
Rice Weekly Research Report

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Outlook and Review:***Domestic Front***

- Thailand's rice export rates extended gains this week to hit a 6-1/2 year peak, and Vietnamese prices rose to their highest in almost 16 months, as the spread of the coronavirus raised concerns about sufficiency of available stocks.
- Thailand's benchmark 5% broken rice prices were quoted at \$480-\$505 per tonne this week, their highest since August 2013 and up from \$470-\$495 last week. This is also their sixth consecutive weekly rise. Market concern over supply shortages due to the on-going drought was the main factor driving up prices. Some millers are stockpiling rice as domestic concern rises over food shortage in case the outbreak of coronavirus gets worse. There is no demand because of the high prices, and as supply becomes less and less, it is expected that prices will get even higher. Domestic demand for some rice types, such as jasmine, has increased slightly over consumers' concerns about the widening spread of the virus.
- In Vietnam, rates for 5% broken rice rose to \$410 per tonne, the highest since November 2018, from \$400-\$405 a week earlier. Domestic supplies are thin, and exporters are finding it hard to secure rice for their contracts. Farmers are not selling their rice, as they fear the coronavirus outbreak will last for a long time.
- Preliminary shipping data showed 195,400 tonnes of rice is to be loaded at Ho Chi Minh City port between March 1-25, with most of the rice heading to Malaysia, West Africa and Cuba. The Vietnamese government said it will ensure an annual rice output of 22 million tonnes.
- In India, export prices were steady, near their lowest in over two months, as export demand improved slightly amid depreciation in rupee to a record low. India's 5% broken parboiled variety was quoted \$363-\$367 per tonne this week, unchanged from last week. Indian rupee was trading near a record low this week, raising exporter's margins from the overseas sale. Local broken rice prices could moderate in the coming weeks as demand has been falling from the poultry industry. Chicken sales have plunged on rumours that chickens were spreading coronavirus.
- According to the former chairman of Aria, in the first 10 months of 2019-20 as compared to FY 2018-19 i.e. April 2019 to January 2020, Indian basmati rice exports are just 1 percent in terms of quantity and in dollar terms. There was a 10 percent drop. But its exports were affected in February and there are also signs of lower shipments in March. This suggests that basmati rice export volume may decline by up to 5 percent overall.
- Domestic prices of rice have risen by up to 5% in Bangladesh, as coronavirus fears triggered panic buying.
- Paddy crop affected by pests in Telangana: Paddy sowing has more than doubled to 27 lakh acres in Telangana as compared to last year, but the crop got damaged due to rice blast disease, which may potentially the decline in productivity per hectare. Due to the huge difference in day and night temperature and excess moisture, there was a disease called rice blast. If strong winds prevail, this disease can spread to other states as well with the favourable weather.

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 02nd Week of March-2020

State	Prices 09-15 Mar 2020	Prices 01-08 Mar 2020	Prices 09-15 Mar 2019	% Change(Over Previous Week)	% Change(Over Previous Year)
Odisha	2849.4	2648.62	2531.85	7.58	12.54
Tripura	3020.47	2942.72	2872.76	2.64	5.14
West Bengal	2801.97	2756.56	2593.28	1.65	8.05
Gujarat	4079.66	4012.61	3251.31	1.67	25.48
Uttar Pradesh	2496.44	2492.15	2419.62	0.17	3.17
Kerala	3492.75	3481.64	3448.18	0.32	1.29
Meghalaya			3565.17	--	--
Karnataka	3545.72	3710.51	3665.3	-4.44	-3.26
Assam			3607.96	--	--
Uttarakhand	2214.14	2200	2995.13	0.64	-26.08
Andhra Pradesh			4116.67	--	--
Jharkhand			3877.44	--	--
Maharashtra			3543.58	--	--
Manipur			3907.12	--	--
Average	3062.57	3030.6	3313.96		

Duration	Trend	Average Price Range	Reason
04 th 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*	21-Mar-20	20-Mar-20	14 Mar-20	21-Feb-19	21-Mar-19
Chirala(A.P)	BPT(Raw)	-100	3400	3400	3500	3330	3320
Jharkhand(Ranchi)	Coarse	-100	3000	3000	3100	3100	3000
Ernakulam(Kerala)	Jaya	+20	3640	3600	3620	3500	3450
Divi(A.P)	BPT(Steam)	+50	3500	3450	3450	3300	3200
Visakhapatnam	HMT(Raw)	0	4200	4200	4200	4050	4100
Nandyal	Sona Fine	-100	4800	4800	4900	5400	5350
Barasat(W.B)	Masuri	-100	3100	3100	3200	3300	3250
Dibrugarh	Common	-50	3200	3200	3250	3000	2900
Jhargram(W.B)	IR-36	0	2500	2500	2500	2900	2350
Jhargram(W.B)	IR-36	0	2400	2400	2400	2600	2300
Karnal	Sarbati Steam	-100	3500	3500	3600	3800	4000
Bangarpet(Kar)	Sugandh Sela	-200	3600	3600	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	--	NA	8	APMC
Burdwan(W.B)	All Paddy	NA	NA	11715.5	APMC
Delhi	All Paddy	-3187.3	3311.4	6498.7	APMC
Amritsar	All Paddy	-766.8	--	1082	APMC
Karnal	All Paddy	-5782	--	6032	APMC

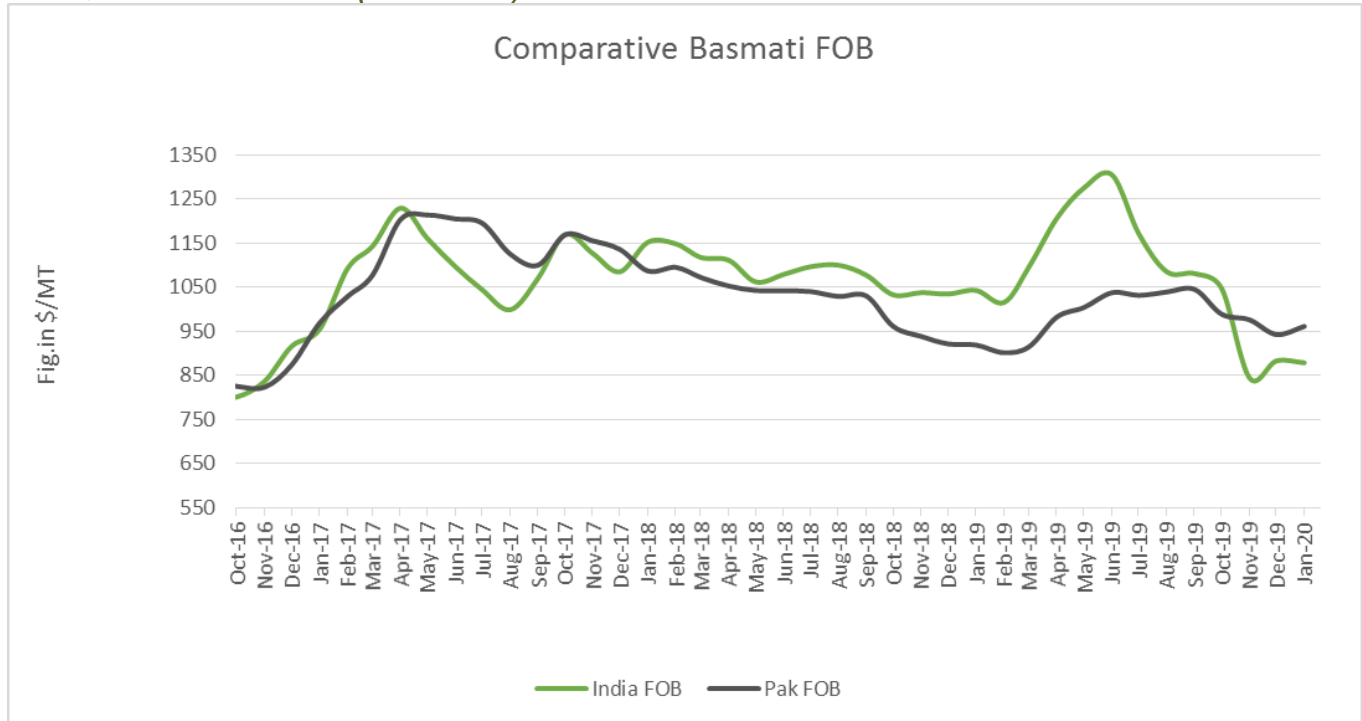
*Difference between current and previous week price

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

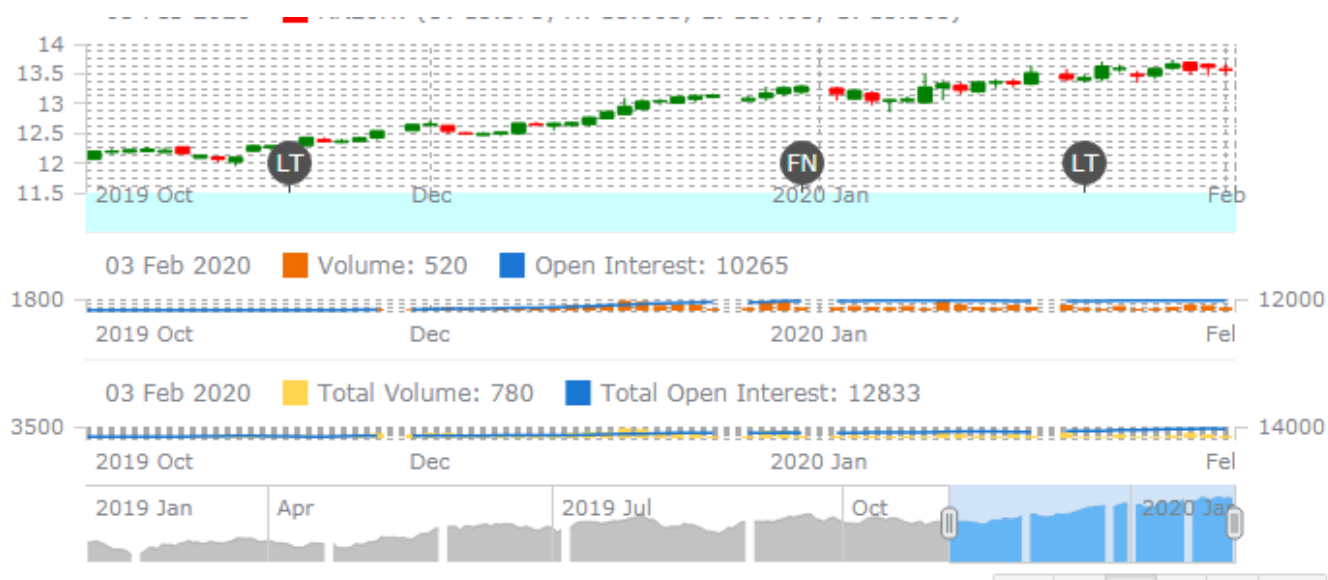
Note: Major exporters are India, Pakistan, Thailand, Vietnam, and United States

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

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