



# Rice Weekly Research Report

## Contents

- ❖ Outlook and Review
- ❖ Weekly Price Change
- ❖ Weekly Rice Export
- ❖ Progressive Procurement
- ❖ FOB-1121 Steam
- ❖ International Rice Market Summary
- ❖ IGC Balance Sheet
- ❖ CBOT Trend

***Outlook and Review:***

- Common Paddy arrivals in the mandis of UP, Haryana, Punjab has been finished recently, the arrival of fine paddy is nearing its end. However, he does not have any pain in the neck of the paddy stockists taken at the high price of 4450 in the previous days. The market will again come down to double the price.
- After March, all-round domestic and export demand is about to come out, and after the fine paddy milling in UP has more broken pieces, which will make the market jump as soon as all-round demand for whole rice is released. There is also no scope for retardation.
- 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.
- TREA, with the cooperation of APEDA, began rice export, in the presence of Dr Anagamuthu, chairman of KSPL on February 13 2021 since than a quantity of above 2000 tones has been exported to western African countries. Mr. Chairman also discussed about the delays in managing vessel traffic at the Kakinada port.
- In three vessels more than 2000 tones rice being exported through the deep sea route to western African countries, which led only 10 vessels are waiting in queue at port instead of 18 by 9th march in near future the number of vessels awaiting at anchorage port will be reduced said by the chairman of KSPL.
- Demand and reduction in domestic freight charges of Paddy in India pushed the export prices for rice this week. And the decision by Bangladesh to buy rice from all the three major rice exporters further strengthening the demand of Indian rice. The prices of 5 Percent broken parboiled rice in India rose to \$395-\$401 per tonne from last week's \$393- \$399.
- According to Mr. B. V. Krishna Rao president of Rice Exporters Association of India due to reduction in freight charges by Indian Railways Exporters could easily save 16% for paddy- rice transportation by changing loading norms. This will ultimately benefit Indian Rice exporters and exporters can save \$3 to \$4 per tonne. This would enhance the competitiveness of Indian rice vis-e-vis other rice exporting countries.
- Due to weakening Baht, nearly 1% drop since beginning of March this year, the prices of Thai's 5 percent broken rice came down from \$515-\$560 a tonne to \$505-\$515 a tonne. Further Thailand has also renewed the Government-to-Government draft agreement with Indonesia for Sales of Rice, which had expired in 2016.
- Flood ravaged Bangladesh has emerged as a major buyer of rice. Bangladesh has decided to import 350,000 tonnes through government-to-government deal, including 150,000 tonnes each from India and Thailand and 50,000 tonnes from Vietnam.
- The prices of Vietnam's 5% broken rice came down to \$500-\$510 per tonne from \$505-\$510 from last week amid a strong harvest. Farmers in the Mekong delta area has got bumper crop, and domestic supplies are getting stronger.

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

| State         | Prices 09-15 Mar 2021 | Prices 01-08 Mar 2021 | Prices 09-15 Mar 2020 | % Change(Over Previous Week) | % Change(Over Previous Year) |
|---------------|-----------------------|-----------------------|-----------------------|------------------------------|------------------------------|
| Gujarat       | 4325                  | 4324.98               | 4079.66               | 0                            | 6.01                         |
| Kerala        | 3474.09               | 3420.91               | 3492.75               | 1.55                         | -0.53                        |
| Manipur       |                       |                       |                       | --                           | --                           |
| Odisha        | 3108.11               | 3109.39               | 2849.4                | -0.04                        | 9.08                         |
| Uttar Pradesh | 2471.61               | 2430.69               | 2496.44               | 1.68                         | -0.99                        |
| Jharkhand     | 2387.91               | 2380.95               |                       | 0.29                         | --                           |
| Tripura       | 2884.35               | 2878.14               | 3019.03               | 0.22                         | -4.46                        |
| West Bengal   | 2868.78               | 2842.07               | 2801.97               | 0.94                         | 2.38                         |
| Karnataka     | 3918.85               | 3894.77               | 3565.42               | 0.62                         | 9.91                         |
| Uttrakhand    |                       |                       | 2214.14               | --                           | --                           |
| Maharashtra   | 3746.44               | 3531.7                | 4096.03               | 6.08                         | -8.53                        |
| Average       | 3242.79               | 3201.51               | 3179.43               |                              |                              |

Prices in Rs/Quintal

**Outlook :-**

| Duration                           | Trend          | Average Price Range  | Reason  |
|------------------------------------|----------------|----------------------|---|
| 03 <sup>rd</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 |
|---------------------|-----------|-----------|-----------|-----------|-------------------------|--------------------------|-------------------------|
|                     | 13-Mar-21 | 08-Mar-21 | 13-Mar-21 | 13-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:**

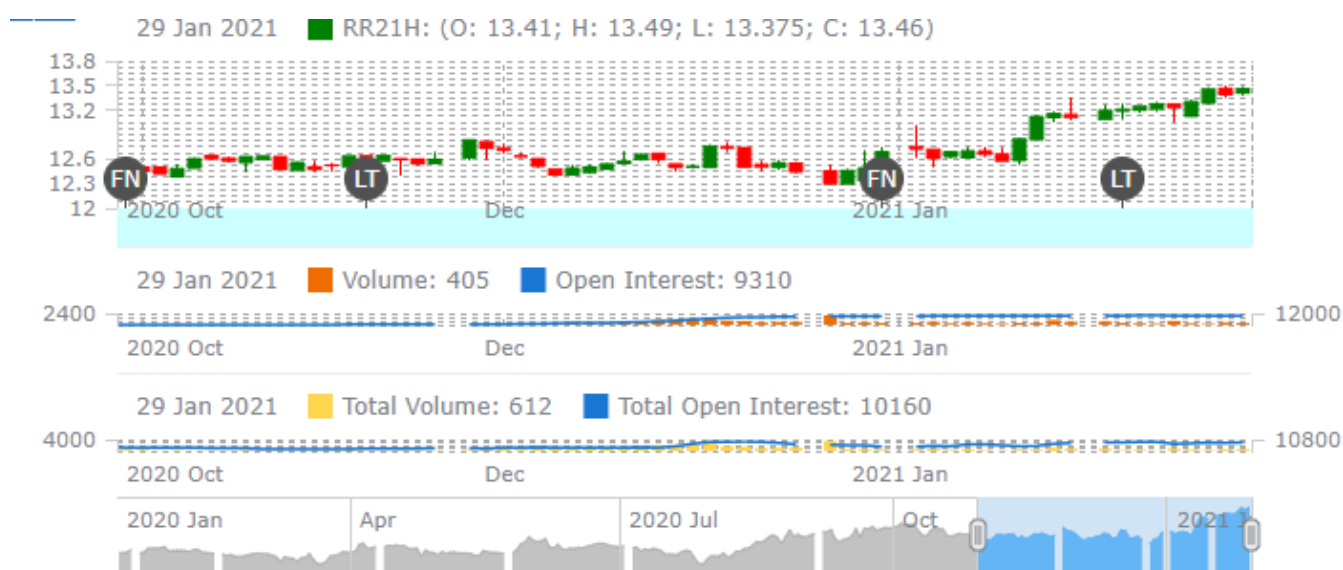
| Attributes<br>( Fig in Million Tons) | 2017-18 | 2018-19 | 2019-20<br>Est. | 26.11.2020 | 14.01.2021 |
|--------------------------------------|---------|---------|-----------------|------------|------------|
| Production                           | 494     | 498     | 497             | 503        | 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                        |
|-----------------------------------|----------------|------------------------------------|
| 03 <sup>rd</sup> Week of Mar-2021 | Steady to Firm | USD/ Hundred Weight<br>13.00-14.50 |

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