



Rice Weekly Research Report

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Outlook and Review:

- India's rice production is likely to surge to a record high as farmers are expanding the area under paddy because of good monsoon rains and after the government raised the MSP for the new-season crop. Higher output by India, the world's biggest rice exporter, could dampen domestic prices and make exports more competitive, compensating for lower supplies from rivals Thailand and Vietnam. As per by AIREA (All India Rice Export Association) , India could produce 112 million tons of rice with bountiful monsoon this year. The government raised the MSP by 2.9% to Rs 1868/qtl from Rs 1815/qtl.
- During the current week, the export offer price of Indian rice declined to a low of two months as the exchange rate of one rupee and demand from other African countries remained weak. On the other hand, due to increase in supply and availability of new crop rice in Vietnam, prices have softened somewhat. The world's largest exporting country - India's free on-board average unit export offer price of 5 percent broken sela rice, fell from \$ 368-373 a tonne last week to \$ 366-372 a tonne, the lowest since March 26 is the level. During the current year, the rupee has weakened by more than 6 percent against the dollar, so exporters have no problem in reducing the export price of rice. But despite the decrease in prices, there is not much improvement in the export demand of Indian rice.
- Meanwhile, export demand for Vietnamese rice has also weakened. Its 5 percent broken rice export offer price has now softened to \$ 450 a tonne, a two-month low. Earlier on June 4, the price of rice had jumped to \$ 475 per tonne, which was the highest level in the last eight years. According to trade sources, at present, the rice that is being harvested will produce rice so much that Vietnam will be able to export 23-25 lakh tonnes of rice after meeting its domestic demand and requirement.
- The export price of Thailand's benchmark 5 percent broken rice was running between \$ 505-533 per tonne last week, which has come down slightly to \$ 505-525 per tonne in the current week. Its posture (Baht) remains strong. Thailand's export demand for rice remains sluggish due to the higher Thailand price compared to India and Vietnam.
- As per the latest assessment by FAO (Food & Agriculture Organization) the Coronavirus Pandemic is would lead to the fall in Rice stock of Bangladesh. The percentage decline in the stocks of rice in Bangladesh would be 8.33% by 2021.
- According to the latest export data shared by Government of Cambodia the Exports of Milled rice to the Global markets is likely to see a 29 per cent jump in this current. Last year the Export of Milled Rice was 6,20,106 tons , which is expected to go up by 29 per cent and reaching at 8,00,000 tons. For Cambodia, the top markets for Export of Milled Rice are China & Europe. During the last five months the exports to China has grown by 25 per cent, reaching to 1,36,825 tons of Milled rice. Whereas the exports to Europe has gone up by 51 per cent as compared to last year, reaching to 122010 tons of Milled Rice.

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* | 20-Jun-20 | 19-Jun-20 | 13-Jun-20 | 20-May-20 | 20-Jun-19 |
|-------------------|---------------|---------|-----------|-----------|-----------|-----------|-----------|
| Chirala(A.P) | BPT(Raw) | -100 | 3500 | 3350 | 3600 | 3500 | 3300 |
| Jharkhand(Ranchi) | Coarse | -200 | 3000 | 3200 | 3200 | 3100 | 3100 |
| Ernakulam(Kerala) | Jaya | 0 | 3500 | 3600 | 3500 | 3500 | 3500 |
| Divi(A.P) | BPT(Steam) | -100 | 3500 | 3450 | 3500 | 3400 | 3300 |
| Visakhapatnam | HMT(Raw) | 50 | 4450 | 4400 | 4400 | 4200 | 3900 |
| Nandyal | Sona Fine | 100 | 4500 | 4600 | 4400 | 4300 | 4900 |
| Barasat(W.B) | Masuri | -100 | 3300 | 3200 | 3400 | 3400 | 3300 |
| Dibrugarh | Common | -300 | 3300 | 3300 | 3600 | 3600 | 3200 |
| Jhargram(W.B) | IR-36 | -200 | 2700 | 2800 | 2900 | 3000 | 2900 |
| Jhargram(W.B) | IR-36 | -200 | 2900 | 2900 | 2900 | 2900 | 2600 |
| Karnal | Sarbati Steam | 100 | 4300 | 4100 | 4200 | 4100 | 4000 |
| Bangarpet(Kar) | Sugandh Sela | 200 | 4200 | 4300 | 4000 | 4000 | 4600 |

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

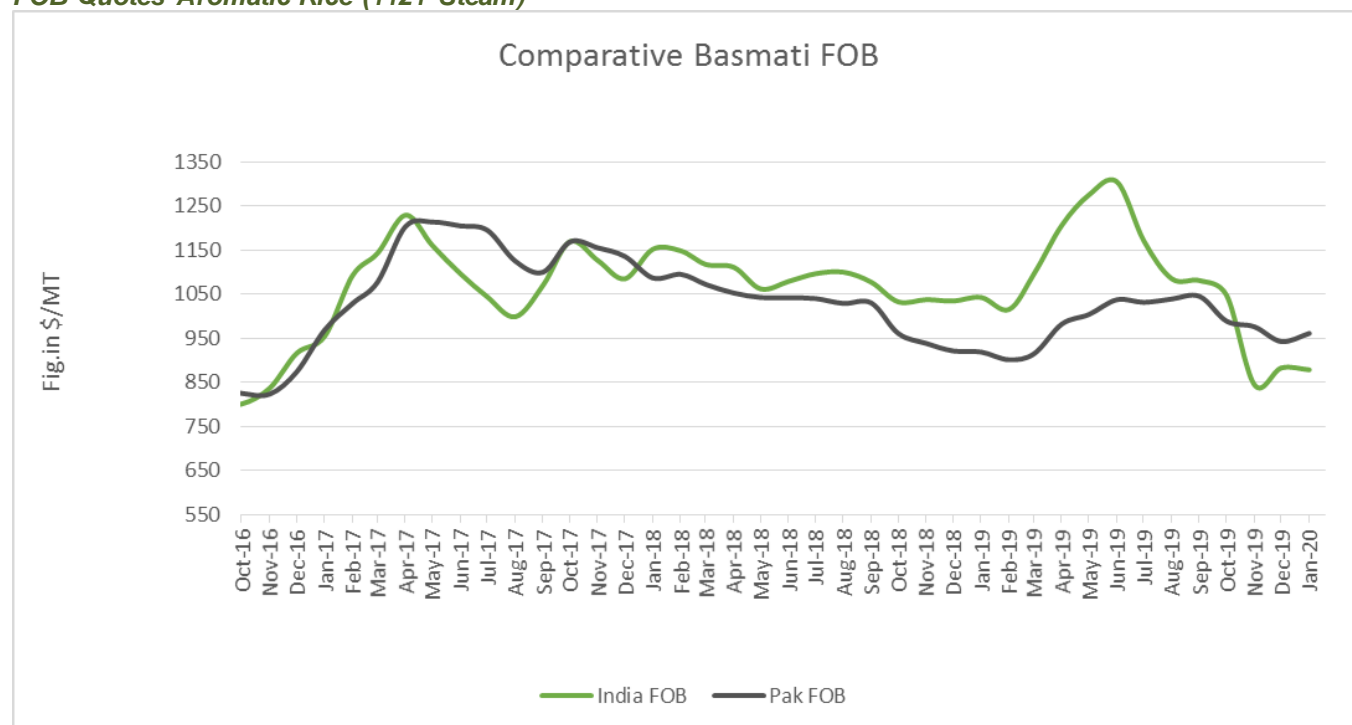
State wise Progressive Procurement As on 29.05 2020

| 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 |

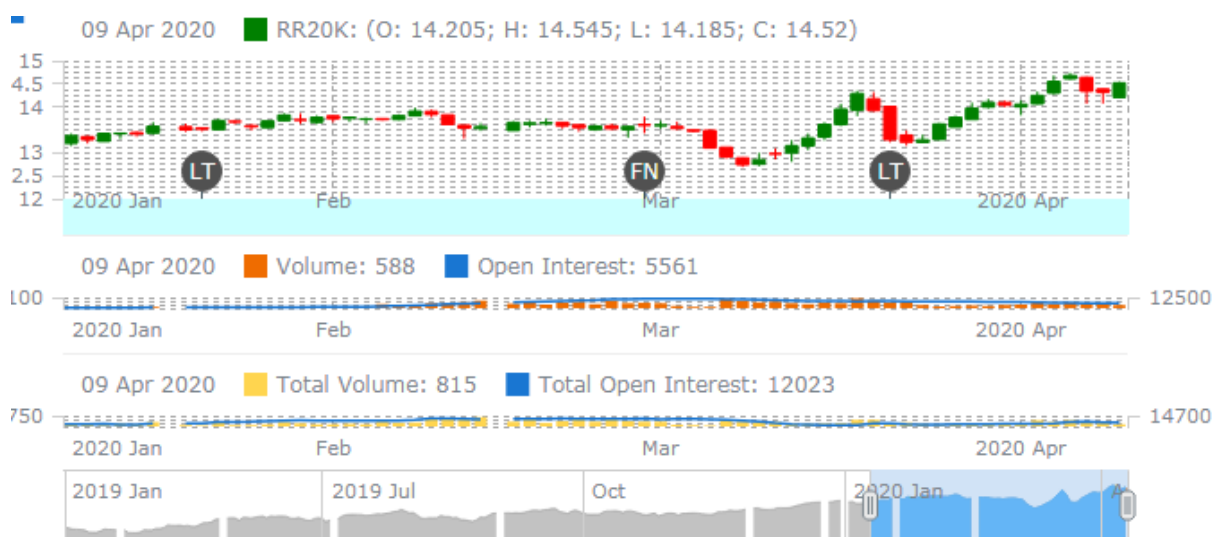
Note: Major exporters are India, Pakistan, Thailand, Vietnam, and United States

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 Jul- 2020, Rough Rice)

(Prices in US\$/hundredweight)


Market Analysis

The CBOT Jul-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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