Rice Weekly Research Report

Contents

Outlook and Review:

- As more buyers from South America, Eastern Africa and South East Asia start queuing up for the Indian rice, the exports of the rice for both basmati and non-basmati are seen scaling new highs this fiscal. Rice exports including both basmati and non-basmati types are expected to range between 16 and 17 million tonnes (mt) against previous fiscal's 9.48 mt. South American buyers such as Peru and Argentina have recently shifted market access to the Indian basmati rice. Similarly, in Eastern Africa, countries such as Angola and Tanzania, who traditionally bought from Pakistan, have now turned to India.

- As per second advance estimate by Agriculture Department of India, Indian rice production in MY-2020-21 is expected to reach to 120 Million tonnes which is a record till now.

- 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, Andhra Pradesh, Chhattisgarh, Odisha, Madhya Pradesh, Maharashtra, Bihar, Jharkhand, Assam, Karnataka, West Bengal and Tripura with purchase of over 651.07 LMTs of paddy up to 19.02.2021. This is an increase of 15.91 % against the last year corresponding purchase of 561.67 LMT. Out of the total purchase of 651.07 LMT, Punjab alone has contributed 202.82 LMT which is 31.15 % of total procurement.

- Prices for India's 5 percent broken parboiled variety eased to USD393-USD399 per tonne from USD395-USD401 last week. Export demand is stable. New season supplies are rising in southern and eastern states. Shipments from India have picked up after Andhra Pradesh started using a deep-water port to export rice to reduce congestion at the Kakinada port. The country's rice output is expected to increase to 120.32 million tonnes in the crop year to June 2021.

- Thailand's benchmark 5% broken rice prices eased to USD520-USD560 per tonne from last week's USD 540-USD 560. It is expected that prices had started to ease slightly due to optimism over the new off-season harvest. There's not much demand. New supply is gradually arriving. It's likely that prices will continue to weaken.

- Vietnam's 5% broken rice rates were unchanged at USD505-USD510 per tonne for delivery after March 15. Supplies were building up with around a quarter of the winter-spring crop in the Mekong Delta already harvested. Chinese traders coming to explore rice for shipments to China and other markets, but not many orders have been placed as they are still waiting for the harvest to peak. Vietnam's rice exports in February are forecast to have halved from a year earlier, according to the government.

State wise Wholesale Prices Weekly Analysis for Rice Third week February, 2021

State	Prices 16-23 Feb 2021	Prices 09-15 Feb 2021	Prices 16-23 Feb 2020	% Change(Over Previous Week)	% Change(Over Previous Year)
Gujarat	4200	3927.87	3598.7	6.93	16.71
Odisha	2927.13	3106.77	3055.24	-5.78	-4.19
Uttar Pradesh	2493.54	2451.26	2503.2	1.72	-0.39
West Bengal	2842.55	2854.7	2844.41	-0.43	-0.07
Jharkhand	2410.51	2394.65		0.66	__
Maharashtra	3602.33	4315.53	3511.8	-16.53	2.58
Karnataka	3935.1	3795.6	3490.34	3.68	12.74
Kerala	3484.4	3387.59	3484.97	2.86	-0.02
Tripura	2920.66	2908.58	2973.08	0.42	-1.76
Uttrakhand			2188.9	__	__
Average	3201.8	3238.06	3072.29		

Prices in Rs/Quintal

Duration	Trend	Average Price Range	Reason
01st Week of Mar, 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 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
	26-Feb-21	19-Feb-21	27-Jan-21	26-Feb-20			
1121 Steam	6000	6000	6300	5800	**0.00**	**-4.76**	**3.45**
1121 Sella	5100	4900	5400	4850	**4.08**	**-5.56**	**5.15**
1121 Raw	6000	6000	6300	6000	**0.00**	**-4.76**	**0.00**
Basmati Raw	8600	8800	9200	8000	**-2.27**	**-6.52**	**7.50**
1509 Steam Wand New	5500	5500	5800	5250	**0.00**	**-5.17**	**4.76**
Sugandh Steam	4800	4800	4900	4600	**0.00**	**-2.04**	**4.35**
Sharbati Raw	4400	4300	4600	3300	**2.33**	**-4.35**	**33.33**
Pusa Raw Wand	5600	5800	6000	4400	**-3.45**	**-6.67**	**27.27**
Parmal Sella	3200	3150	3200	3050	**1.59**	**0.00**	**4.92**

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:

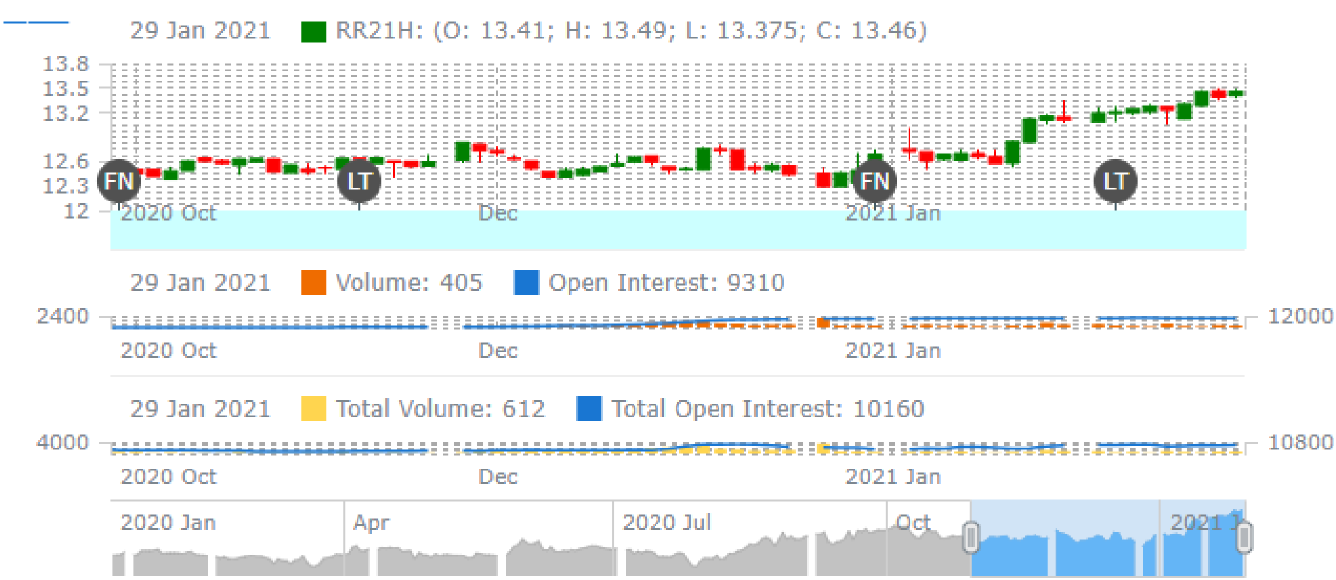
Attributes (Fig in Million Tons)	2017-18	2018-19	2019-20 Est.	26.11.2020	14.01.2021
Production	494	498	497	503	503
Trade	46	43	42	45	45
Consumption	485	487	495	501	502
Carryover stocks	165	175	177	178	175
Y-O-Y change	9	10	2	3	1
Major Exporters	32	39	44	43	39

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
04th Week of Feb-2021	Steady to Firm	USD/ Hundred Weight 13.00-14.50