



Rice Weekly Research Report

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Outlook and Review:

- **Procurement:** Paddy procurement for Kharif 2020-21 is continuing smoothly in the procuring States &UTs of Punjab, Haryana, Uttar Pradesh, Telangana, Uttarakhand, Tamil Nadu, Chandigarh, Jammu & Kashmir, Kerala, Gujarat and Andhra Pradesh with purchase of over 310 LMTs of paddy upto 27.11.2020 against the last year corresponding purchase of 306 LMT, an increase of 1.30 % over last year. Out of the total purchase of 210 LMT, Punjab and Haryana alone have contributed 202.66 and 55.92 LMT respectively which is more than 80% of the total procurement.
- Despite around 2 lakh hectares lower area under Kharif paddy (pamal) crop this year as compared to last year, Punjab has procured around 206 lakh tonnes which is 2.98 lakh tonnes more paddy than last year.
- Pace of sowing of Rabi crops is slow in Telangana and Andhra Pradesh due to untimely rains which delayed the harvesting of Kharif crops. However, the target of Rabi paddy area in A.P has been increased to 8 lakh acres, which is higher than the normal area of 6.86 lakh acres.
- After 30 years, China started importing rice from India for the first time. China did not import due to the high amount of pesticides in Indian rice. There is a shortage of rice supply in the world at the moment. If rice is of good quality then China can become a big buyer of Indian rice. December to February shipment took place at 300 \$ / ton, about 1 lakh tonnes of rice will be contracted for export. Thailand, Pakistan, Myanmar, Vietnam International price of rice, 30\$ /ton more than Indian rice.
- Arrival of paddy started decreasing in the mandis. Demand of Rice mills increased in paddy. Rise in prices due to increase in domestic demand for rice. Price of rice has been increased by 200-300 rupees per qtl. Paddy prices have also seen a jump of 100/150 rupees.
- **Reserve price of rice with OMSS likely to decrease by 11 percent:** The Central Government is expected to cut the minimum reserve price (base reserve price) of rice by 11 percent under the Open Market Sale Scheme (OMSS). Presently, the reserve price of this rice is fixed at Rs 2250 per quintal, which can be reduced to Rs 2000 per quintal. In fact, the prices of rice in the domestic market are going down significantly compared to the government rice, while the supply of new kharif season has also started. Private traders and millers are not showing much interest in purchasing high-priced government rice. The government has set a target of selling 5 million tonnes of rice through OMSS during the current financial year, but only 9.85 lakh tonnes of rice could be sold from the third week of April to November 2020. Out of this, 9.44 lakh tonnes of rice were procured by the provincial governments while the private traders bought only 41 thousand tonnes of rice.
- **Paddy farmers of Maharashtra will get gift by State government of Rs 700 bonus on procurement:** Maharashtra state govt. decided to give a bonus of Rs. 700 on paddy MSP. Till now around 7.8 lakh tonnes of paddy have been procured by state.

State wise Wholesale Prices Weekly Analysis for Rice fourth week November, 2020

State	Prices 16-23 Nov 2020	Prices 09-15 Nov 2020	Prices 16-23 Nov 2019	% Change(Over Previous Week)	% Change(Over Previous Year)
Karnataka	3036.94	3529.86	3874.17	-13.96	-21.61
Maharashtra	3555.65	3559.56	4053.52	-0.11	-12.28
Odisha	2920.68	3027.47	2534.68	-3.53	15.23
Tripura	2975.48	2980.87	2930.86	-0.18	1.52
Uttar Pradesh	2403.65	2431.75	2498.77	-1.16	-3.81
Chattisgarh		2500		---	---
Gujarat	4294.27	4300	3257.22	-0.13	31.84
Kerala	3490.46	3502.06	3490.02	-0.33	0.01
West Bengal	2748.62	2779.89	2782.87	-1.12	-1.23
Manipur			4805.69	---	---
Uttrakhand			2606.85	---	---
Assam			3273.88	---	---
Andhra Pradesh			4428.57	---	---
Meghalaya			5000	---	---
Average	3178.22	3179.05	3502.85		

Duration	Trend	Average Price Range	Reason
02 nd Week of Dec, 2020	Steady	Rs.3200-3700/Quintal	Fresh Arrival starts in many northern states which may pressurize the rice and paddy market; however demand may put support on prices on medium term.

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
	4-Dec-20	28-Nov-20	3-Nov-20	4-Dec-19			
1121 Steam	5900	5700	5400	6050	3.51	9.26	-2.48
1121 Sella	5100	4800	4600	5450	6.25	10.87	-6.42
1121 Raw	6000	5800	5400	6000	3.45	11.11	0.00
Basmati Raw	8500	8500	8800	8900	0.00	-3.41	-4.49
1509 Steam Wand New	5400	5300	4800	5700	1.89	12.50	-5.26
Sugandh Steam	5000	4500	3900	4700	11.11	28.21	6.38
Sharbati Raw	4300	4100	3500	4500	4.88	22.86	-4.44
Pusa Raw Wand	5500	5400	5200	4700	1.85	5.77	17.02
Parmal Sella	3300	3300	3100	3400	0.00	6.45	-2.94

Paddy Kharif Sowing Updates as on 18th September 2020-

State	RICE				
	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:

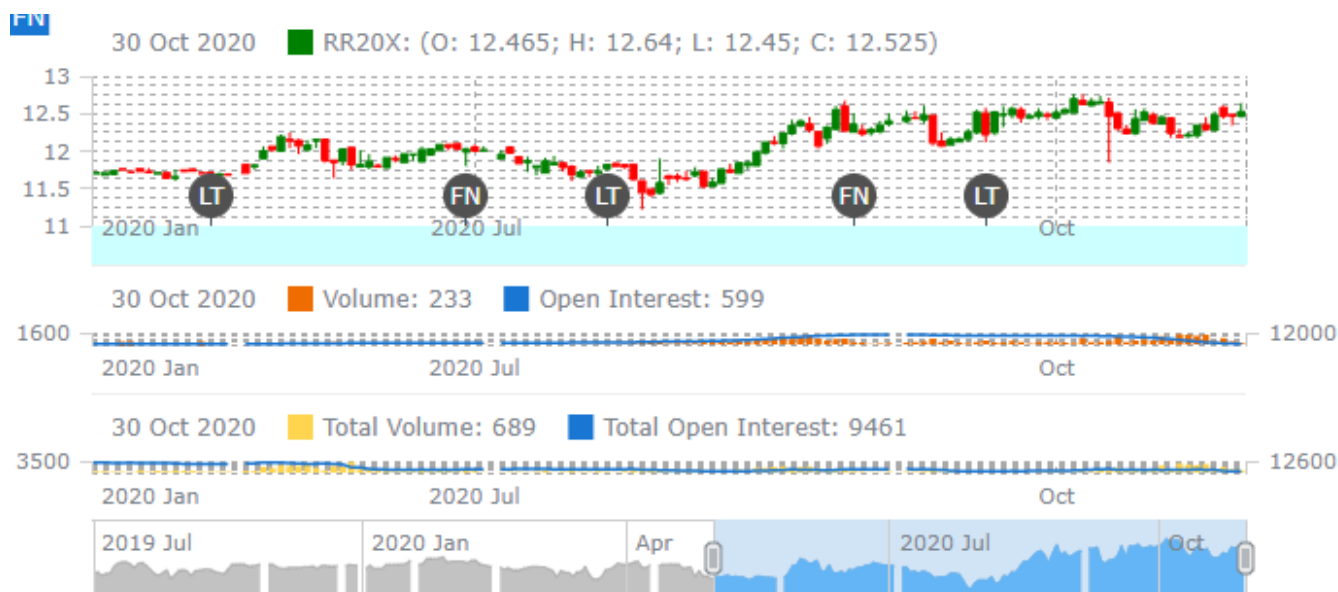
Attributes (Fig in Million Tons)	2017-18	2018-19	2019-20 Est.	2020-21 Forecast 27.08.2020)	24.09.2020
Production	494	498	497	505	504
Trade	46	43	42	45	45
Consumption	485	487	495	500	500
Carryover stocks	165	175	177	181	180
Y-O-Y change	9	10	2		4
Major Exporters	32	39	44	47	45

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
02 nd Week of Nov-2020	Steady to Firm	USD/ Hundred Weight 11.50-14.50

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