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# Rice Weekly Research Report

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

- Rice export prices from India held near a nine-month high this week on strong demand from buyers in both Asia and Africa, with Thailand losing out to cheaper grain from the top exporter. India's 5% broken parboiled variety was quoted at \$378-\$383 per tonne, unchanged from last week. Demand for Indian rice from Asian and African buyers has been slowly improving as New Delhi is offering more competitive prices than Thailand. A weak rupee also helped, raising exporters' margin from overseas sales.
- Thailand's benchmark 5% broken rice prices were quoted at \$515-\$546, down from \$535-\$557 the week before, on easing concerns over domestic supply even as overseas demand remained unchanged. Prices have been high because mills were concerned about possible shortages, but after a spell of rainfall, the mills are starting to sell their stock again.
- One of the worst droughts in decades earlier this year had put a strain on supply and pushed Thai rice prices to their highest in about seven years in early April. But the supply concerns have now eased due to recent rains and forecasts for more in the country's rice growing regions.
- Lower domestic supplies, meanwhile, pushed rates for 5% broken rice from Vietnam to a fresh two-year peak of \$450 per tonne on Thursday, but activity on the export market remained quiet. Not many new contracts have been signed recently as domestic supplies are running low. Many local firms are focusing on their rice purchase from farmers for the national stockpiling program.
- Export of Pakistani rice increased in the Middle East after India imposed strict lockdown in the wake of the coronavirus outbreak. According to rice exporters, export of Pakistani rice increased by about 59 percent in April 2020. The Middle East is the main market of India's basmati rice. After the imposed the lockdown in India, the orders were diverted to Pakistan. United Arab Emirates, Saudi Arabia, Qatar, Bahrain and other regional countries remained the destination of Pakistani rice.
- After almost a 40 per cent decline in shipments during last financial year, India's non-basmati rice exports are set for a rebound this year on demand from new buyers such as Malaysia and the Philippines, exporters said. Firming prices, coupled with a decline in rupee, is seen aiding the shipments of the cereal. The demand from new buyers such as Malaysia and the Philippines should help the recovery in exports this year. The non-basmati rice exports slumped by about 40 per cent to 5-6 million tonnes in 2019-20, according to trade estimates. Though global prices have firmed up in recent months on short supplies in the Asian countries, Indian prices are still competitive, attracting buyers

**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
01 <sup>st</sup> Week of May, 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*	09-May-20	08-May-20	01-May-20	09-Apr-20	09-May-19
Chirala(A.P)	BPT(Raw)	50	3400	3350	3350	3300	3200
Jharkhand(Ranchi)	Coarse	0	3300	3200	3300	3100	3000
Ernakulam(Kerala)	Jaya	-100	3500	3600	3600	3500	3450
Divi( A.P)	BPT(Steam)	0	3400	3450	3400	3300	3200
Visakhapatnam	HMT(Raw)	0	4400	4400	4400	3900	3850
Nandyal	Sona Fine	0	4600	4600	4600	4900	4800
Barasat(W.B)	Masuri	0	3300	3200	3300	3300	3250
Dibrugarh	Common	0	3400	3300	3400	3200	3200
Jhargram(W.B)	IR-36	100	3000	2800	2900	2900	2350
Jhargram(W.B)	IR-36	200	2900	2900	2700	2600	2300
Karnal	Sarbati Steam	100	4100	4100	4000	4000	4400
Bangarpet(Kar)	Sugandh Sela	-200	4300	4300	4500	4600	4800

**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

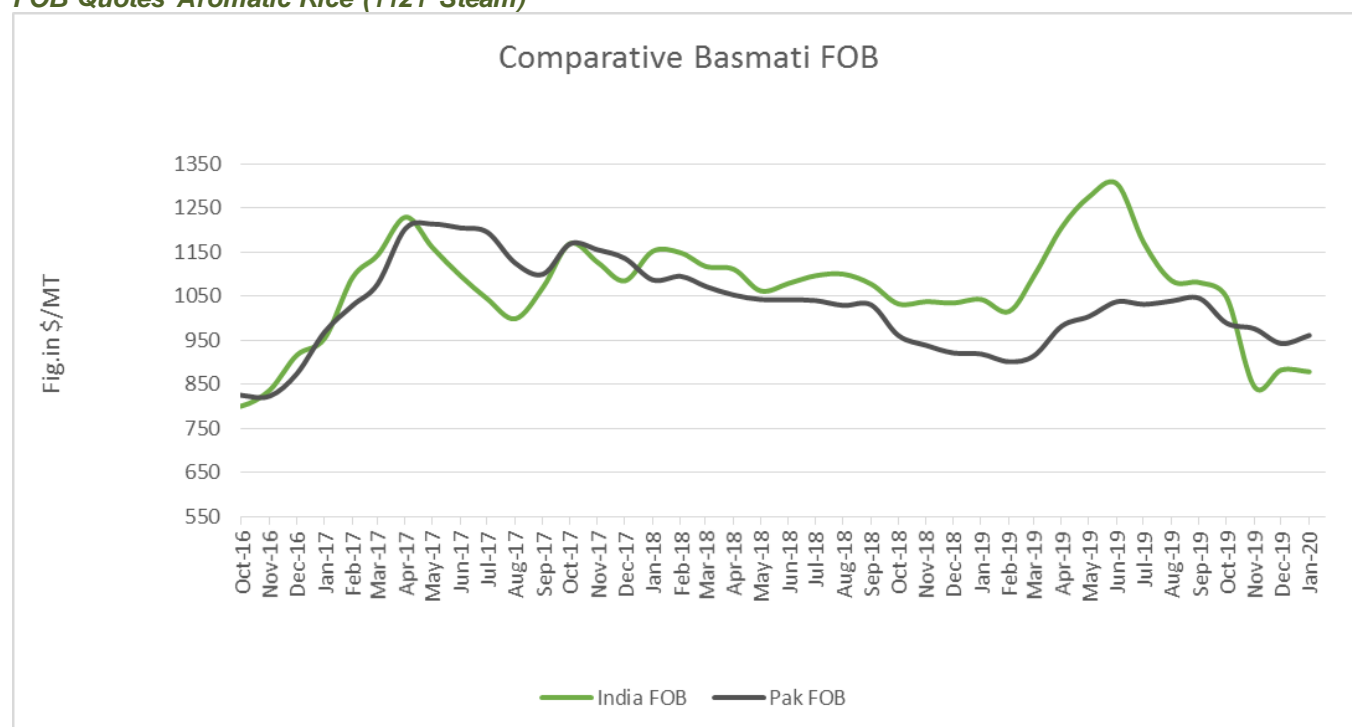
**State wise Progressive Procurement As on 01.05 2020**

State	Procurement(in Lakh Tons) 2019-20	2018-19
AP	35.92	32.25
Telangana	45.81	36.14
Assam	0.99	0.52
Bihar	11.82	9.28
Chhattisgarh	39.71	40.80
Haryana	43.03	39.09
Jharkhand	2.00	1.53
Kerala	3.77	4.07
M.P	17.40	13.95

<b>Maharashtra</b>	8.31	4.25
<b>Odisha</b>	35.71	34.48
<b>Punjab</b>	108.76	113.34
<b>Tamilnadu</b>	14.93	11.48
<b>U.P</b>	37.90	32.33
<b>Uttrakhand</b>	6.81	4.62
<b>West Bengal</b>	14.90	16.54
<b>Total</b>	<b>428.26</b>	<b>395.05</b>

All-India progressive procurement of Rice as on 01.05.2020 for Kharif Marketing Season (KMS) 2019-20 is 428.26 lakh tons against the procurement of 395.05 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 March and currently is in the range of USD 770-785/MT; Agriwatch expects that aromatic international rice price is likely to trade steady in coming month. 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 911/MT which is down 7.8 % from last month FOB of USD 988/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

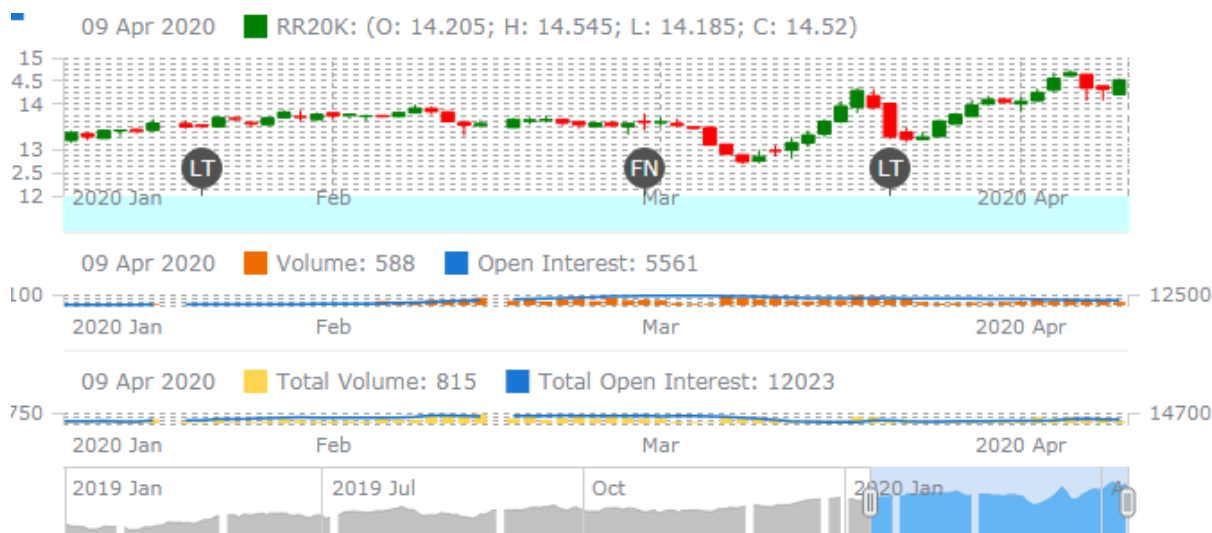
Note: Major exporters are India, Pakistan, Thailand, Vietnam, and United States

**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 AApr-2020	Steady to Firm	USD/ Hundred Weight 13.60-14.50

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