Uttar Pradesh, an exporter purchased about 90 tonnes of black rice** paddy at the rate of Rs 85 per kg. APEDA has urged farmers to increase production of this paddy so that they can get high and attractive income. A group of about 300 farmers produced 900 quintals (90 tonnes) of black paddy. The price of paddy is Rs 85 per kg and rice is Rs 160 per kg. It will be exported to Australia and New Zealand. This could be a better replacement of common paddy and basmati paddy due to higher returns.

All India Weather Status:

All-India level rainfall during the week, 18th June to 24th June-2020, has been 5% higher than the Long Period Average (LPA). Among the four broad geographical divisions of the country, against the LPA the rainfall has been:-

- Higher by 16% in Central India
- Higher by 11% in North West India
- Higher by 4% in East and North East India and
- Lower by 24% in South Peninsula.

Cumulative rainfall during Monsoon season, 01st to 24th June-2020, has been 22% higher than LPA. Among the four broad geographical divisions of the country, against the LPA the rainfall has been:

- Higher by 59% in Central India
- Higher by 11% in North West India,
- Higher by 3% in South Peninsula and East & North East India each

Price Projection for Next Month (July) in Domestic Market

Duration	Trend	Average Price Range	Reason
July - 2020	Steady t Firm	Rs.3400-3800/Quintal	Higher demand from overseas country after the announcement of un-lock 1 , prices of rice has been firming up.

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

Variety	Today	Week Ago	Month Ago	Year ago	% Change From last week	% Change from last Month	% Change from last Year
	03-Jul-20	27-Jun-20	03-Jun-20	03-Jul-19			
1121 Steam	7200	7100	6400	8000	1.41	12.50	-10.00
1121 Sella	5600	5400	5300	7400	3.70	5.66	-24.32
1121 Raw	7100	7200	6400	8100	-1.39	10.94	-12.35
Basmati Raw	8500	8500	7500	9400	0.00	13.33	-9.57
1509 Steam Wand New	6200	5900	5800	7600	5.08	6.90	-18.42
Sugandh Steam	5100	5000	4800	6300	2.00	6.25	-19.05
Sharbati Raw	4300	4200	4000	4400	2.38	7.50	-2.27
Pusa Raw Wand	6000	6000	5000	5800	0.00	20.00	3.45
Parmal Sella	3700	3600	3500	3050	2.78	5.71	21.31

Rice Supply & Demand for MY-2019-20

[\(Back to Contents\)](#)

Figure in MMT	2017-18	2018-19	2019-20	2020-21*
Carry in	17.33	19.13	25.74	28.27
Production	112.00	116.40	116.61	117.00
Imports	0.00	0.00	0.00	0.00
Total Availability	129.33	135.53	142.35	145.27
Consumption	98.40	99.50	102.78	103.20
Exports	11.80	10.29	11.30	11.00
Total Usage	110.20	109.79	114.08	114.20
Carry out	19.13	25.74	28.27	31.07
Av Monthly Consumption	8.20	8.29	8.57	8.60

*AW Forecast (Preliminary)

State wise Wholesale Prices Monthly Analysis for Rice June, 2020

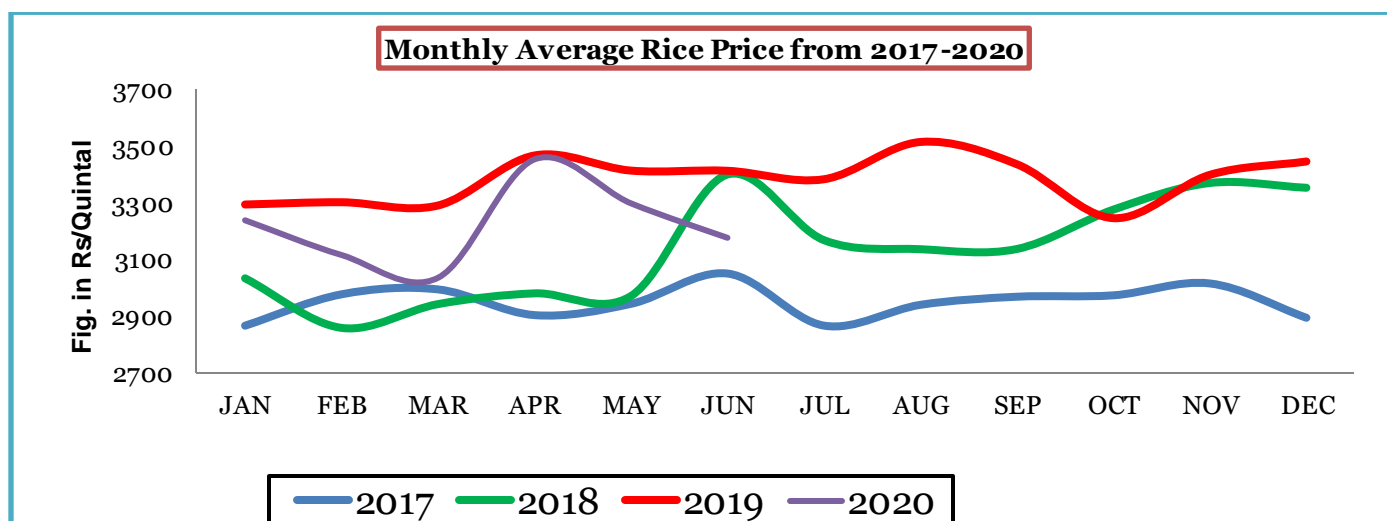
State	Prices June, 2020	Prices May, 2020	Prices June, 2019	% Change(Over Previous Month)	% Change(Over Previous Year)
Andhra Pradesh			4142.86	--	--
Assam			3320.95	--	--
Gujarat	4212.82	4288.5	3187.62	-1.76	32.16
Jharkhand	2486.44		3866.01	--	-35.68
Karnataka	2947.85	3123.79	3842.88	-5.63	-23.29
Kerala	3560.25	3534.82	3427.38	0.72	3.88
Maharashtra	3638.68	4554.55	3393.27	-20.11	7.23
Manipur			4423.47	--	--
Meghalaya			3547.53	--	--
Nagaland			7163.64	--	--
NCT of Delhi			2078.06	--	--
Odisha	2906.13	2825.45	2680.4	2.86	8.42
Tamil Nadu			2076	--	--
Tripura	3387.82	3094.53	2865.87	9.48	18.21
Uttar Pradesh	2615.43	2640.03	2482.69	-0.93	5.35
Uttarakhand		2692.67	2771.78	--	--
West Bengal	2830.74	2922.89	2753.5	-3.15	2.81
Average	3176.24	3297.47	3413.17		

Source-Agmarknet

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	49.14	44.18	41.44						

Source-FCI

India's rice stocks in the central pool as on June- 1, 2020 stood at 41.44 million tons up by 16.35% from 35.62 million tons recorded during the corresponding period last year, according to data from Food Corporation of India (FCI). India's rice stocks in the central pool are down by 6.19% by from 44.18 million tons recorded on Feb-01, 2019. Highest stock could be seen in the state of Punjab (108.47 lakh tons) followed by A.P (25.76 lakh tons) Haryana (24.61 Lakh Tons) and Chhattisgarh (15.80 lakh tons).

State wise Progressive Procurement As on 29.05 2020

State	Procurement (in LT) 2019-20	2018-19
AP	53.18	48.10
Telangana	74.64	51.9
Assam	1.28	0.52
Bihar	13.41	9.28
Chhattisgarh	46.56	38.0
Haryana	43.03	39.40
Jharkhand	2.55	1.53
Kerala	4.75	4.07
M.P	17.40	14.0
Maharashtra	10.14	4.25
Odisha	47.01	44.5
Punjab	108.76	113.34
Tamilnadu	17.27	12.9
U.P	37.90	32.33
Uttrakhand	6.81	4.62
West Bengal	15.15	19.8
Total	500.75	444.0

With the bumper production in MY 2019-20, government rice procurement through June 29 has surged to a record level of 500.75 LT, nearly 57 Lakh tons higher than procurement levels during the corresponding period last year.

Government procurement of rice has increased significantly and new stock is continuously coming in its stock. It is widely believed that in the Central Pool, sufficient stocks of food grains are available to meet the domestic demand and requirement for the next 10 months, while in the meantime new season will also be started. In view of this, the Prime Minister has announced to extend the period of Garib Kalyan Anna Yojana till November-2020, in which free ration is given to the poor.

Rice Export Statistics

MY-2018-19	Non-Basmati	Basmati	Total Export 2018-19	MY-2019-20	Non-Basmati	Basmati	Total Export 2019-20
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	5.4	5.37	10.77
March-19	7.27	5.66	12.93	March-20	4.8	6.18	10.98
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	26.27	23.32	49.59

Source-DGCIS

Rice export from India is down in this crop year starting from October. Total rice exported from October to March was 49.59 lakh tons only which were 16.68% down from last year export of 59.95 lakh tons corresponding period last year. For the next coming months, Agriwatch expect that total rice export till September -2020 would like to touch around 10-11 million tons. Meanwhile now the demand of Indian rice is coming from Middle east and African countries. Indian rice price is very competitive compare to Thailand and Vietnam markets, thus buyers are showing their interest towards Indian markets.

International Market:

- **The white rice FOB in Thailand has come down to a one-month low due to weak foreign demand, while** the incessant torrential rains in Vietnam have severely affected the harvesting and preparation of the second crop. There is negligible demand for Thai rice in foreign markets. But despite this decline Thai rice prices are higher than other countries. In Thailand, new arrivals of rice are expected to start in the next month and prices may then soften further.
- **The export offer price of 5 percent broken rice of Vietnam was hovering between USD 405 to USD 450 a tonne** last week, which improved to USD 415-450 a tonne in the current week. The price of cold-spring rice was stable at USD 450 per ton. But the price of summer-autumn rice rose from USD 405-410 per tonne to USD 415-420 per tonne. Export demand is still weak in Vietnamese rice. Paddy harvesting has been stopped due to heavy rains in the Mekong Delta.
- **In Bangladesh, the need for import of rice is increasing due to the high and fast domestic market price.** The government has to fight hard to ensure internal food security. The Food Minister of the Bangladesh states that if rice millers did not supply rice at a fixed price by the government, they would be forced to import it from abroad.
- **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.

IGC Balance Sheet:

Attributes (Fig in Million Tons)	2015-16	2016-17	2017-18 Estimate	(2019-20) Forecast. 28.05.2020	(2020-21) Projection. 25.06.2020
Production	475	487	490	506	505
Trade	40	48	48	44	44
Consumption	475	488	494	500	501
Carryover stocks	164	174	176	182	180
Y-O-Y change	9	9	3	-	4
Major Exporters	31	39	42	46	46

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

IGC Rice Balance sheet Highlights:

With few changes to the 2019-20 global rice supply and demand balance sheet from previously, end-season carryovers are maintained at 176 million tons, a record level on gains in China and leading exporters. The 2020/21 production outlook is trimmed m/m, with the net reduction in total supplies leading to a modestly lower figure for inventories, placed at 180 million tons, albeit still a new high. The projection for trade in 2021 is unchanged m/m, at 44 million tons (+4% y/y).

Indicative Basmati Parity Sheet

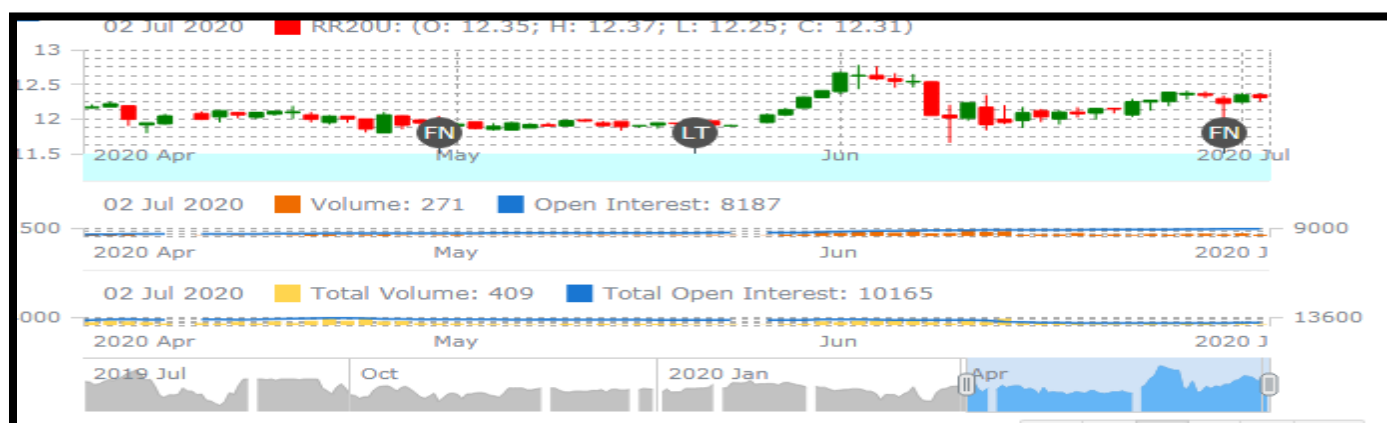
Parity Calculation Sheet	Rajkot (Kandla)	Andhra Pradesh(Vizag)	Punjab(Kandla)	Haryana(kandla)	West Bengal(Kolkata)
Price @ various center	70000	71000	68500	67500	71500
Port handling charges /Loading/Unloading /Clearing (Rs/ton)	550	550	550	550	550
Freight Charges till port	400	400	1350	1350	450
Indian FOB (Rs/MT)	70950	71950	70400	69400	72500
Indian FOB (USD/MT)	935.89	949.08	928.64	915.45	956.34
Insurance @ 0.1%	0.94	0.95	0.93	0.92	0.96
Freight Charges (US \$/ton) to Dubai	55	55	55	55	55
CIF (Kandla to Dubai)	991.83	1005.03	984.57	971.36	1012.29
INR Monthly Average	75.81	75.81	75.81	75.81	75.81

Source-Agriwatch Trade Source

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

In benchmark Karnal Mandi of Haryana the price of Basmati Rice increased by 10% from Rs. 3270 to Rs. 3620 per Quintal. After Unlock-1 started on 8th June new enthusiasm for trading was visible in Basmati Rice trade. All importing countries including Iran became active, since we know that Iran alone purchases 25% of our exports. Due to some strategic geo political issues India is facing difficulty in tapping the Iranian Market. So to compensate that India has started focussing East Asian & Latin American countries. We have started getting orders from these countries for Basmati Export. Moreover Iran has waived off customs duty over Basmati Rice, this would further help us in increasing our Export Numbers.

According to the UN's Food and Agriculture Organization (FAO), Currently Pakistani basmati FOB is moving weak from last month and is now hovering in the range of USD 995/MT which is down 4.98 % from last month FOB of USD 1047/MT.

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


Market Analysis

The CBOT September-20 month rough chart for rice indicates steady to firm tone from last month. We expect market to hover in the range of USD 11.80-15.00 hundred weights in coming sessions.

International Price Projection for Next Month:

Duration	Trend	Support	Resistance
July-2020	Steady to Firm	S1-10.90 S2-11.50	R1-15.00 R2-18.80

Disclaimer

The information and opinions contained in the document have been compiled from sources believed to be reliable. The company does not warrant its accuracy, completeness and correctness. Use of data and information contained in this report is at your own risk. This document is not, and should not be construed as, an offer to sell or solicitation to buy any commodities. This document may not be reproduced, distributed or published, in whole or in part, by any recipient hereof for any purpose without prior permission from the Company. IASL and its affiliates and/or their officers, directors and employees may have positions in any commodities mentioned in this document (or in any related investment) and may from time to time add to or dispose of any such commodities (or investment). Please see the detailed disclaimer at <http://www.agriwatch.com/disclaimer.php> © 2020 Indian Agribusiness Systems Ltd.