Rice Weekly Research Report

Contents

Outlook and Review:

- Export prices of Indian rice rose this week while overriding the worsening coronavirus crisis in the country leading to logistical snags. The prices of India's 5-percent broken parboiled variety went up from last week's price of USD 377- USD 382 per tonne to USD 380- USD 385 per tonne.

- In Bangladesh the pervading floods severely damaged crops. According to the agriculture ministry of Bangladesh the on-going floods has impacted nearly 50,000 hectares of paddy fields.

- Due to shortage of containers and workers at mills at the Kakinada port, Indian rice exporters are struggling to fulfil the export demand. The existing capacity of Kakinada port has gone down to around 8,000 tonnes of rice per day through only five vessels. This has slowed down the loading of rice and compelled others to wait in anchorage.

- The strengthening of Thailand's Bhat against Dollar has pushed the prices of benchmark 5-percent broken rice which rose to USD 465-USD 483 as compared to USD 450–USD 482 quoted last week. According to trade sources, supply remains a concern in Thailand. Thai's market is expecting a new batch of off-season rice next month, that may lead to the prices to go down.

- The rates for 5-percent broken rice in Vietnam remained unchanged at the $440-$450 per tonne range. According to trade sources, in anticipation of higher prices due to the return of COVID-19 to Vietnam, some traders are hoarding the grain, and many traders hesitate to sign new export contracts not sure if they can purchase enough rice to fulfil the agreement terms of export contacts. This has further impacted the export activities. As per the Vietnam government's latest data, as compared to last year, the rice exports in the first seven months of 2020 from Vietnam may have dropped by 1.4%.

- During the current season, until July 31, kharif sown area in India had increased to 88.22 million hectares, which is about 14 percent more than the sown area of 77.44 million hectares in the same period last year. According to the latest weekly data of the Union Ministry of Agriculture, the area under paddy has increased from 22.395 million hectares to 26.66 million hectares as compared to last year.

- The poha industry of Chhattisgarh is currently going through a deep crisis, which is also affecting the prices of paddy Chhattisgarh accounts for around 60 percent of Poha's total national production producing about 2 lakh tonnes annually. In Bhatapara Agricultural Produce Market, 80 percent of the unripe quantity of this paddy is purchased by Poha mills and usually sees higher demand in the month of Savan, when millions of Kavadis of Bihar and Jharkhand go to Baidhanath Dham But this time year the millers of Chhattisgarh have got minimum orders of Poha from Bihar/ Jharkhand due to the closure or limited religious events due to corona virus. This has also led to the price of Mahamaya Paddy to come down from Rs. 1500/1700 per quintal to Rs. 1300/1500 per quintal causing huge losses to the farmers.

- Punjab Government has urged Union Minister Ram Vilas Paswan to restore the commission of "arhtiyas" (commission agents) to the statutory norm of 2.5 per cent of minimum support price (MSP). Any deviation from the existing policy could cause serious disruptions to paddy procurement process. The flat rate commission provided for rabi marketing season (RMS) was contrary to the statutory norm of 2.5 per cent of MSP. The chief minister requested Paswan to accordingly amend the provisional cost sheet for RMS 2020-21, issued by the Department of Food and Public Distribution, Government of India. As per the sheet, arhtiyas' commission has been allowed at a flat rate of Rs 46 per quintal, which appears to be based on certain estimates of the actual expenditure incurred.

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

State	Prices 24-31 Jul 2020	Prices 16-23 Jul 2020	Prices 24-31 Jul 2019	% Change(Over Previous Week)	% Change(Over Previous Year)
Jharkhand	2533.33	2533.33	3866.67	0	-34.48
Karnataka	3406.03	3143.3	3614.1	8.36	-5.76
Uttar Pradesh	2691.23	2691.71	2500.51	-0.02	7.63
Gujarat	4200	4200	3307.08	0	27
Kerala	3485.96	3496.06	3413.38	-0.29	2.13
NCT of Delhi			2232.26	__	__
Tripura	3003.72	2963.84	2894.2	1.35	3.78
Andhra Pradesh			4140	__	__
Assam			3111.86	__	__
Maharashtra	4200	4058.33	3452.83	3.49	21.64
Odisha	2630.5	2768.37	2661.67	-4.98	-1.17
West Bengal	3097.55	2903.49	2757.97	6.68	12.31
Manipur			4463.96	__	__
Uttrakhand			2709.38	__	__
Nagaland			6687.5	__	__
Meghalaya			3518.31	__	__
Average	3249.81	3195.38	3458.23		

*Report Generation: As per the data reported by APMCs

Prices in Rs/Quintal

Duration	Trend	Average Price Range	Reason
01st Week of Aug, 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*	01-Aug-20	31-Jul-20	25-Jul-20	01-Jul-20	01-Aug-19
Chirala(A.P)	BPT(Raw)	0	3200	3200	3200	3200	2900
Jharkhand(Ranchi)	Coarse	100	3000	3200	2900	3100	2800
Ernakulam(Kerala)	Jaya	-100	3400	3400	3500	3500	3200
Divi(A.P)	BPT(Steam)	0	3500	3450	3500	3500	3100
Visakhapatnam	HMT(Raw)	-200	4400	4400	4600	4700	4200
Nandyal	Sona Fine	100	4300	4600	4200	4700	4300
Barasat(W.B)	Masuri	100	3400	3200	3300	3100	2800
Dibrugarh	Common	0	3200	3300	3200	2900	2600
Jhargram(W.B)	IR-36	100	3000	3000	2900	2900	2700
Jhargram(W.B)	IR-36	0	3000	3000	3000	2800	2600
Karnal	Sarbati Steam	100	4400	4300	4300	4500	5200
Bangarpet(Kar)	Sugandh Sela	100	4200	4100	4100	4200	4900

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
	31-Jul-20	25-Jul-20	01-Jul-20	31-Jul-19			
1121 Steam	6300	6450	7200	7800	-2.33	-12.50	-19.23
1121 Sella	5100	5050	5600	6800	0.99	-8.93	-25.00
1121 Raw	6200	6550	7100	7900	-5.34	-12.68	-21.52
Basmati Raw	8500	8200	8500	9400	3.66	0.00	-9.57
1509 Steam Wand New	4800	5700	6200	6800	-15.79	-22.58	-29.41
Sugandh Steam	4500	4600	5100	5900	-2.17	-11.76	-23.73
Sharbati Raw	4000	4100	4300	4400	-2.44	-6.98	-9.09
Pusa Raw Wand	5600	5800	6000	6100	-3.45	-6.67	-8.20
Parmal Sella	3600	3700	3700	3200	-2.70	-2.70	12.50

Paddy Kharif Sowing Updates as on 31st July 2020-

RICE					
State	Normal Area	Area sown reported			Absolute Change
		This Year	% of Normal	Last Year	
Andhra Pradesh	**15.19**	5.34	35.1	4.81	0.53
Arunachal Pradesh	**1.30**	1.17	89.9	1.17	0.00
Assam	**20.55**	5.46	26.6	10.04	-4.58
Bihar	**31.85**	28.73	90.2	18.72	10.01
Chhattisgarh	**37.64**	32.56	86.5	28.66	3.90
Goa	**0.27**	0.24	88.1	0.24	0.00
Gujarat	**7.78**	4.93	63.4	3.280	1.65
Haryana	**13.79**	12.26	88.9	12.08	0.18
Himachal Pradesh	**0.73**	0.44	60.4	0.45	-0.01
J&K	**2.80**	1.02	36.4	0.80	0.22
Jharkhand	**16.12**	12.18	75.6	4.68	7.50
Karnataka	**9.28**	1.98	21.3	1.940	0.04
Kerala	**1.47**	0.60	40.9	0.46	0.14
Madhya Pradesh	**21.67**	18.74	86.5	10.55	8.19
Maharashtra	**14.57**	5.49	37.7	5.930	-0.44
Manipur	**0.42**	1.19	285.2	0.97	0.22
Meghalaya	**0.97**	0.97	99.8	0.97	0.00
Mizoram	**0.36**	0.35	97.1	0.35	0.00
Nagaland	**2.01**	1.68	83.6	2.08	-0.40
Odisha	**36.67**	20.62	56.2	16.610	4.01
Punjab	**29.87**	26.66	89.3	28.94	-2.28
Rajasthan	**1.87**	1.97	105.1	1.49	0.48
Sikkim	**0.10**	0.10	97.8	0.09	0.01
Tamil Nadu	**16.06**	2.53	15.8	1.6	0.93
Telangana	**9.59**	6.13	63.9	2.8500	3.28
Tripura	**2.00**	0.42	21.0	0.52	-0.10
Uttar Pradesh	**58.30**	52.35	89.8	47.78	4.57
Uttrakhand	**2.44**	2.48	101.5	2.46	0.02
West Bengal	**41.20**	17.85	43.3	13.25	4.60
Puducherry	**0.13**		0.0		0.00
Others	**0.28**	0.16	57.8	0.19	-0.03
All-India	**397.29**	**266.60**	**67.1**	**223.96**	**42.64**

State wise Progressive Procurement As on 27.07.2020

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:

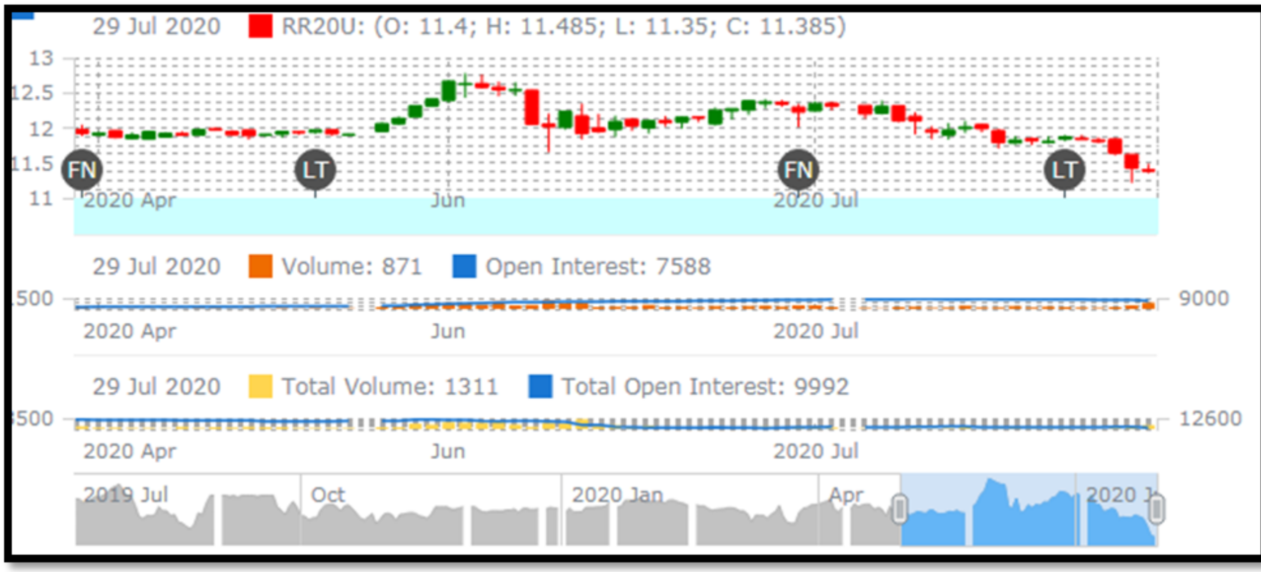
Attributes (Fig in Million Tons)	2015-16	2016-17	2017-18 Estimate	(2019-20) Forecast. 28.05.2020	(2020-21) Projection. 25.06.2020
Production	475	487	490	506	505
Trade	40	48	48	44	44
Consumption	475	488	494	500	501
Carryover stocks	164	174	176	182	180
Y-O-Y change	9	9	3	-	4
Major Exporters	31	39	42	46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

(Prices in US$/hundredweight)



Market Analysis

The CBOT Sept-2020, month rough chart for rice indicates weak movement from last month. We expect market to hover in the range of USD 11.00-14.50 hundred weights in coming sessions.

Price Projection (International-CBOT)

Duration	Trend	Price Range
01st Week of Aug-2020	Steady	USD/ Hundred Weight 11.20-15.50