



Rice Monthly Research Report

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Outlook and Review (Domestic Front)

- **Price:** All India non basmati average rice price traded firm at Rs. 3212/quintal in October against Rs. 3571/quintal last month with better demand. Due to the new crop's early harvest, domestic rice prices started easing this October despite high government MSP for un-milled paddy rice set at INR 18,880 (\$255)/MT versus INR 18,350 (\$247)/MT compared to last year.
- While the government's rice procurement at MSP levels will bolster domestic prices, open-market prices are likely to ease further as arrivals increase in other states on expected record harvest. Future domestic prices during the marketing year will depend on government releasing rice stocks under various food programs, and international price movements.
- **Procurement:** As 06th November, during KMS 2020-21, Progressive Procurement of Rice was 158.06 lakh MT compared to 102.06 lakh MT during corresponding period of KMS 2019-20, with most rice coming from the northern states of Haryana and Punjab. Procurement will gain pace in the coming weeks in northern India and will gradually spread to other states from late November onward. With an estimated record harvest and relatively weak open rice market prices due to the government's release of a significant quantity of subsidized rice via COVID-19 relief programs, MSP procurement is likely to remain strong in MY 2020/21.
- In some other states including Andhra Pradesh, Telangana, Assam, Bihar, Chhattisgarh, Odisha, Madhya Pradesh and Jharkhand, paddy harvesting preparations are underway and arrivals in mandis are likely to start in Mid-November and procurement of paddy should start there. The central government has set a target of purchasing paddy equivalent to about 497 lakh MT of rice.
- India's rice export prices fell this week on new season supplies and depreciation in the rupee, while traders in Vietnam expect fresh orders from the Philippines even as domestic supplies are running low. India's 5 percent broken parboiled variety rates were quoted at \$366-\$370 per tonne this week, down from the last week's \$370-\$375.
- Paddy supplies have been rising in southern and eastern states from the summer-sown rice crop. As per trade sources, the government has been buying paddy rice from farmers aggressively, but still ample amount of rice is available for traders. India's new season paddy rice purchases from local farmers rose 21% by the end of October.
- There is little possibility of extending the free food distribution scheme period starting from April and continuing till November. Earlier this scheme was implemented for a period of three months from April to June but later the scheme was extended to November 2020.
- On the other hand Food Corporation of India is urging to increase its duration as it still has a huge stock of food grains and government procurement of Kharif rice/paddy has started. This will

increase the stock of food grains in the central pool continuously and may also cause serious problems of its storage later. Government procurement of wheat will also begin in April next year.

Weather Watch:

Cumulative rainfall during Monsoon season, 01st October 2020 to 28th October 2020, has been 7% higher than LPA. Among the four broad geographical divisions, seen against the LPA the rainfall has been:

- Higher by 48% in Central India,
- Higher by 16% in South Peninsula,
- Lower by 94% in North West India
- Lower by 5% in East & North East India.

Price Projection for Next Month (November) in Domestic Market

Duration	Trend	Average Price Range	Reason
November - 2020	Steady	Rs.3300-3800/Quintal	Fresh arrival in many producing states and active buying from domestic buyers, keep the price in range bound.

Kharif Paddy Sowing Updates as 18th September- 2020

	RICE				
State	Normal Area	Area sown reported			Absolute Change
		This Year	% of Normal	Last Year	
Andhra Pradesh	15.19	14.02	92.3	13.23	0.79
Arunachal Pradesh	1.30	1.17	89.9	1.31	-0.14
Assam	20.55	21.22	103.3	19.67	1.55
Bihar	31.85	33.07	103.8	27.72	5.35
Chhattisgarh	37.64	37.84	100.5	38.14	-0.30
Goa	0.27	0.24	88.1	0.28	-0.04
Gujarat	7.78	8.39	107.8	8.47	-0.08
Haryana	13.79	13.28	96.3	13.57	-0.29
Himachal Pradesh	0.73	0.74	101.6	0.73	0.01

J&K	2.80	1.16	41.4	1.15	0.01
Jharkhand	16.12	17.38	107.8	13.57	3.81
Karnataka	9.28	9.98	107.5	7.330	2.65
Kerala	1.47	0.68	46.4	0.68	0.00
Madhya Pradesh	21.67	28.71	132.5	24.60	4.11
Maharashtra	14.57	14.98	102.8	14.780	0.20
Manipur	0.42	1.95	467.3	0.97	0.98
Meghalaya	0.97	0.97	99.8	0.97	0.00
Mizoram	0.36	0.35	97.1	0.00	0.35
Nagaland	2.01	1.95	97.0	2.11	-0.16
Odisha	36.67	37.02	101.0	37.42	-0.40
Punjab	29.87	27.36	91.6	29.20	-1.84
Rajasthan	1.87	1.97	105.1	1.82	0.15
Sikkim	0.10	0.10	97.8	0.00	0.10
Tamil Nadu	16.06	4.96	30.9	3.85	1.11
Telangana	9.59	20.74	216.3	12.29	8.45
Tripura	2.00	0.42	21.0	1.65	-1.23
Uttar Pradesh	58.30	60.14	103.1	60.05	0.09
Uttarakhand	2.44	2.49	101.9	2.49	0.00
West Bengal	41.20	43.34	105.2	40.31	3.03
Others	0.28	0.35	126.4	0.35	0.00
All-India	397.29	406.97	102.4	378.71	28.26

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
	7-Nov-20	31-Oct-20	7-Oct-20	7-Nov-19			
1121 Steam	5400	5500	5700	5800	-1.82	-5.26	-6.90
1121 Sella	4600	5000	4800	5150	-8.00	-4.17	-10.68
1121 Raw	5400	5500	5800	5800	-1.82	-6.90	-6.90
Basmati Raw	8800	8800	8800	8900	0.00	0.00	-1.12
1509 Steam Wand New	5000	4800	4500	5400	4.17	11.11	-7.41
Sugandh Steam	3800	3600	4500	4600	5.56	-15.56	-17.39
Sharbati Raw	3600	3300	3600	4300	9.09	0.00	-16.28
Pusa Raw Wand	5200	5400	5700	4600	-3.70	-8.77	13.04
Parmal Sella	3000	3100	3200	3100	-3.23	-6.25	-3.23

Source-Agriwatch

Rice Supply & Demand for MY-2019-20

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Particulars	2017-18	2018-19	2019-20	2020-21*
Opening Stock	17.33	19.13	25.63	27.75
Production	112	116	117	119
Imports	0	0	0	0
Total Supply	129.33	135.13	142.63	146.75
Exports	11.8	10.5	10.44	12
Consumption	98.4	99	104.06	104.04
Total use	110.2	109.5	114.5	116.04
Ending Stock	19.13	25.63	28.13	30.71
Stock-to-Use ratio	17.36%	23.41%	24.57%	26.47%

*AW Forecast (Preliminary)

Rice Production Estimates: Rice production estimate is raised to 119 Million tons, based on higher planting and expectation of higher yields of Kharif rice in India's northern and southern producing states. Field reports suggest that excellent monsoon rains supported 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.

State wise Wholesale Prices Monthly Analysis for Rice October, 2020

State	Prices October, 2020	Prices September, 2020	Prices October, 2019	% Change(Over Previous Month)	% Change(Over Previous Year)
Andhra Pradesh			4070	--	--
Assam			3087.02	--	--
Gujarat	4266.29	4327.47	3263.69	-1.41	30.72
Haryana			1835	--	--
Jharkhand			3572.61	--	--
Karnataka	3319.34	3664.62	4035.28	-9.42	-17.74
Kerala	3487.81	3458.8	3487.92	0.84	0
Maharashtra	3576.51	4199.92	3683.33	-14.84	-2.9
Manipur		5166.52	4626.22	--	--
Meghalaya			3800	--	--
NCT of Delhi			4131.58	--	--
Odisha	2735.79	2869.04	2694.63	-4.64	1.53
Punjab			1835	--	--
Tripura	2977.9	3010.8	2931.69	-1.09	1.58
Uttar Pradesh	2543.27	2647.67	2580.49	-3.94	-1.44

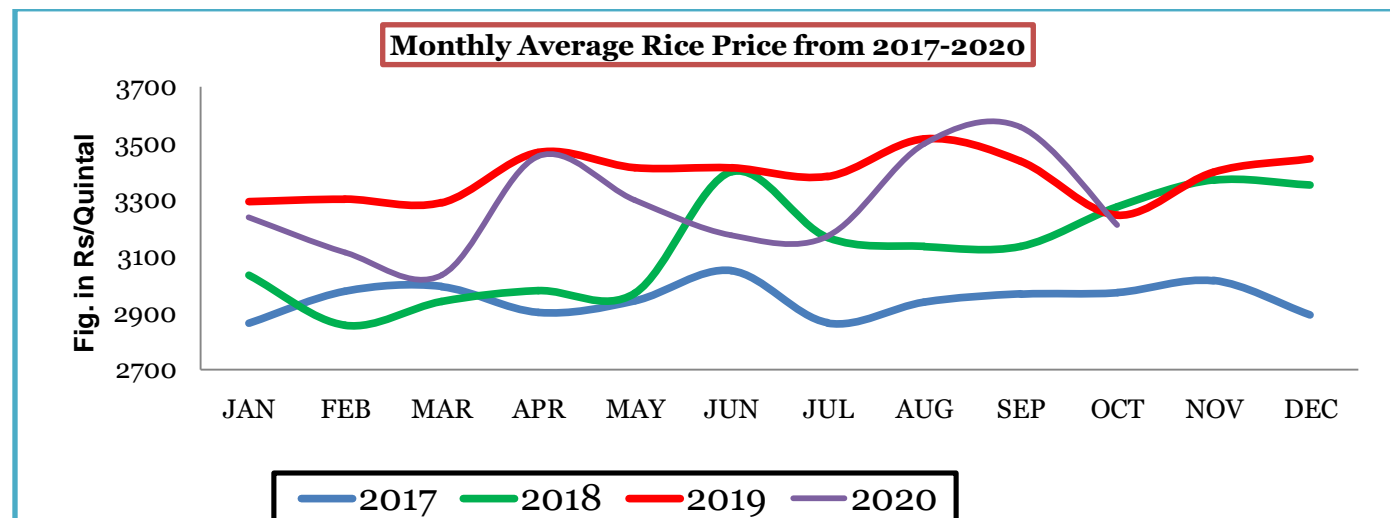
Uttarakhand			2661.66	--	--
West Bengal	2791.6	2799.84	2879.47	-0.29	-3.05
Average	3212.31	3571.63	3245.62		

Source-Agmarknet

Prices in Rs/Quintal

Average monthly wholesale rice prices in India stood at around Rs.3212 per quintal in October- 2020, down by 10.06% from Rs.3572 per quintal in September-2020 and down by 1.02% from Rs.3245 per quintal a year ago.

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
2016	12.69	16.24	19.42	22.16	21.32	20.79	19.41	18.01	16.53	14.47	12.52	11.06
2017	13.48	17.03	20.41	23.08	22.83	22.10	21.04	19.86	18.18	16.31	14.03	13.13
2018	16.20	19.89	23.27	24.87	25.36	24.27	23.25	21.85	20.57	18.63	16.25	14.78
2019	18.29	22.79	26.39	29.39	29.05	27.58	28.42	27.53	26.14	24.91	23.105	21.27
2020	23.71	27.45	30.97	32.23	28.50	27.44	27.17	25.34	22.19			

Note- Figure not updated June onwards

Source-FCI

India's rice stock in the central pool as on September- 1, 2020 stood at 22.19million tons down by 15.11% from 26.14 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 12.43% by from 25.34 million tons recorded on August-01, 2019. The distribution of rice was much more under PMGKY, whereas under OMSS, the sale of rice was weak in August.

State-wise Progressive Procurement As on 06.11.2020

State	In Marketing season 2018-19
Andhra Pradesh	0.00
Telangana	0.74
Bihar	0.00
Chhattisgarh	0.00
Haryana	34.72
Kerala	0.05
Madhya Pradesh	0.00
Maharashtra	0.00
Odisha	0.00
Punjab	111.87
Tamil Nadu	2.92
Uttar Pradesh	4.42
Uttarakhand	3.36
West Bengal	0.00
All-India	158.36

As on 06 November, during KMS 2020-21, Progressive Procurement of Rice was 158.36 lakh MT compared to 102.12 lakh MT during corresponding period of KMS 2019-20.

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	3.44	3.06	6.5
December-18	6.77	3.7	10.47	December-19	4.22	4.7	8.92
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	4.28	4.21	8.49
May-19	4.04	4.31	8.35	May-20	6.83	4.54	11.37
June-19	4.96	2.92	7.88	June-20	8.15	4.09	12.24
July-19	5.03	2.78	7.81	July-20	9.54	4.25	13.79
August-19	4.13	2.3	6.43	August-20	9.51	3.25	12.76
September-19	3.07	2.05	5.12	September-20	13.61	5.24	18.85
Total	60.88	42.06	102.94	Total	77.29	51.31	128.6

Source-DGCIS * Trade Estimate

Based on the current strong pace of monthly exports, MY 2019-2020 rice exports estimate is raised to 12.3 MMT, more than an 18 percent increase over last year. Indian rice exports have recovered since December 2019, on strong export demand and competitive prices versus other competing origins, particularly for coarse grain rice. Monthly rice exports during May-August 2020 have been very strong, ranging from 1.14 MMT to 1.47 MMT per month based on strong export demand for coarse grain non-Basmati rice to African markets. While Indian official trade estimates for September 2020, are not yet available and continued strong export off-takes in September and ongoing October on continued competitive prices of coarse grain non-Basmati rice to the traditional African markets. Assuming the current price parity for Indian rice to continue through end of CY 2020, MY 2019-2020 exports will reach an estimated 12.3 MMT, and CY 2020 exports will reach 13 million metric tons.

International Market:

- Thailand's benchmark 5% broken rice prices narrowed to \$455-\$458 from \$452-\$480 a week earlier. Thailand exported more than 4 million tonnes of rice between January and September this year, a decline of 31.9% from the same period a year earlier.
- Vietnam's 5% broken rice prices were little changed at \$493-\$497 per tonne, compared with \$495 per tonne last week. Demand is expected to increase later this month on anticipation of new orders from the Philippines, which has been suffering from floods and storms recently. However, country's domestic rice supplies are running low and shipments in November won't likely exceed October sales.
- Weak demand of rice in Japan and an expected strong harvest have led to high stocks and falling prices for producers. Wholesalers were paying 15,642 yen/60 kg in June and 15,556 yen/60kg in July of 2020, the lowest since November 2017. Prices for the MY2020-21 crop are expected to remain low but are unlikely to have a significant effect on consumption. Population decline, an aging population, and a drastic reduction in inbound visitors are forecast to suppress demand.
- 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.

- Rice exports in the first nine months of this year from Vietnam are forecast to show a drop of 0.6% from a year earlier to 5.026 million tonnes. Revenue from rice exports in the period is expected to rise 12% to USD 2.468 billion. September rice exports from Vietnam, one of the world's largest shippers of the rice, totaled 420,000 tonnes, worth USD 215 million
- Cambodia exported 488,775 tonnes of milled rice in the first nine months of this year, up 22.6 percent compared to the same period last year. Country exported 488,775 tonnes of milled rice in the first nine months of this year, up 22.6 percent compared to the same period last year.

IGC Balance Sheet:

Attributes (Fig in Million Tons)	2017-18	2018-19	2019-20 Est.	2020-21 Forecast 24.09.2020)	29.10.2020
Production	494	498	497	504	504
Trade	46	43	42	45	45
Consumption	485	487	495	500	501
Carryover stocks	165	175	177	180	178
Y-O-Y change	9	10	2	4	3
Major Exporters	32	39	44	45	44

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

World rice trade is forecast to be little-changed year on year in 2020 as stronger demand in the second half of the year potentially compensates for weak buying interest in earlier months. Amid ample and competitively priced supplies, India's dispatches are anticipated to increase by more than 30% y/y as shipments by other leading suppliers – principally Thailand – decline. India will also account for the bulk of global growth in uptake in 2019-20, while world inventories are seen little-changed y/y, with falls in some importers offset by gains in the five leading exporters. Output in 2020/21 could reach a peak of 504 million tonnes (497m), while population growth may underpin record uptake. Trade in 2021 is predicted to expand by 7% y/y on firmer African demand.

Indicative Basmati Parity Sheet

Parity Calculation Sheet	Rajkot (Kandla)	Andhra Pradesh(Vizag)	Punjab(Kandla)	Haryana(kandla)	West Bengal(Kolkata)
Price @ various center	58500	59000	56000	56500	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)	67500	68500	63500	63000	68000
Indian FOB (USD/MT)	917.62	931.21	863.24	856.44	924.42
Insurance @ 0.1%	0.92	0.93	0.86	0.86	0.92
Freight Charges (US \$/ton) to Dubai	25	25	25	25	25
CIF (Kandla to Dubai)	943.54	957.14	889.10	882.30	950.34
INR MonthlyAverage	73.56	73.56	73.56	73.56	73.56

Source-Agrivatch Trade Source

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

Market Analysis

The CBOT November-20 month rough chart for rice indicates firm tone from last month. We expect market to hover in the range of USD 12.00.80-13.50 hundred weights in coming sessions.

International Price Projection for Next Month:

Duration	Trend	Support	Resistance
November-2020	Steady	S1-11.50 S2-11.00	R1-13.30 R2-14.80

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