



---

# Rice Weekly Research Report

---

---

## Contents

- ❖ Outlook and Review
- ❖ Weekly Price Change
- ❖ Weekly Rice Export
- ❖ Progressive Procurement
- ❖ FOB-1121 Steam
- ❖ International Rice Market Summary
- ❖ IGC Balance Sheet
- ❖ CBOT Trend

***Outlook and Review:***

- Flooding slowed rice harvest in most Asian hubs this week, pushing up export prices for the Vietnamese variety and domestic rates in Bangladesh, while Thai traders warned of a risk to fresh supply.
- Vietnam's 5% broken rice prices edged up to \$485-\$495 per tonne this week from \$485-\$490 last week. Recent rains in the Mekong Delta have hampered an ongoing harvest there, affecting domestic supplies even as demand has started to pick up, especially from the Philippines. However, rains have also affected quality of the autumn-winter harvest, which resulted in the domestic prices of fresh paddy from flooded farms have fallen due to poor quality.
- Thailand's benchmark 5% broken rice prices fell to \$435-\$440 from \$445-\$480 last week, with traders attributing the dip to low demand. But floods in some rice growing provinces could hit fresh supply expected in the next week weeks.
- Heavy rains damaged ripening crops in Bangladesh as well, with widespread flooding also causing a spike in domestic prices, despite a government move to set wholesale rates. Floods have damaged crops worth \$4.29 billion in the country, even as a decision on imports was still pending.
- India, weak demand and depreciation in the rupee pulled down prices of 5% broken parboiled rice to \$372-\$377 per tonne from last week's FoB of 376-\$382. The flow of new orders has been moderating in last few days.
- But India's rice exports in 2020 might rise by nearly 42% in the first five months of this MY-2020-21, from a year ago and expected to reach a record 14 million tonnes because of reduced shipments from rival exporters and a weak rupee.
- The food ministry is not in favor of cutting the reserve price of rice sold at the open market sale scheme as off take at weekly auctions improved in September. The ministry hopes that it would be able to offload a comfortable quantum of the staple food grain this financial year. The government is currently selling rice under the auction scheme at 2,250 rupees per quintal. For 2020-21 (Apr-Mar), the government has set an aim to offload 5 million tonnes rice from the central pool at the weekly auctions.
- In early September, the Food Corp of India had proposed a reduction in the base price of rice sold at its weekly open market sale scheme to boost private purchases and clear out excess stock from the central pool. The price cut for rice was being looked into with the hope that it may boost private purchases. However, since rice sales have increased in September, so now the ministry is not planning to cut prices. The government sold 184,650 tonnes rice in September against 27,650 tonnes in August.
- As on 19 October, during KMS 2020-21, Progressive Procurement of Rice was 60.34 lakh MT compared to 43.35 lakh MT during corresponding period of KMS 2019-20. Total procurement of rice in My-2019-20 was reached to 516.49 lakh tonnes which was a record in last decade.

- 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	---	---
Uttarakhand			2499.44	---	---
Average	3182.45	3231.69	3244.96		

Duration	Trend	Average Price Range	Reason
03 <sup>rd</sup> 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*	24-Oct-20	23-Oct-20	17-Oct-20	24-Sep-20	24-Oct-19
Chirala(A.P)	BPT(Raw)	0	3100	3100	3100	3300	3000
Jharkhand(Ranchi)	Coarse	0	3200	3200	3200	3100	2900
Ernakulam(Kerala)	Jaya	100	3400	3400	3300	3600	3300
Divi( A.P)	BPT(Steam)	0	3200	3200	3200	3000	3000
Visakhapatnam	HMT(Raw)	0	3400	3400	3400	3900	3700
Nandyal	Sona Fine	0	3300	3400	3300	4100	3900
Barasat(W.B)	Masuri	-100	3200	3200	3300	3300	3250
Dibrugarh	Common	0	3200	3200	3200	3200	3000
Jhargram(W.B)	IR-36	-100	2900	2900	3000	2900	2350
Karnal	Sarabati Steam	-100	3600	3700	3700	4200	4000
Bangarpet(Kar)	Sugandh Sela	-100	3300	3300	3400	4500	4900

**Comparative Rice Variety 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
	24-Oct-20	19-Oct-20	24-Sep-20	25-Oct-19			
1121 Steam	5200	5900	6300	6800	-11.86	-17.46	-23.53
1121 Sella	4250	4900	4800	5800	-13.27	-11.46	-26.72
1121 Raw	5500	5900	6300	6500	-6.78	-12.70	-15.38
Basmati Raw	8800	8800	8800	9000	0.00	0.00	-2.22
1509 Steam Wand New	4600	4700	4600	5550	-2.13	0.00	-17.12
Sugandh Steam	3700	3900	4500	4800	-5.13	-17.78	-22.92
Sharabati Raw	3300	3500	3200	4300	-5.71	3.13	-23.26
Pusa Raw Wand	5700	5500	5700	5200	3.64	0.00	9.62
Parmal Sella	2900	3000	3400	3150	-3.33	-14.71	-7.94

**Paddy Kharif Sowing Updates as on 18<sup>th</sup> 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
<b>Andhra Pradesh</b>	63.37	54.24	48.09
<b>Telangana</b>	91.92	74.54	51.86
<b>Bihar</b>	12.00	13.41	9.49
<b>Chhattisgarh</b>	48.00	49.39	39.13
<b>Haryana</b>	40.00	43.03	39.41
<b>Kerala</b>	4.50	4.82	4.65
<b>Madhya Pradesh</b>	14.00	17.40	14.62
<b>Maharashtra</b>	12.70	11.57	5.80
<b>Odisha</b>	43.50	47.63	43.83
<b>Punjab</b>	114.00	108.76	113.34
<b>Tamil Nadu</b>	13.44	21.84	12.70
<b>Uttar Pradesh</b>	33.00	37.90	32.30
<b>Uttarakhand</b>	5.00	6.82	4.62
<b>West Bengal</b>	26.00	16.32	19.50
<b>All-India</b>	<b>529.05</b>	<b>513.29</b>	<b>442.33</b>

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
<b>Production</b>	494	498	497	505	504
<b>Trade</b>	46	43	42	45	45
<b>Consumption</b>	485	487	495	500	500
<b>Carryover stocks</b>	165	175	177	181	180
<b>Y-O-Y change</b>	9	10	2		4
<b>Major Exporters</b>	32	39	44	47	45

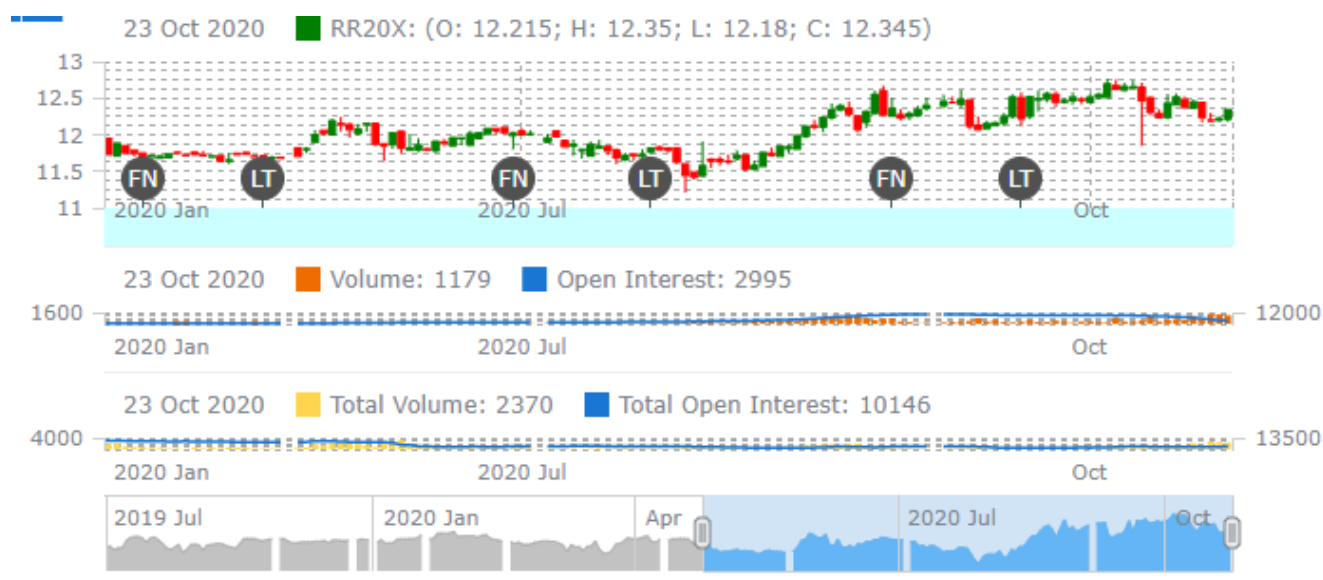
Note: Major exporters are India, Pakistan, Thailand, Vietnam, and United States

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
03 <sup>rd</sup> Week of Oct-2020	Steady to Firm	USD/ Hundred Weight 11.50-14.50

#### Disclaimer

The information and opinions contained in the document have been compiled from sources believed to be reliable. The company does not warrant its accuracy, completeness and correctness. Use of data and information contained in this report is at your own risk. This document is not, and should not be construed as, an offer to sell or solicitation to buy any commodities. This document may not be reproduced, distributed or published, in whole or in part, by any recipient hereof for any purpose without prior permission from the Company. IASL and its affiliates and/or their officers, directors and employees may have positions in any commodities mentioned in this document (or in any related investment) and may from time to time add to or dispose of any such commodities (or investment). Please see the detailed disclaimer at <http://www.agriwatch.com/disclaimer.php> © 2020 Indian Agribusiness Systems Ltd.