



# Rice Weekly Research Report

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***Outlook and Review:***

- On March 03, under the FCI OMSS scheme, 50 metric tonnes of rice were sold from Maharashtra at a price of Rs 2,250 per quintal. FCI sold 1,000 metric tonnes of rice from Jammu and Kashmir at Rs 2,000 per quintal on March 03 under the OMSS scheme.
- The Food Ministry of Bangladesh has proposed cutting the import duty on rice further by 10 per cent to 15 per cent with a view to encouraging traders to import the staple in higher volume. The meeting also considered reducing import duty on coarse white rice (coarse atap) to 15 per cent from the 62.5 per cent. In December, the government cut the duty rate by 37.5 percentage points to 25 per cent on import of parboiled rice. The duty on rice import was increased to 62.5 per cent earlier to discourage rice imports and benefit local farmers.
- Rice export rates in top exporter India eased this week as supplies rose, while neighbouring Bangladesh considered allowing higher imports by private traders as domestic rates continued to soar.
- Rice export rates held steady in most Asian hubs this week as new supply from fresh harvests trickle in, while Bangladesh mulled another cut to import duties to bolster dwindling domestic reserves.
- Prices for India's 5 percent broken parboiled variety were steady at \$393-\$399 per tonne amid rising supplies from the new season crop. Rupee has been quite volatile in the last few days. Exporters are keeping prices steady, but they will raise if rupee appreciates further.
- Thailand's benchmark 5% broken rice prices widened slightly to \$515-\$560 per tonne, from \$520-\$560 last week. Muted demand, optimism over a new off-season harvest and the weakening of the baht against the U.S. dollar, have pressured prices.
- Vietnam's 5% broken rice rates were unchanged from last week at \$505-\$510 per tonne. This is just nominal price as not many new contracts have been signed recently as importers are still waiting further until the winter-spring harvest peaks. Meanwhile, domestic rice prices are edging down on rising supplies from the main harvest in the Mekong Delta. Vietnam's rice shipments in the January-February period are forecast to drop 31.4% from a year earlier to 638,000 tonnes.
- Bangladesh is considering further slashing duty on rice imports in an effort to bolster reserves and cool record local prices. This would follow a cut to 25% from 62.5% in late December.

**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
Uttarakhand			2188.9	---	---
Average	3201.8	3238.06	3072.29		

Prices in Rs/Quintal

Duration	Trend	Average Price Range	Reason
01 <sup>st</sup> 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 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-Mar-21	26-Feb-21	03-Feb-21	04-Mar-20			
1121 Steam	5950	6000	6200	5900	-0.83	-4.03	0.85
1121 Sella	4900	5100	5300	4950	-3.92	-7.55	-1.01
1121 Raw	5950	6000	6200	5900	-0.83	-4.03	0.85
Basmati Raw	8600	8600	9000	8000	0.00	-4.44	7.50
1509 Steam Wand New	5500	5500	5700	5400	0.00	-3.51	1.85
Sugandh Steam	4700	4800	4800	4600	-2.08	-2.08	2.17
Sharbati Raw	4300	4400	4600	3300	-2.27	-6.52	30.30
Pusa Raw Wand	5600	5600	6000	4300	0.00	-6.67	30.23
Parmal Sella	3200	3200	3200	3000	0.00	0.00	6.67

**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 08<sup>th</sup> 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:**

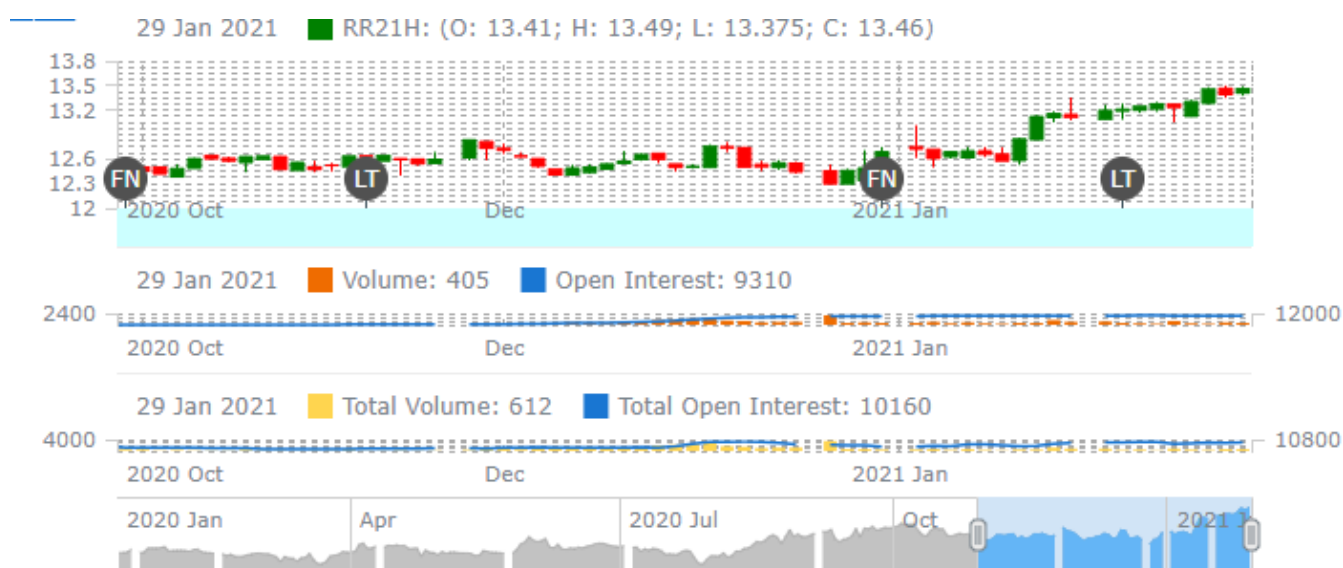
Attributes ( Fig in Million Tons)	2017-18	2018-19	2019-20 Est.	26.11.2020	14.01.2021
Production	494	498	497	503	503
Trade	46	43	42	45	45
Consumption	485	487	495	501	502
Carryover stocks	165	175	177	178	175
Y-O-Y change	9	10	2	3	1
Major Exporters	32	39	44	43	39

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

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