



Rice Weekly Research Report

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Outlook and Review:

Domestic Front

- **Rice export rates for the Vietnamese variety fell this week from multi-month highs on weak demand from** Philippines and China, while prices were steady in top exporter India on festival-thinned trading. Vietnam's 5% broken rice inched lower to \$345-\$350 a ton on Thursday, from a 4-1/2 month high of \$350-\$355 last week. Trading is thin this week on weak demand from major buyers such as Philippines and China. The autumn-winter crop season will be in full swing in December. Vietnam's rice shipments in the first 10 months of this year rose 6.1% from a year earlier to 5.56 million tonnes, but export revenue fell 7.8%, government data showed.
- **In India, prices of the 5 percent broken parboiled were unchanged from last week at \$368-\$372 per tonne.** Trading was negligible due to the Diwali festival. New season supplies have also been delayed due to recent rainfall. Prices had recovered from a four-month low on a stronger rupee last week. Many rice growing states had rainfall in the last few days, damaging paddy crops ready for harvesting.
- **Meanwhile, in Thailand, benchmark 5 percent broken rice prices were at \$390-\$413 a tonne, versus \$396-\$410 last week.** The domestic price of rice is actually quite low but it's the baht that's really pushing up export prices and this has deterred overseas buyers. Exporters have wrestled with a strong baht this year, which has kept prices for the Thai variety higher than those of competitors. New supply will gradually enter the market over the next few weeks until the end of the year and if exporters can't sell, stockpiles may build and prices would fall.
- **The Philippines continued to fail in producing enough rice for the growing population as the country's rice** self-sufficiency ratio (SSR) has declined to 86.17 percent in last year resulting in higher import dependency for Filipinos' main staple. In the latest report of the Philippine Statistics Authority, the country's self-sufficiency ratio of rice in 2018 settled at 86.17 percent, down 7.27 percentage points from the 93.44 percent in 2017.
- **With a drop in prices of basmati variety Pusa 1121, farmers have started stocking their produce. They are** hopeful that the prices of the paddy variety will increase in the near future. The variety is fetching a price between Rs 2,500 and Rs 2,800 in the Karnal grain market, between Rs 2,400 and Rs 2,700 in the Nigdhu grain market, between Rs 2,600 and Rs 2,850 in the Taraori grain market and between Rs 2,500 and Rs 2,850 in the Gharaunda grain market. The prices are almost the same in almost all grain markets of the district. During last year, the variety fetched prices between Rs 3,200 and Rs 3,700 in various grain markets of the district.
- **The central government has set a target of procuring 416 lakh tons of rice for the marketing season** (October-September) of 2019-20, out of which 113.11 lakh tons has been procured. Punjab government paddy procurement is highest with 72 lakh tons, followed by Haryana with 38 lakh tons, and Uttarakhand 1.16 lakh tons. Paddy procurement in south will take pace from December onwards.

- The new monthly (October) report of the International Cereal Council (IGC) has projected the total global production of rice in the 2019-20 marketing season to be 500 million tons, which is equivalent to the September report estimates and the 2018-19 season production. According to IGC, in the previous year 2017-18, the production of rice was 49.40 million tons and in 2016-17, 492 million tons of rice. Rice production is expected to increase in some countries and decrease in some other countries during 2019-20 season as compared to 2018-19.

State wise Paddy Crop Situation - Kharif (2019-20) as on 05.10.2019

	RICE					
State	Normal Area	Normal Area as on date	Area sown reported			Absolute Change
			This Year	% of Normal	Last Year	
Andhra Pradesh	15.19	14.06	13.70	90.2	14.73	-1.03
Arunachal Pradesh	1.30	1.28	1.31	100.8	1.22	0.09
Assam	20.60	20.61	19.71	95.7	19.97	-0.26
Bihar	31.73	32.98	27.72	87.4	32.56	-4.84
Chhattisgarh	38.04	37.23	38.44	101.1	38.17	0.27
Goa	0.28	0.26	0.28	100.9	0.28	0.00
Gujarat	7.68	7.89	8.48	110.5	8.05	0.43
Haryana	13.35	12.62	13.57	101.6	13.29	0.28
Himachal Pradesh	0.73	0.75	0.73	99.6	0.74	-0.01
J&K	2.82	1.43	1.15	40.8	1.14	0.01
Jharkhand	15.58	16.11	13.57	87.1	15.19	-1.62
Karnataka	9.38	9.22	8.46	90.2	9.65	-1.19
Kerala	1.47	0.56	0.68	46.4	0.57	0.11
Madhya Pradesh	20.78	20.82	24.60	118.4	21.65	2.95
Maharashtra	14.88	15.15	15.00	100.8	15.53	-0.53
Manipur	0.40	1.55	0.97	244.5	0.32	0.65
Meghalaya	0.97	0.97	0.97	100.4	0.95	0.02
Mizoram	0.37	0.37	0.35	95.4	0.38	-0.03
Nagaland	1.96	1.98	2.11	107.4	2.09	0.02
Odisha	37.25	36.50	37.52	100.7	37.06	0.46
Punjab	29.37	29.62	29.20	99.4	30.42	-1.22
Rajasthan	1.77	1.48	1.82	102.9	1.15	0.67

Sikkim	0.11	0.11	0.11	103.8	0.11	0.01
Tamil Nadu	16.07	4.70	5.80	36.1	6.14	-0.34
Telangana	9.38	7.67	12.59	134.2	10.38	2.21
Tripura	2.00	1.63	1.65	82.7	1.83	-0.18
Uttar Pradesh	58.78	59.27	60.05	102.2	59.73	0.32
Uttarakhand	2.45	2.50	2.49	101.8	2.48	0.01
West Bengal	41.19	41.77	40.31	97.9	42.71	-2.40
Pondicherry	0.12			0.0		0.00
Others	0.28	0.43	0.43	152.5	0.21	0.22
All-India	396.26	381.52	383.77	96.8	388.70	-4.93

As per the Ministry of Agriculture, current Kharif Rice acreage as on 05th September 2019 declined by 1.26 per cent at 383.77 lakh hectares as compared to 388.70 lakh hectares last year same period. Less area is reported from Bihar (4.84 lakh tonnes), Jharkhand (1.62 lakh tonnes), Karnataka (1.44 lakh tonnes), West Bengal (2.41 lakh tonnes), Assam (0.93 lakh tonnes), Manipur (0.58 lakh tonnes) Punjab (0.42 lakh tonnes), Mizoram (0.35 lakh tonnes), Jammu and Kashmir (0.28 lakh tonnes), Maharashtra (0.26 lakh hectares), Tamil Nadu (0.25 lakh hectares) Andhra Pradesh (0.19 lakh hectares), Sikkim (0.11 lakh hectares).

State wise Wholesale Prices weekly for 03rd Week of Oct-2019

State	Prices 16-23 Oct 2019	Prices 09-15 Oct 2019	Prices 16-23 Oct 2018	% Change(Over Previous Week)	% Change(Over Previous Year)
Gujarat	3287.12	3317.71	3127.79	-0.92	5.09
Jharkhand	3590.59	3574.51	2897.74	0.45	23.91
Maharashtra	4038.05	3473.11	3183.23	16.27	26.85
Uttarakhand	2755.35	2499.44	2353.53	10.24	17.07
West Bengal	2916.83	2895.43	2813.5	0.74	3.67
Assam	3024.61	3156.19	3122.25	-4.17	-3.13
Kerala	3447.62	3496.65	3569.23	-1.4	-3.41
Uttar Pradesh	2592.43	2608.35	2432.49	-0.61	6.58
Andhra Pradesh	4040	4250	4183.33	-4.94	-3.43
Haryana	1835	1835		0	—
Karnataka	4189.67	3946.71	3597.99	6.16	16.44
Odisha	2775.04	2874.11	2957.28	-3.45	-6.16
Manipur	4605.63	4585.37	3486.2	0.44	32.11
Tripura	2927.32	2939.45	3041.56	-0.41	-3.76
Average	3287.52	3246.57	3305.78		

Duration	Trend	Average Price Range	Reason
01 st Week of Nov, 2019	Steady to Weak	Rs.3200-3600/Quintal	In the beginning of new crop year of MY-2019-20, due to arrival pressure. Arrival of fresh crops starts in many regions of north India and thus prices would likely to go down to some extent in the first quarter, however higher MSP of paddy will keep the prices tightly to some extent.

Weekly Rice Price Change in Delhi Market (Figure: in Rs. /Quintal)

Rice Price	Grade	Change*	2-Nov-19	1-Nov-19	25-Oct-19	2-Oct-19	2-Nov-18
Chirala(A.P)	BPT(Raw)	-50	3500	3500	3550	3400	3350
Jharkhand(Ranchi)	Coarse	-100	3200	3300	3300	3200	3100
Ernakulam(Kerala)	Jaya	-100	3400	3400	3500	3400	3425
Divi(A.P)	BPT(Steam)	-20	3500	3550	3520	3455	3380
Visakhapatnam	HMT(Raw)	0	4200	4200	4200	4100	4000
Nandyal	Sona Fine	-100	5300	5300	5400	5300	5250
Barasat(W.B)	Masuri	0	3500	3500	3500	3300	3200
Dibrugarh	Common	-100	3300	3300	3400	2900	2800
Jhargram(W.B)	IR-36	100	2800	2700	2700	2500	2500
Jhargram(W.B)	IR-36	100	2700	2700	2600	2600	2300
Karnal	Sarbati Steam	300	4200	4200	3900	4600	3800
Bangarpet(Kar)	Sugandh Sela	-300	3900	3900	4200	4600	3600

Weekly Paddy Arrival in Major Mandi:

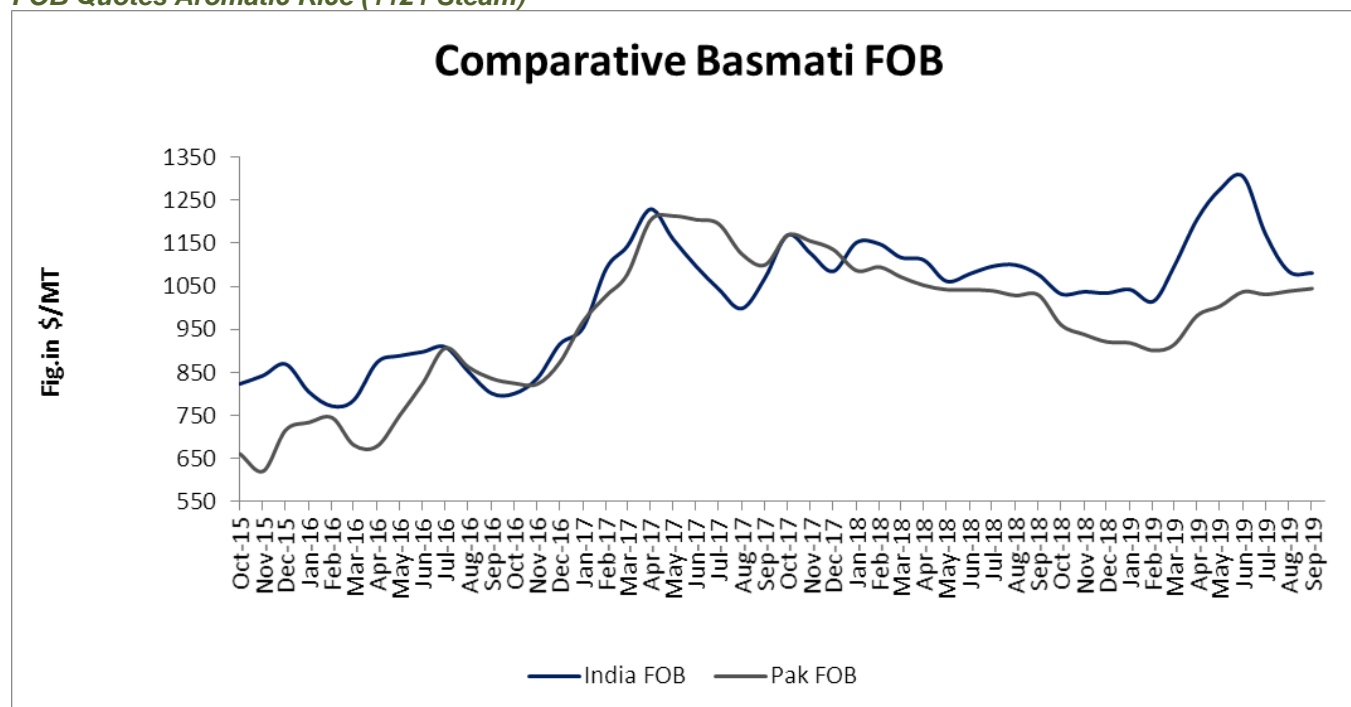
Paddy Arrivals (In Quintal)	Grade	Change	Current Week	Last Week	Source
Kurnool	All Paddy	-32.03	24.05	56.08	APMC
Srikakulam	All Paddy	-5	11	16	APMC
West Godavari	All Paddy	5	12	7	APMC
Burdwan(W.B)	All Paddy	-992.9	5325	6317.9	APMC
Delhi	All Paddy	1091.4	23565	22473.6	APMC
Amritsar	All Paddy	18111	185454	167343	APMC
Karnal	All Paddy	3595.6	108975	105379.4	APMC

*Difference between current and previous week price

State wise Progressive Procurement

The central government has set a target of procuring 416 lakh tons of rice for the marketing season (October-September) of 2019-20, which is more than 382 lakh tons for the 2018-19 season. It is noteworthy that for the marketing season of 2018-19, the government had exported a target of procuring 370 lakh tons of rice. Government procurement of rice in Chhattisgarh is expected to increase from 41 lakh tons in 2018-19 to 48 lakh tons in the 2019-20 season. Similarly, procurement of rice in Andhra Pradesh is expected to jump from 3 million tons in the last season to 4 million tons in the current year.

FOB Quotes Aromatic Rice (1121 Steam)



Source-FAO& Agriwatch

Indian FOB for 1121 steam traded weak in the month of September and currently is in the range of USD 1080/MT which is down by 0.37% from last month price of USD 1085/T due to arrival pressure and also export as many companies in Iran, who is largest basmati importer, payment of 1000 crores (\$ 14 million) of many Indian rice exporter firms has been hanging in the balance; Agriwatch expects that aromatic international rice price is likely to trade steady in coming month due steady demand. According to the UN's Food and Agriculture Organization (FAO), Currently Pakistani basmati FOB is moving steady to firm from last month and is now hovering in the range of USD 1045/MT which is up by 0.57% from last month FOB of USD 1039/MT.

Global Updates

Neighboring Bangladesh, meanwhile, has failed to secure any overseas deals since a long-standing export ban was lifted in May, due to cheaper rice from competitors. Country are still looking for a market to export rice. India can export rice at \$370-390 per tonne while country are asking for at least \$500.

Prices in second biggest exporter Thailand's benchmark 5-percent broken rice rose to \$396-\$410 a tonne on Thursday from \$395-\$400 last week. Traders attributed the slight rise in prices to the changes in the currency exchange rate. There has been very little change in demand and supply and the strengthening of the baht has moved the price up slightly. A stronger baht has marred demand for the Thai variety for many months now. If the baht weakens a little, we may be able to sell some rice, but at the moment, Thai rice is just too expensive compared with competitors.

Vietnamese rice export prices rose to a four-and-a-half-month high this week on healthy demand from Africa and Cuba as supply remained scant, while a stronger rupee helped rates for Indian variety recover from a four-month low. Rates for Vietnam's benchmark 5% broken rice rose to \$350-\$355 a ton, a four-and-a-half month high from \$350 a tonne a week earlier due to limited stockpiles. Supplies are running low while demand remains steady, especially from Africa and also Cuba. The Vietnamese market could get a further fillip as the Philippines, which accounts for 36% of total shipments from Vietnam, might be considering easing its restrictions on rice imports soon. In September, prices for the Vietnamese variety had touched their lowest in nearly 12 years at \$325 per tonne.

Myanmar Govt. backs minimum price for rice amid weak market. The Myanmar government has fixed the minimum price for rice at 500,000 kyats for 100 baskets of paddy (US\$327.30 for about 2.09 tons) in a bid to establish a fair market and fair prices for paddy farmers. The government's Leading Committee for the Protection and Promotion of the Rights and Interests of Farmers, led by Vice President Henry Van Thio, met last month to discuss setting the floor price for paddy grains. Paddy rice refers to unprocessed rice harvested from a field, rather than hulled rice. The government has agreed to pay any farmer the floor price, but only for paddy that meets quality standards: the grains, once processed, must have a moisture content of 14 percent and can't have any dust, sand or gravel.

Traders bypass EU safeguard tariffs on Cambodian rice, Hogan admits. EU imports of Indica rice have dropped, but purchases of another rice variety have gone up. The renewed EU tariffs on rice from Cambodia and Myanmar are functioning well, yet he admitted that they are being circumvented by European importers.

Sri Lanka is expected to get a healthy paddy harvest in MY 2018/19 . Post estimates the milled production to be 2.9 million metric tons in the MY 2018/19, up from 2.2 million metric tons in MY 2017/18. Paddy production in MY 2018/ 19 is 4.3 million metric tons. Both seasons had a total harvested area of 1 million ha. Assuming normal weather conditions and average yields, for MY 2019/20 1.1 million hectares are expected to produce an estimated 4.6 million metric tons of paddy, or 3 million metric tons of milled rice.

Myanmar earned more than US\$120 million from exporting over 450,000 tons of broken rice in 11 months this fiscal year but the amount fell by over US\$14 million when compared to the same period of last year as over 17,000 tons were reduced this year, From October 1 to August 30 in the current 2018-2019 fiscal year, 459,927.860 tons of broken rice worth US\$122.392 million. In the same period of last fiscal year, US\$136.510 million was earned from export of 477,017.635 tons of broken rice. Therefore, this year saw a fall of 17,089 tons worth over US\$14.188 million. Myanmar exports broken rice mainly to Belgium, Indonesia, China, the Netherlands and Britain, according to Myanmar Rice Federation.

IGC Balance Sheet:

Attributes (Fig in Million Tons)	2015-16	2016-17	2017-18 Estimate	(2018-19) Forecast. 29.08.2019	(2019-20) Projection. 26.09.2019
Production	475	487	490	601	600
Trade	40	48	48	46	46
Consumption	474	486	487	496	496
Carryover stocks	122	123	126	178	178
Y-O-Y change	1	1	1		4
Major Exporters	33	31	28	39	38

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

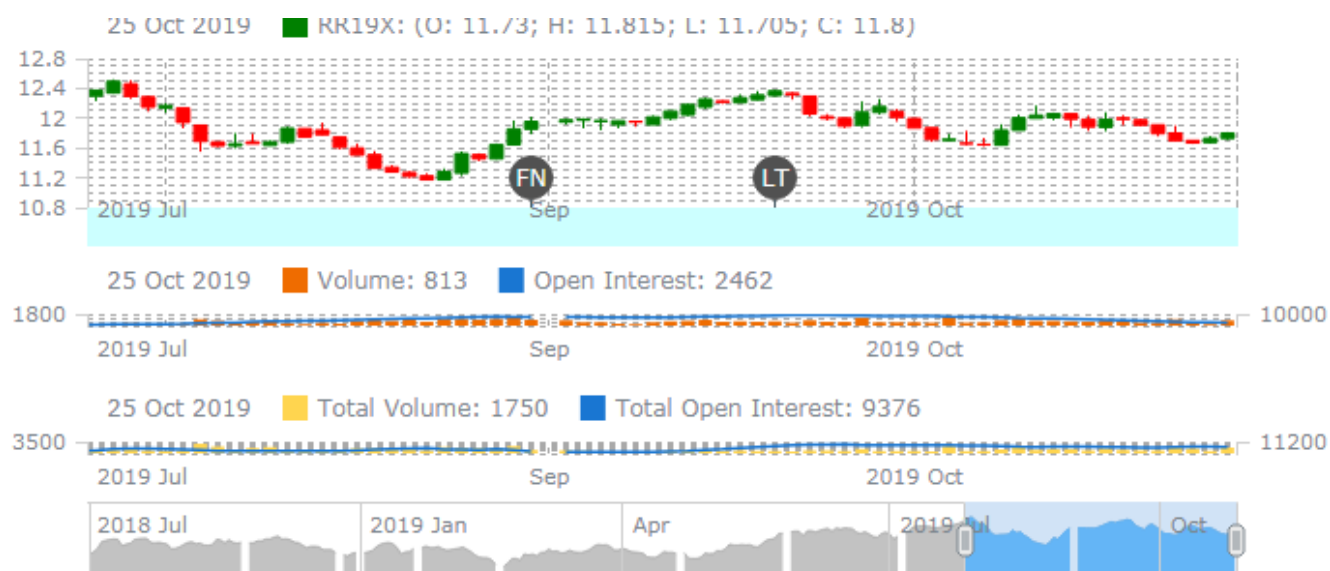
IGC Rice Balance sheet Highlights:

Global rice fundamentals in 2018/19 are little changed from August, with production, consumption and stocks seen at all-time peaks. Due to a marginal m/m reduction, world output in 2019/20 is predicted steady y/y, at a high of 500m t. Population growth will again be the key driver of demand as consumption advances further and, with supplies expected to be boosted by heavy carry-ins, aggregate end-season inventories are likely to rise by 2% y/y, to 178m t. Traded volumes could recover in 2020 on firmer demand from buyers in Africa.

World rice trade in 2019 is forecast to decline by 4% y/y as a steep fall in deliveries to Far East Asia – including to the key markets of Indonesia and China – is only partly offset by bigger shipments to Africa. Building on the prior season's gains, projections point to record production, total use and stocks in 2019/20. With accumulation in China and the major exporters likely, aggregate inventories are predicted to rise by 4m t y/y, to a peak of 178m. Global import demand could recover in 2020 on an uptick in deliveries to sub-Saharan Africa. With China again expected to provide export competition in African markets, shipments by India and Thailand are likely to fall short of past highs.

Rice Price Trend @ CBOT Nov- 19, Rough Rice)

(Prices in US\$/hundredweight)



Market Analysis

The CBOT Nov-19 month rough chart for rice indicates steady to firm tone from last month. We expect market to hover in the range of USD 11.00-12.55 hundred weights in coming sessions.

Price Projection (International-CBOT)

Duration	Trend	Price Range
02 nd Week of Nov-2019	Steady to Firm	USD/ Hundred Weight 11.00-12.80

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