



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**

- Thai rice export prices fell this week as the drought-hit country saw fresh supplies entering the market while also facing stiff competition from cheaper Indian and Vietnamese offers. Thailand's benchmark 5% broken rice prices were quoted at \$480-\$485 a tonne, their lowest since March 26 and down from \$515-\$546 last week.
- One of the worst droughts in decades put a strain on supplies, causing prices to soar to a seven-year high in April. Demand remains flat but there are hopes that buyers in places like the Philippines may be interested in Thai rice as prices dropped, although competition from Vietnam is very strong.
- Prices for top-exporter India's 5% broken parboiled variety edged to their highest since early August at \$380-\$385 per tonne this week. Demand is better than last year as Indian rice is offered at a discount compared with exports from Thailand and Vietnam. The availability of trucks and workers, which limited exports in April, has improved now. Exports are also getting support from a weaker rupee, raising exporters' margin from overseas sales.
- Meanwhile, low supplies pushed rates for 5% broken rice from Vietnam to a near one-year high of \$450-\$460. Traders are rushing to fulfil contracts signed before the export ban (introduced in March), while the government is also buying rice from farmers for its national stockpiling program. Supplies from the upcoming harvest will not increase sharply as the harvest will take place slowly, lasting more than two months.
- Vietnam fully resumed rice exports from May, after a ban in March to ensure adequate supplies during the coronavirus pandemic. Preliminary shipping data showed nearly 150,000 tons of rice is to be loaded at Ho Chi Minh City port between May 2 and May 17, with most of it heading to the Philippines.
- The government of India can declare a reserve price of Rs 2250 rice under the OMSS scheme for the 2021 season. The government is planning to sell 5 million tonnes of rice this season under the OMSS scheme, which is equivalent to the previous year's sales.
- Haryana chief minister, Manohar Lal has appealed to the farmers to adopt crop diversification and sow crops which consume less water like Maize, Arhar, sesame, Guar, Moong, etc, instead of Rice. Giving detailed information about this, the Chief Minister said that the dark zone, depleting level of groundwater and its excessive exploitation has become a challenge for us and we have started to solve these challenges for the coming generations. The Chief Minister said that he had already made this appeal while talking to the leaders of various farmers associations of the State to encourage the farmers to adopt crop diversification and sow crops consuming less water.
- The third advance estimate of various crops produced in the entire season 2019-20 has been released in Karnataka. This estimate report released by the state agriculture department shows that there was an increase in the production of rice. In Karnataka, rice production improved from 34.48 lakh tonnes to 36.14 lakh tonnes during the 2019-20 season as compared to 2018-19 season.

State wise Wholesale Prices Weekly Analysis for Rice Second week May, 2020

State	Prices 09-15 May 2020	Prices 01-08 May 2020	Prices 09-15 May 2019	% Change(Over Previous Week)	% Change(Over Previous Year)
Andhra Pradesh			4058.33	---	---
Gujarat	4344.13	4371.92	3284.92	-0.64	32.24
Jharkhand			3857.68	---	---
Maharashtra	3746.64	4864.02	3466.31	-22.97	8.09
Manipur			4187.07	---	---
Meghalaya			3625	---	---
Nagaland			7200	---	---
Odisha	2858.88	2593.46	2806.64	10.23	1.86
Karnataka	3110.67	3287.63	3787.36	-5.38	-17.87
Tripura	3096.24	3154.33	2847.6	-1.84	8.73
Uttarakhand	2721.61	2802.72	2701.91	-2.89	0.73
Kerala	3543.94	3523.25	3414.88	0.59	3.78
Uttar Pradesh	2621.5	2564.8	2467.88	2.21	6.22
West Bengal	2915.67	2923.44	2717.78	-0.27	7.28
Assam			3272.45	---	---
Average	3217.7	3342.84	3579.72		

Duration	Trend	Average Price Range	Reason
03 rd 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*	16-May-20	15-May-20	09-May-20	16-Apr-20	16-May-19
Chirala(A.P)	BPT(Raw)	100	3500	3350	3400	3300	3200
Jharkhand(Ranchi)	Coarse	0	3300	3200	3300	3100	3000
Ernakulam(Kerala)	Jaya	-100	3400	3600	3500	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	3500	3200	3300	3300	3250
Dibrugarh	Common	0	3400	3300	3400	3200	3200
Jhargram(W.B)	IR-36	100	3100	2800	3000	2900	2350
Jhargram(W.B)	IR-36	200	3100	2900	2900	2600	2300
Karnal	Sarbati Steam	-100	4000	4100	4100	4000	4400
Bangarpet(Kar)	Sugandh Sela	-100	4200	4300	4300	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	18	13	APMC
West Godavari	All Paddy	--	22	NA	APMC
Burdwan(W.B)	All Paddy	NA	12	NA	APMC
Delhi	All Paddy	--	66	NA	APMC
Amritsar	All Paddy	--	43	--	APMC
Karnal	All Paddy	--	54	--	APMC

*Difference between current and previous week price

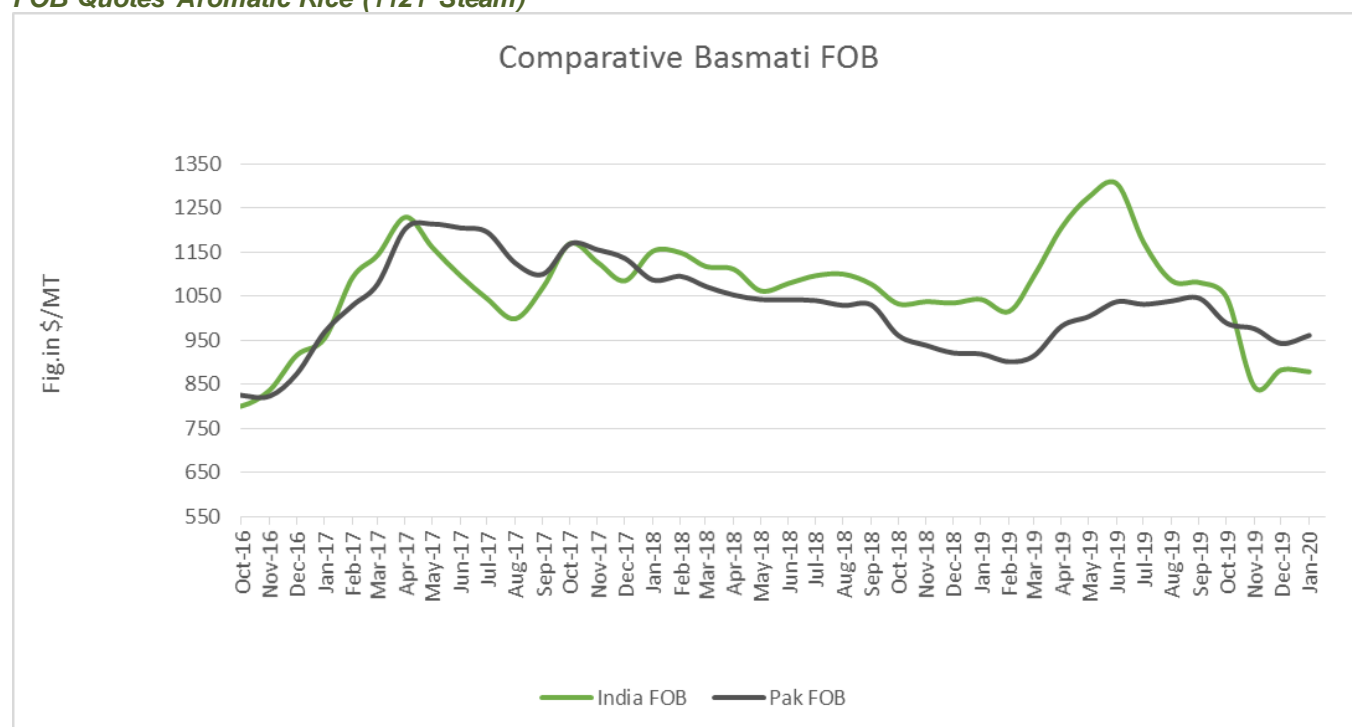
State wise Progressive Procurement As on 01.05 2020

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

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

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

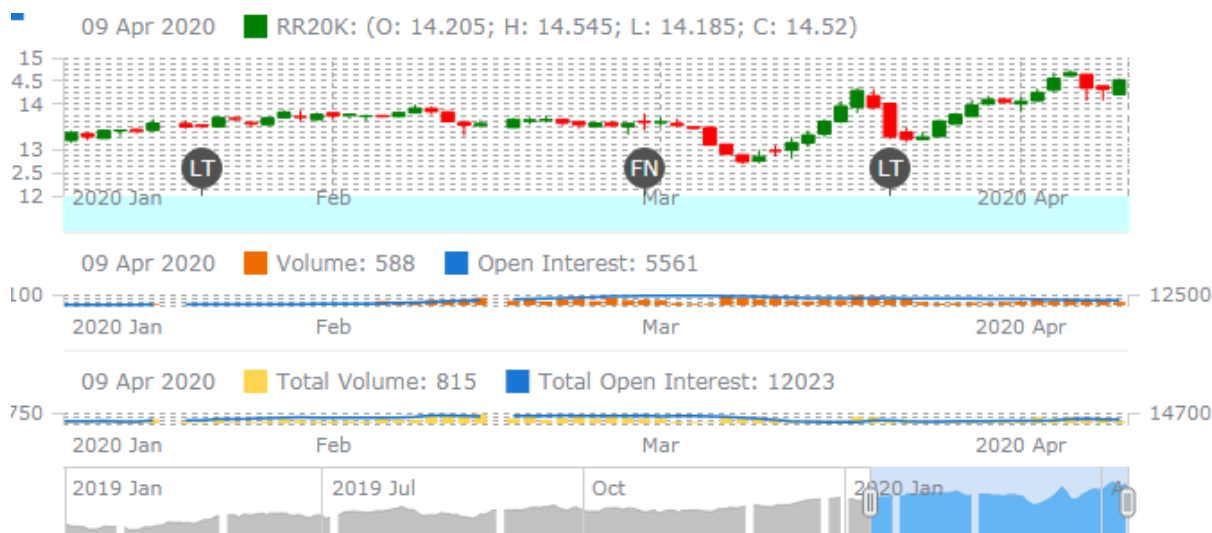
Note: Major exporters are India, Pakistan, Thailand, Vietnam, and United States

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 th Week of AApr-2020	Steady to Firm	USD/ Hundred Weight 13.60-14.50

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