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# Rice Weekly Research Report

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

- Rice export prices in India bounced to an eight-month high this week, as traders resumed signing new contracts after a gap of nearly three weeks, while rains brought some relief in drought-hit Thailand, easing prices off a multi-year peak.
- Top exporter India's 5 percent broken parboiled variety was quoted around \$375-\$380 per tonne this week - the highest since the first week of August - and significantly higher than \$361-\$365 quoted last month. There is good demand for Indian rice, but supplies are limited due to the lockdown. Indian rice traders had stopped signing new export contracts amid the nationwide lockdown as labour shortages and logistics disruptions hampered delivery of even existing contracts.
- India extended the lockdown until at least May 3 as the number of coronavirus cases exceeded 12,000. Neighbouring Bangladesh will double its allocation of ration cards to 10 million under a subsidised rice sales scheme to help the poor during its nationwide lockdown. Domestic prices of rice have recently been driven to two-year highs as people resorted to panic buying.
- This week FCI stated that 1.34 lakh metric tonnes of rice were allocated to Andhra Pradesh under Pradhan Mantri Garib Kalyan Anna Yojana. Every rice cardholder will be given five kilograms of rice under the scheme. In response to the outbreak of Covid-19 pandemic, the government of India has announced special schemes considering the hardships faced by the poor. Around 5kg rice or wheat will be supplied to all NFSA cardholders at free of cost for three months, from April 20 to June 20. This allocation will be in addition to the regular NFSA allocation.
- Thailand's benchmark 5% broken rice prices fell to \$530-\$538 per tonne from last week's \$555-\$580 - their highest since April 2013. Recent rainfall in Bangkok and some rice-growing provinces lifted hopes that an ongoing drought, which started from November last year, may come to an end sooner than expected. After rained this week, prices dropped slightly, but if the rainfall was only an irregularity, so prices could still swing back. Expectations of a prolonged drought previously led to a forecast of lower Thai rice output this year, resulting in higher prices compared to competitors.
- Unofficial and preliminary Thailand rice exports (excluding Hom Mali fragrant rice) for February 24 – March 1, 2020, totaled 74,067 metric tons, down 7,678 metric tons from the previous week and down 8,201 metric tons from the four weeks moving average of 82,268 metric tons. Rice exports from January 1 – March 1, 2020, totaled 706,818 metric tons, down 45 percent from the same period last year.
- Vietnam's 5% broken rice prices were unavailable for the fourth week in a row even as the government partially lifted its ban on rice exports. Though the government has allowed the export of 400,000 tonnes of rice for this month, no new rice export contracts have been signed because the volume of the contracts signed before the ban is already higher than the quota. The country last month banned signing new export contracts to ensure ample domestic supplies.

**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 01<sup>st</sup> 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 <sup>nd</sup> 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*	18-Apr-20	17-Apr-20	11-Mar-20	18-Mar-20	18-Apr-19
Chirala(A.P)	BPT(Raw)	100	3400	3400	3300	3300	3200
Jharkhand(Ranchi)	Coarse	200	3200	3200	3000	3100	3000
Ernakulam(Kerala)	Jaya	40	3680	3600	3640	3500	3450
Divi( A.P)	BPT(Steam)	100	3600	3450	3500	3300	3200
Visakhapatnam	HMT(Raw)	200	4200	4200	4000	3900	3850
Nandyal	Sona Fine	-100	4500	4600	4600	4900	4800
Barasat(W.B)	Masuri	100	3200	3200	3100	3300	3250
Dibrugarh	Common	50	3250	3200	3200	3000	2900
Jhargram(W.B)	IR-36	100	2800	2800	2700	2900	2350
Jhargram(W.B)	IR-36	0	2600	2600	2600	2600	2300
Karnal	Sarbati Steam	500	4100	4100	3600	3800	4000
Bangarpet(Kar)	Sugandh Sela	400	4200	4200	3800	4500	4400

**Weekly Paddy Arrival in Major Mandi:**

Paddy Arrivals (In Quintal)	Grade	Change	Current Week	Last Week	Source
Kurnool	All Paddy	-10	10	20	APMC
Srikakulam	All Paddy	5	8	3	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	--	--	--	APMC
Karnal	All Paddy	--	--	--	APMC

\*Difference between current and previous week price

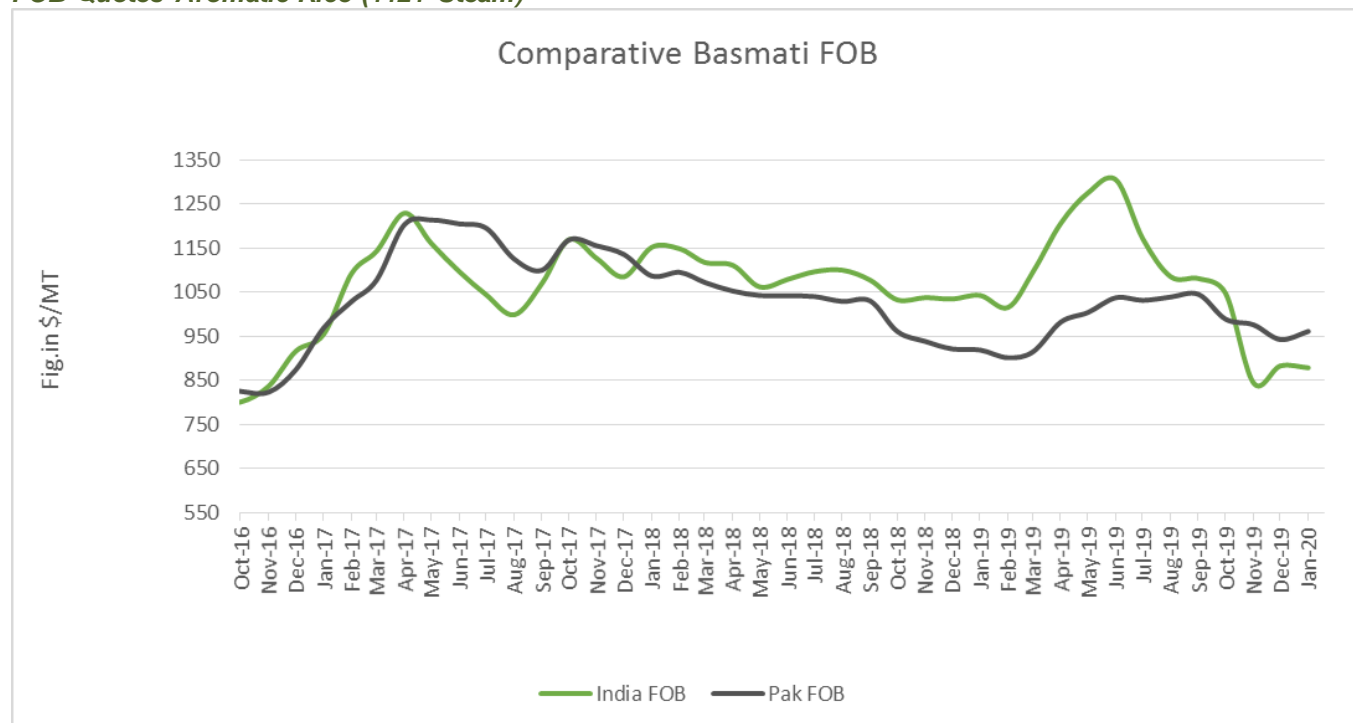
**State wise Progressive Procurement As on 31.03 2020**

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
Uttarakhand	6.81

West Bengal	8.54
<b>Total</b>	<b>393.68</b>

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*

**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.

Thailand Export prices of white and parboiled rice increased 1-2 percent from the previous weeks due to tighter supplies of white paddy rice as MY2019/20 off-season rice production is adversely affected by drought. Also, the Thai baht strengthened to 31.2 baht/U.S. \$1.00 from the previous week's exchange rate of 31.5 baht/U.S. \$1.00. Meanwhile, export prices of fragrant rice declined 3 percent due to the lack of new inquiries as foreigners are reportedly seeking Vietnamese fragrant rice, which is U.S. \$450-500/MT cheaper.

**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
<b>Production</b>	475	487	490	499	509
<b>Trade</b>	40	48	48	44	45
<b>Consumption</b>	474	486	487	495	501
<b>Carryover stocks</b>	122	123	126	177	185
<b>Y-O-Y change</b>	1	1	1	5	8
<b>Major Exporters</b>	33	31	28	42	46

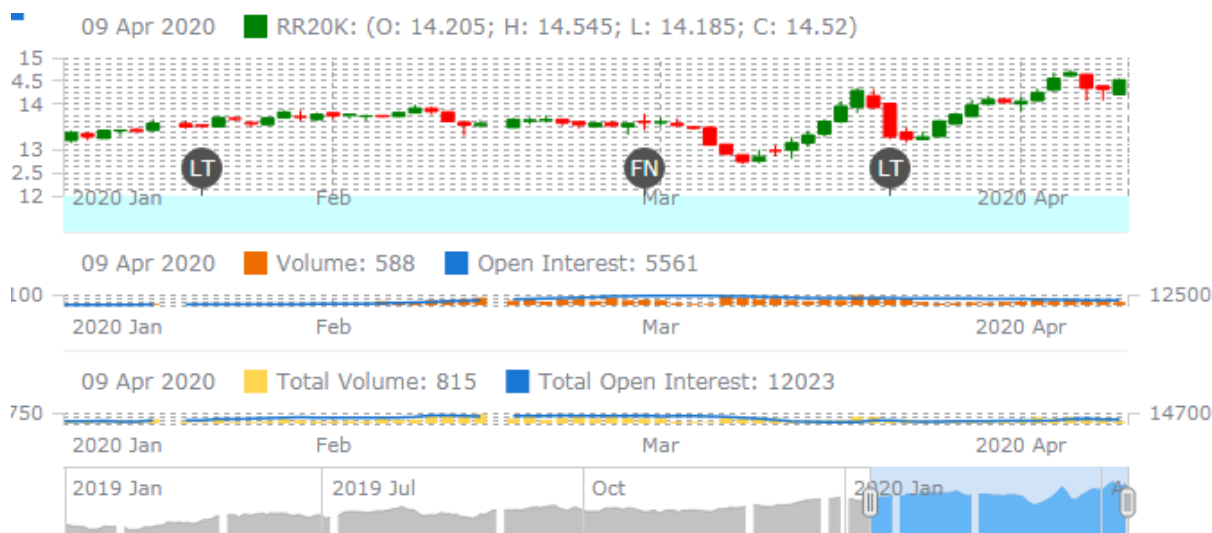
Note: Major exporters are India, Pakistan, Thailand, Vietnam, and United States

**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 <sup>nd</sup> Week of AApr-2020	Steady to Firm	USD/ Hundred Weight 13.60-14.50

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