Rice Weekly Research Report

Contents

Outlook and Review:

- Vietnamese rice export prices rose this week on prospects of a new order from the Philippines, while weaker demand pushed down rates of the Thai variety for a seventh straight week.

- Vietnam's 5% broken rice prices increased to USD 485-USD 490 per tonne against last week's FOB of USD-470 per tonne. Domestic rice prices have risen recently as traders are buying in anticipation of a move by the Philippines government to buy 300,000 tonnes soon. However, weaker demand remains trading relatively muted this week. The country's rice exports in September fell 36.4% from the previous month to 385,429 tonnes. For the January-September period, it fell 1.4% year-on-year to 4.99 million tonnes.

- Thailand's benchmark 5% broken rice prices fell for a seventh straight week to USD 445-USD 480 a tonne from USD 470-USD 475 last week. The decline is mainly to a sustained period of low demand, while traders expected new supply towards the end of the month to further weigh on the market.

- India's 5% broken parboiled variety rates remained unchanged at USD 376-USD 382 per tonne, even as heavy rainfall in southern states hit the paddy crop, primed for harvest. In many coastal districts, paddy crop has been damaged.

- Heavy rains also damaged paddy in neighboring Bangladesh, however it is a little early to know the exact extent of crop losses in the country, even as prices of the staple grain have kept rising.

- Pakistan markets show improved paddy arrivals and a strong Chinese demand and the pressure from arrivals is expected to rise in late Oct and into Nov and Dec to test markets ahead.

- Heavy rainfall and flooding on the eve of the harvest is likely to hit output of rice and cotton in Andhra Pradesh, Telangana and Maharashtra. The Centre has estimated this year's rice output at 102.36 million tonnes while cotton production is pegged at 37.12 million bales. Now the output may be less than estimated as rains have destroyed harvest-ready crops of paddy and cotton in Andhra and Telangana.

- Basmati rice output in the country is expected to rise by 10% on year to nearly 6.3 mln tn in 2020-21 (Jul-Jun). The expected rise in production is largely due to an increase in acreage in the 2020-21 season. The area under basmati paddy is also estimated to have risen by 5% on year this season. In 2019-20, the area was pegged at 1.9 mln ha. The acreage, which had been shrinking since few years due to poor returns, saw an increase this season as farmers expect better returns from the premium rice variety. So far, there is no concern over the crop anywhere. It is in good condition, and we do not expect any damage to the standing crop. The area under basmati rose this year despite a fall in prices of the premium variety rice at the time of sowing. However, the fall in prices was limited due to firm exports since the beginning of the season.

- According to APEDA, basmati exports during Apr-Jul were pegged at 1.7 mln tn, over 21% higher on year. The area under the crop has increased this season as exports are firm. The output is also seen good as high-yielding varieties were sown more this year.

- Basmati rice exporters from India are renegotiating with importers from Australia, Canada, the US and western Europe the new contracts to be signed by mid-October after a overseas cargo rates climbed about 50% over the past one month. Freight rates have gone up from $1200 to $1800 per tonne. Exporters say that even if they renegotiate with importers, they will not be able to recover the entire price hike in cargo. Also, the prices of the common variety of basmati rice, Pusa 1121, have fallen about a fifth compared to last year after shipments to Iran were halted because of non-payment of dues by the importers concerned.

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

State	Prices 09-15 Oct 2020	Prices 01-08 Oct 2020	Prices 09-15 Oct 2019	% Change(Over Previous Week)	% Change(Over Previous Year)
Andhra Pradesh			4250	__	__
Gujarat	4261.06	4257.22	3317.71	0.09	28.43
Odisha	2567.75	2472.33	2874.11	3.86	-10.66
Uttar Pradesh	2608.57	2654.87	2608.35	-1.74	0.01
Haryana			1835	__	__
Karnataka	3186.29	3545.96	3935.95	-10.14	-19.05
Tripura	2958.9	3027.96	2939.45	-2.28	0.66
West Bengal	2809.84	2804.37	2895.43	0.2	-2.96
Assam			3156.19	__	__
Kerala	3486.87	3491.86	3496.65	-0.14	-0.28
Jharkhand			3574.51	__	__
Maharashtra	3580.34	3598.96	3461.33	-0.52	3.44
Manipur			4585.37	__	__
Uttrakhand			2499.44	__	__

Average	3182.45	3231.69	3244.96		

Duration	Trend	Average Price Range	Reason
03rd Week of Oct, 2020	Steady to Weak	Rs.3300-3800/Quintal	Fresh Arrival starts in many northern states which may pressurize the rice and paddy market

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

Rice Price	Grade	Change*	10-Oct-20	9-Oct-20	3-Oct-20	10-Sep-20	10-Oct-19
Chirala(A.P)	BPT(Raw)	-100	3100	3100	3200	3300	3000
Jharkhand(Ranchi)	Coarse	150	3150	3150	3000	3100	2900
Ernakulam(Kerala)	Jaya	0	3300	3300	3300	3500	3200
Divi(A.P)	BPT(Steam)	0	3100	3100	3100	3000	2900
Visakhapatnam	HMT(Raw)	-100	3500	3600	3600	3900	3700
Nandyal	Sona Fine	-100	3300	3400	3400	4100	3900
Barasat(W.B)	Masuri	50	3300	3300	3250	3300	3250
Dibrugarh	Common	0	3100	3100	3100	3200	3000
Jhargram(W.B)	IR-36	100	3000	2900	2900	2900	2350
Karnal	Sarbati Steam	0	3800	3700	3800	4000	4200
Bangarpet(Kar)	Sugandh Sela	0	4000	4000	4000	4600	5000

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
	10-Oct-20	5-Oct-20	10-Sep-20	11-Oct-19			
1121 Steam	5700	5700	6300	7400	0.00	-9.52	-22.97
1121 Sella	4800	4800	5100	6500	0.00	-5.88	-26.15
1121 Raw	5800	5800	6200	7400	0.00	-6.45	-21.62
Basmati Raw	8800	8800	8800	9500	0.00	0.00	-7.37
1509 Steam Wand New	4500	4500	4900	6000	0.00	-8.16	-25.00

Sugandh Steam	4500	4500	4500	5200	**0.00**	**0.00**	**-13.46**
Sharbati Raw	3600	3600	3500	4200	**0.00**	**2.86**	**-14.29**
Pusa Raw Wand	5700	5700	5800	5500	**0.00**	**-1.72**	**3.64**
Parmal Sella	3200	3200	3400	3200	**0.00**	**-5.88**	**0.00**

Paddy Kharif Sowing Updates as on 18th September 2020-

	RICE				
State	**Normal Area**	**Area sown reported**			**Absolute Change**
		This Year	**% of Normal**	**Last Year**	
Andhra Pradesh	**15.19**	14.02	92.3	13.23	0.79
Arunachal Pradesh	**1.30**	1.17	89.9	1.31	-0.14
Assam	**20.55**	21.22	103.3	19.67	1.55
Bihar	**31.85**	33.07	103.8	27.72	5.35
Chhattisgarh	**37.64**	37.84	100.5	38.14	-0.30
Goa	**0.27**	0.24	88.1	0.28	-0.04
Gujarat	**7.78**	8.39	107.8	8.47	-0.08
Haryana	**13.79**	13.28	96.3	13.57	-0.29
Himachal Pradesh	**0.73**	0.74	101.6	0.73	0.01
J&K	**2.80**	1.16	41.4	1.15	0.01
Jharkhand	**16.12**	17.38	107.8	13.57	3.81
Karnataka	**9.28**	9.98	107.5	7.330	2.65
Kerala	**1.47**	0.68	46.4	0.68	0.00
Madhya Pradesh	**21.67**	28.71	132.5	24.60	4.11
Maharashtra	**14.57**	14.98	102.8	14.780	0.20
Manipur	**0.42**	1.95	467.3	0.97	0.98
Meghalaya	**0.97**	0.97	99.8	0.97	0.00
Mizoram	**0.36**	0.35	97.1	0.00	0.35
Nagaland	**2.01**	1.95	97.0	2.11	-0.16
Odisha	**36.67**	37.02	101.0	37.42	-0.40
Punjab	**29.87**	27.36	91.6	29.20	-1.84
Rajasthan	**1.87**	1.97	105.1	1.82	0.15
Sikkim	**0.10**	0.10	97.8	0.00	0.10
Tamil Nadu	**16.06**	4.96	30.9	3.85	1.11
Telangana	**9.59**	20.74	216.3	12.29	8.45
Tripura	**2.00**	0.42	21.0	1.65	-1.23

Uttar Pradesh	**58.30**	60.14	103.1	60.05	0.09
Uttarakhand	**2.44**	2.49	101.9	2.49	0.00
West Bengal	**41.20**	43.34	105.2	40.31	3.03
Others	**0.28**	0.35	126.4	0.35	0.00
All-India	**397.29**	**406.97**	**102.4**	**378.71**	**28.26**

State wise Progressive Procurement As on 25.09.2020

State	Target in Marketing season 2019-20 (October– September)	In Marketing season 2019-2020	In Marketing season 2018-19
Andhra Pradesh	*63.37*	*54.24*	*48.09*
Telangana	*91.92*	*74.54*	*51.86*
Bihar	*12.00*	*13.41*	*9.49*
Chhattisgarh	*48.00*	*49.39*	*39.13*
Haryana	*40.00*	*43.03*	*39.41*
Kerala	*4.50*	*4.82*	*4.65*
Madhya Pradesh	*14.00*	*17.40*	*14.62*
Maharashtra	*12.70*	*11.57*	*5.80*
Odisha	*43.50*	*47.63*	*43.83*
Punjab	*114.00*	*108.76*	*113.34*
Tamil Nadu	*13.44*	*21.84*	*12.70*
Uttar Pradesh	*33.00*	*37.90*	*32.30*
Uttarakhand	*5.00*	*6.82*	*4.62*
West Bengal	*26.00*	*16.32*	*19.50*
All-India	***529.05***	***513.29***	***442.33***

As on 25 September, during KMS 2019-20, Progressive Procurement of Rice was 513.29 lakh MT compared to 442.33 lakh MT during corresponding period of KMS 2018-19. This year in ongoing marketing season, procured quantity of Wheat & Rice has reached at all time high level.

IGC Balance Sheet:

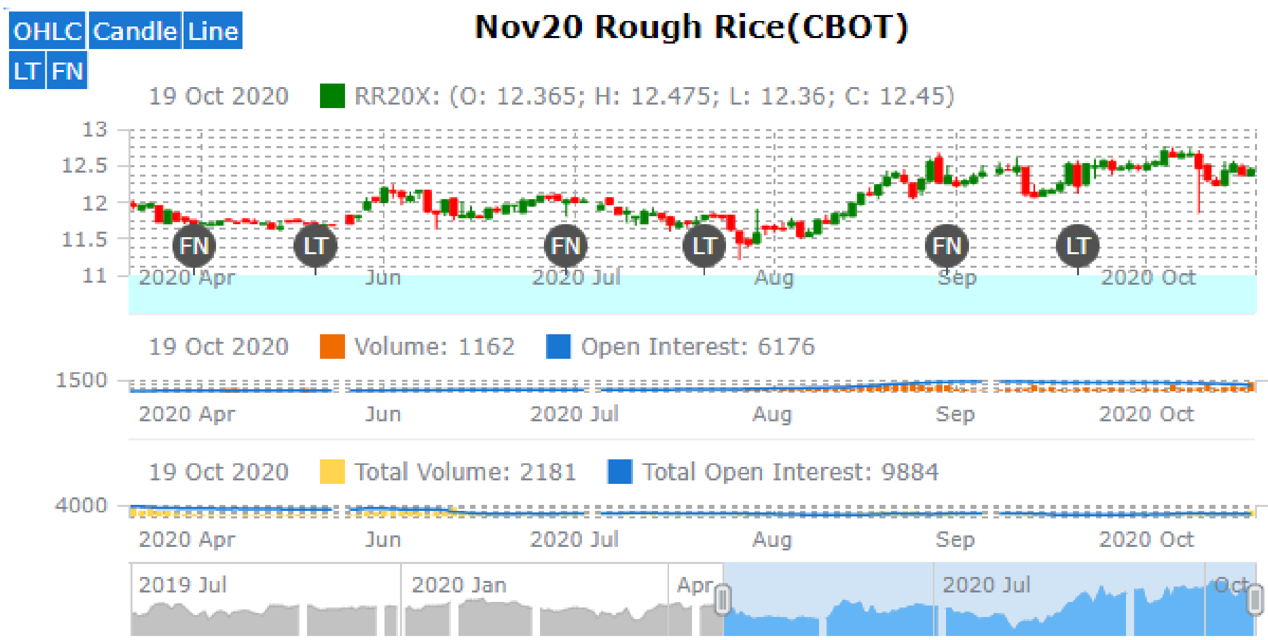
Attributes (Fig in Million Tons)	2017-18	2018-19	2019-20 Est.	2020-21 Forecast 27.08.2020)	24.09.2020
Production	494	498	497	505	504
Trade	46	43	42	45	45
Consumption	485	487	495	500	500
Carryover stocks	165	175	177	181	180
Y-O-Y change	9	10	2		4
Major Exporters	32	39	44	47	45

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

Despite an anticipated 14% y/y increase in India's exports, global rice trade is seen falling for a third successive season in 2020 owing to a contraction in buying by African countries. This also partly explains expectations for a steep decline in Thailand's sales to a multi-year low. World consumption in 2019-20 is forecast to expand, with growth in India linked to COVID-19-related food security measures. Inventories are seen broadly steady y/y as gains in key exporters and China offset falls in importing nations. Underpinned by firm prices and broadly favorable conditions, production in 2020-21 could edge up to a peak of 504 million tonnes (497m), with uptake and inventories potentially reaching new highs. Trade is expected to rebound by 7% in 2021 on stronger African demand.

Rice Price Trend @ CBOT Nov- 2020, Rough Rice)

(Prices in US$/hundredweight)



Market Analysis

The CBOT November-20 month rough chart for rice indicates steady to firm tone from last month. We expect market to hover in the range of USD 12.00.80-13.50 hundred weights in coming sessions.

Price Projection (International-CBOT)

Duration	Trend	Price Range
03rd Week of Oct-2020	Steady to Firm	USD/ Hundred Weight 11.50-14.50