



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

- A nationwide lockdown in leading rice exporter India to curtail the spread of the coronavirus pushed export prices to the lowest in about three months, while rates for the Thai variety came off multi-year peaks due to fluctuations in the local currency.
- India's 5% broken parboiled variety rates narrowed to \$361-\$365 per tonne this week - their lowest since late December - as rice exporters were struggling to operate due to the lockdown. Prices slipped from last week's \$363-\$367 range. The lockdown has disrupted the entire supply chain. The Indian rupee hit a record low this week, raising exporters' margin from the overseas sale.
- In Thailand, benchmark 5% broken rice rates fell to \$468-\$495 this week, from last week's 6-1/2-year peak of \$480-\$505. The drop in price was due to fluctuations in the currency, while the situation over demand-and-supply remained relatively unchanged.
- The Thai market remained cautious oversupply issues, triggered by one of the worst droughts in decades that is hurting many rice-growing areas, while according to traders the outbreak has also slightly raised domestic demand of some types of rice, keeping prices higher. The Thai government has declared a state of emergency across the country over the coronavirus, but is yet to issue any restrictions that would directly impact agricultural production or exports.
- Vietnam's 5% broken rice rates were not available after the government on Wednesday announced it halted signing new export contracts until March 28 under a review to ensure domestic supplies were sufficient during the epidemic. Traders and exporters have ceased all activities and the authorities have also stopped customs clearance for rice shipments from Vietnam.
- 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

| tate | 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* | 28-Mar-20 | 27-Mar-20 | 21-Mar-20 | 14 Mar-20 | 21-Feb-19 |
|-------------------|---------------|---------|-----------|-----------|-----------|-----------|-----------|
| Chirala(A.P) | BPT(Raw) | -- | NR | NR | 3400 | 3500 | 3330 |
| Jharkhand(Ranchi) | Coarse | -- | NR | NR | 3000 | 3100 | 3100 |
| Ernakulam(Kerala) | Jaya | -- | NR | NR | 3640 | 3620 | 3500 |
| Divi(A.P) | BPT(Steam) | -- | NR | NR | 3500 | 3450 | 3300 |
| Visakhapatnam | HMT(Raw) | -- | NR | NR | 4200 | 4200 | 4050 |
| Nandyal | Sona Fine | -- | NR | NR | 4800 | 4900 | 5400 |
| Barasat(W.B) | Masuri | -- | NR | NR | 3100 | 3200 | 3300 |
| Dibrugarh | Common | -- | NR | NR | 3200 | 3250 | 3000 |
| Jhargram(W.B) | IR-36 | -- | NR | NR | 2500 | 2500 | 2900 |
| Jhargram(W.B) | IR-36 | -- | NR | NR | 2400 | 2400 | 2600 |
| Karnal | Sarbati Steam | -- | NR | NR | 3500 | 3600 | 3800 |
| Bangarpet(Kar) | Sugandh Sela | -- | NR | NR | 3600 | 3800 | 4500 |

Weekly Paddy Arrival in Major Mandi:

| Paddy Arrivals (In Quintal) | Grade | Change | Current Week | Last Week | Source |
|-----------------------------|-----------|--------|--------------|-----------|--------|
| Kurnool | All Paddy | -- | NR | 33.06 | APMC |
| Srikakulam | All Paddy | -- | NR | 0 | APMC |
| West Godavari | All Paddy | -- | NR | NA | APMC |
| Burdwan(W.B) | All Paddy | -- | NR | NA | APMC |
| Delhi | All Paddy | -- | NR | 3311.4 | APMC |
| Amritsar | All Paddy | -- | NR | -- | APMC |
| Karnal | All Paddy | -- | NR | -- | APMC |

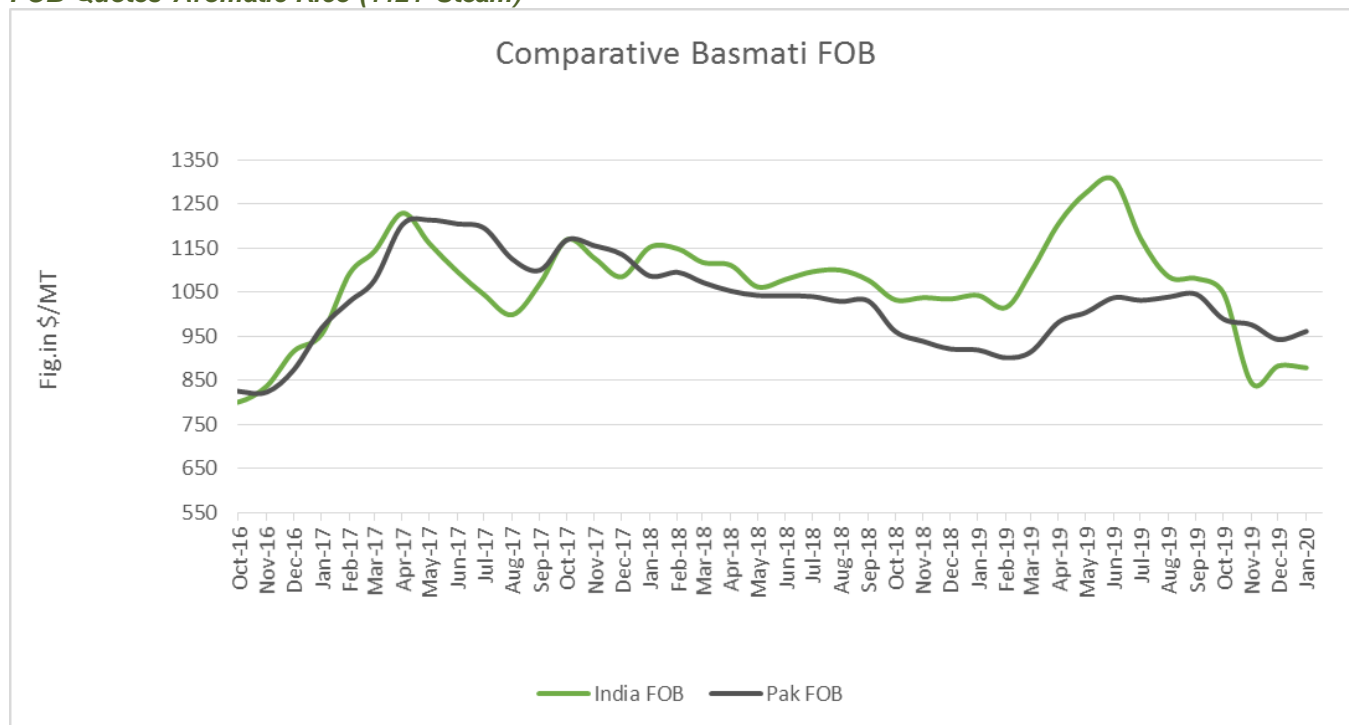
*Difference between current and previous week price

State wise Progressive Procurement

| State/UTs | Target in marketing season 2019-20 | Progressive Procurement as on | |
|-------------|------------------------------------|-------------------------------|-----------------------------|
| (in Lakh T) | (Oct. – Sept.) | 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 |

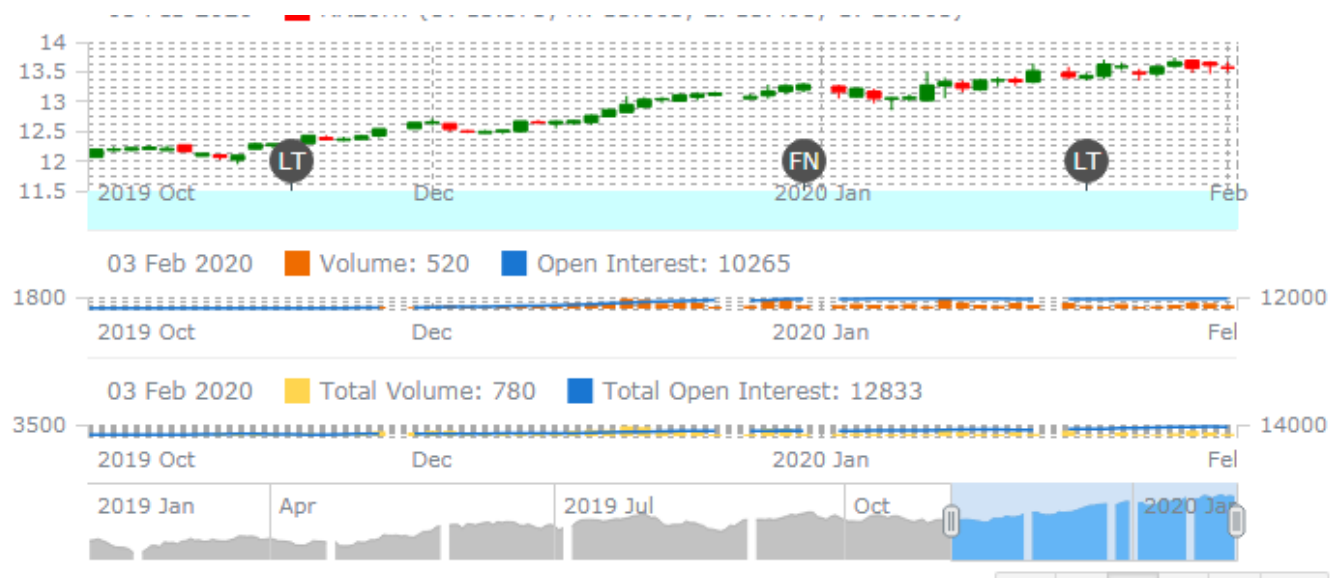
Note: Major exporters are India, Pakistan, Thailand, Vietnam, and United States

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.