



Rice Weekly Research Report

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Outlook and Review:**Domestic Front**

- Top exporter India's 5 percent broken parboiled variety was quoted around \$360-\$365 per ton this week, up from last week's \$358-\$363/MT. Paddy rice prices have been rising as farmers are demanding the minimum support price.
- Indian Rice exports in October fell 42% year-on-year to 485,898 tons, government data showed, due to weak demand from African countries for non-basmati rice. Demand has been dull for Thailand's exports too, with prices throughout the year significantly higher than those from main competitor Vietnam, largely due to a strong local currency.
- Thailand's 5% broken rice was quoted at \$395-\$420 a tonne, on a free on board basis, compared with \$397-\$411 last week. Farmers are harvesting new season rice and exporters hope the new supply could help lower prices in the near future.
- In Vietnam, rates for 5% broken rice were quoted at \$350-\$352 a tonne on Thursday, compared with \$350 a week earlier. Demand from the Philippines is increasing, but domestic supplies are running low.
- Prices of 1121 steam in Delhi Market is Rs.6000-6100/quintal while 1121 sella rice is about 5500-5600/quintal. At Kotakpura Punjab market, price of 1401 paddy is hover in the range of Rs.2500-2560/quintal.
- The total Rabi paddy sown area as on 20th December, 2019 as per reports received from government, stands at 12.35 lakh hectare as compared to 10.11 lakh hectares at this time last year. It is reported that rice has been sown/transplanted in Andhra Pradesh is higher by 75% and reached to 2.18 lakh hectares from last year area of 1.24 lakh hectares. Tamilnadu paddy area in rabi is also up by 20% from last year and reached to 9.27 lakh hectares.
- Telangana procures 23 lakh tons of paddy. The Telangana Government has procured 23 lakh tons of paddy so far from the kharif season, with Nizamabad district topping the list with about 4 lakh tons. The State government spent Rs. 4,200 crore on procuring the commodity from about 4.16 lakh farmers. We have opened 3,500 procurement centres this year. Of the 23 lakh tons of paddy procured, we have sent 22 lakh tons to the mills for processing.
- East Godavari Collector said that as many as 314 paddy purchase centres were opened all over the district and so far 2.25 lakh metric tons of paddy was purchased from the farmers at minimum support price. The millers to cooperate with the government in purchasing of paddy from the farmers at minimum support price. Stating that during Kharif season paddy was raised in 2.5 lakh hectares and the crop yield was 14 lakh tons, Collector sought the miller's cooperation in paddy procurement at minimum support price and save the farmers from distress sales.
- Over 74.83 lakh metric tonnes of paddy arrive in Haryana mandi. More than 74.83 lakh metric tonnes of paddy has so far arrived in grain markets of Haryana as compared to over 73.94 LMT in the corresponding

period of last year. Govt agencies procured over 64.33 LMT of paddy and 1.04 MMT procured by millers and dealers. More than 35.06 LMT procured by Food, civil supplies and consumer affairs Dept., 19.84 LMT of paddy has been procured by HAFED, 9.37 LMT by Haryana warehousing corporation and 4725 MT by FCI.

State wise Paddy Crop Situation - Rabi (2019-20) as on 20.12.2019

	RICE					
State	Normal Area	Normal Area as on date	Area sown reported			Absolute Change
			This Year	% of Normal	Last Year	
Andhra Pradesh	7.32	2.18	29.8	1.24	0.94	75.8
Assam	4.06	0.07	1.7	0.00	0.07	#DIV/0!
Bihar	0.82	0.00	0.0	0.00	0.00	#DIV/0!
Chhattisgarh		0.11		0.02		
Goa	0.13	0.00		0.00		
Gujarat	0.40	0.00		0.00		
Jharkhand	0.02					#DIV/0!
Karnataka	2.22	0.02	0.9	0.08	-0.06	-73.8
Kerala	0.44	0.30	67.6	0.56	-0.26	-46.4
Madhya Pradesh	0.08					
Maharashtra	0.43	0.00		0.00	0.00	#DIV/0!
Manipur	1.93	0.00		0.00		
Meghalaya	0.14	0.00		0.14	-0.14	-100.0
Nagaland	0.04					
Odisha	2.56	0.02	0.8	0.02	0.00	-14.8
Tamil Nadu	1.52	9.27	610.6	7.67	1.60	20.9
Telangana	6.66	0.33	5.0	0.34	-0.01	-2.9

Tripura	0.67	0.00		0.00		#DIV/0!
Uttar Pradesh	0.27	0.00		0.00		#DIV/0!
Uttrakhand	0.14					#DIV/0!
West Bengal	12.86	.		0.00		
Others	0.00	0.05		0.04	0.01	22.0
All-India	42.77	12.35	28.9	10.11	2.24	22.2

As per the Ministry of Agriculture, current rabi Rice acreage as on 20th December 2019 up by 22.18 per cent at 12.35 lakh hectares as compared to 10.11 lakh hectares last year same period.

State wise Wholesale Prices weekly for 02nd Week of Dec-2019

State	Prices 16-23 Dec 2019	Prices 09-15 Dec 2019	Prices 16-23 Dec 2018	% Change(Over Previous Week)	% Change(Over Previous Year)
Odisha	2718.06	2557.64	2660.08	6.27	2.18
Andhra Pradesh	4040	4250	4218.75	-4.94	-4.24
Assam	3065.38	2915.63	3127.54	5.14	-1.99
Karnataka	3432.86	3801.66	3439.72	-9.7	-0.2
Maharashtra	3574.15	3654.93	3521.62	-2.21	1.49
Tripura	2940.66	2874.56	2954.9	2.3	-0.48
Uttar Pradesh	2629.78	2500.38	2410.72	5.18	9.09
Kerala	3491.92	3491.58	3531.42	0.01	-1.12
Manipur	4811.42	4835.42	3477.78	-0.5	38.35
Meghalaya				---	---
Gujarat	3229.91	3253.12	3121.52	-0.71	3.47
Jharkhand			3867.21	---	---
Uttrakhand	2678.25	2655.67	2330.51	0.85	14.92
Tamil Nadu			1466	---	---
West Bengal	3121.97	2967.28	2710.78	5.21	15.17
Madhya Pradesh			1750	---	---
NCT of Delhi			2200	---	---
Average	3311.2	3313.16	2924.28		

Duration	Trend	Average Price Range	Reason
03 rd Week of Dec, 2019	Steady to Weak	Rs.3250-3600/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*	21-Dec-19	20-Dec-19	11-Dec-19	21-Nov-19	21-Dec-18
Chirala(A.P)	BPT(Raw)	-100	3100	3050	3200	3100	2900
Jharkhand(Ranchi)	Coarse	40	2950	2900	2910	2920	2850
Ernakulam(Kerala)	Jaya	50	3300	3300	3250	3250	3200
Divi(A.P)	BPT(Steam)	100	3300	3100	3200	3350	3100
Visakhapatnam	HMT(Raw)	20	4320	4250	4300	4100	4000
Nandyal	Sona Fine	50	5550	5500	5500	5300	5100
Barasat(W.B)	Masuri	0	3500	3500	3500	3300	3200
Dibrugarh	Common	100	3300	3100	3200	2900	2800
Jhargram(W.B)	IR-36	-80	2920	2920	3000	2800	2850
Jhargram(W.B)	IR-36	-90	2910	2900	3000	2500	2400
Karnal	Sarbati Steam	100	4300	4300	4200	4000	3900
Bangarpet(Kar)	Sugandh Sela	0	4400	4400	4400	4500	4200

Weekly Paddy Arrival in Major Mandi:

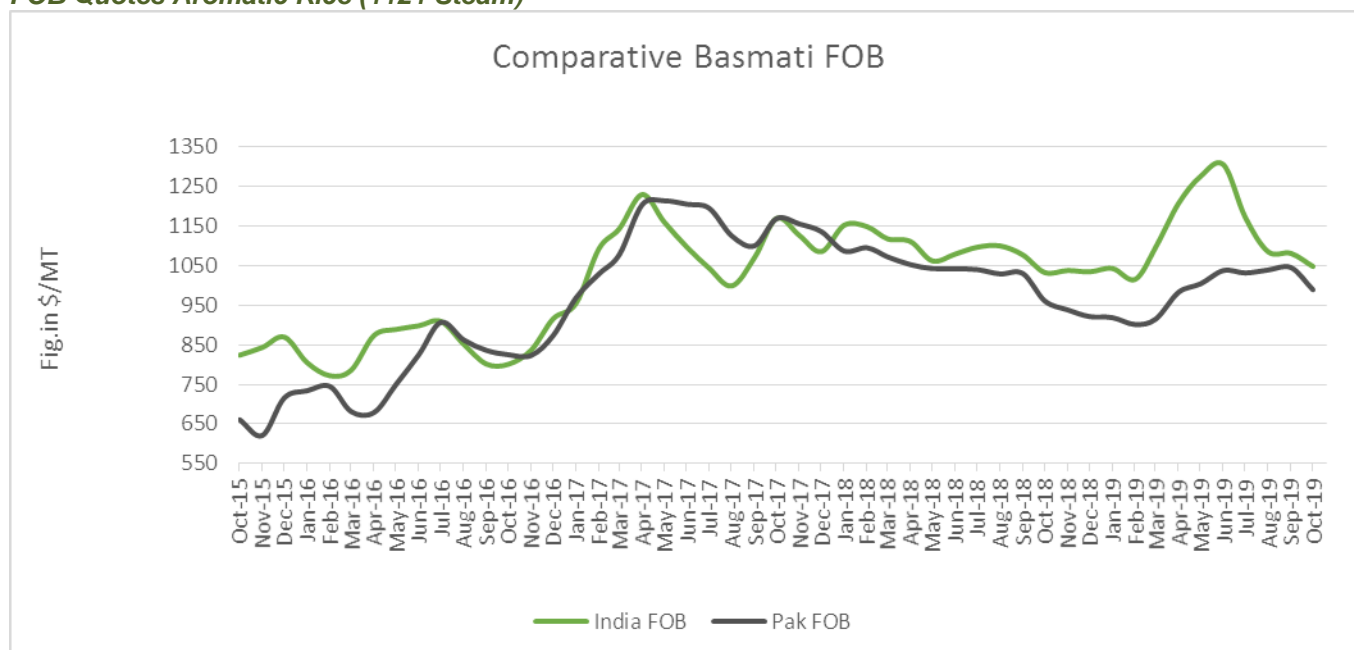
Paddy Arrivals (In Quintal)	Grade	Change	Current Week	Last Week	Source
Kurnool	All Paddy	-4.1	10.7	14.8	APMC
Srikakulam	All Paddy	-58.01	107.87	165.88	APMC
West Godavari	All Paddy	-98	13	111	APMC
Burdwan(W.B)	All Paddy	-10122.3	5876.1	15998.4	APMC
Delhi	All Paddy	-2596.5	18032.1	20628.6	APMC
Amritsar	All Paddy	203	1408	1205	APMC
Karnal	All Paddy	-44359.9	11767.8	56127.72	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 13.12.2019	
(in Lakh T)		In Marketing season 2018-19	In Marketing season 2017-18
AP	40.00	2.97	6.20
Telangana	30.00	15.28	18.45
Haryana	40.00	43.02	39.09
M.P	14.00	0.32	0.57
Maharashtra	6.00	0.88	1.01
Punjab	114.00	108.73	113.16
Tamilnadu	8.00	0.20	0.51
U.P	33.00	0.31	0.02
Uttrakhand	5.00	6.10	3.18
Total	416.00	201.06	190.99

All-India progressive procurement of Rice as on 13.12.2019 for Kharif Marketing Season (KMS) 2019-20 is 201.06 lakh tonnes against the procurement of 190.99 lakh tonnes in the corresponding period of last 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.

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

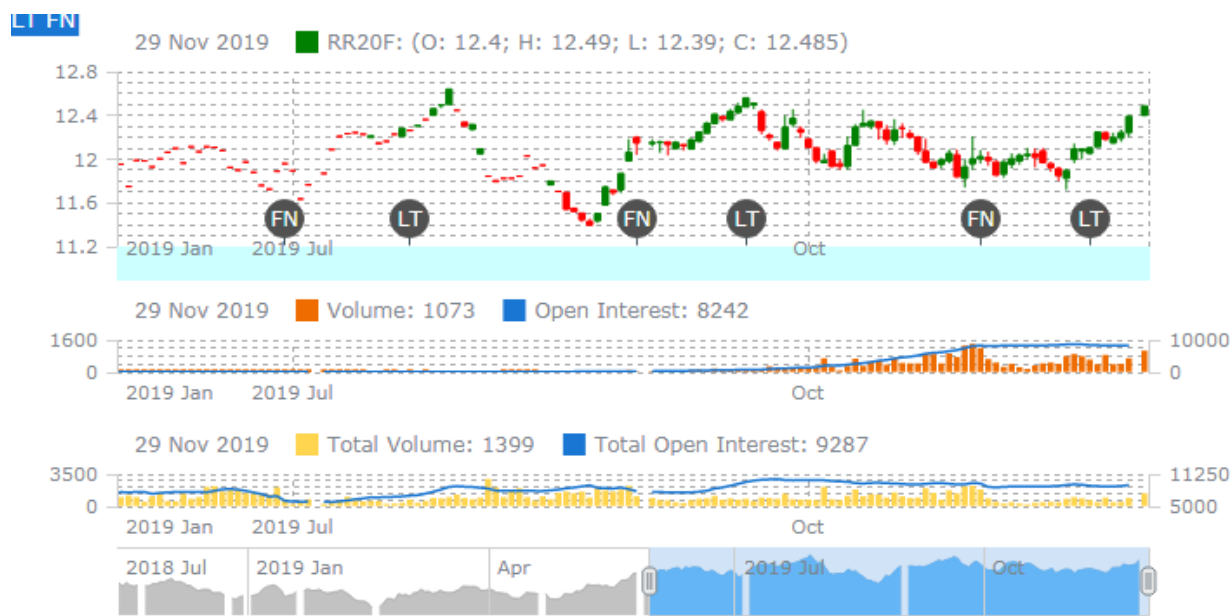
IGC Rice Balance sheet Highlights:

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 Jan- 19, Rough Rice)

(Prices in US\$/hundredweight)



Market Analysis

The CBOT Jan-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
02 nd Week of Dec-2019	Steady to Firm	USD/ Hundred Weight 11.50-13.20

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