

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 December- 2020, down by 5.4% from Rs.3212 per quintal in November-2020 and down by 10.63% from Rs.3398 per quintal a year ago.
- The Center has approved a scheme of Rs 4573 crore to increase ethanol production capacity. Under this scheme additional 1400 crore liters of ethanol will be produced. Ethanol will be produced from sugarcane and rice. Bad quality grains lying in government warehouses can be used.
- FCI reduced the base price by 11% for maximum rice sales under the OMSS scheme. In the entire financial year, the government had targeted to sell 50 lakh tonnes of rice, but till now only 11.5 lakh tonnes of rice has been sold out of which private traders bought 40720 tonnes of rice.
- Non-basmati rice exports from India increased by 123% year-on-year in April-November. Exporters are bullish about the next quarter as trade enquiries from Africa Middle East and South East Asian countries are pouring and companies have a strong order book. India exported 7.02 MT of non-basmati rice in the first eight months of this financial year, up from 3.15 MT a year ago.
- **Government Procurement:** The pace of Indian government procurement of MY 2020/2021 rice under the MSP system is ahead of last year's (reaching record levels) thanks to a timely harvest, relatively weak open market prices, and anticipated record harvest. Market year 2020/2021 rice procurement through December 30, 2020, was estimated at 316 MMT compared to 23.6 MMT during the corresponding period last year.
- **Rice Export estimate:** Strong export demand for non-Basmati rice through the end of CY 2020 with exports set to reach 13.7 million metric tons. Despite the Indian rupee's value appreciating over the last few weeks, it indicates that Indian rice continues to remain competitive in international markets. Assuming continued price parity for Indian rice with rice from other origins along with steady export demand, we forecast India's rice exports in MY 2020-2021 at 13.5 MM against 12.6 MMT last year.

Weather Watch:

Cumulative rainfall during Post Monsoon season, 01st October 2020 to 25th December 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
January - 2021	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	6.86	2.72	3.38
Assam	4.06	0.21	0.57
Bihar	0.75	0	0
Karnataka	1.92	0.06	0.07
Kerala	0.44	0.73	0.63
Odisha	2.51	0.08	0.04
Tamil Nadu	1.52	9.4	9.74
Telangana	6.49	1.47	0.84
Uttar Pradesh	0.27	0	0
West Bengal	12.85	0	0.1
Others	4.12	0.15	0.1
All-India	41.79	14.82	15.47

Source: Agricoop (As on January 01, 2021)

Planting in the ongoing Rabi season for wheat, pulses (i.e., Gram, Lentils, Moong beans, and black eye beans) and Oil-seeds (rapeseed, mustard, and safflower) is significantly ahead of last year's plantings. However, plantings of paddy and coarse grains such as corn, sorghum, and barley are lagging. As on January 01st 2021, total paddy sown area was reported to 14.82 lakh hectares compared to 15.47 lakh hectares same period last year.

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
	31-Dec-20	26-Dec-20	1-Dec-20	31-Dec-19			
1121 Steam	5900	6000	5700	6000	-1.67	3.51	-1.67
1121 Sella	5100	5050	4800	5400	0.99	6.25	-5.56

1121 Raw	5900	6200	5800	6000	-4.84	1.72	-1.67
Basmati Raw	8600	9200	8500	8200	-6.52	1.18	4.88
1509 Steam Wand New	5300	5500	5400	5600	-3.64	-1.85	-5.36
Sugandh Steam	5200	4800	4600	4600	8.33	13.04	13.04
Sharbati Raw	4200	4300	4100	4500	-2.33	2.44	-6.67
Pusa Raw Wand	6000	6000	5400	4350	0.00	11.11	37.93
Parmal Sella	3200	3250	3300	3250	-1.54	-3.03	-1.54

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 December, 2020

State	Prices December, 2020	Prices November, 2020	Prices December, 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

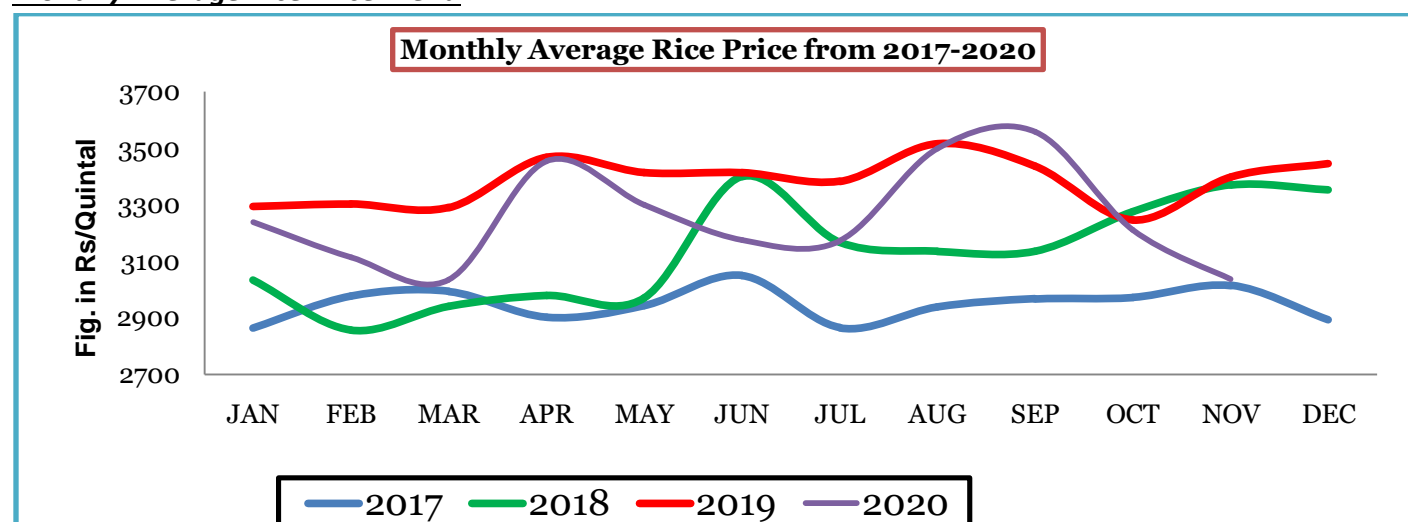
Tripura	2990.9	2977.9	2930.03	0.44	2.08
Uttar Pradesh	2423.65	2543.27	2510.14	-4.7	-3.45
West Bengal	2809.89	2791.33	2772.87	0.66	1.34
Average	3037.4	3212.25	3398.82		

Source-Agmarknet

Prices in Rs/Quintal

Average monthly wholesale rice prices in India stood at around Rs.3037 per quintal in December- 2020, down by 5.4% from Rs.3212 per quintal in November-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	16.79	14.54

Note- Figure not updated June onwards

Source-FCI

India's rice stock in the central pool as on December- 1, 2020 stood at 14.54 million tons down by 31.64% from 21.27 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 13.40% by from 16.79 million tons recorded on November-01, 2020.

State-wise Progressive Procurement As on 30.12.2020

State	In Marketing season 2020-21	In MY season 2019-20
Andhra Pradesh	9.22	5.73
Telangana	27.07	21.86
Bihar	3.63	0.07
Chhattisgarh	29.91	13.87
Haryana	37.60	43.07
Kerala	1.15	1.09
Madhya Pradesh	13.53	1.32
Maharashtra	1.81	1.36
Odisha	13.30	8.45
Punjab	135.86	108.73
Tamil Nadu	3.83	0.32
Uttar Pradesh	31.83	24.00
Uttarakhand	6.68	6.12
West Bengal	0.00	--
All-India	316.51	236.31

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-2019-20	Non Basmati	Basmati	Total Export 2019-20	MY-2020-21	Non Basmati	Basmati	Total Export 2020-21
October-19	2.99	1.86	4.85	October-20	10.44	3.57	14.01
November-19	3.44	3.06	6.5	November-20	3.02	8.97	11.99
December-19	4.22	4.7	8.92	December-20			
January-20	4.52	4.56	9.08	January-21			
February-20	5.4	5.37	10.77	February-21			
March-20	4.8	6.18	10.98	March-21			
April-20	4.28	4.21	8.49	April-21			
May-20	6.83	4.54	11.37	May-21			
June-20	8.15	4.09	12.24	June-21			
July-20	9.54	4.25	13.79	July-21			
August-20	9.51	3.25	12.76	August-21			
September-20	13.61	5.24	18.85	September-21			
Total	77.29	51.31	128.6	Total	13.46	12.54	26

Source-DGCIS * Trade Estimate

Non-basmati rice exports from India increased by 123% year-on-year in April-November. Exporters are bullish about the next quarter as trade enquiries from Africa Middle East and South East Asian countries are pouring and companies have a strong order book. India exported 7.02 MT of non-basmati rice in the first eight months of this financial year, up from 3.15 MT a year ago. India's Basmati and non basmati rice export in November was 3.02 LT and 8.97 LT respectively.

International Market:

- Bangladesh cut the duty on rice imports in an effort to bolster reserves and cool record prices of the staple grain in the country. The import duty on rice will be lowered to 25% from 62.5%. Bangladesh, traditionally the world's third-biggest rice producer, has emerged as a big importer of the grain lately due to depleted stocks and record local prices after repeated flooding ravaged its crop. The government is rushing to build buffer stocks as it aims to import as much as 500,000 tonnes of rice in the year to June. It is finalizing the purchase of 150,000 tonnes of rice from India.
- Vietnam's 5% broken rice prices edged up to \$500-\$505 per tonne this week, the highest since December 2011 – from \$500 a week ago, on thin domestic supplies. Buyers from the Philippines are still purchasing, but with small volumes, trading activity has been slow this week due to the holidays.
- Thai benchmark 5% broken rice prices were quoted at \$510-\$516 per tonne recently, slightly lower than \$516-\$520 per tonne quoted last week.
- India, the 5 percent broken parboiled variety was quoted at \$381-\$387 per tonne this week, unchanged from last week, as firm demand from Asian and African countries persisted.

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

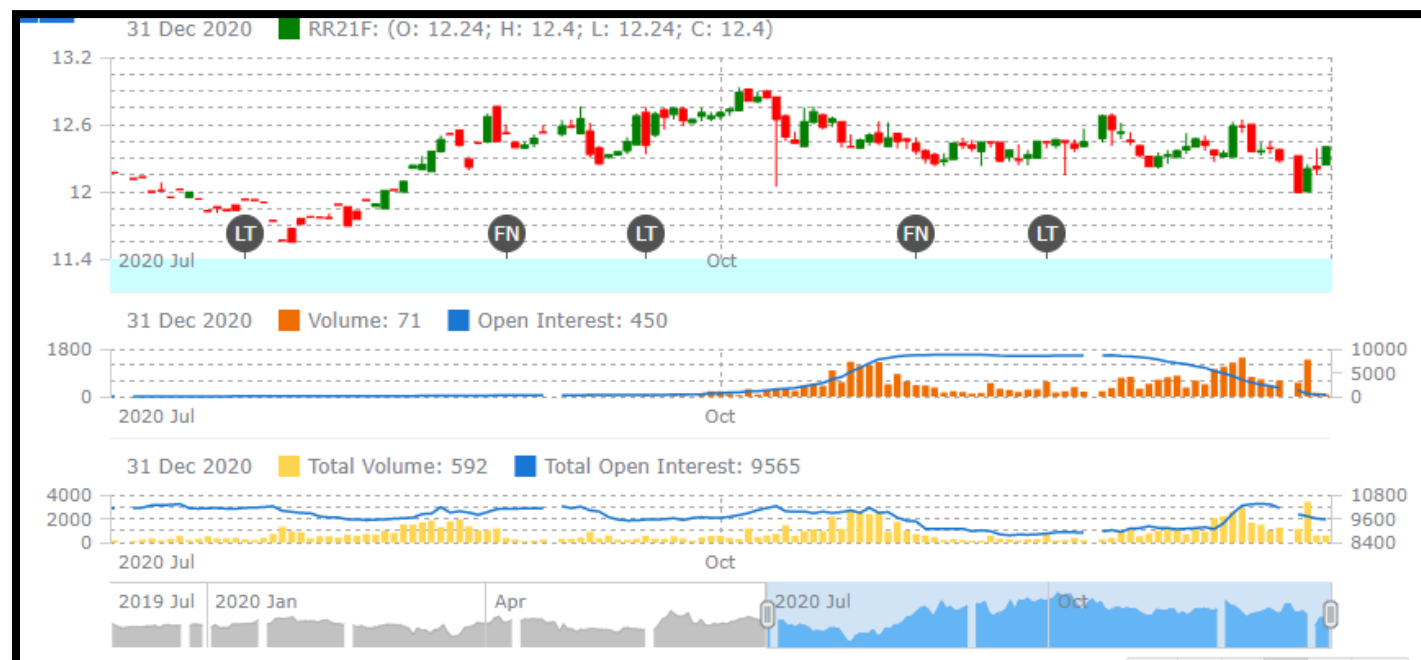
Despite weak demand and disruptions to export flows earlier in the year owing to the impact of the COVID-19 pandemic, world **rice** trade in 2020 (Jan/Dec) is expected to be only fractionally lower y/y. This is linked to larger than anticipated shipments in the second half of the season, principally 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	2000	2000	2000	2000	2000
Indian FOB (Rs/MT)	60830	61330	58330	58830	60830
Indian FOB (USD/MT)	825.04	831.82	791.13	797.91	825.04
Insurance @ 0.1%	0.83	0.83	0.79	0.80	0.83
Freight Charges (US \$/ton) to Dubai	50	50	50	50	50
CIF (Kandla to Dubai)	875.86	882.65	841.92	848.71	875.86
INR Monthly Average	73.73	73.73	73.73	73.73	73.73

Source-Agriwatch Trade Source

**Rice Price Trend – CBOT@ CBOT January- 21, Rough Rice)
(Prices in US\$/hundredweight)**

Market Analysis

The **CBOT January-21** month rough chart for rice indicates range bound 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
January-2021	Steady	S1-11.80	R1-13.30
		S2-11.00	R2-14.80

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