



Rice Monthly Research Report

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Outlook and Review (Domestic Front)

- Price: Average monthly wholesale rice prices in India stood at around Rs.3037 per quintal in November- 2020, down by 5.4% from Rs.3212 per quintal in October-2020 and down by 10.63% from Rs.3398 per quintal a year ago. Due to the new crop's early harvest, domestic rice prices started easing since 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.
- Procurement: Paddy procurement for Kharif 2020-21 is continuing smoothly in the procuring States &UTs of Punjab, Haryana, Uttar Pradesh, Telangana, Uttarakhand, Tamil Nadu, Chandigarh, Jammu & Kashmir, Kerala, Gujarat and Andhra Pradesh with purchase of over 310 LMTs of paddy upto 27.11.2020 against the last year corresponding purchase of 306 LMT, an increase of 1.30 % over last year. Out of the total purchase of 210 LMT, Punjab and Haryana alone have contributed 202.66 and 55.92 LMT respectively which is more than 80% of the total procurement.
- Despite around 2 lakh hectares lower area under Kharif paddy (pormal) crop this year as compared to last year, Punjab has procured around 206 lakh tonnes which is 2.98 lakh tonnes more paddy than last year.
- Pace of sowing of Rabi crops is slow in Telangana and Andhra Pradesh due to untimely rains which delayed the harvesting of Kharif crops. However, the target of Rabi paddy area in A.P has been increased to 8 lakh acres, which is higher than the normal area of 6.86 lakh acres.
- Arrival of paddy started decreasing in the mandis. Demand of Rice mills increased in paddy. Rise in prices due to increase in domestic demand for rice. Price of rice has been increased by 200-300 rupees per qtl. Paddy prices have also seen a jump of 100/150 rupees.
- Reserve price of rice with OMSS likely to decrease by 11 percent: The Central Government is expected to cut the minimum reserve price (base reserve price) of rice by 11 percent under the Open Market Sale Scheme (OMSS). Presently, the reserve price of this rice is fixed at Rs 2250 per quintal, which can be reduced to Rs 2000 per quintal. In fact, the prices of rice in the domestic market are going down significantly compared to the government rice, while the supply of new kharif season has also started. Private traders and millers are not showing much interest in purchasing high-priced government rice. The government has set a target of selling 5 million tonnes of rice through OMSS during the current financial year, but only 9.85 lakh tonnes of rice could be sold from the third week of April to November 2020. Out of this, 9.44 lakh tonnes of rice were procured by the provincial governments while the private traders bought only 41 thousand tonnes of rice.

- Paddy farmers of Maharashtra will get gift by State government of Rs 700 bonus on procurement: Maharashtra state govt. decided to give a bonus of Rs. 700 on paddy MSP. Till now around 7.8 lakh tonnes of paddy have been procured by state.

Weather Watch:

Cumulative rainfall during Post Monsoon season, 01st October 2020 to 25th November 2020, has been 5% lower than LPA. Among the four broad geographical divisions, seen against the LPA the rainfall has been: -

- Higher by 18% in Central India and
- Lower by 52% in North West India,
- Lower by 8% in East & North East India
- Lower by 5% in South Peninsula

Price Projection for Next Month (December) in Domestic Market

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

Rabi Paddy Sowing Updates

Area Sown Reported in Lakh Hectares			
State	Normal Area	This Year	Last Year
Andhra Pradesh	06.86	00.82	00.84
Assam	04.06	00.00	00.00
Bihar	00.75	00.00	00.00
Karnataka	01.92	00.02	00.02
Kerala	00.44	00.30	00.30
Odisha	02.51	00.00	00.00
Tamil Nadu	01.52	07.02	07.67
Telangana	06.49	00.00	00.01
Uttar Pradesh	00.27	00.00	00.00
West Bengal	12.85	00.00	00.00

Area Sown Reported in Lakh Hectares			
State	Normal Area	This Year	Last Year
Others	00.00	00.01	00.00
All-India	37.67	08.18	08.84

Source: Agricoop(As on November 20, 2020)

Rabi paddy sowing is behind normal expectations by 7.48 percent due to delay in Kharif paddy harvesting in the southern states and is expected to pick pace in December. Winter rains are almost normal and night temperatures have started declining. This will make the soil less dry.

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
	4-Dec-20	28-Nov-20	3-Nov-20	4-Dec-19			
1121 Steam	5900	5700	5400	6050	3.51	9.26	-2.48
1121 Sella	5100	4800	4600	5450	6.25	10.87	-6.42
1121 Raw	6000	5800	5400	6000	3.45	11.11	0.00
Basmati Raw	8500	8500	8800	8900	0.00	-3.41	-4.49
1509 Steam Wand New	5400	5300	4800	5700	1.89	12.50	-5.26
Sugandh Steam	5000	4500	3900	4700	11.11	28.21	6.38
Sharbati Raw	4300	4100	3500	4500	4.88	22.86	-4.44
Pusa Raw Wand	5500	5400	5200	4700	1.85	5.77	17.02
Parmal Sella	3300	3300	3100	3400	0.00	6.45	-2.94

Source-Agriwatch

Rice Supply & Demand for MY-2020-21
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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.

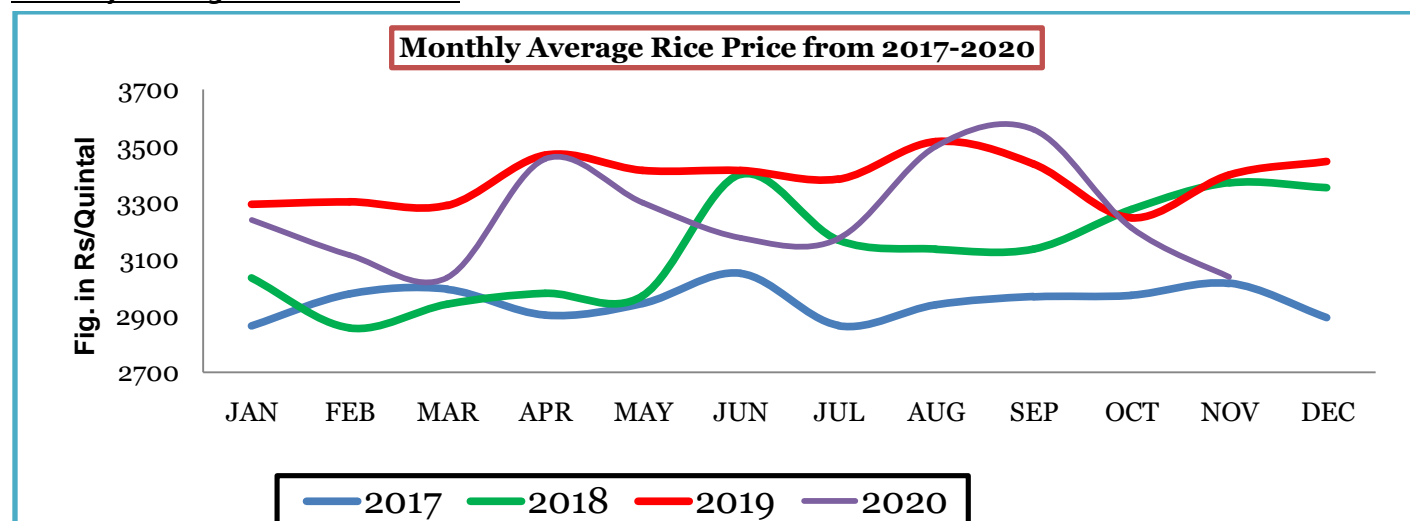
State wise Wholesale Prices Monthly Analysis for Rice November, 2020

State	Prices November, 2020	Prices October, 2020	Prices November, 2019	% Change(Over Previous Month)	% Change(Over Previous Year)
Chattisgarh	2500			---	---
Gujarat	4298.6	4266.29	3220.83	0.76	33.46
Karnataka	3269.75	3319.08	3937.06	-1.49	-16.95
Kerala	3493.22	3487.81	3490.12	0.16	0.09
Maharashtra	3584.1	3576.51	4007.06	0.21	-10.56
Odisha	3003.91	2735.79	2654.95	9.8	13.14
Punjab	2000		2490	---	-19.68
Tripura	2990.9	2977.9	2930.03	0.44	2.08
Uttar Pradesh	2423.65	2543.27	2510.14	-4.7	-3.45
West Bengal	2809.89	2791.33	2772.87	0.66	1.34
Average	3037.4	3212.25	3398.82		

Source-Agmarknet

Prices in Rs/Quintal

Average monthly wholesale rice prices in India stood at around Rs.3037 per quintal in November- 2020, down by 5.4% from Rs.3212 per quintal in October-2020 and down by 10.63% from Rs.3398 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	19.30		

Note- Figure not updated June onwards

Source-FCI

India's rice stock in the central pool as on October- 1, 2020 stood at 19.30 million tons down by 22.52% from 24.91 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 13.02% by from 22.19 million tons recorded on September-01, 2020. The scheme of PMGKY resulted into reduction in rice stock with FCI.

State-wise Progressive Procurement As on 27.11.2020

State	In Marketing season 2020-21	In MY season 2019-20
Andhra Pradesh	0.55	0.00
Telangana	9.88	7.17
Bihar	-	-
Chhattisgarh	-	-
Haryana	37.47	42.88
Kerala	0.53	0.72
Madhya Pradesh	0.62	0.00

<i>Maharashtra</i>	<i>0.12</i>	<i>0.20</i>
<i>Odisha</i>	<i>0.74</i>	<i>0.00</i>
<i>Punjab</i>	<i>137.78</i>	<i>108.41</i>
<i>Tamil Nadu</i>	<i>3.23</i>	<i>0.28</i>
<i>Uttar Pradesh</i>	<i>12.75</i>	<i>9.49</i>
<i>Uttarakhand</i>	<i>6.06</i>	<i>5.89</i>
<i>West Bengal</i>	<i>-</i>	<i>-</i>
<i>All-India</i>	<i>208.18</i>	<i>175.20</i>

Source-FCI

As on 27th November 2020, during KMS 2020-21, Progressive Procurement of Rice was 208.18 lakh MT as compared to 175.20 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 export prices for most grades of rice remain unchanged from the previous week, except for fragrant rice, which increased around one percent. Foreign buyers continued seeking Thai white rice as Thai rice prices are still cheaper than Vietnamese rice. However, rice exporters expect a delay in the delivery of contracted shipments until January 2021 due to current port congestion from a lack of available containers.
- Unofficial and preliminary Thai rice exports (excluding Hom Mali fragrant rice) for November 16-22, 2020, totaled 73,799 metric tons, down 35,241 metric tons from the previous week and down 30,371 metric tons from the four-week moving average of 104,170 metric tons. Rice exports from January 1- November 22, 2020, totaled 3,816,095 metric tons, down 29 percent from the same period last year.
- After 30 years, China started importing rice from India for the first time. China did not import due to the high amount of pesticides in Indian rice. There is a shortage of rice supply in the world at the moment. If rice is of good quality then China can become a big buyer of Indian rice. December to February shipment took place at 300 \$ / ton, about 1 lakh tonnes of rice will be contracted for export. Thailand, Pakistan, Myanmar, Vietnam International price of rice, 30\$ /ton more than Indian rice.
- Based on the most recent update from the National Statistics Agency (BPS), 2020 Indonesia rice production is estimated to increase to 34.7 million tons of milled rice equivalent due to increased harvested area of 11.6 million hectares and higher yields. The forecast for a La Nina event during the first crop cycle of 2020/21 will increase harvested area to 11.6 million hectares from the previous estimate of 11.5 million hectares. Nonetheless, more rainfall during harvest time will likely lead to lower yields, resulting in unchanged milled production forecast of 34.9 million tons of milled rice equivalent. Imports of specialty rice have declined in line with Indonesia's economic slowdown. Accordingly, 2019/20 rice imports are estimated to decrease to 450,000 tons.

IGC Balance Sheet:

Attributes (Fig in Million Tons)	2017-18	2018-19	2019-20 Est.	2020-21 Forecast 29.10.2020)	26.11.2020
Production	494	498	497	504	503
Trade	46	43	42	45	45
Consumption	485	487	495	501	501
Carryover stocks	165	175	177	178	178
Y-O-Y change	9	10	2	3	3
Major Exporters	32	39	44	44	43

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

Despite weak demand and disruptions to export flows earlier in the year owing to the impact of the COVID-19 pandemic, world **rice** trade in 2020 (Jan/Dec) is expected to be only fractionally lower y/y. This is linked to larger than anticipated shipments in the second half of the season, principally by India. Consumption in 2019/20 is seen reaching a new peak, with gains led by enlarged government food assistance programmes in India, while end-season inventories may be broadly unchanged y/y. Production in 2020/21 is forecast to expand by 6m t y/y, to a high of 503m, including larger outturns in major exporters. World uptake may continue to expand on population growth, while stocks could increase further. Trade in 2021 is anticipated to rebound by 6% y/y, to 45m t, on tentative expectations of stronger demand from importers in sub-Saharan Africa.

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	58500
Port handling charges /Loading/Unloading /Clearing (Rs/ton)	330	330	330	330	330
Freight Charges till port	400	400	1350	1350	450
Indian FOB (Rs/MT)	67500	68500	63500	63000	68000
Indian FOB (USD/MT)	908.97	922.43	855.10	848.37	915.70
Insurance @ 0.1%	0.91	0.92	0.86	0.85	0.92
Freight Charges (US \$/ton) to Dubai	25	25	25	25	25
CIF (Kandla to Dubai)	934.88	948.36	880.96	874.22	941.62
INR Monthly Average	74.26	74.26	74.26	74.26	74.26

Source-Agrivatch Trade Source

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

Market Analysis

The CBOT January-20 month rough chart for rice indicates weak 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
December-2020	Steady to weak	S1-11.80	R1-13.30
		S2-11.00	R2-14.80

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