



Rice Weekly Research Report

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Outlook and Review:

Domestic Front

- In India, the world's biggest rice exporter, traders have stopped signing new export contracts as labour shortages and logistical disruptions caused by the 21-day lockdown are already hampering the delivery of existing contracts as rice is not moving from fields to mills and mills to ports. Export prices were unavailable for a second week running.
- In neighbouring Bangladesh, the government has halted the export of its common rice variety as domestic prices of the staple grain have been driven to a two-year by panic buying. In this situation, there is no scope to allow rice exports even though traders came up with some orders.
- It was a similar situation in Vietnam, which has suspended the signing of new export contracts in an attempt to ensure domestic supplies are sufficient during the pandemic. Vietnam's 5% broken rice prices were unavailable for the third week in a row.
- There have been no transactions and we're still waiting for the final decision from the prime minister on the resumption of exports. Vietnam's Ministry of Industry and Trade asked the government earlier this week to resume rice exports but limit the volume to 800,000 tonnes for April and May, but traders said the Ministry of Finance wants to keep the ban on white rice exports until June while allowing the export of fragrant and glutinous rice to resume immediately.
- Thailand's benchmark 5% broken rice prices widened to \$555–\$580 per tonne - their highest since April 2013 - from \$560-\$570 last week on concerns about supply shortages due to an ongoing drought. The drought has really hurt supply and pushed up the prices and kept buyers away. This has been going on for weeks. Rice exporters in Thailand said they were monitoring the situation in rival exporting countries.

State wise Paddy Crop Situation - Kharif (2020-21)

Pre-monsoon sowing of kharif crops begins; paddy acreage up 27%. Amid COVID-19 lockdown, pre-monsoon sowing of kharif crops has begun across the country with paddy acreage 27 per cent higher at 32.58 lakh hectare so far as compared to last season. The sowing will pick up with the onset of south-west monsoon (June-September), which delivers about 70 per cent of the country's annual rainfall. Farmers have sown paddy in 32.58 lakh hectare, up 27 per cent, from 23.81 lakh hectare in the corresponding period of last year. The sowing area has been reported mainly from West Bengal (11.25 lakh hectare), Telangana (7.45 lakh hectare), Odisha (3.13 lakh hectare), Assam (2.73 lakh hectare), Karnataka (1.64 lakh hectare) and Chhattisgarh (1.50 lakh hectare).

State wise Wholesale Prices weekly for 01st Week of April-2020

State	Prices 01-08 Apr 2020	Prices 24-31 Mar 2020	Prices 01-08 Apr 2019	% Change(Over Previous Week)	% Change(Over Previous Year)
Uttar Pradesh	2592.42	2552.45	2458.65	1.57	5.44
Uttarakhand			2288.75	--	--
West Bengal	2899.45	2975.09	2760.39	-2.54	5.04
Manipur			3981.74	--	--
Tripura	3149.56	3028.83	2849.06	3.99	10.55
Assam			3559.04	--	--

Karnataka	4240.15	3098.53	3626.76	36.84	16.91
Kerala	3525.09	3507.3	3469.38	0.51	1.61
Odisha	2942.22	2542.14	2608.87	15.74	12.78
Andhra Pradesh			4066.67	---	---
Meghalaya			3569.74	---	---
Jharkhand			3868.07	---	---
Gujarat			3183.98	---	---
Maharashtra			3375.77	---	---
Average	3224.82	2950.72	3261.92		

Duration	Trend	Average Price Range	Reason
2 nd Week of Apr, 2020	Steady to Firm	Rs.3200-3600/Quintal	If the Lockdown duration will increase in that case, demand of rice increases which support the prices at current level.

Weekly Rice Price Change in Delhi Market (Figure: in Rs. /Quintal)

Rice Price	Grade	Change*	05-Apr-20	04-Apr-20	29-Mar-20	05-Mar-19	05-Apr-19
Chirala(A.P)	BPT(Raw)	-100	3300	3300	3400	3200	3100
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)	-100	4000	4000	4100	3900	3850
Nandyal	Sona Fine	-200	4600	4600	4800	4900	4800
Barasat(W.B)	Masuri	-100	3100	3100	3200	3300	3250
Dibrugarh	Common	-50	3200	3200	3250	3000	2900
Jhargram(W.B)	IR-36	200	2700	2700	2500	2900	2350
Jhargram(W.B)	IR-36	200	2600	2600	2400	2600	2300
Karnal	Sarbati Steam	0	3600	3500	3600	3800	4000
Bangarpet(Kar)	Sugandh Sela	0	3800	3600	3800	4500	4400

Weekly Paddy Arrival in Major Mandi:

Paddy Arrivals (In Quintal)	Grade	Change	Current Week	Last Week	Source
Kurnool	All Paddy	-13	20	33	APMC
Srikakulam	All Paddy	1	3	2	APMC
West Godavari	All Paddy	--	NA	8	APMC
Burdwan(W.B)	All Paddy	NA	NA	11715.5	APMC
Delhi	All Paddy	--	NA	3311.4	APMC
Amritsar	All Paddy	-766.8	--	1082	APMC
Karnal	All Paddy	-5782	--	6032	APMC

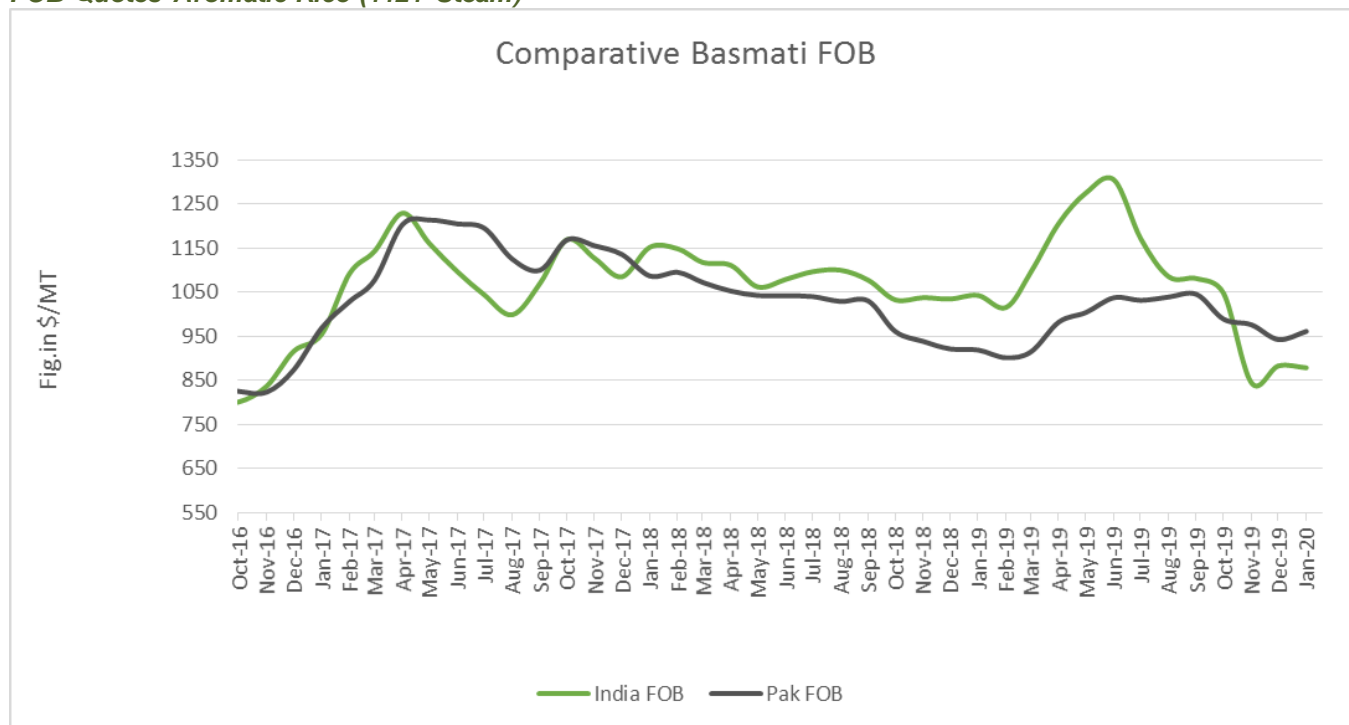
*Difference between current and previous week price

State wise Progressive Procurement As on 31.03 2020

State	Procurement(in Lakh Tons)
AP	32.30
Telangana	31.56
Assam	0.91
Bihar	9.37
Chhattisgarh	39.71
Haryana	43.03
Jharkhand	1.53
Kerala	2.07
M.P	15.35
Maharashtra	7.02
Odisha	35.71
Punjab	108.76
Tamilnadu	13.36
U.P	37.17
Uttrakhand	6.81
West Bengal	8.54
Total	393.68

All-India progressive procurement of Rice as on 31.03.2020 for Kharif Marketing Season (KMS) 2019-20 is 393.68 lakh tonnes against the procurement of 352.29 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) Forecast. 27.02.2020	(2020-21) Projection. 27.03.2020
Production	475	487	490	499	509
Trade	40	48	48	44	45
Consumption	474	486	487	495	501
Carryover stocks	122	123	126	177	185
Y-O-Y change	1	1	1	5	8
Major Exporters	33	31	28	42	46

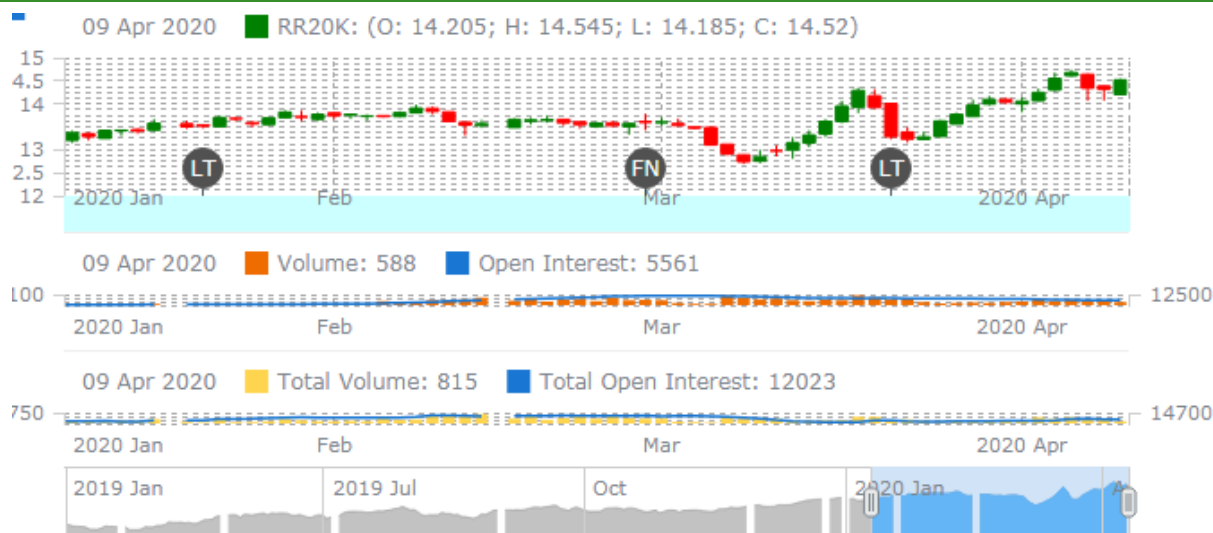
Note: Major exporters are India, Pakistan, Thailand, Vietnam, and United States

IGC Rice Balance sheet Highlights:

The Council's forecasts for global rice supply and demand in 2019/20 are broadly unchanged m/m, with carryovers rising to a peak of 177 MT on accumulation in China and India. Led by acreage increases in major exporters, world rice production in 2020/21 is projected to rise by 2% y/y, to a high of 509 MT, with population growth supporting record uptake. Further gains in inventories are anticipated, mainly in key exporter and China. Trade is seen growing by 3% on bigger deliveries to Africa, with India the leading exporter. With record production in India mostly offsetting declines elsewhere, including in China, Thailand and the US, global rice output in 2019/20 is seen little-changed y/y, at 499MT. Consumption is assumed to expand on population growth, with trade rising on buying by importers in Africa. In 2020/21, area gains in Asia are seen underpinning a 2% production increase to 509 MT, with total use at a new high. Inventories are projected to expand to a record of 185 MT on accumulation in China and India. World trade could rise to a three-year peak on African needs.

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

(Prices in US\$/hundredweight)



Market Analysis

The CBOT May-20 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 Apr-2020	Steady to Firm	USD/ Hundred Weight 13.60-14.50

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