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# Rice Weekly Research Report

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

- Indian Rice export operations has resumed despite India extending the lockdown until at least till 03rd May 2020. The demand for Indian rice is huge as it has been offered at steep discount to rice from other countries but it would take time for exports to return to normal levels. New contracts are getting signed but at a very low pace due to bottlenecks in the supply chain. Traders are mainly signing contracts for May and June shipments, expecting New Delhi to ease restrictions after 03rd May 2020.
- As per market sources, about 400,000 tonnes of non-basmati rice and 100,000 tonnes of basmati rice, meant for March-April delivery, are either stuck at ports or in the pipeline due to the lockdown.
- Basmati exports have surged to most traditional overseas markets in the last quarter as consumers have gone for additional stocks due to Covid-19. The rise in demand from Middle East is also buttressed by higher buying for Ramadan
- Top exporter India's 5 percent broken parboiled variety was quoted \$374-\$379 per tonne this week, down from \$375-\$380 per tonne quoted last week. The lockdown has been limiting the movement of paddy and milled rice, whereas demand from African countries had been good. India extended a lockdown on its 1.3 billion people until at least May 3 as the number of coronavirus cases exceeded 20,000. The Indian rupee hit a record low this week, increasing traders' margin from overseas sales.
- In Bangladesh, where the lockdown has been extended until May 5, harvesting of the summer rice crop varieties could be affected due to a shortage of labourers. If this persists, Bangladesh could miss its target of 20 million tonnes for the "Boro" summer variety rice crop this season. Boro contributes more than half of Bangladesh's typical annual rice output of around 35 million tonnes.
- Meanwhile in Vietnam, rates were nominal since exporters were not ready to sign new contracts, given uncertainty over whether they can ship the rice due to the government's export quota. However, prices for 5% broken rice were quoted at \$440-\$450 per tonne - their highest in nearly two-years. Buyers are not willing to sign contracts as they are not sure if they can buy. The Vietnamese government said on Wednesday it would raise its white rice exports quota for April to 500,000 tonnes from 400,000 tonnes. Traders said the 500,000 tonnes of rice to be exported this month were not enough to cover contracts signed before the government introduced a ban on rice exports in March.
- Thailand's benchmark 5-percent broken rice prices were quoted at \$530-\$556, wider from last week's \$530-\$538. According to trade sources, rice prices have not fluctuated much as demand has been steady with no major deals in sight. Many Thai exporters are waiting to see how the return of rice exports from competitors like Vietnam will impact prices and demand, after the disruption from the COVID-19 pandemic. Disruptions to sale by major exporters like Vietnam and India earlier this month raised the price of Thai rice to their highest level since April 2013. Concerns over possible shortages of rice supply due to the on-going drought continue to impact prices as well.

**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 03<sup>rd</sup> Week of April-2020

State	Prices 16-23 Apr 2020	Prices 09-15 Apr 2020	Prices 16-23 Apr 2019	% Change(Over Previous Week)	% Change(Over Previous Year)
Maharashtra	4487.65	4489.8	4051.88	-0.05	10.75
Tripura	3021.26	3243.97	2857.21	-6.87	5.74
Jharkhand			3859.93	---	---
Uttar Pradesh	2629.29	2673.96	2450.57	-1.67	7.29
West Bengal	2920.88	2945.49	2738.37	-0.84	6.66
Assam			3577.2	---	---
Karnataka	4030.71	4016.1	3512.02	0.36	14.77
Manipur			3989.52	---	---
Meghalaya			3554.35	---	---
Gujarat	4300		3176.36	---	35.38
Kerala	3517.22	3529.52	3482.57	-0.35	0.99
Odisha	2573.91	3005.6	2644.62	-14.36	-2.67
NCT of Delhi			2000	---	---
Uttrakhand			2386.4	---	---
Andhra Pradesh			4250	---	---
Nagaland			7200	---	---
Average	3435.12	3414.92	3483.19		

Duration	Trend	Average Price Range	Reason
04 <sup>th</sup> Week of Apr, 2020	Steady	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*	25-Apr-20	24-Apr-20	18-Mar-20	25-Mar-20	25-Apr-19
Chirala(A.P)	BPT(Raw)	-100	3300	3400	3400	3300	3200
Jharkhand(Ranchi)	Coarse	100	3300	3200	3200	3100	3000
Ernakulam(Kerala)	Jaya	20	3700	3600	3680	3500	3450
Divi( A.P)	BPT(Steam)	-100	3500	3450	3600	3300	3200
Visakhapatnam	HMT(Raw)	-100	4100	4100	4200	3900	3850
Nandyal	Sona Fine	-100	4400	4600	4500	4900	4800
Barasat(W.B)	Masuri	100	3300	3200	3200	3300	3250
Dibrugarh	Common	50	3300	3200	3250	3000	2900
Jhargram(W.B)	IR-36	100	2900	2800	2800	2900	2350
Jhargram(W.B)	IR-36	0	2600	2600	2600	2600	2300
Karnal	Sarbati Steam	-400	3700	3700	4100	3800	4000
Bangarpet(Kar)	Sugandh Sela	-200	4000	4000	4200	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

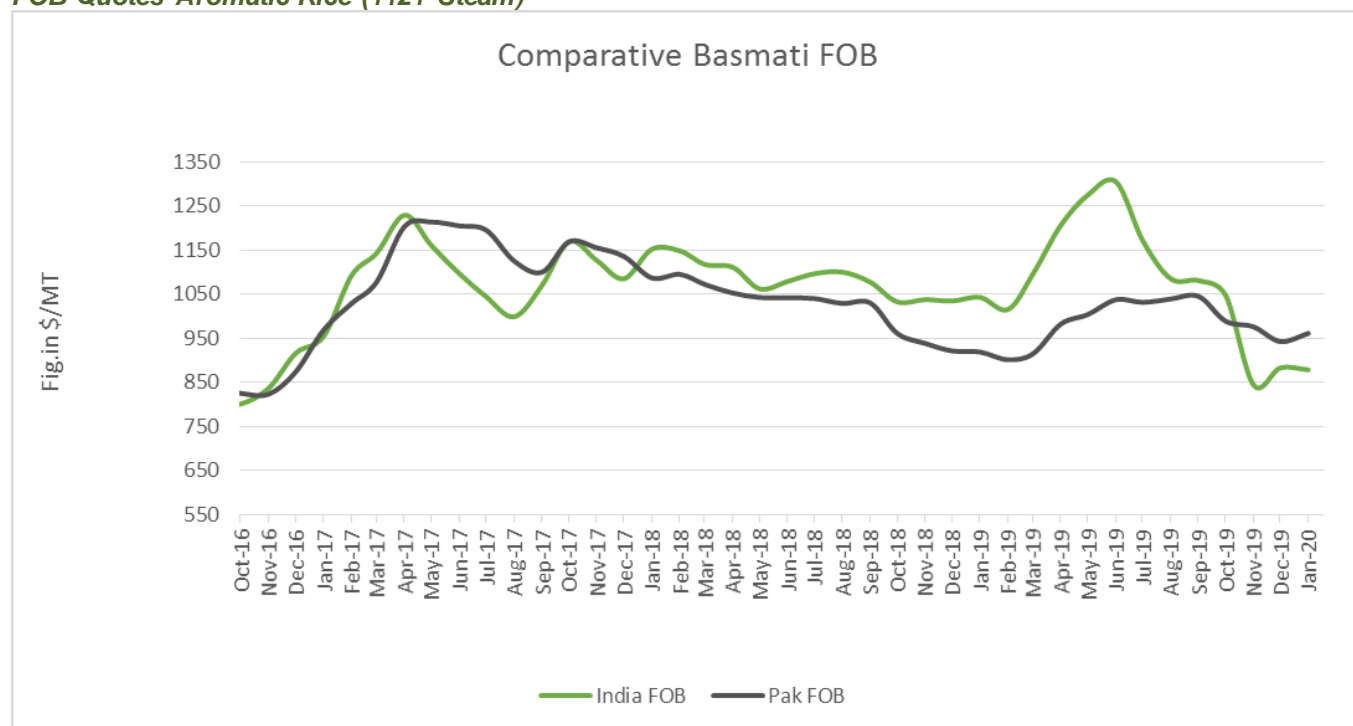
**State wise Progressive Procurement As on 17.04 2020**

State	Procurement(in Lakh Tons)
AP	32.62
Telangana	33.74
Assam	0.97
Bihar	11.57
Chhattisgarh	39.71
Haryana	43.03
Jharkhand	1.68
Kerala	2.76
M.P	17.40
Maharashtra	8.06
Odisha	35.71
Punjab	108.76
Tamilnadu	14.30

U.P	37.17
Uttrakhand	6.81
West Bengal	14.90
<b>Total</b>	<b>410.40</b>

All-India progressive procurement of Rice as on 17.04.2020 for Kharif Marketing Season (KMS) 2019-20 is 410.40 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
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

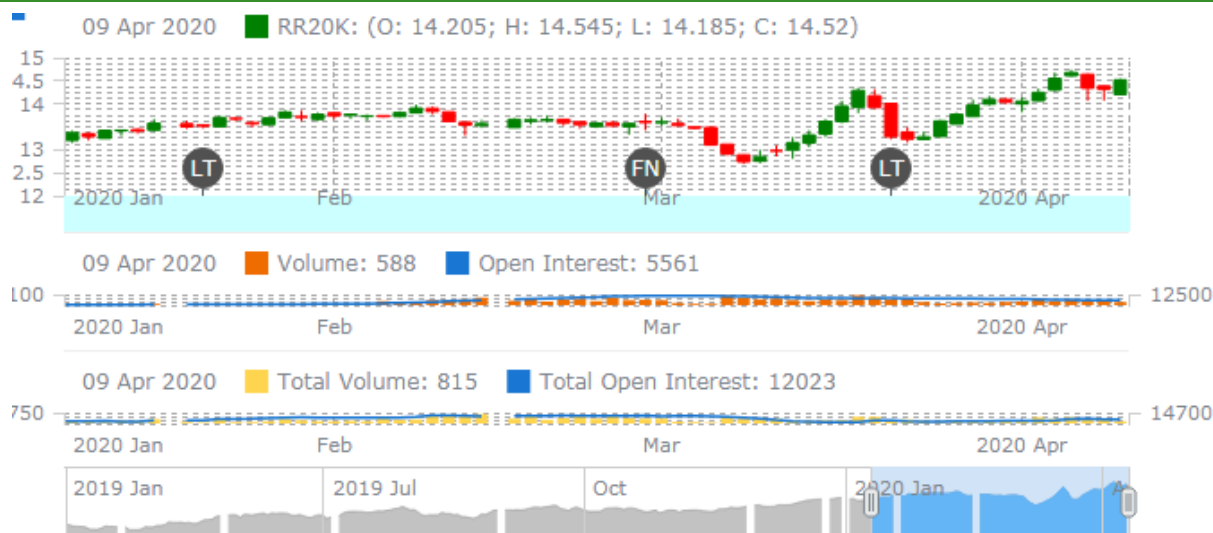
Note: Major exporters are India, Pakistan, Thailand, Vietnam, and United States

### 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 May- 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
04 <sup>th</sup> Week of Apr-2020	Steady to Firm	USD/ Hundred Weight 13.60-14.50

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