



Rice Weekly Research Report

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Outlook and Review:**Domestic Front**

- Rice prices in top exporter India hit a more than one-year peak this week bolstered by robust demand from African and Asian countries, while a cyclone damaged some crops in Bangladesh. Cyclone Amphan, which pounded eastern India and Bangladesh on Wednesday, damaged crops on 176,000 hectares in Bangladesh.
- India's 5 percent broken parboiled variety rose to \$385-\$389 per tonne, the highest since April 2019, from last week's \$380-\$385. Buyers prefer Indian rice due to lower prices. Malaysia has contracted to import a record 100,000 tonnes of rice from India for shipment this month and next. A weak Indian rupee that raised margins from overseas sales further boosted prices.
- Meanwhile, a stronger baht, which touched a more than two-month high on Thursday, pushed up Thailand's benchmark 5-percent broken rice to \$480-\$505 from last week's \$480-\$485. The exchange rate has led to some price fluctuations but the overall trend is that prices will likely continue to go down because rain has eased market concerns over supply. As per trade sources, there have been some sales recently to countries like Japan but these are not large deals.
- Rates for Vietnam's 5% broken rice held near a one-year high at \$450-\$460 a tonne. High demand along with low supplies have pegged prices at that (one-year) high. New supplies are expected to be at the same level as the previous winter-spring crop season
- South Indian ports traded less in April: Due to the on-going lock-down and corona global pandemic, the cargo movement from south India to ports during the month of April was reduced and there was a considerable decline in the movement of goods. Earlier in March also, the situation of import-export there was not encouraging. During the period under review, import and export of goods from Tuticorin port declined by about 26 percent to 22.90 lakh tonnes from 30.80 lakh tonnes, slipped 38 percent to 39.50 lakh tonnes at Chennai port to 24.40 lakh tonnes, slipping 1 percent from 32.60 lakh tonnes at Mangalore port to 32.20 lakh. Tonne and Kochi port dropped 34 percent to 18.70 lakh tonne from 28.30 lakh tonne.
- Government rice sales over 2.58 lakh tonnes till second weekly tender of May: The Union Food Ministry has set a target of selling a total of 5 million tonnes of rice under the Open Market Sales Schemes (OMSS) during the financial year 2020-21 (April-March), with a minimum reserve price of Rs 2250 per quintal. The Food Corporation of India (FCI) is planning an e-auction on a weekly basis for the sale of rice.
- Amfan Storm was placed in the Super Cyclone category. This storm can affect East Mednipur, South and North Howrah, Kolkata and Jagatsinghpur, Mayurbhanj, Kendrapara, Bhadrak, Balasot, Jeetpur districts of Orissa, people can be evacuated from these areas.
- Indian buyers have resumed purchases of Malaysian palm oil after a four-month gap following a diplomatic row, with buying spurred by a fall in domestic inventories and discounted prices
- The government 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.

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
04 th 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*	23-May-20	22-May-20	16-May-20	23-Apr-20	23-May-19
Chirala(A.P)	BPT(Raw)	100	3600	3350	3500	3300	3200
Jharkhand(Ranchi)	Coarse	0	3300	3200	3300	3100	3000
Ernakulam(Kerala)	Jaya	-100	3300	3600	3400	3500	3450
Divi(A.P)	BPT(Steam)	100	3500	3450	3400	3300	3200
Visakhapatnam	HMT(Raw)	0	4400	4400	4400	3900	3850
Nandyal	Sona Fine	-100	4500	4600	4600	4900	4800
Barasat(W.B)	Masuri	0	3500	3200	3500	3300	3250
Dibrugarh	Common	0	3400	3300	3400	3200	3200
Jhargram(W.B)	IR-36	100	3100	2800	3100	2900	2350
Jhargram(W.B)	IR-36	200	3100	2900	3100	2600	2300
Karnal	Sarbati Steam	100	4100	4100	4000	4000	4400
Bangarpet(Kar)	Sugandh Sela	0	4200	4300	4200	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

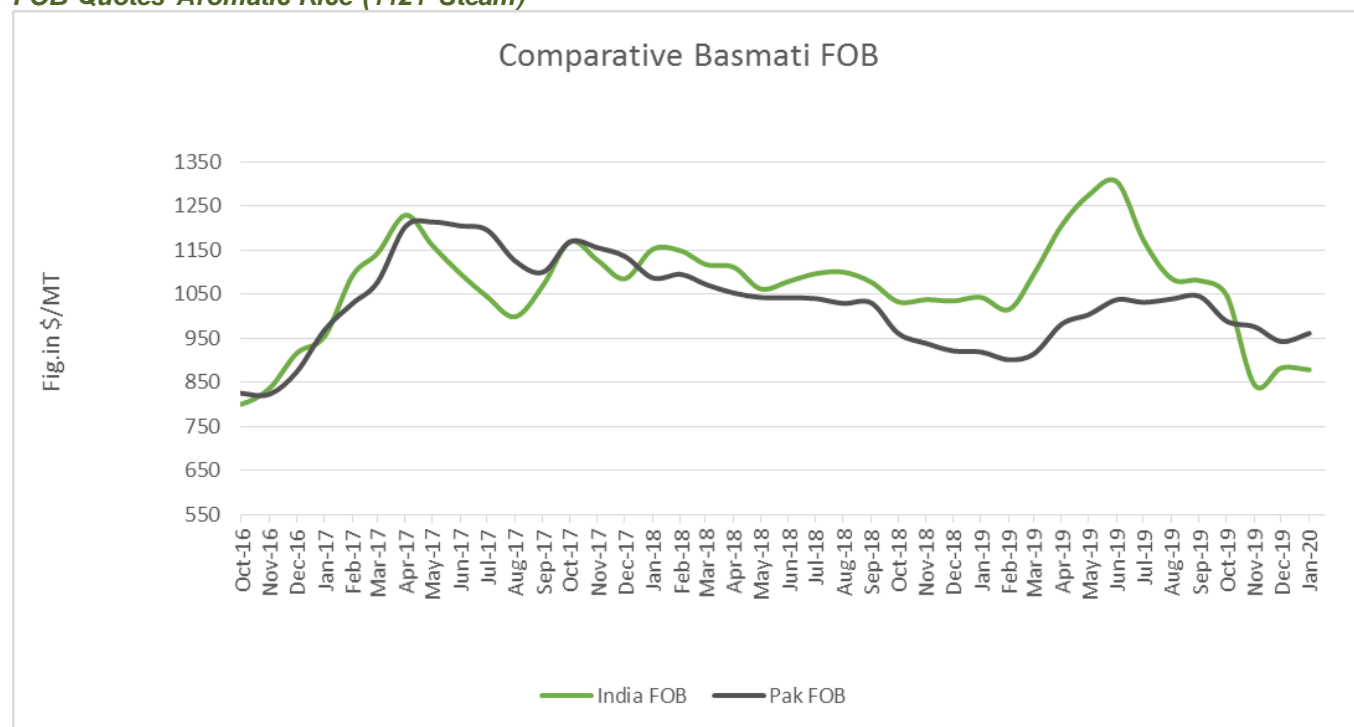
State wise Progressive Procurement As on 20.05 2020

State	Procurement(in Lakh Tons) 2019-20	2018-19
AP	44.26	32.25
Telangana	63.69	36.14
Assam	1.08	0.52
Bihar	13.41	9.28
Chhattisgarh	39.71	40.80
Haryana	43.03	39.09
Jharkhand	2.54	1.53
Kerala	4.50	4.07

M.P	17.40	13.95
Maharashtra	8.43	4.25
Odisha	36.70	34.48
Punjab	108.76	113.34
Tamilnadu	15.54	11.48
U.P	37.90	32.33
Uttrakhand	6.81	4.62
West Bengal	14.90	16.54
Total	459.15	395.05

All-India progressive procurement of Rice as on 20.05.2020 for Kharif Marketing Season (KMS) 2019-20 is 459.15 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

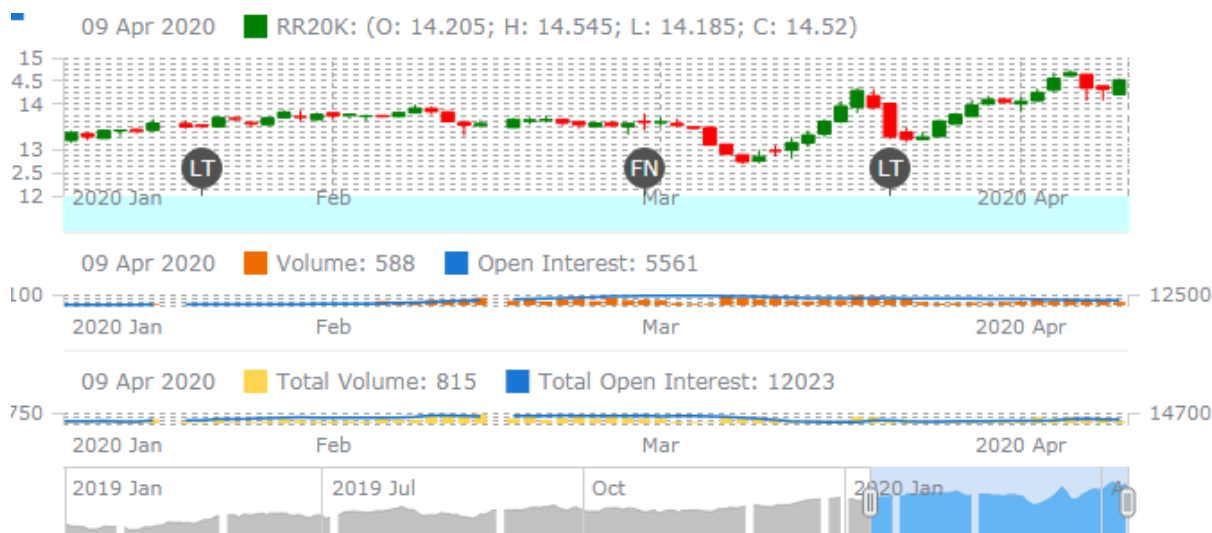
Note: Major exporters are India, Pakistan, Thailand, Vietnam, and United States

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 May-2020	Steady to Firm	USD/ Hundred Weight 13.60-14.50

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