



Rice Weekly Research Report

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Outlook and Review:**Domestic Front**

- Thai rice export prices rose to their highest in about a month this week due to a strong baht currency and persistent supply concerns, losing out to cheaper offers from other Asian hubs.
- Thailand's benchmark 5-percent broken rice prices rose to \$505-\$533 per tonne this week - the highest level since early May - from \$490-\$512 last week. Thai rice prices are higher than all of our competitors thanks to the strong baht which makes it hard to find buyers. The baht hit a more than four month high, translating into higher export prices in U.S. dollars. Supply concerns also persist in the domestic market despite rain that helped soften the blow from one of the worst droughts in decades earlier this year, adding to the rise in prices.
- In Vietnam, rates for the benchmark 5% broken rice remained at their highest since early 2012, at \$475 per tonne, as demand remains steady though supplies rose. The Philippines' recently completed rice purchase and the build-up in domestic supplies have kept export prices from rising further. Vietnam exported 3.09 million tonnes of rice in the first five months of the year, up 12.2% from the year-earlier period.
- Prices of top exporter India's 5 percent broken parboiled variety were also unchanged at \$368-\$373 per tonne, the lowest in over two months, amid weak demand. The new season supplies have started in a few Indian states, but export demand is negligible.
- Minimum Support Price of Paddy Hike by 2.92% from Last Year to Rs. 1868/Quintal for Grade-A: As per by Union Agriculture Minister Narendra Singh Tomar, the Union Cabinet on June 1 approved minimum support price for 14 kharif crops. The revised prices will provide farmers nearly 50-83 percent more than the cost. The MSP for paddy has been raised by Rs 53 per to Rs 1,868 per quintal for the 2020-21 crop year.
- Procurement: Contingent on the bumper harvest, MY 2019-20 government rice procurement through June 12 has surged to a record 49.3 million tons, nearly 5 million tons higher than procurement levels during the corresponding period last year, and higher than last year's record total procurement for the complete season. With the exception of Punjab and Chhattisgarh, significant procurement increases in all major rice-producing states supports the estimated record rice production of 116 million tons. With additional procurement of rabi and summer rice likely to continue in the eastern and southern states, government rice procurement in MY 2019-20 is likely to reach a record to cross 50 million tons, more than a 12 percent increase over last year's procurement levels

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

State	Prices 09-15 Jun 2020	Prices 01-08 Jun 2020	Prices 09-15 Jun 2019	% Change(Over Previous Week)	% Change(Over Previous Year)
Odisha	3208.19	2986.19	2772.92	7.43	15.7
Karnataka	2939.86	3228.8	3872.18	-8.95	-24.08
Tripura	3041.09	3169.19	2858.24	-4.04	6.4
Uttrakhand			2320.86	--	--
West Bengal	2890.23	2813.37	2756.01	2.73	4.87
Gujarat	4253.72	4200	3186.69	1.28	33.48
Uttar Pradesh	2637.51	2608.58	2485.8	1.11	6.1
Assam			3326.92	--	--
Kerala	3539.76	3565.23	3446.21	-0.71	2.71
Jharkhand	2487.15	2483.33	3863.74	0.15	-35.63
Manipur			4427.65	--	--
Nagaland			7200	--	--
Andhra Pradesh			4075	--	--
Maharashtra	4200	3666.21	3453.44	14.56	21.62
Meghalaya			3500	--	--
Tamil Nadu			2076	--	--
Average	3244.17	3191.21	3476.35		

*Report Generation: As per the data reported by APMCs

Prices in Rs/Quintal

Duration	Trend	Average Price Range	Reason
03 rd Week of Jne, 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*	13-Jun-20	12-Jun-20	06-Jun-20	13-May-19	13-Jun-19
Chirala(A.P)	BPT(Raw)	-100	3600	3350	3500	3300	3200
Jharkhand(Ranchi)	Coarse	0	3200	3200	3100	3100	3000
Ernakulam(Kerala)	Jaya	0	3500	3600	3500	3500	3450
Divi(A.P)	BPT(Steam)	-100	3500	3450	3400	3300	3200
Visakhapatnam	HMT(Raw)	200	4400	4400	4200	3900	3850
Nandyal	Sona Fine	100	4400	4600	4300	4900	4800
Barasat(W.B)	Masuri	-100	3400	3200	3400	3300	3250
Dibrugarh	Common	200	3600	3300	3600	3200	3200
Jhargram(W.B)	IR-36	-100	3000	2800	3000	2900	2350
Jhargram(W.B)	IR-36	-200	2900	2900	2900	2600	2300
Karnal	Sarbati Steam	100	4200	4100	4100	4000	4400
Bangarpet(Kar)	Sugandh Sela	0	4000	4300	4000	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

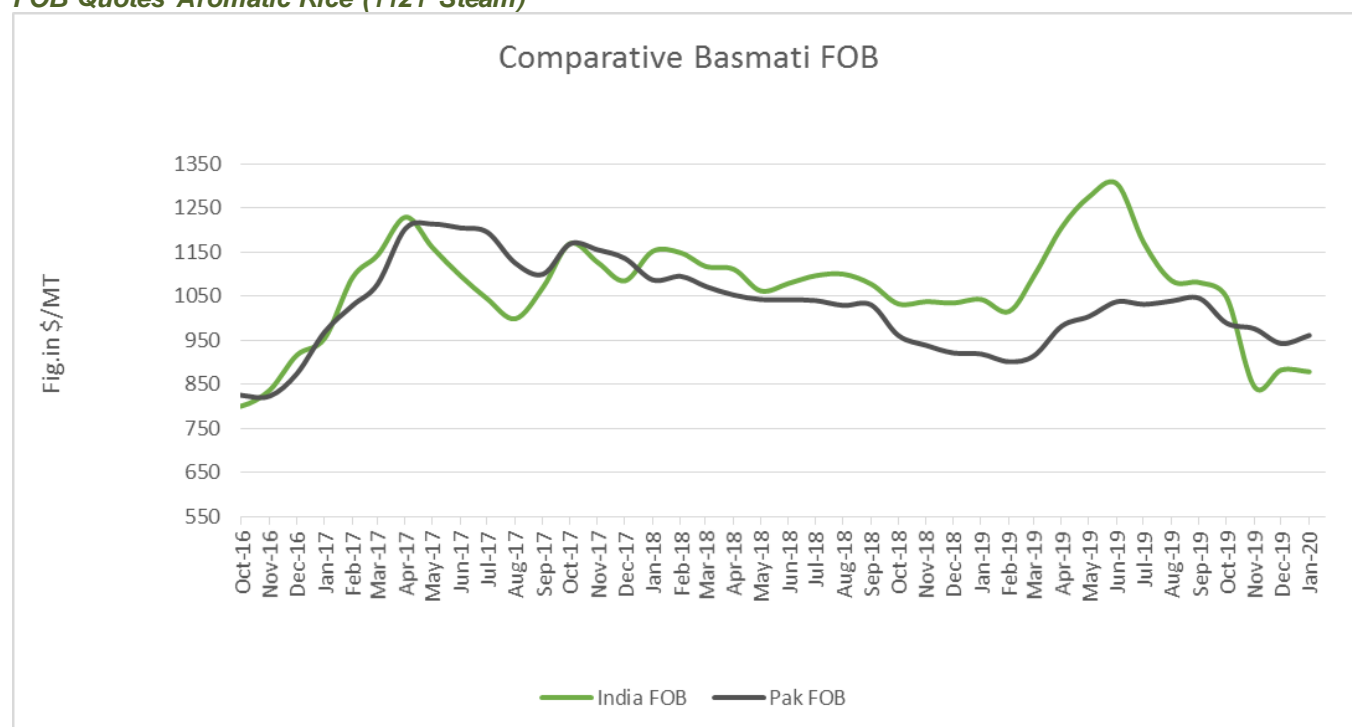
State wise Progressive Procurement As on 29.05 2020

State	Procurement(in Lakh Tons) 2019-20	2018-19
AP	48.36	32.25
Telangana	68.95	36.14
Assam	1.08	0.52
Bihar	13.41	9.28
Chhattisgarh	39.71	40.80
Haryana	43.03	39.09
Jharkhand	2.55	1.53
Kerala	4.63	4.07
M.P	17.40	13.95

Maharashtra	8.70	4.25
Odisha	38.97	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	14.95	16.54
Total	471.60	395.05

All-India progressive procurement of Rice as on 29.05.2020 for Kharif Marketing Season (KMS) 2019-20 is 471.60 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. 30.04.2020	(2020-21) Projection. 28.05.2020
Production	475	487	490	507	506
Trade	40	48	48	44	44
Consumption	475	488	494	502	500
Carryover stocks	164	174	176	181	182
Y-O-Y change	9	9	3		5
Major Exporters	31	39	42	45	46

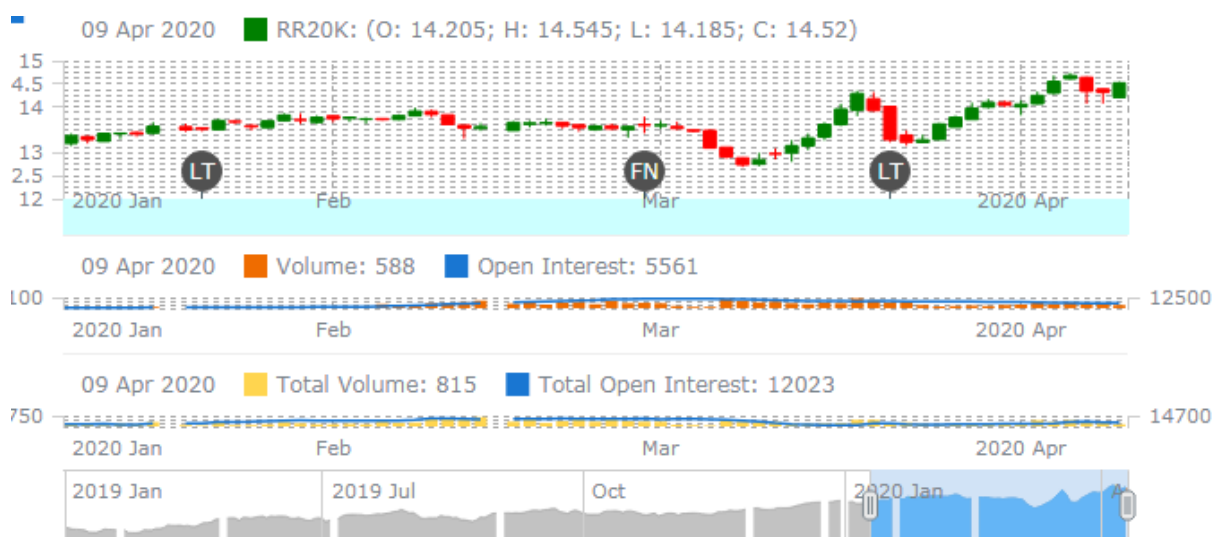
Note: Major exporters are India, Pakistan, Thailand, Vietnam, and United States

IGC Rice Balance sheet Highlights:

With record production in India contrasting with smaller crops elsewhere, global rice output is estimated steady y/y in 2019/20. While the full impact of COVID-19 on demand patterns remains uncertain, the Council expects total use to rise on population growth. Amid heavy supplies, stocks are forecast to climb to a new high on gains in China and major exporters, while trade in 2020 is seen steady y/y. Tied to anticipated acreage increases in Asia, the 2020/21 world rice outturn is predicted at a peak of 506m t, up 9m y/y, with accumulation in key exporters pushing up global carryovers to a record of 182m. A recovery in African demand could boost trade by 4% y/y in 2021.

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
03 rd Week of Jun-2020	Steady to Firm	USD/ Hundred Weight 13.60-14.50

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