Rice Weekly Research Report

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Outlook and Review:

- **With the support of good monsoon rains, Indian farmers have hastened sowing of kharif crops this time**, which has now touched a gross area of over 580 lakh hectares by July 10. Similarly, the area under paddy has increased by 26.16 percent from 95.73 lakh hectare last year to 120.77 lakh hectare. The area of coarse cereals has also increased by 29.55 percent and its area has increased from 71.96 lakh hectare last year to 93.24 lakh hectare at this time.
- **Punjab government had targeted 3 lakh hectares for paddy crop diversification this year. Though spring** maize (March to June) hasn't fetched good prices for farmers in the on-going harvesting season, farmers in Punjab are still diversifying from paddy to maize (June to October) in the on-going kharif season. Acreage under maize has already increased by 4 per cent as compared to the last kharif season while sowing is still underway and will continue till the end of this month. Last year, 1.59 LH was under maize and this year till July 10, the total area touched over 1.65 LH — which is 6,000 hectares (14,820 acres) more than last year. In the past two decades since 2000-01, the state could touch 1.65 LH thrice in the year 2000-01, 2001-02 and 2014-15, but this year it has already gone a little above 1.65 LH, while sowing will continue all of July. Punjab is one of the major producers of rice; hence it would be a major decline in production, if paddy area shifts from paddy to maize.

- **With the bumper production in MY 2019-20, government rice procurement up to July 10 had surged** to a record level of 502.75 LT, nearly 57 Lakh tons higher than procurement levels during the corresponding period last year. Government procurement of rice has increased significantly and new stock is continuously coming in its stock. It is widely believed that in the Central Pool, sufficient stocks of food grains are available to meet the domestic demand and requirement for the next 10 months, while in the meantime new season will also start. In view of this, the Prime Minister has announced to extend the period of Garib Kalyan Anna Yojana till November-2020, in which free ration would be given to the 80 crore people.

- **The export prices of rice in Thailand dropped to their lowest level this week while continuing a downward** trend over the last 4 months following the weakening Baht and poor demand. Due to a severe drought in the beginning of this year the price of Rice in Thailand was very expensive as compared to India & Vietnam. Thailand's benchmark 5% broken rice prices were quoted at USD- 455-USD-485/T this week which was their lowest since early-March and below last week's price of USD 514-$520/T.

- **On the other hand in Vietnam the price rise in Rice was observed due uncertainty in harvest due** to incessant rains. Due to continuous rain, the rates of Vietnam's broken rice went up by 5% from UDD-415-USD-450/T a week earlier to a three-week high of around USD 425-$457/T per tonne.

- **According to trade sources, amid rising cases of the novel coronavirus in Africa, buyers are increasing** purchases to ensure that they have ample supplies. With the Indian Rupee trading close to a more than three-month high vis-i-vis the U.S. dollar, it is a good opportunity to try export more. In India, rates for 5% broken parboiled variety were quoted at $377-$382 per tonne this week, up from the last week's $373-$378 per tonne. Due to bountiful monsoon rains, and increment in support price by the government, production of rice in the world's top exporting country is likely to touch a new high.

- **Meanwhile, according to Mr. Sudhan Chandra Majumdar the Food Minister of Bangladesh in an effort** to control the increasing domestic prices of rice, the country is likely to cut the import duty.

State wise Wholesale Prices Weekly Analysis for Rice second week July, 2020

West Bengal	2842.58	2828.49	2765.15	0.5	2.8
Jharkhand	2533.33	2492.62	3863.07	1.63	-34.42
Karnataka	2819.97	2787.47	3855.27	1.17	-26.85
Kerala	3557.95	3560.76	3449.36	-0.08	3.15
Odisha	2866.49	2699.17	2691.11	6.2	6.52
Gujarat	4200	4200	3195.4	0	31.44
Uttar Pradesh	2837.8	2589.67	2505.31	9.58	13.27
Maharashtra	3712.3	3573.2	4191.37	3.89	-11.43
Tripura	2897.17	3396.76	2858.06	-14.71	1.37
Average	3140.84	3125.35	3569.04		

Prices in Rs/Quintal

Duration	Trend	Average Price Range	Reason
03rd Week of July, 2020	Steady to Firm	Rs.3300-3900/Quintal	Overseas demand of Indian rice due to competitive price supports the price at current level.

Weekly Rice Price Change in Delhi Market (Figure: in Rs. /Quintal)

Rice Price	Grade	Change*	11-Jul-20	10-Jul-20	03-Jul-20	26-Jun-20	03-Jul-19
Chirala(A.P)	BPT(Raw)	-100	3200	3350	3200	3300	3500
Jharkhand(Ranchi)	Coarse	200	3100	3200	3100	2900	3100
Ernakulam(Kerala)	Jaya	0	3500	3600	3500	3500	3500
Divi(A.P)	BPT(Steam)	0	3500	3450	3500	3500	3400
Visakhapatnam	HMT(Raw)	100	4700	4400	4700	4600	4200

Nandyal	Sona Fine	100	4700	4600	4700	4600	4300
Barasat(W.B)	Masuri	-100	3100	3200	3100	3200	3400
Dibrugarh	Common	-100	2900	3300	2900	3000	3600
Jhargram(W.B)	IR-36	3100	2900	2800	2900	2900	3000
Jhargram(W.B)	IR-36	-100	2800	2900	2800	2800	2900
Karnal	Sarbati Steam	0	4500	4100	4500	4500	4100
Bangarpet(Kar)	Sugandh Sela	-200	4200	4300	4400	4400	4000

Comparative Rice Varity Prices of Delhi (Naya Bazaar) in Rs./Quintal)

Variety	Today	Week Ago	Month Ago	Year ago	% Change From last week	% Change from last Month	% Change from last Year
	13-Jul-20	06-Jul-20	12-Jun-20	12-Jul-19			
1121 Steam	6900	7000	6800	7900	-1.43	1.47	-12.66
1121 Sella	5450	5450	5250	7100	0.00	3.81	-23.24
1121 Raw	7000	7000	6800	7900	0.00	2.94	-11.39
Basmati Raw	8800	9000	7600	9400	-2.22	15.79	-6.38
1509 Steam Wand New	6000	5800	6000	7500	3.45	0.00	-20.00
Sugandh Steam	5000	5000	4800	6100	0.00	4.17	-18.03
Sharbati Raw	4100	4300	4100	4500	-4.65	0.00	-8.89
Pusa Raw Wand	6300	6200	5400	6100	1.61	16.67	3.28
Parmal Sella	3600	3600	3600	3150	0.00	0.00	14.29

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 10.07.2020

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	**502.75**	**395.05**

All-India progressive procurement of Rice as on 10.07.2020 for Kharif Marketing Season (KMS) 2019-20 is 502.75lakh tons against the procurement of 395.05 lakh tonnes in the corresponding period of last year.

IGC Balance Sheet:

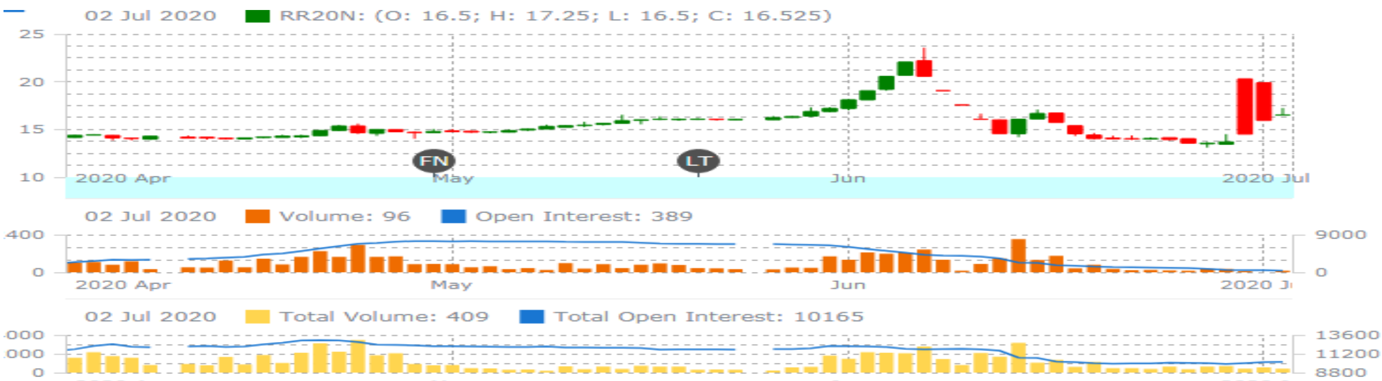
Attributes (Fig in Million Tons)	2015-16	2016-17	2017-18 Estimate	(2019-20) Forecast. 28.05.2020	(2020-21) Projection. 25.06.2020
Production	475	487	490	506	505
Trade	40	48	48	44	44
Consumption	475	488	494	500	501
Carryover stocks	164	174	176	182	180
Y-O-Y change	9	9	3	-	4
Major Exporters	31	39	42	46	46

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

IGC Rice Balance sheet Highlights: With few changes to the 2019-20 global **rice** supply and demand balance sheet from previously, end-season carryovers are maintained at 176 million tons, a record level on gains in China and leading exporters. The 2020/21 production outlook is trimmed m/m, with the net reduction in total supplies leading to a modestly lower figure for inventories, placed at 180 million tons, albeit still a new high. The projection for trade in 2021 is unchanged m/m, at 44 million tons (+4% y/y).

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
02nd Week of Jul-2020	Steady	USD/ Hundred Weight 11.60-18.50