Rice Weekly Research Report

Contents

Outlook and Review:

- Rabi crops sowing reached 675 lakh hectares as on 20th January, 2021, the highest level ever. Paddy sowing which was earlier lagging behind has now crossed 30 lakh hectares which was 26 lakh hectares last year. Paddy sowing in Andhra Pradesh has reached to 14.9 lakh hectares compared to 14.84 lakh hectares last year

- Telangana received 41% more rainfall than the average from June 2020 to January 20, 2021, no area has received rain in December and January yet, but the average rainfall for August, September, October was more than the average. Paddy sowing took pace in Telangana, Paddy sowing reached 22.85 lakh hectares till January 20 which was 14.23 lakh hectares last year.

- Export prices for rice in India edged higher this week on robust demand from other Asian countries, while strong Thai rates softened demand for its staple.

- India's 5% broken parboiled variety was quoted at $385-$391 per tonne this week, up from last week's $383-$390. Asian buyers have been making purchases of 5% broken for human consumption and 100% broken for feed purpose.

- Meanwhile, neighboring Bangladesh is ramping up efforts to replenish its depleted reserves after last year's floods ravaged its crops and sent prices to a record high. Country could buy more rice from India in G to G deals while continue buying through tenders. At the same time, private traders are being allowed to import rice.

- Thailand's benchmark 5% broken rice prices were quoted at $520-$526 per tonne this week, little changed from last week's $520-$525. Traders say the exchange rate remains the main factor behind high prices for Thai rice against competitors like India and Vietnam and has muted overseas demand, while supply remains steady.

- Vietnam's 5% broken rice were unchanged at $500-$505 per tonne this week. Domestic prices are still high, and we expect prices to ease when the harvest is in full swing. Exporters are buying moderately from farmers while waiting for the ongoing winter-spring harvest to peak.

- Domestic paddy prices in the Mekong Delta range from 6.8 million dong ($294.88) to 7.2 million dong ($312.23) per tonnes, unchanged from a week ago. The Philippines will continue to be Vietnam's key rice export market this year.

- Tightening global supplies of basic foodstuffs and disruptions to shipping caused by the COVID-19 pandemic are driving up the cost of rice.

State wise Wholesale Prices Weekly Analysis for Rice Second week January, 2021

State	Prices 09-15 Jan 2021	Prices 01-08 Jan 2021	Prices 24-31 Dec 2020	Prices 09-15 Jan 2020	% Change(Over Previous Week)	% Change(Over Previous to Previous Week)	% Change(Over Previous Year)
Gujarat	4122.41	4308.37	4202.06	4020.42	-4.32	-1.9	2.54
Uttar Pradesh	2388.86	2369.3	2376.46	2608.63	0.83	0.52	-8.42
Uttrakhand				2655.94	__	__	__
Karnataka	3301.82	3741.46	3386.72	3792.32	-11.75	-2.51	-12.93
Odisha	2668.79	2817.18	2774.78	2880.2	-5.27	-3.82	-7.34
Jharkhand	2366.67				__	__	__
Maharashtra	3723.7	3595.53	3540.27	4260.09	3.56	5.18	-12.59
Tripura	2920.94	2898.17	2867.07	2928.17	0.79	1.88	-0.25
West Bengal	2677.55	2709.61	2689.17	2869.68	-1.18	-0.43	-6.7
Kerala	3488.94	3474.46	3479.46	3494.71	0.42	0.27	-0.17
Average	3073.3	3239.26	3164.5	3278.91			

Duration	Trend	Average Price Range	Reason
03rd Week of Jan, 2021	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 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
	23-Jan-21	16-Jan-21	23-Dec-20	23-Jan-20			
1121 Steam	6350	6300	6200	6100	0.79	2.42	4.10
1121 Sella	5400	5300	5200	5400	1.89	3.85	0.00
1121 Raw	6300	6300	6200	6200	0.00	1.61	1.61
Basmati Raw	9200	9200	9400	9200	0.00	-2.13	0.00
1509 Steam Wand New	5800	5700	5700	5600	1.75	1.75	3.57
Sugandh Steam	5200	5000	4800	4800	4.00	8.33	8.33
Sharbati Raw	4700	4400	4400	3400	6.82	6.82	38.24
Pusa Raw Wand	6000	6000	6000	4400	0.00	0.00	36.36
Parmal Sella	3300	3400	3300	3250	-2.94	0.00	1.54

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 30.12.2020

State	In Marketing season 2020-21	In MY season 2019-20
Andhra Pradesh	*9.22*	*5.73*
Telangana	*27.07*	*21.86*
Bihar	*3.63*	*0.07*
Chhattisgarh	*29.91*	*13.87*
Haryana	*37.60*	*43.07*
Kerala	*1.15*	*1.09*
Madhya Pradesh	*13.53*	*1.32*
Maharashtra	*1.81*	*1.36*
Odisha	*13.30*	*8.45*
Punjab	*135.86*	*108.73*
Tamil Nadu	*3.83*	*0.32*
Uttar Pradesh	*31.83*	*24.00*
Uttarakhand	*6.68*	*6.12*
West Bengal	*0.00*	*--*
All-India	***316.51***	***236.31***

As on 27th November 2020, during KMS 2020-21, Progressive Procurement of Rice was 208.18 lakh MT as compared to 175.20 lakh MT during corresponding period of KMS 2019-20.

IGC Balance Sheet:

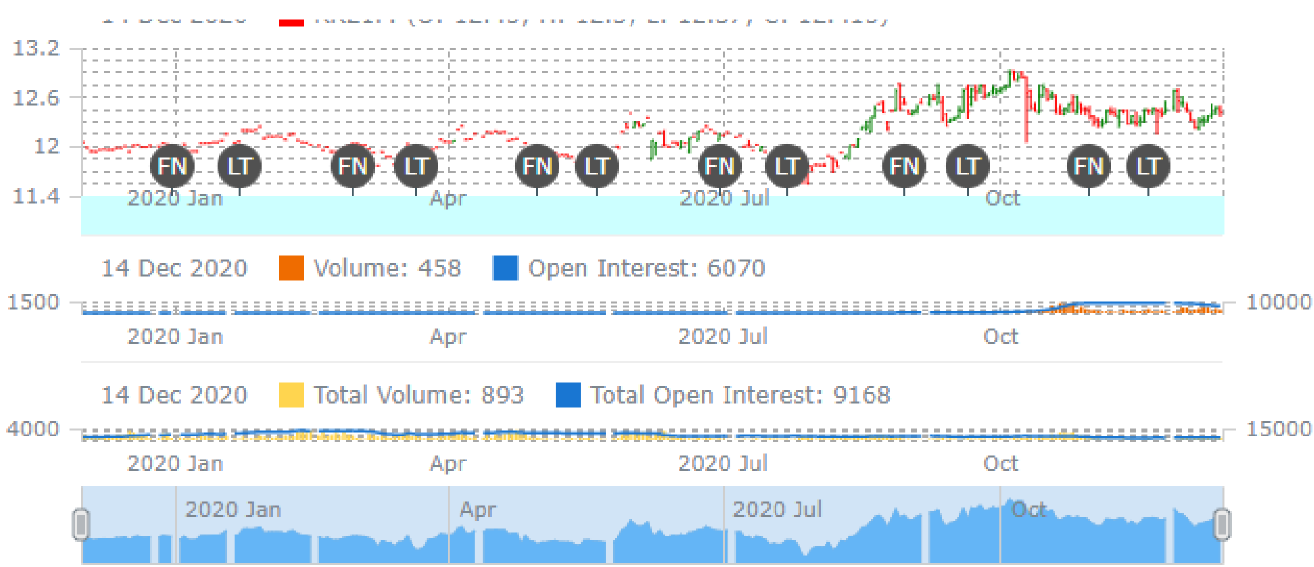
Attributes (Fig in Million Tons)	2017-18	2018-19	2019-20 Est.	2020-21 Forecast 29.10.2020)	26.11.2020
Production	494	498	497	504	503
Trade	46	43	42	45	45
Consumption	485	487	495	501	501
Carryover stocks	165	175	177	178	178
Y-O-Y change	9	10	2	3	3
Major Exporters	32	39	44	44	43

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

Despite weak demand and disruptions to export flows earlier in the year owing to the impact of the COVID-19 pandemic, world **rice** trade in 2020 (Jan/Dec) is expected to be only fractionally lower y/y. This is linked to larger than anticipated shipments in the second half of the season, principally by India. Consumption in 2019/20 is seen reaching a new peak, with gains led by enlarged government food assistance programmes in India, while end-season inventories may be broadly unchanged y/y. Production in 2020/21 is forecast to expand by 6m t y/y, to a high of 503m, including larger outturns in major exporters. World uptake may continue to expand on population growth, while stocks could increase further. Trade in 2021 is anticipated to rebound by 6% y/y, to 45m t, on tentative expectations of stronger demand from importers in sub-Saharan Africa.

Rice Price Trend @ CBOT Jan- 2021, Rough Rice)

(Prices in US$/hundredweight)



Market Analysis

The CBOT January-21 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 Jan-2021	Steady to Firm	USD/ Hundred Weight 11.50-14.50