
Rice Weekly Research Report

Contents

- ❖ Outlook and Review
- ❖ Weekly Price Change
- ❖ Weekly Rice Export
- ❖ Progressive Procurement
- ❖ FOB-1121 Steam
- ❖ International Rice Market Summary
- ❖ IGC Balance Sheet
- ❖ CBOT Trend

Outlook and Review:**Domestic Front**

- Drought conditions in Thailand stoked concerns of a supply shortage and lifted rice export prices to a more than 6-1/2 year high this week, while strong domestic demand amid a coronavirus outbreak pushed Vietnamese rates to more than a one-year peak. Thailand's benchmark 5% broken rice prices rose to \$470-\$495 per tonne on Thursday, their highest since August 2013, versus last week's \$460-\$467 range. Many rice mills are refusing to sell due to uncertainty over supply during this dry season. Many parts of the country's rice growing area have been hit by drought and traders said higher prices were also denting overseas demand.
- In Vietnam, rates for 5% broken rice rose to \$400-\$405 on Thursday, their highest since November 2018, compared with \$390-\$400 a week earlier. Domestic demand has been strong over the past week as families are rushing to stockpile rice in anticipation of the further spread of the new coronavirus. This massive stockpiling has forced exporters to raise their prices due to scarce supplies.

Vietnam's rice exports in the first two months of this year rose 31.7% from a year earlier to 928,798 tonnes, according to government customs data released on Wednesday.

In top exporter India, rice export prices extended their losing streak due to depreciation in rupee despite strong demand from African countries. India's 5% broken parboiled variety rates edged lower to \$363-\$367 per tonne this week from last week's \$367-\$371.

- The Indian rupee was trading near a record low on Thursday, raising exporter's margins from overseas sales. Demand has been slowly improving from African countries. Prices are moderating due to the weak rupee. India's rice exports in 2019 fell 18.1 % from a year ago to their lowest in eight years, government data shows, as demand from key Asian and African buyers moderated.
- Meanwhile, Bangladesh could miss its target of 20 million tonnes for the "Boro" summer variety rice crop this season, as many farmers who were upset about low prices switched to other crops. Boro contributes more than half of Bangladesh's typical annual rice output of around 35 million tonnes.
- As per market sources, during January 2020, more than 9.09 lakh tonnes of rice were exported from the country, including 4,56,586 tonnes of basmati rice and 4,52,544 tonnes of normal or non-basmati rice Shipment included. However, India's basmati rice exports to Iran have almost stopped as cargo handling at the ports was restricted because of concerns regarding virus spread. More than 60,000 tonnes of rice slated for export is lying in the ports.

State wise Paddy Crop Situation - Rabi (2019-20) as on 31.1.2020

State	RICE					Over last year	
	Normal Area	Average Area	Area sown reported			Absolute Change	% Change
			This Year	% of Normal	Last Year		
Andhra Pradesh	7.32	6.29	6.01	82.0	5.75	0.26	4.5
Assam	4.06	1.35	1.34	33.0	1.37	-0.03	-2.2
Bihar	0.82	0.00		0.0		0.00	#DIV/0!
Chhattisgarh		0.50	0.54		0.63		
Goa	0.13	0.00					
Gujarat	0.40	0.00					
Jharkhand	0.02					0.00	#DIV/0!
Karnataka	2.22	0.27	0.08	3.6	0.12	-0.04	-33.3
Kerala	0.44	0.96	0.67	151.1	1.07	-0.40	-37.4
Madhya Pradesh	0.08						
Maharashtra	0.43	0.00				0.00	#DIV/0!
Manipur	1.93	0.00					
Meghalaya	0.14	0.03			0.14	-0.14	-100.0
Nagaland	0.04						
Odisha	2.56	0.46	0.22	8.6	0.45	-0.23	-51.1
Tamil Nadu	1.52	10.85	10.42	686.6	8.93	1.49	16.7
Telangana	6.66	0.00	8.24	123.8	5.10	3.14	61.6
Tripura	0.67	0.19	0.07	10.5	0.32		0.0
Uttar Pradesh	0.27	0.00					#DIV/0!
Uttrakhand	0.14	0.00					#DIV/0!
West Bengal	12.86	1.70	1.06	8.2	1.27		
Pondicherry	0.04						
Others	0.00	0.12	0.16		0.17	-0.01	-5.9
All-India	42.77	22.70	28.80	67.3	25.31	3.49	13.8

Paddy acreage as on 31st January, 2020 as per reports received from government, stands at 28.80 lakh hectare as compared to 25.31 lakh hectares last year same period. It is reported that rice has been sown/transplanted in Andhra Pradesh is higher by 5 per cent and reached to 6.01 lakh hectares from last year area of 5.75 lakh hectares. Tamilnadu paddy area in Rabi is also up by 17 per cent from last year and reached to 10.42 lakh hectares.

State wise Wholesale Prices weekly for 04th Week of Feb-2020

State	Prices 24-28 Feb 2020	Prices 16-23 Feb 2020	Prices 24-28 Feb 2019	% Change(Over Previous Week)	% Change(Over Previous Year)
Andhra Pradesh			4100	---	---
Manipur			3845.38	---	---
Uttrakhand	2226.82	2188.9	2779.39	1.73	-19.88
Assam			3177.53	---	---
Jharkhand			3761.69	---	---
Karnataka	3870.64	3495.95	3105.06	10.72	24.66
Kerala	3483.7	3484.97	3455.16	-0.04	0.83
Maharashtra			3498.86	---	---
Tripura	3040.08	2973.08	2892.96	2.25	5.09
West Bengal	2819.35	2844.41	2771.41	-0.88	1.73
Gujarat	3710.95	3598.7	3113.63	3.12	19.18
Meghalaya			3696.08	---	---
Nagaland			6900	---	---
NCT of Delhi			2085.71	---	---
Odisha	2820.41	3055.24	2818.99	-7.69	0.05
Uttar Pradesh	2507.45	2503.2	2417.17	0.17	3.73
Average	3059.92	3018.06	3401.19		

Duration	Trend	Average Price Range	Reason
03 rd Week of Mar, 2020	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*	14-Mar-20	13-Mar-20	07 Mar-20	14-Feb-19	14-Mar-19
Chirala(A.P)	BPT(Raw)	-100	3500	3500	3600	3330	3320
Jharkhand(Ranchi)	Coarse	-100	3100	3100	3200	3100	3000
Ernakulam(Kerala)	Jaya	20	3620	3600	3600	3500	3450
Divi(A.P)	BPT(Steam)	50	3450	3450	3400	3300	3200
Visakhapatnam	HMT(Raw)	0	4200	4200	4200	4050	4100
Nandyal	Sona Fine	-300	4900	4950	5200	5400	5350
Barasat(W.B)	Masuri	-100	3200	3200	3300	3300	3250
Dibrugarh	Common	0	3250	3250	3250	3000	2900
Jhargram(W.B)	IR-36	-100	2500	2500	2600	2900	2350
Jhargram(W.B)	IR-36	-100	2400	2400	2500	2600	2300
Karnal	Sarbati Steam	-200	3600	3600	3800	3800	4000
Bangarpet(Kar)	Sugandh Sela	0	3800	3800	3800	4500	4400

Weekly Paddy Arrival in Major Mandi:

Paddy Arrivals (In Quintal)	Grade	Change	Current Week	Last Week	Source
Kurnool	All Paddy	-20.31	33.06	53.37	APMC
Srikakulam	All Paddy	-2	0	2	APMC
West Godavari	All Paddy	-12	8	20	APMC
Burdwan(W.B)	All Paddy	-5703.7	6011.8	11715.5	APMC
Delhi	All Paddy	-3187.3	3311.4	6498.7	APMC
Amritsar	All Paddy	-766.8	315.2	1082	APMC
Karnal	All Paddy	-5782	250	6032	APMC

*Difference between current and previous week price

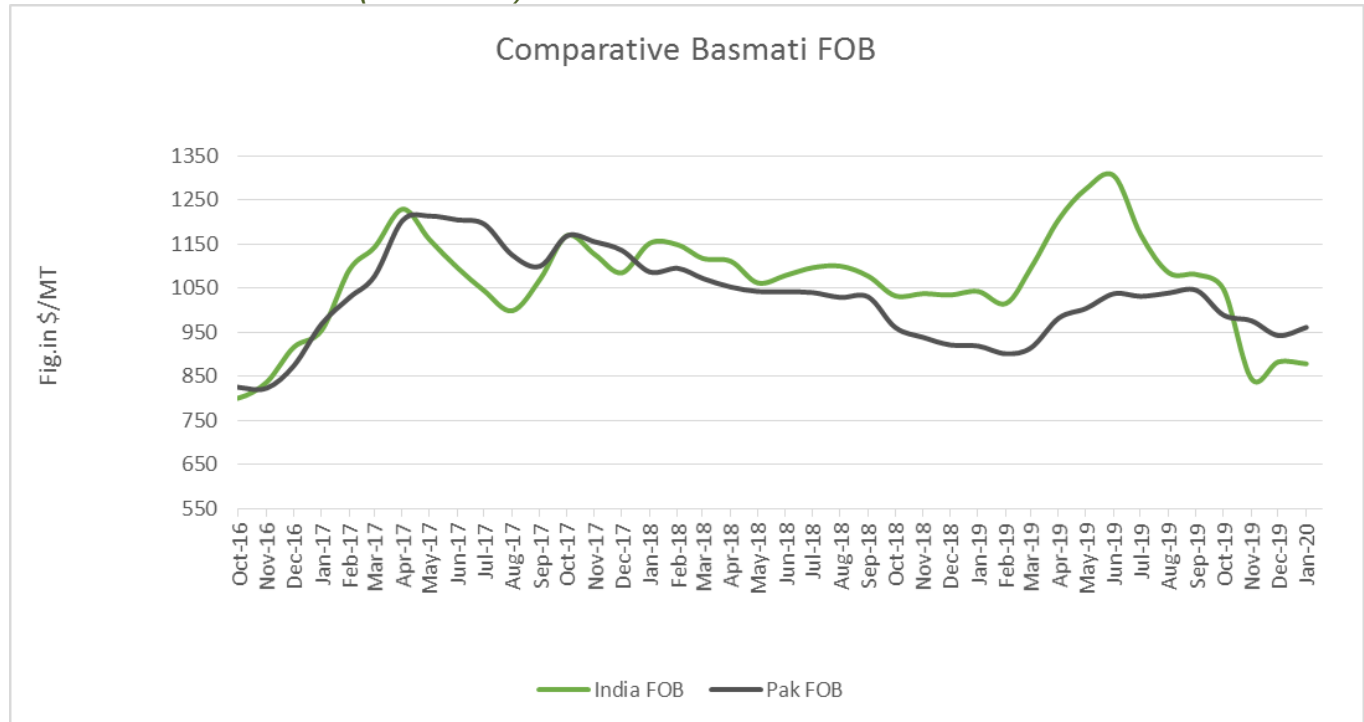
State wise Progressive Procurement

State/UTs (in Lakh T)	Target in marketing season 2019-20 (Oct. – Sept.)	Progressive Procurement as on 14.02.2020	
		In Marketing season 2018-19	In Marketing season 2017-18
AP	40.00	26.44	6.20
Telangana	30.00	31.57	18.45
Haryana	40.00	43.02	39.09
M.P	14.00	15.35	0.57
Maharashtra	6.00	4.41	1.01
Punjab	114.00	108.73	113.16
Tamilnadu	8.00	3.01	0.51
U.P	33.00	34.21	0.02

Uttrakhand	5.00	6.24	3.18
Total	416.00	367.86	344.29

All-India progressive procurement of Rice as on 14.02.2020 for Kharif Marketing Season (KMS) 2019-20 is 367.86 lakh tonnes against the procurement of 344.29 lakh tonnes in the corresponding period of last year.

FOB Quotes Aromatic Rice (1121 Steam)



Source-FAO& Agriwatch

Due to poor performance of basmati and non-basmati rice exports from India, pressure on domestic market prices has increased. Indian FOB for 1121 steam traded weak in the month of January and currently is in the range of USD 880/MT which is down by 0.5% from last month price of USD 883/T; Agriwatch expects that aromatic international rice price is likely to trade steady in coming month due diminishing of arrival from major producing states. According to the UN's Food and Agriculture Organization (FAO), Currently Pakistani basmati FOB is moving firm from last month and is now hovering in the range of USD 961-965/MT which is up 1.2 % from last month FOB of USD 943/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	(2019-20) Projection. 21.11.2019	(2019-20) Projection. 23.1.2020`1
Production	475	487	490	500	500
Trade	40	48	48	45	45
Consumption	474	486	487	495	495
Carryover stocks	122	123	126	180	180
Y-O-Y change	1	1	1	5	5
Major Exporters	33	31	28	40	40

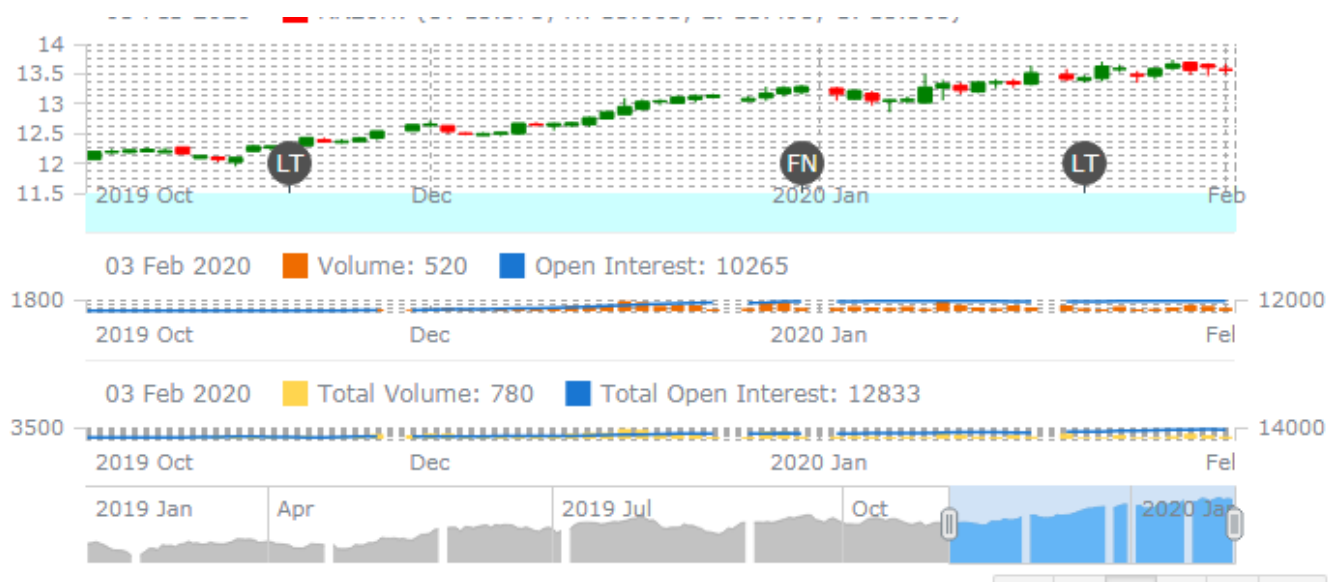
Note: Major exporters are India, Pakistan, Thailand, Vietnam, and United States

IGC Rice Balance sheet Highlights:

With limited potential for gains in Asian producers, including Thailand, where drought conditions are a downside risk for the off-season crop, global **rice** output in 2019/20 is seen marginally lower y/y. Amid record supplies, growth in food demand is expected to push up consumption to a new high, while stocks are predicted to rise by 2% y/y, to a peak of 177m t. Within the total, major exporters' reserves are predicted at a six-year high of 40m t. Trade is anticipated to recover modestly, to 44m t, on stronger demand from buyers in sub-Saharan Africa. However, prospects are tentative, particularly in Nigeria owing to restrictions on cross-border flows.

Rice Price Trend @ CBOT Mar- 2020, Rough Rice)

(Prices in US\$/hundredweight)



Market Analysis

The CBOT Mar-19 month rough chart for rice indicates steady to firm tone from last month. We expect market to hover in the range of USD 12.60-13.50 hundred weights in coming sessions.

Price Projection (International-CBOT)

Duration	Trend	Price Range
02 nd Week of Mar-2020	Steady to Firm	USD/ Hundred Weight 12.60-13.50

Disclaimer

The information and opinions contained in the document have been compiled from sources believed to be reliable. The company does not warrant its accuracy, completeness and correctness. Use of data and information contained in this report is at your own risk. This document is not, and should not be construed as, an offer to sell or solicitation to buy any commodities. This document may not be reproduced, distributed or published, in whole or in part, by any recipient hereof for any purpose without prior permission from the Company. IASL and its affiliates and/or their officers, directors and employees may have positions in any commodities mentioned in this document (or in any related investment) and may from time to time add to or dispose of any such commodities (or investment). Please see the detailed disclaimer at <http://www.agriwatch.com/disclaimer.php> © 2020 Indian Agribusiness Systems Ltd.