



Rice Weekly Research Report

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Outlook and Review:

- Millers from Andhra Pradesh and Telangana have started exporting broken rice to China. China has started procuring Indian rice for the first time since December 2020 while it is also buying rice from traditional supply countries like Pakistan, Vietnam and Myanmar. China has selected 24 plants (mills) for importing rice from India including three units from Andhra-Telangana. An exporter from Nizamabad says that China is exporting broken rice at the rate of \$ 350 per tonne. Of the three mills selected, one is located in Telangana and two in Andhra Pradesh (East Godavari district). China has made a plan to ship 1 million tonnes of rice, which includes broken and whole grain rice. Of this, 30 percent of rice shipments are expected from Andhra-Telangana. There, broken rice is used for making noodles and floor.
- The rice given under the TPDS of Andhra Pradesh is being exported illegally; this rice was purchased from the government in Andhra Pradesh at the rate of Rs 10 per kg and exported to other countries such as Malaysia @ Rs 123. The government recently caught a consignment of 435.8 tonnes of rice.
- On 1 January, FCI had a stock of 530 lakh tonnes of grain, while the buffer norm required 214 lakh tonnes. Stock of 187 lakh tonnes of milled rice available in the central pool on 1 January while buffer norms of 76 lakh tonnes. To reduce the stock, the government approved the purchase of rice for ethanol but distillers retreated due to the current prices. It was believed that about 100 lakh tonnes of rice stock would be reduced from the central pool. The ethanol manufacturers were given a purchase price of Rs 2000 per quintal by the centre. The cost price of rice purchased in 2020-21 has been 2727 rupees, which FCI wanted to sell on 2000. FCI is not willing to sell below 2000 price but this price seems to be high to distiller.
- Robust demand from across Asia and Africa sent Indian rice export prices to a three-year peak this week, while Vietnamese exporters struggled to ship due to high freight prices fuelled by a container shortage.
- India's 5% broken parboiled variety were quoted at USD 402-USD 408 per tonne, its highest since May 2018. Along with traditional buyers, China and Vietnam are also buying from India. Andhra Pradesh will use a deep-water port to export rice for the first time in decades amid a global grain shortage.
- Neighbouring Bangladesh, which has been grappling with limited supply, also bought more than 110,000 tonnes from India with more on its way.
- Meanwhile, Vietnam's 5% broken rice prices rose to USD 510-USD 515 per tonne from USD 505-510 last week on thin supply. Trade is very slow as most of the traders are already off for the Lunar New Year holiday, and buyers have suspended signing new contracts waiting for the new harvest. The harvest of the winter-spring crop, the largest of the year, will peak in late February or early March. Shipments were also being hampered by high freight charges due to a container shortage.
- Thailand's 5% broken rice prices jumped to their highest level since early April at \$535-\$564 per tonne, amid concerns over low supplies, while exporters eyed a tender from Iraq. Iraq's trade ministry said it intended to procure rice from international suppliers this week.

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

State	Prices 24-31 Jan 2021	Prices 16-23 Jan 2021	Prices 24-31 Jan 2020	% Change(Over Previous Week)	% Change(Over Previous Year)
Karnataka	3720.1	3451.39	3629.15	7.79	2.51
Kerala	3478.13	3482.56	3487.27	-0.13	-0.26
Maharashtra	4474.41	3616.71	4292.97	23.71	4.23
Odisha	2722.92	2837.12	2871.98	-4.03	-5.19
Tripura	2896.33	2911.31	2912.18	-0.51	-0.54
Uttar Pradesh	2397.09	2398.92	2697.91	-0.08	-11.15
West Bengal	2734.42	2698.41	2861.01	1.33	-4.42
Gujarat	3837.99	3734.39	4112.94	2.77	-6.68
Jharkhand	2333.33	2344.31		-0.47	---
Uttrakhand			2508.42	---	---
Average	3177.19	3052.79	3263.76		

Prices in Rs/Quintal

Duration	Trend	Average Price Range	Reason
02 nd Week of Feb, 2021	Steady to Firm	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
	06-Feb-21	30-Jan-21	06-Jan-21	06-Feb-20			
1121 Steam	6100	6300	6200	6100	-3.17	-1.61	0.00
1121 Sella	5200	5400	5300	5200	-3.70	-1.89	0.00
1121 Raw	6200	6300	6200	6100	-1.59	0.00	1.64
Basmati Raw	9000	9200	8600	9200	-2.17	4.65	-2.17
1509 Steam Wand New	5600	5900	5500	5300	-5.08	1.82	5.66
Sugandh Steam	4800	5000	4900	4600	-4.00	-2.04	4.35
Sharbati Raw	4400	4700	4600	3500	-6.38	-4.35	25.71
Pusa Raw Wand	6000	6000	5800	4500	0.00	3.45	33.33
Parmal Sella	3250	3200	3300	3150	1.56	-1.52	3.17

State wise Progressive Procurement As on 08.02.2021

State	In Marketing season 2020-21	In MY season 2019-20
Andhra Pradesh	23.09	9.22
Telangana	32.58	27.07
Bihar	17.55	3.63
Chhattisgarh	39.76	29.91
Haryana	37.60	37.60
Kerala	1.29	1.15
Madhya Pradesh	24.97	13.53
Maharashtra	4.31	1.81
Odisha	33.11	13.30
Punjab	135.89	135.86
Tamil Nadu	5.84	3.83
Uttar Pradesh	43.28	31.83
Uttarakhand	6.79	6.68
West Bengal	4.42	0.00
All-India	413.68	316.51

As on 08th February 2021, during KMS 2020-21, Progressive Procurement of Rice was 413.68 lakh MT as compared to 316.51 lakh MT during corresponding period of KMS 2019-20.

IGC Balance Sheet:

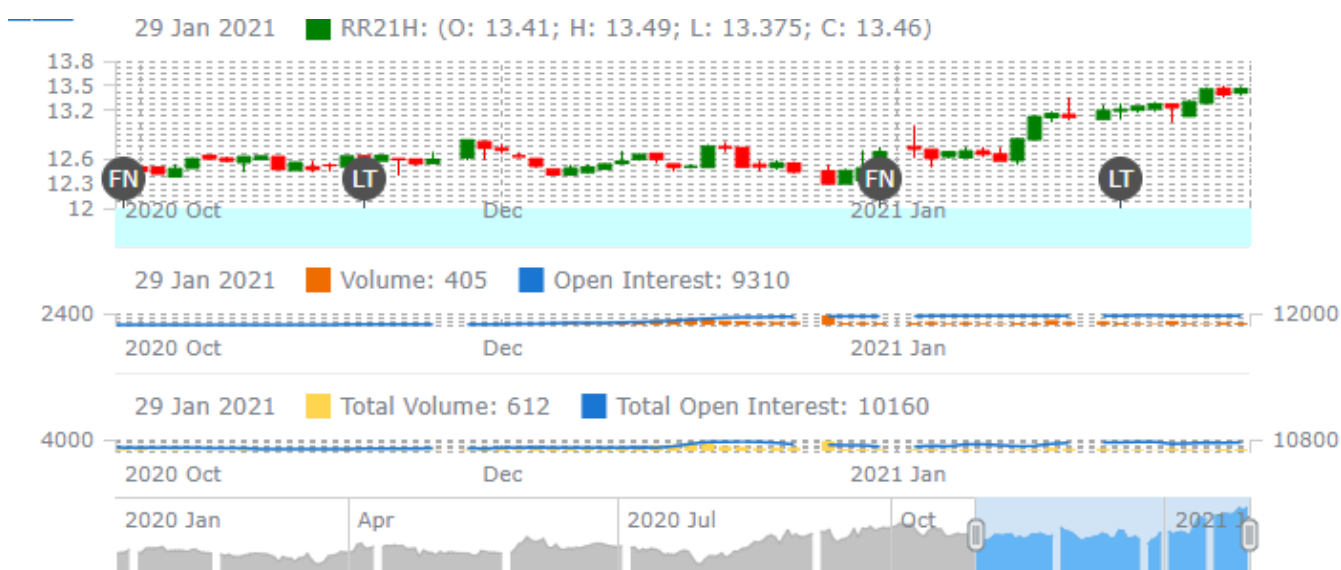
Attributes (Fig in Million Tons)	2017-18	2018-19	2019-20 Est.	26.11.2020	14.01.2021
Production	494	498	497	503	503
Trade	46	43	42	45	45
Consumption	485	487	495	501	502
Carryover stocks	165	175	177	178	175
Y-O-Y change	9	10	2	3	1
Major Exporters	32	39	44	43	39

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

Global **rice** output is tentatively expected at a new peak on bigger outturns in Asian producers, including India and China. Consumption is also forecast to trend higher on population growth, albeit with uptake in India potentially declining due to the conclusion of COVID-19-related food security schemes. Following a contraction in the prior season, world stocks could edge up, including a modest gain in India. That country is also expected to maintain its position as the dominant exporter, although shipments may retreat from the prior year's record as Thailand regains some market share. World trade is predicted to expand by 5% y/y on stronger demand from sub-Saharan Africa.

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

(Prices in US\$/hundredweight)


Market Analysis

The CBOT March-21 month rough chart for rice indicates steady to firm tone from last month. We expect market to hover in the range of USD 13.00.80-14.50 hundred weights in coming sessions.

Price Projection (International-CBOT)

Duration	Trend	Price Range
01 st Week of Feb-2021	Steady to Firm	USD/ Hundred Weight 13.00-14.50

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