Rice Weekly Research Report

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Outlook and Review:

Domestic Front

- **Indian rice export prices extended losses for a second week as the rupee weakened and demand from Africa** remained low, while a cyclone damaged paddy fields in neighbouring Bangladesh. Top exporter India's 5% broken parboiled variety was quoted around $363-$368 per tonne, down from $365-$370 last week. In dollar terms, export prices are down due to the weak rupee. Local paddy rice prices are firm. The Indian rupee fell to a two-month low on Wednesday, increasing exporters' margins.

- **Bulbul storms damaged 1.5 million hectares of crops in West Bengal. The government assured farmers** to recover 100% loss. In West Bengal, the sowing of pulses-oilseeds crops is very less, so this storm did not have much effect on the pulses-oilseeds, the most impact was on paddy. Out of 4 million area under paddy, it is expected that around 0.9 million hectares were under damage.

- **Tamil Nadu is one of the few states in the country where the production of kharif crops will be the same as** last year. There is less damage to the crop in Tamil Nadu as compared to other states, Tamil Nadu mainly sows paddy and rain is a boon for paddy. Paddy sowing reached 11 lakh hectares in Sambha season (Kharif season) of Tamil Nadu. The paddy crop benefited from good rains.

- **Paddy crop in 71K ha damaged in Odisha. Farmers of coastal areas in the district are a worried lot after the cyclonic** storm destroyed their standing paddy crop. Kharif paddy was cultivated in over 1.24 lakh hectare in the district. A preliminary report of the district administration states that 71,000 ha of standing paddy crop was damaged due to heavy rainfall and gusty winds. Of the nine blocks where standing paddy crops were affected, Rajnagar, Rajkanika and parts of Pattamundai blocks were the worst hit, said Kendrapara sub-collector Jyotishankar Mohapatra. A prelim report of district agriculture department estimates the paddy crop loss in over 39,092 ha to the extent of 33%.

- **Cyclone Bulbul causes massive damage to paddy crops in Odisha. Odisha was lucky enough to escape** the direct wrath of cyclonic storm Bulbul which made a landfall in West Bengal. However, farmers in coastal districts in the State are now left in lurch as standing paddy crops in several hectares of agricultural lands have reportedly been damaged due to heavy rainfall triggered by the cyclonic storm. There has been extensive damage to paddy and other standing crops in Bhadrak, Kendrapara and Jagatsinghpur districts.

- **Many rice-growing states received rainfall earlier this month, which delayed harvesting and damaged** paddy crops ready for harvesting. Last week, cyclone Bulbul ripped through coastal areas of Bangladesh and eastern India, damaging 23,000 hectares (56,834.24 acres) of paddy fields, as per a preliminary assessment by Dhaka's agriculture ministry.

- **Elsewhere, Thailand's benchmark 5% broken rice edged up to $395-$409 a ton from last week's $390-$408.** Demand for Thai rice has remained relatively flat despite some optimism over a recent rice deal with Iraq, However strength in the baht - Asia's best-performing currency this year - continued to dent demand for Thai rice, making it more expensive than grain from competitors such as Vietnam and India. Right now, domestic prices are too low for farmers. Prices could go up as supply may shrink, or the government could step in to buy rice at a high price. But the current prices are already higher than our overseas competitors, so it is tough to export. The Thai government has asked farmers in 22 rice-growing provinces not to grow off-season crops as the country braces for a dry spell amid low water levels in main reservoirs.

In Vietnam, rates for 5% broken rice stayed flat at $345-$350 a ton. The market was dull, with trading done only on previously signed contracts. The market will stay this quiet until the end of next year. In October, Vietnam exported around 450,000 tons of rice, down 5.9% against September, customs data showed.

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
Uttrakhand	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 01st Week of Nov-2019

State	Prices 01-08 Nov 2019	Prices 24-31 Oct 2019	Prices 01-08 Nov 2018	% Change(Over Previous Week)	% Change(Over Previous Year)
Haryana				__	__
Kerala	3492.3	3488.27	3550.88	0.12	-1.65
Odisha	2600.07	2756.6	2551.66	-5.68	1.9
Punjab	2490	1835	3208.89	35.69	-22.4
West Bengal	2782.25	2915.13	2718.01	-4.56	2.36
Andhra Pradesh	4106.25	4018.75	4140.59	2.18	-0.83
Gujarat	3203.94	3555.07	3262.97	-9.88	-1.81
Jharkhand	3582.49	3578.08	3591.57	0.12	-0.25
Maharashtra	3578.41	3486.34	3280.21	2.64	9.09
Nagaland			7000	__	__
NCT of Delhi		2750		__	__
Uttar Pradesh	2504.91	2553.67	2387.12	-1.91	4.93
Uttrakhand	2388.75	2506.78	2126.58	-4.71	12.33
Assam	2978.36	3055.37	3121.8	-2.52	-4.59
Manipur	4790.04	4779.17	3560.27	0.23	34.54
Tripura	2924.63	2953.15	2974.58	-0.97	-1.68
Karnataka	3918.48	4374.7	3627.55	-10.43	8.02
Meghalaya	3800		5586.36	__	-31.98
Average	3276.06	3240.41	3543.07		

Duration	Trend	Average Price Range	Reason
02nd 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*	15-Nov-19	14-Nov-19	9-Nov-19	15-Oct-19	15-Nov-18
Chirala(A.P)	BPT(Raw)	**-50**	3250	3200	3300	3250	3100
Jharkhand(Ranchi)	Coarse	**50**	3100	3100	3050	3000	2900
Ernakulam(Kerala)	Jaya	**50**	3300	3300	3250	3300	3200
Divi(A.P)	BPT(Steam)	**100**	3100	3100	3000	3400	3300
Visakhapatnam	HMT(Raw)	**200**	4200	4100	4000	4100	4000
Nandyal	Sona Fine	**200**	5500	5500	5300	5300	5000
Barasat(W.B)	Masuri	**20**	3420	3400	3400	3300	3200
Dibrugarh	Common	**0**	3200	3300	3200	2900	2800
Jhargram(W.B)	IR-36	**50**	2900	2900	2850	2800	2850
Jhargram(W.B)	IR-36	**-60**	**2640**	2600	**2700**	2500	2400
Karnal	Sarbati Steam	**-100**	3800	3800	3900	4000	3700
Bangarpet(Kar)	Sugandh Sela	**100**	4100	4100	4000	4500	3900

Weekly Paddy Arrival in Major Mandi:

Paddy Arrivals (In Quintal)	Grade	Change	Current Week	Last Week	Source
Kurnool	All Paddy	**4**	**32**	**28**	APMC
Srikakulam	All Paddy	**5**	**15**	**10**	APMC
West Godavari	All Paddy	**78**	**88**	**10**	APMC
Burdwan(W.B)	All Paddy	**-997**	**3008**	**4005**	APMC
Delhi	All Paddy	**-10800**	**532415**	**543215**	APMC

Amritsar	All Paddy	6000	**202554**	**196554**	APMC
Karnal	All Paddy	10322	**138854**	**128532**	APMC

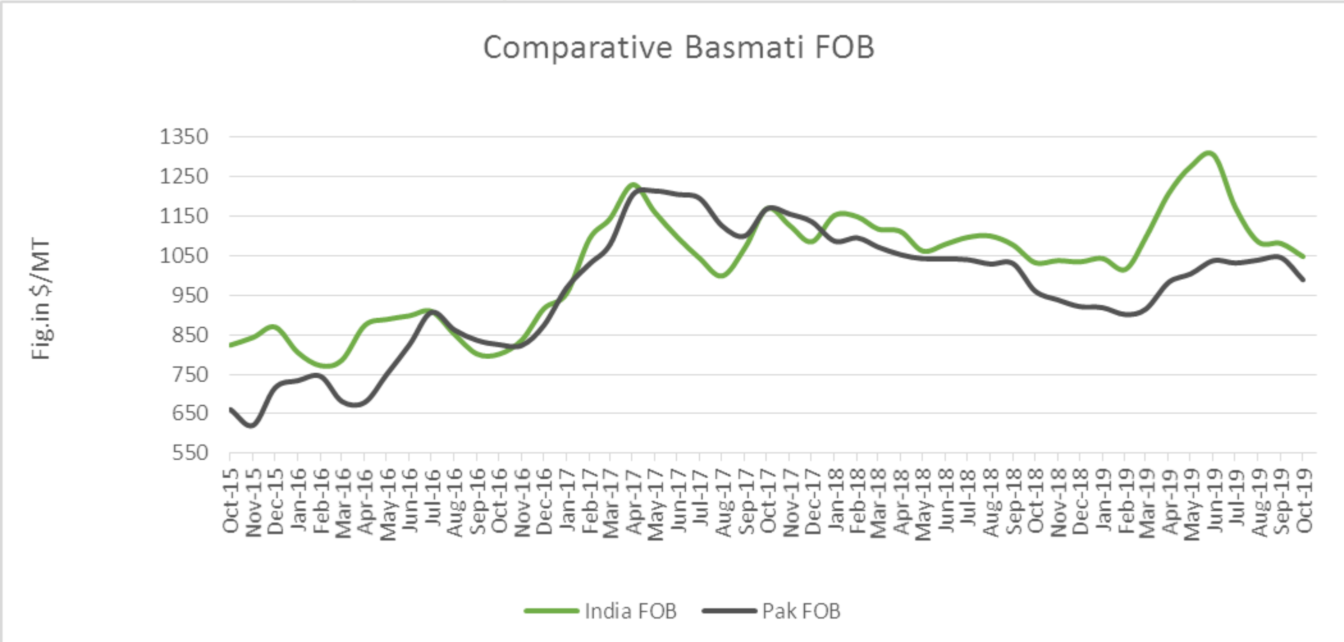
*Difference between current and previous week price

State wise Progressive Procurement

State/UTs	**Target in marketing season 2019-20 (Oct. – Sept.)**	**Progressive Procurement as on 25.10.2019**	
(in Lakh T)		**In Marketing season 2018-19**	**In Marketing season 2017-18**
AP	--	--	--
Telangana	--	--	--
Bihar	--	--	--
Chhattisgarh	--	--	--
Haryana	40.00	40.00	40.00
Jharkhand	--	--	--
Kerala	**2.50**	0.01	0.05
M.P	--	--	--
Maharashtra	--	--	--
Odessa	--	--	--
Punjab	**114.00**	44.42	38.78
Tamilnadu	**8.00**	0.20	0.51
U.P	**33.00**	0.31	0.02
Uttrakhand	**5.00**	0.00	0.05
West Bengal	--	--	--
Total	**416.00**	**78.75**	**71.35**

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 October and currently is in the range of USD 3.07/MT which is down by 3.07% from last month price of USD 1080/T due to arrival pressure and also export as many companies in Iran, who is largest basmati importer, Exporters are facing a fund crunch with their payments stuck in Iran for five months. Over 30 per cent of basmati export is affected due to the crisis, making exporters reluctant to purchase basmati; Agriwatch expects that aromatic international rice price is likely to trade steady to weak in coming month due arrival pressure from major producing states. According to the UN's Food and Agriculture Organization (FAO), Currently Pakistani basmati FOB is moving weak from last month and is now hovering in the range of USD 988/MT which is up down 5.38 % from last month FOB of USD 1045/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. 26.09.2019	(2019-20) Projection. 24.10.2019
Production	475	487	490	500	500
Trade	40	48	48	46	46
Consumption	474	486	487	496	496
Carryover stocks	122	123	126	178	179
Y-O-Y change	1	1	1	-	4
Major Exporters	33	31	28	38	39

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

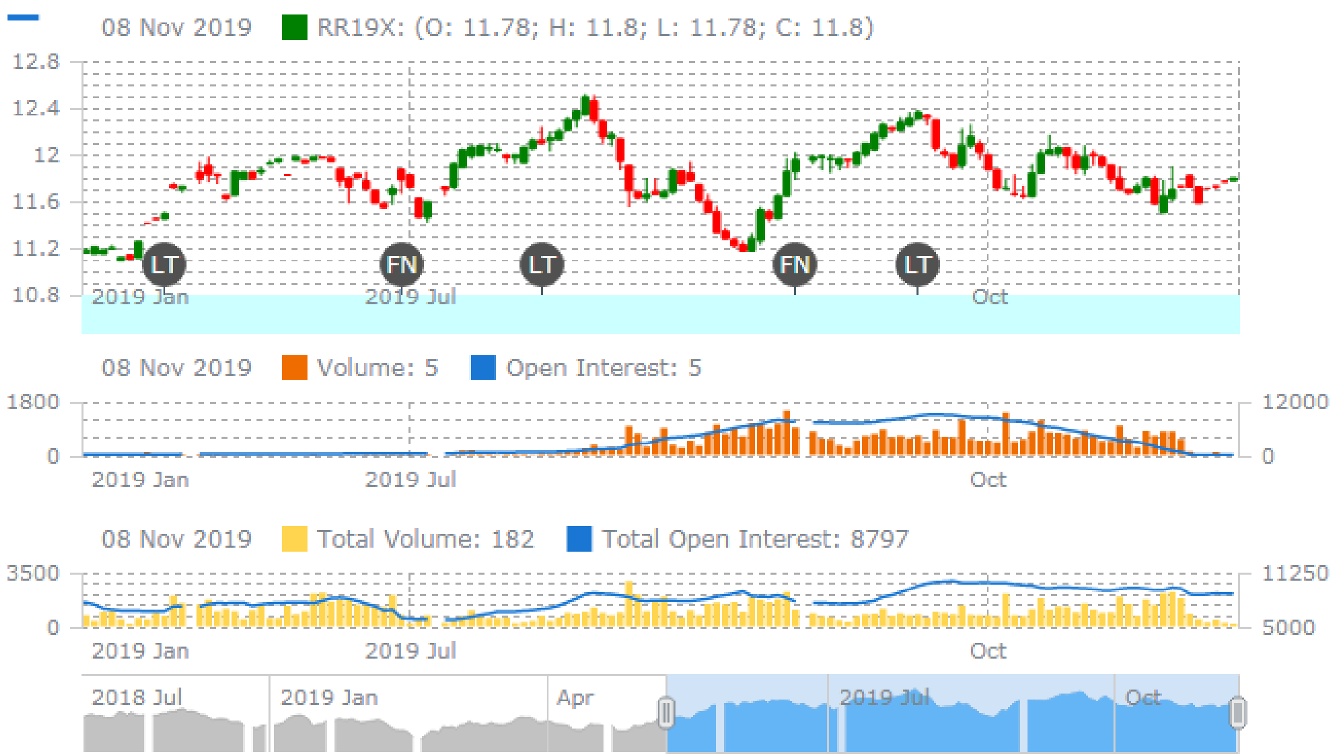
IGC Rice Balance sheet Highlights:

The outlook for global rice production in 2019/20 is unchanged m/m and matches the prior season's record of 500m t as smaller crops in some exporters are offset by gains elsewhere. However, due to a higher figure for opening stocks, world carryovers are predicted 1m t higher m/m, at a peak of 179m, including a nominal 114m in China. With the current lull in global import demand likely to continue into early 2020, the projection of trade in that year is cut by 0.6m t, to 45.9m, a 3% y/y increase.

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 11.20-12.55 hundred weights in coming sessions.

Price Projection (International-CBOT)

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