



# Rice Monthly Research Report

---

---

## Contents

Outlook and Review  
Weather Watch  
Price Estimate  
Sowing Updates  
Comparative Price  
Balance Sheet  
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)**

- **Price:** All India non basmati average rice price traded slightly weak at Rs. 3112/quintal in August against Rs. 3172/quintal last month. Rice is expected to continue to trade steady in the last month of MY-2019-20.
- **Strong Kharif Planting:** With the support of better monsoon rains, the sowing of kharif crops is continuously in the up-trend. According to the latest data of the Union Ministry of Agriculture, in the current year till August 28, area of kharif crops has risen to 1082.22 lakh hectare, compared to 1022 lakh hectare (5 percent higher than last year). According to the report of the Ministry of Agriculture, during the current kharif season of 2020-21, the area under paddy has ascended from 354.40 lakh hectare to 389.80 lakh hectare.
- **Procurement:** Government procurement of rice is projected to increase from the fixed target of 416 lakh tonnes to 418 lakh tonnes in the marketing season of 2019-20, while the target of procurement of 430 lakh tonnes has been set for the 2020-21 season.
- **Export Opportunity:** Indian rice is now cheaper than the Southeast Asian varieties by almost USD 100 per tonne. Export demand for non-basmati rice remains robust due to price rise in Vietnam and Thailand. Their rice is commanding a price of \$490-500 per tonne, whereas Indian price is around \$400 per tonne. Indian prices have gone up by 3-5% as the rupee has depreciated against the dollar. In the first four months of FY21, non-basmati rice exports from India were up by 35% compared with the same period of FY20.
- Supplies to global markets from Vietnam have ebbed after local traders increased their purchases recently and the summer-autumn harvest ended. The rising count of Covid-19 in Vietnam has led to some hoarding of rice. Vietnamese rice prices are expected to stay elevated for the next few months until a new harvest in October.
- As per data by Directorate General of Commercial Vigilance and Statistics (DGFTS), a total of 23.72 lakh tonnes of rice was exported from the country during the first quarter of FY 2019-20 i.e. April-June 2019. During the Apr to June of 2020, it was above 32.12 lakh tonnes. Under this, basmati rice exports improved from 11.57 lakh tonnes to 12.84 lakh tonnes and non-basmati rice shipments increased from 12.15 lakh tonnes to 19.28 lakh tonnes of rice.
- Meanwhile, export earnings of basmati rice declined by 0.35 percent during 2020-21 as compared to 2019-20. Export earnings in foreign currency also fell by 5.55 percent. The main reason is that the average unit export offer price of basmati rice fell from USD 1049 per tonne to USD 893 per tonne during this period, mainly due to poor demand and logistics issues following the global pandemic. As a result, export earnings declined despite the increase in exports. But the export performance of non-basmati rice was excellent both in terms of volume and income. The export offer price of non-basmati rice improved a bit from USD 397 per tonne last year to USD 400 per tonne this time. India is the world's largest rice exporter and the continent of Africa exports huge Indian rice. Basmati rice is bought more by the countries of the Gulf region. In the coming months, Bangladesh can also import rice from India.
- **Government rice sales under OMSS 5.48 lakh tonnes:** The government has reduced the price of rice with OMSS to Rs 2250 per quintal, which is its minimum reserve price. According to the available data, during the current financial year (April-2020-March 2021), a target has been set to sell 50 lakh tonnes of rice, of which 5.48 lakh tonnes were sold by the third week of August. Under this, a total of 1.87 lakh tonnes of rice were sold in April 2020, out of which 25 thousand tonnes were purchased by bulk consumers and the remaining 1.62 lakh tonnes were purchased by the State Governments.

- The month of August was very disappointing for the sale of government rice. In the first and second week of August, the purchase and sale of government rice remained completely closed. In the third week, FCI offered to sell more than 2.86 lakh tonnes of rice, but out of this only 27,530 tonnes were purchased. In this, bulk consumers only contributed 130 tonnes while the remaining 27,400 tonnes were procured by the state governments. In this way, a total of 5, 47,860 tonnes of rice were sold in the tender from April 1 to the third week of August.
- Since the domestic arrival of new rice-rice stock is going to start from next month, if the price of rice in the domestic market falls below the minimum reserve price fixed by the government for its rice, then its sale could be adversely affected.

### **Weather Watch:**

#### **Seasonal Monsoon Rainfall Scenario 1<sup>st</sup>June to 01<sup>st</sup>Sep-2020**

Regions	Actual Rainfall (mm)	Normal Rainfall (mm)	% Departure from LPA
East & northeast India	1153.2	1125.1	2
Northwest India	446.7	490.2	-9
Central India	966.8	799.3	21
South Peninsula	680.1	566.1	20
<b>India</b>	<b>780.3</b>	<b>710.4</b>	<b>10</b>

**Source-IMD**

***For the country as a whole, cumulative rainfall during 1<sup>st</sup> June 2020 to 01<sup>st</sup> Sept- 2020 was above Long Period Average (LPA) by 10% over the country as a whole.***

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

Duration	Trend	Average Price Range	Reason
Sept - 2020	Steady	Rs.3300-3900/Quintal	Arrival in miniscule quantity may not the push price in upward direction, overseas demand would play major role in rice price movement.

Kharif Paddy Sowing Updates as 21<sup>st</sup> August- 2020

State	Normal Area	Area sown reported		Absolute Change
		This Year	Last Year	
Andhra Pradesh	15.19	9.57	9.31	0.26
Arunachal Pradesh	1.30	1.17	1.17	0.00
Assam	20.55	18.05	17.97	0.08
Bihar	31.85	32.55	26.56	5.99
Chhattisgarh	37.64	37.29	36.28	1.01
Goa	0.27	0.24	0.24	0.00
Gujarat	7.78	7.71	7.61	0.10
Haryana	13.79	13.23	12.98	0.25
Himachal Pradesh	0.73	0.44	0.45	-0.01
J&K	2.80	1.14	1.13	0.01
Jharkhand	16.12	16.90	11.04	5.86
Karnataka	9.28	5.88	3.700	2.18
Kerala	1.47	0.66	0.67	-0.01
Madhya Pradesh	21.67	28.03	22.08	5.95
Maharashtra	14.57	12.67	11.460	1.21
Manipur	0.42	1.19	0.97	0.22
Meghalaya	0.97	0.97	0.97	0.00
Mizoram	0.36	0.35	0.35	0.00
Nagaland	2.01	1.95	2.10	-0.15
Odisha	36.67	33.28	30.12	3.16
Punjab	29.87	27.42	29.20	-1.78
Rajasthan	1.87	1.97	1.71	0.26
Sikkim	0.10	0.10	0.09	0.01
Tamil Nadu	16.06	3.12	1.96	1.16
Telangana	9.59	18.12	7.58	10.54
Tripura	2.00	0.42	1.65	-1.23
Uttar Pradesh	58.30	60.01	59.89	0.12
Uttarakhand	2.44	2.49	2.49	0.00
West Bengal	41.20	41.20	36.72	4.48
Others	0.41	0.20	0.20	0.00
All-India	397.29	378.32	338.65	39.67

### Comparative Rice Variety 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
	29-Aug-20	25-Aug-20	30-Jul-20	31-Aug-19			
1121 Steam	6400	6400	6300	7500	0.00	1.59	-14.67
1121 Sella	5200	5250	5100	6300	-0.95	1.96	-17.46
1121 Raw	7100	7000	6200	7600	1.43	14.52	-6.58
Basmati Raw	8800	8500	8500	9400	3.53	3.53	-6.38
1509 Steam Wand New	5500	5400	4800	6600	1.85	14.58	-16.67
Sugandh Steam	4600	4750	4500	5500	-3.16	2.22	-16.36
Sharbati Raw	3800	3800	4000	4050	0.00	-5.00	-6.17
Pusa Raw Wand	6100	6200	5600	5700	-1.61	8.93	7.02
Parmal Sella	3750	3750	3600	3200	0.00	4.17	17.19

Source-Agriwatch

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

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

Figure in MMT	2017-18	2018-19	2019-20	2020-21*
Carry in	16.00	17.35	22.24	25.35
Production	112.65	116.40	116.61	117.60
Imports	0.00	0.00	0.00	0.00
Total Availability	128.65	133.75	138.85	142.95
Consumption	98.60	99.50	102.50	104.00
Exports	12.70	12.01	11	11.5
Total Usage	111.30	111.51	113.5	115.50
Carry out	17.35	22.24	25.35	27.45

\*AW Forecast (Preliminary)

**Rice Production Estimates:** Rice production estimate is raised higher to a record 117-118 Million tons, based on higher planting and production prospects of Kharif rice and expectation of higher-than-earlier yields of kharif rice in India's northern and southern producing states. Field reports suggest that excellent monsoon rains support the higher planting and improved yield prospects for kharif rice in MY-2020-21, compared to last year. However, if weather is not conducive at the time of harvest, projections for kharif production may change.

**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 pandemic of COVID-19.

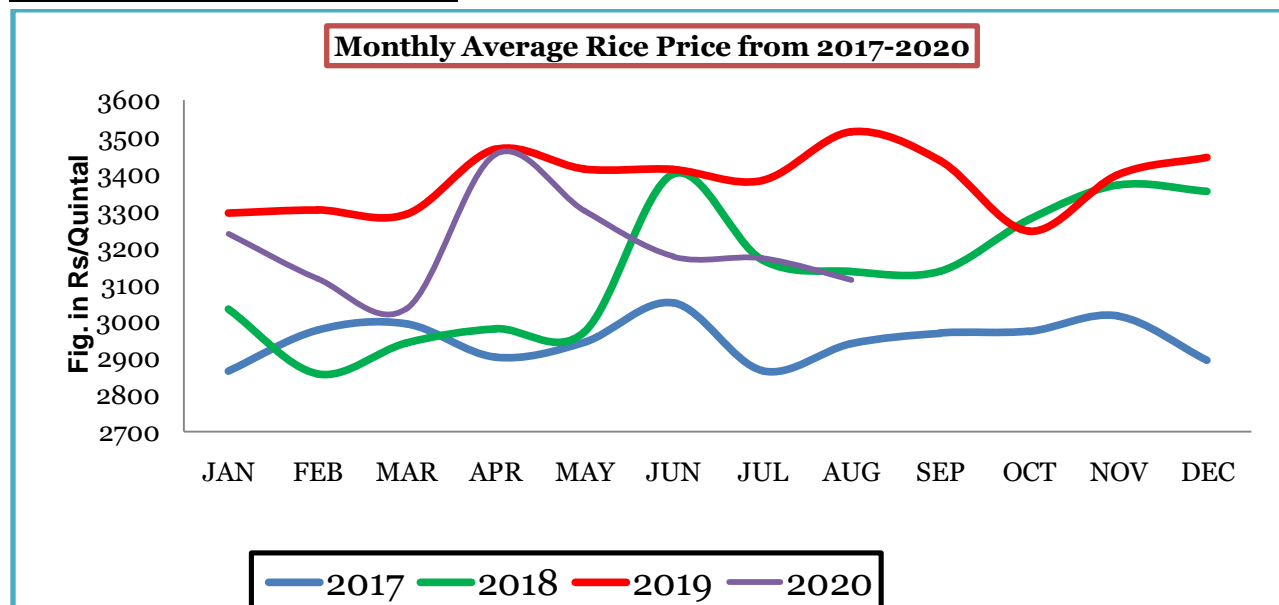
**State wise Wholesale Prices Monthly Analysis for Rice August, 2020**

State	Prices August, 2020	Prices July, 2020	Prices August, 2019	% Change(Over Previous Month)	% Change(Over Previous Year)
Gujarat	4238.49	4200	3142.88	0.92	34.86
Jharkhand		2530.68	3865.1	—	—
Karnataka	3357.9	3172.44	3814.15	5.85	-11.96
Kerala	3481.42	3474.39	3413.21	0.2	2
Maharashtra	2579.66	3864.24	4019.86	-33.24	-35.83
Odisha	2715.08	2728.63	2707.2	-0.5	0.29
Tripura	2992.44	2957.5	2887.08	1.18	3.65
Uttar Pradesh	2677.36	2683.37	2511.38	-0.22	6.61
Uttrakhand			2679.5	—	—
West Bengal	2853.57	2941.28	2777.83	-2.98	2.73
<b>Average</b>	<b>3111.99</b>	<b>3172.5</b>	<b>3514.9</b>		

Source-Agmarknet

Prices in Rs/Quintal

Average monthly wholesale rice prices in India stood at around Rs.3112 per quintal in August- 2020, slightly downby 1.9% from Rs.3172 per quintal in July-2020 and downby 11.4% from Rs.3515 per quintal a year ago. Future prices will depend on harvest prospects of the upcoming crop and international price movements.

**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						

Note- Figure not updated June onwards

Source-FCI

India's rice and unmilled paddy stocks in the central pool as on June- 1, 2020 stood at 41.44million 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 01.09. 2020

State	Procurement (in LT) 2019-20	2018-19
AP	53.38	48.10
Telangana	74.54	51.9
Assam	1.82	0.52
Bihar	13.41	9.28
Chhattisgarh	49.40	38.0
Haryana	43.03	39.40
Jharkhand	2.55	1.53
Kerala	4.75	4.07
M.P	17.40	14.0
Maharashtra	11.57	4.25
Odisha	47.28	44.5
Punjab	108.76	113.34
Tamilnadu	20.50	12.9
U.P	37.90	32.33
Uttarakhand	6.82	4.62
West Bengal	16.32	19.8
<b>Total</b>	<b>510.37</b>	<b>444.0</b>

As on 01<sup>st</sup> September, during KMS 2019-20, Progressive Procurement of Rice was 510.37 lakh MT compared to 444 lakh MT during corresponding period of KMS 2018-19.

### 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*	4.53	5.07	9.6
May-19	4.04	4.31	8.35	May-20*	8.76	5.29	14.05
June-19	4.96	2.92	7.88	June-20*	2.54	1.65	4.19
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	41.2	37.74	78.94

Source-DGCIS \* Trade Estimate

Due to the weak domestic prices of rice, and relatively weak value of the Indian rupee vs the USD, Indian rice prices for both long-grain Basmati and coarse grain non-Basmati rice are very competitive vs. other origins since the beginning of CY 2020. Despite the supply disruptions due to the COVID-19 led national lockdown implemented in March; trade sources report rice exports in April 2020 at 9.6 lakh tons, against the initial report of 500-600,000 MT. While government official estimates are not available for May-June, trade sources report significantly higher exports since May, with the improvement in supply chain operations for exports and continued strong export demand, with exports reported in the range of 2.2 to 2.4 MMT during May-June 2020. Trade sources report that Indian Coarse Rice prices are very competitive (about 10-15 percent lower) against rice from other origins (Thailand, Vietnam, Myanmar, etc.). The domestic rice prices are likely to remain weak through end of Crop Year of 2020 on sufficient supplies and the government release of free rice till November 2020. Assuming no significant change in the current price parity of Indian rice vs other origins, and steady international demand, MY 2019-20 rice exports are estimated to reach 11MMT, and CY-2020 exports at 11.5-12 MMT. Assuming steady export demand and no significant changes in the international prices, the MY 2020/21 export forecast has also been raised higher to 11.5-12 MMT, given 'more-than-sufficient forecast domestic supplies.



### International Market:

- Iranian customs has banned rice imports as of August 22 to support their domestic farmers, and was planned for the beginning of the Iranian calendar month (July 22) but was postponed to August. Nearly 800,000 tons of rice was imported into the country and was cleared from various customs in the previous Iranian calendar year (ended in March 19). Rice imports have decreased by about 20 percent in the current year, saying: About 390,000 tons of rice has been cleared through customs, while some cargos are still stored in customs. Iranian farmers managed to produce 2.6 million tons of rice.
- As per data received by Bangladesh Agriculture Department, Floods in Bangladesh damaged rice worth 363.34 billion taka (USD 4.29 billion) on around 100,000 hectares. Bangladesh, the world's third biggest rice producer, often relies on imports to cope with shortages caused by floods and droughts. This year, it is expected that Bangladesh would import rice from India which will support price in coming months.
- Vietnam's 5% broken rice rates were unchanged at USD 480-USD 490 per tonne this week, highest since late 2011. Supplies are getting thin day by day due to strong domestic buying and limited stocks after summer-autumn harvest ended. The return of the novel corona virus to Vietnam late last month has also prompted the hoarding of rice domestically. It is expected that prices to stay elevated for the next few months until a new harvest in October.
- Vietnam's Jan-Aug rice exports are down 1.7%: Vietnam's white rice exports are likely to have dropped 1.7%. Rice exports in the period from January to August are expected to have dropped to 4.5 million tonnes but revenue from rice exports in the period is expected to have increased 10.4% to \$2.2 billion. August rice exports from Vietnam, the world's third-largest shipper of the grain, probably totaled 500,000 tonnes, worth \$251 million.
- Supply concerns also pushed Thailand's benchmark 5% broken rice prices up to USD 480-500, its highest since July 2, from USD 465-USD 500 last week, It is expected that rice harvest in the provinces will not be so great which would like to push the price up in coming months.

### IGC Balance Sheet:

Attributes ( Fig in Million Tons)	2017-18	2018-19	2019-20 Est.	2020-21 Forecast 23.07.2020)	27.08.2020
Production	494	498	497	505	505
Trade	46	43	42	45	45
Consumption	485	487	495	500	500
Carryover stocks	165	175	177	182	181
Y-O-Y change	9	10	2		4
Major Exporters	32	39	44	47	47

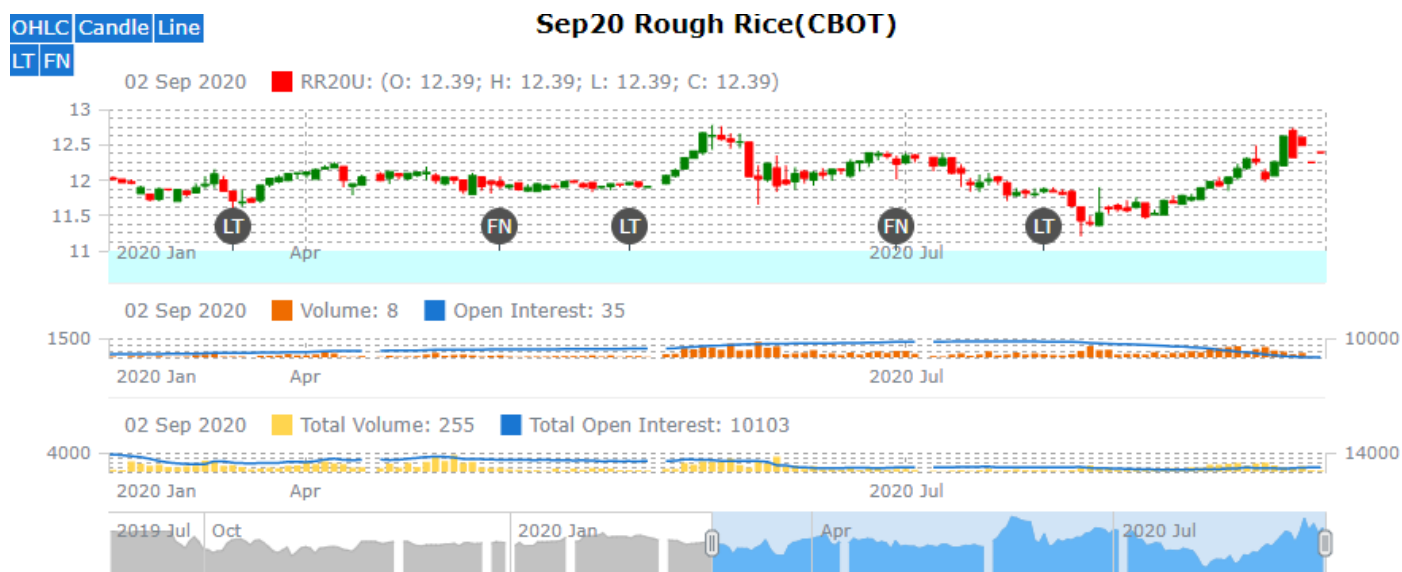
Note: Major exporters are India, Pakistan, Thailand, Vietnam, and United States

### 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)	67500	68500	63500	63000	68000
Indian FOB (USD/MT)	<b>904.10</b>	<b>917.49</b>	<b>850.52</b>	<b>843.83</b>	<b>910.80</b>
Insurance @ 0.1%	0.90	0.92	0.85	0.84	0.91
Freight Charges (US \$/ton) to Dubai	55	55	55	55	55
CIF (Kandla to Dubai)	<b>960.00</b>	<b>973.41</b>	<b>906.37</b>	<b>899.67</b>	<b>966.71</b>
INR MonthlyAverage	74.66	74.66	74.66	74.66	74.66

Source-Agriwatch Trade Source

### 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 firm tone from last month. We expect market to hover in the range of USD 11.80-13.50 hundred weights in coming sessions.

***International Price Projection for Next Month:***

Duration	Trend	Support	Resistance
Sept-2020	Steady to Firm	S1-11.80 S2-11.50	R1-13.30 R2-14.80

**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 vary from time to time to 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.