Rice Weekly Research Report

Contents

Outlook and Review:

- Overseas demand of Indian rice is increasing due to poor quality of Vietnamese rice and high prices and very low stock of exportable rice available in Thailand. Vietnam has started reducing the price of rice while it is likely to cut some more in the coming days.

- Last week, after the export price of Indian rice came down to a two-month low, African countries started buying, due to which the export offer price of Broken Sela 5 percent increased from $ 366-372 per ton to $ 373/378 per ton in this week.

- Due to the continuous spread of corona virus disease, many African countries have started worrying about food security and hence are buying rice from India to build stocks for emergencies.

- Thailand's 5-percent broken rice price were quoted at $514-$520 this week which was up from last week price of $505-$525. Due to drought in Thailand, export rates have been high also supported by low supply and a stronger Thai baht, while demand has been muted.

- On the other hand, the export price of 5 percent broken rice of Vietnam rice price was recorded between 405 to 450 dollars per ton for different categories and varieties, whereas last week the highest FOB reached to USD 450 per ton. The export offer price of cold-spring rice remained at the old level of USD 450 per tonne, but under the current summer-autumn carpet supply, the export price of rice has come down to $ 405-410 per tonne. The quality of this rice is being said to be very weak. Paddy quality deteriorated due to heavy rains at harvest time.

- During the current kharif season, farmers in Punjab, the state that contributed the most to food-grains in the central pool, were worried about labour shortage as most migrant workers returned to their homes in the wake of the Covid19 lockdowns.. However, it is reported that adequate planting of paddy in the state is underway since 10th of June. For the current season in Punjab, a target of paddy cultivation in a total of 67 lakh acres of land has been set, out of which 60% of it has been completed. At this time of pandemic, farmers have become dependent on their family members and village colleagues for cultivating kharif crops including paddy.

- Apart from this, emphasis is being laid on paddy cultivation through this Direct Seeded Rice (DSR) method which is a direct sowing method. Paddy farming is expected to be done in about 12 lakh acres by this method and due to which yield would likely come down by 15-20% in MY 2020-21.

- Third advance estimate of 2019-20 crops season has been released in West Bengal on Friday. According to this, the production of rice has been estimated to increase from 159.48 lakh tonnes in the 2018-19 seasons to 160.70 lakh tonnes and wheat to 7.30 lakh tonnes to 9.30 lakh tonnes in MY 2019-20.

- The Agriculture Department of Karnataka has released the fourth advance estimate of crops produced during the 2019-20 season. Under this, the production of all commodities except sugarcane is projected to increase compared to the 2018-19 season. According to the Agriculture Department, the production of rice is expected to improve from 34.48 lakh tonnes to 37.43 lakh tonnes during the 2019-20 seasons as compared to 2018-19.

- Recently, in Chandauli district of Uttar Pradesh, an exporter purchased about 90 tonnes of black rice paddy at the rate of Rs 85 per kg. APEDA has urged farmers to increase production of this paddy so that they can get high and attractive income. A group of about 300 farmers produced 900 quintals (90 tonnes) of black paddy. The price of paddy is Rs 85 per kg and rice is Rs 160 per kg. It will be exported to Australia and New Zealand. This could be a better replacement of common paddy and basmati paddy due to higher returns.

- The Chief Minister of Jharkhand demanded the Food Minister to distribute free food grains and pulses till December under PMGKAY. If it gets approved, rice price in the states is expected in range bound due to limited domestic demand.

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

State	Prices 16-23 Jun 2020	Prices 09-15 Jun 2020	Prices 16-23 Jun 2019	% Change(Over Previous Week)	% Change(Over Previous Year)
Karnataka	2920.7	2939.86	3874.53	-0.65	-24.62
Kerala	3559.07	3538.59	3408.12	0.58	4.43
Tripura	3035.45	3040.97	2873.17	-0.18	5.65
Uttar Pradesh	2626.41	2636.66	2488.02	-0.39	5.56
Gujarat	4200	4253.72	3171.41	-1.26	32.43
Jharkhand	2483.33	2487.15	3866.67	-0.15	-35.78
Maharashtra	3575.29	4200	3383	-14.87	5.68
West Bengal	2803.24	2879.2	2749.9	-2.64	1.94
Meghalaya			3646.24	__	__
Odisha	2894.14	3122.55	2639.69	-7.31	9.64
Average	3121.96	3233.19	3472.16		

Prices in Rs/Quintal

Duration	Trend	Average Price Range	Reason
04th Week of June, 2020	Steady	Rs.3200-3750/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*	26-Jun-20	25-Jun-20	20-Jun-20	26-May-20	26-Jun-20
Chirala(A.P)	BPT(Raw)	-200	3300	3350	3500	3600	3500
Jharkhand(Ranchi)	Coarse	-100	2900	3200	3000	3200	3100
Ernakulam(Kerala)	Jaya	0	3500	3600	3500	3500	3500
Divi(A.P)	BPT(Steam)	0	3500	3450	3500	3500	3400
Visakhapatnam	HMT(Raw)	150	4600	4400	4450	4400	4200
Nandyal	Sona Fine	100	4600	4600	4500	4400	4300
Barasat(W.B)	Masuri	-100	3200	3200	3300	3400	3400
Dibrugarh	Common	-300	3000	3300	3300	3600	3600
Jhargram(W.B)	IR-36	200	2900	2800	2700	2900	3000
Jhargram(W.B)	IR-36	-100	2800	2900	2900	2900	2900
Karnal	Sarbati Steam	200	4500	4100	4300	4200	4100
Bangarpet(Kar)	Sugandh Sela	200	4400	4300	4200	4000	4000

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 29.06.2020

State	Procurement(in Lakh Tons) 2019-20	2018-19
AP	53.18	32.25
Telangana	74.64	36.14
Assam	1.28	0.52
Bihar	13.41	9.28
Chhattisgarh	46.56	40.80
Haryana	43.03	39.09
Jharkhand	2.55	1.53
Kerala	4.75	4.07
M.P	17.40	13.95
Maharashtra	10.14	4.25
Odisha	47.01	34.48
Punjab	108.76	113.34
Tamilnadu	17.27	11.48
U.P	37.90	32.33
Uttrakhand	6.81	4.62
West Bengal	15.15	16.54
Total	**500.75**	**395.05**

All-India progressive procurement of Rice as on 29.06.2020 for Kharif Marketing Season (KMS) 2019-20 is 500.75lakh tons against the procurement of 395.05 lakh tonnes in the corresponding period of last year.

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

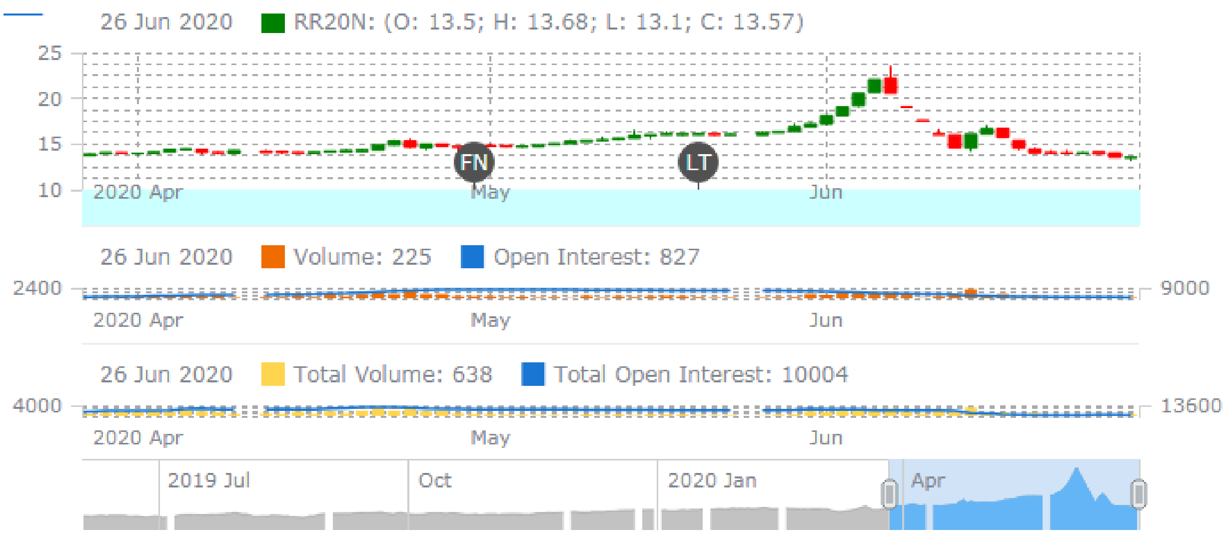
Note: Major exporters are India, Pakistan, Thailand, Vietnam, and United States

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 weak tone from last month. We expect market to hover in the range of USD 12.60-13.90 hundred weights in coming sessions.

Price Projection (International-CBOT)

Duration	Trend	Price Range
04th Week of Jun-2020	Steady to Firm	USD/ Hundred Weight 13.60-14.50