

Commodity Profile for Rice – October, 2019

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1. Rice Estimates for India (Crop Year: October 2018- September 2019)

(Unit: Million Tonnes)

2018-19	Particular	October, 2019	Source
16.31	Opening Stock (beginning of the crop year)	26.14	FCI
116.42**	Production	100.35**	D&ES
0	Total Imports	0.00*	DoC
132.73	Availability	126.49	
12.06	Total Export	4.38*	DoC
14.45	Ending Stock in Central Pool	24.91***	FCI
106.22	Total Available for domestic consumption	96.56	

Source: Department of Food & Public Distribution (DoF&PD), Department of Commerce (DoC), Directorate of Economics & Statistics (D&ES), Department of Agriculture & Cooperation (DAC).

- *: The figure of export and import is for April 2019- August, 2019.
- **: Production as per 01st advance estimate for 2019-20 released on 23.09.2019 by DES.
- ***: FCI stocks ending in September, 2019 are 26.15 million Tons against 20.58 million Tons in corresponding period last year.
- Availability: opening stock in central pool plus production plus Imports; Total Availability for Domestic Consumption: Availability minus (total export plus ending stock in central pool).

2. Rice Estimates for World

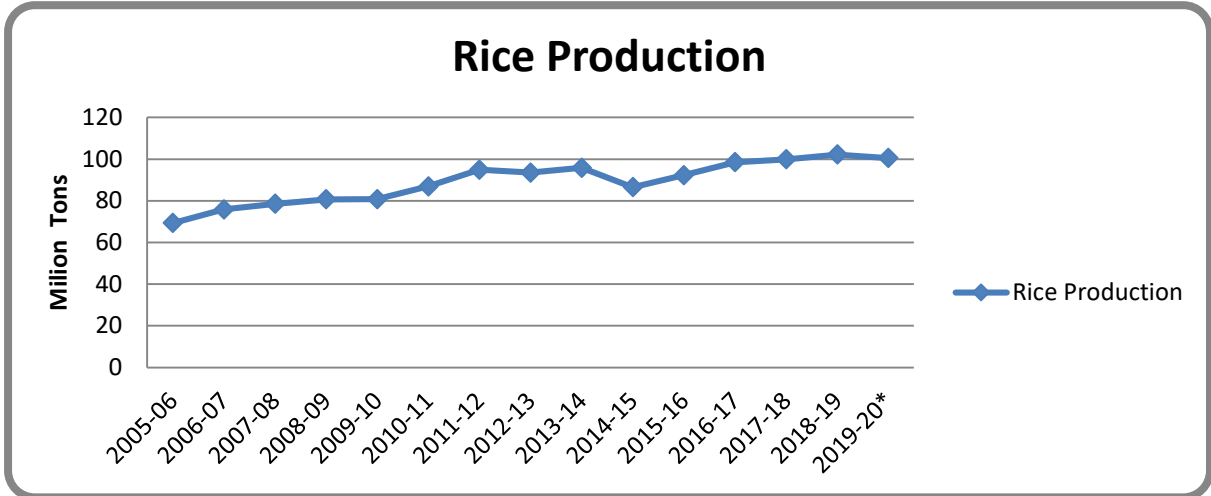
(Unit: Million Tonnes)

Table-2: Production, Trade, Consumption and Stock of Rice				
Particulars	2016-17	2017-18	(2018-19) (Estimate)	2019-20 Projection*
Production	492	494	500	500
Trade	47	46	45	46
Consumption	483	485	490	496
Carry Over Stock	154	163	174	178

Source: International Grains Council (IGC)

Global rice fundamentals in 2018/19 are little changed from August, with production, consumption and stocks seen at all-time peaks. Due to a marginal m/m reduction, world output in 2019/20 is predicted steady y/y, at a high of 500 MT. Population growth will again be the key driver of demand as consumption advances further and, with supplies expected to be boosted by heavy carry-ins, aggregate end-season inventories are likely to rise by 2% y/y, to 178 MT. Traded volumes could recover in 2020 on firmer demand from buyers in Africa.

3. India's Rice Production

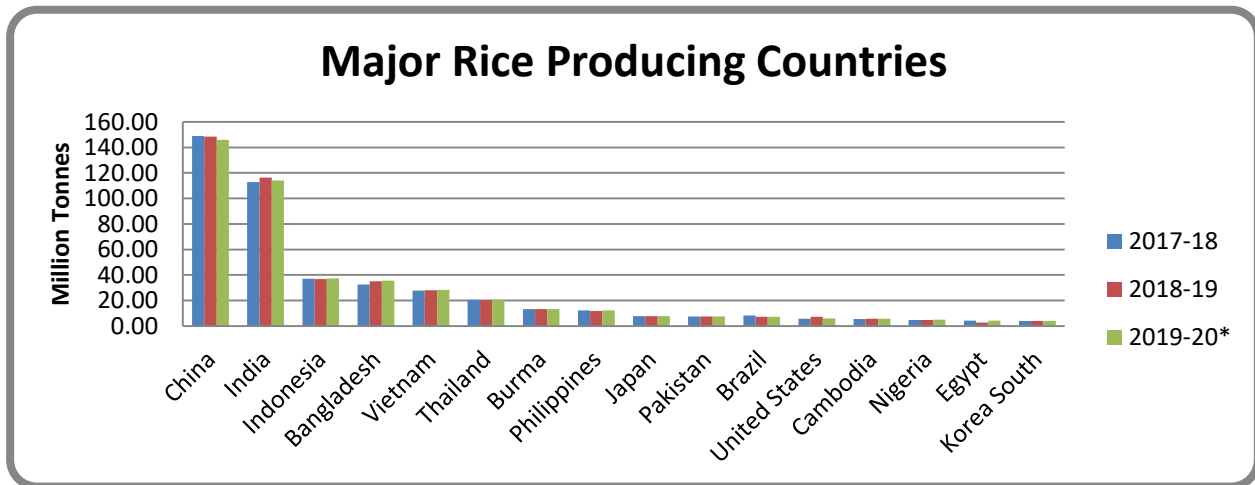


Source: Directorate of Economics & Statistics (DES)

*1st advance estimates 2019-20 (as of 23.09.2019)

- India's rice production has risen from 69.35 Million Tons in the year 2005-06 to 102.19 in 2018-19 and registering a CAGR of 3.03 percent during 2005-06 and 2018-19.

4. Global Production

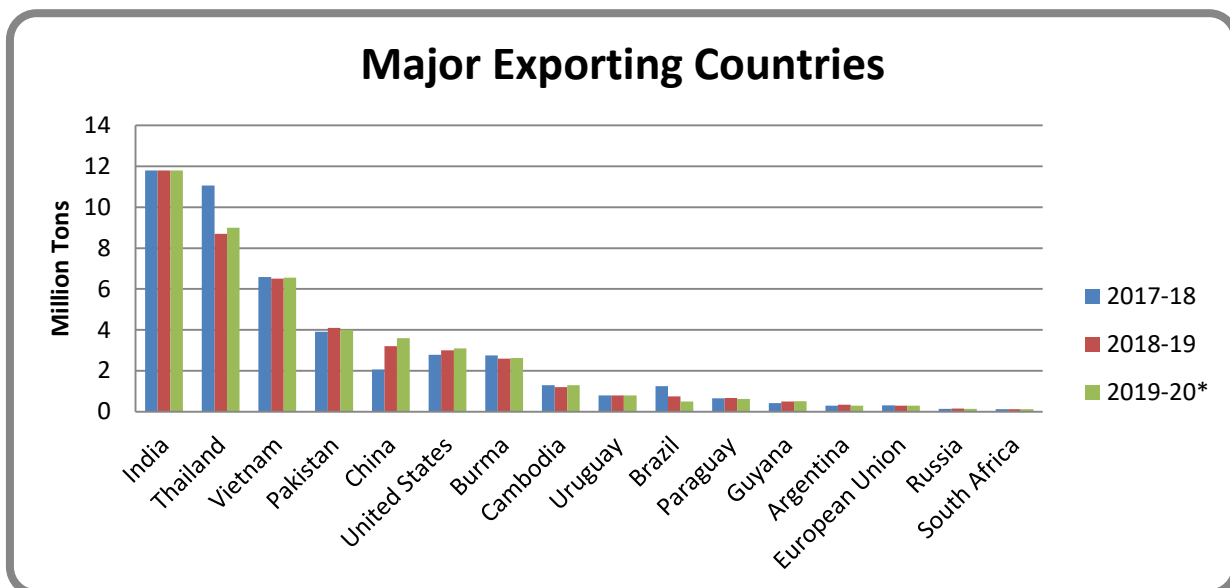


Source: United State Department of Agriculture

*Projections for 2019-20

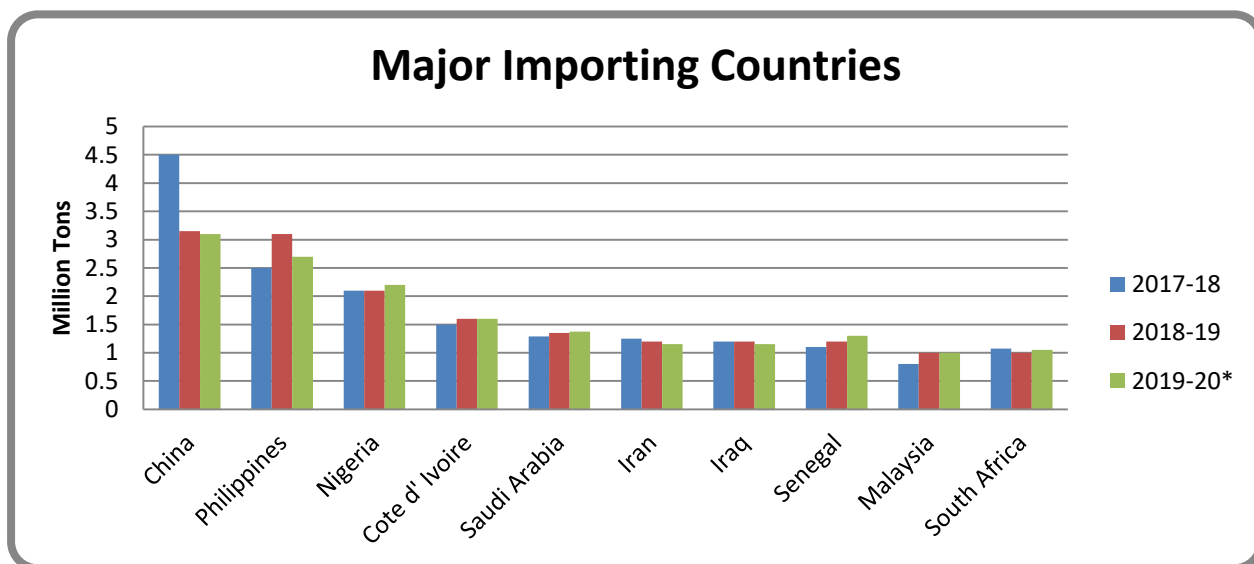
- China was the leading rice producer followed by India, Indonesia and Bangladesh in 2018-19. These countries continue to remain the top producers of Rice in the year 2019-20 as well.

5. Major Exporting and Importing Countries of Rice in the world



Source: USDA

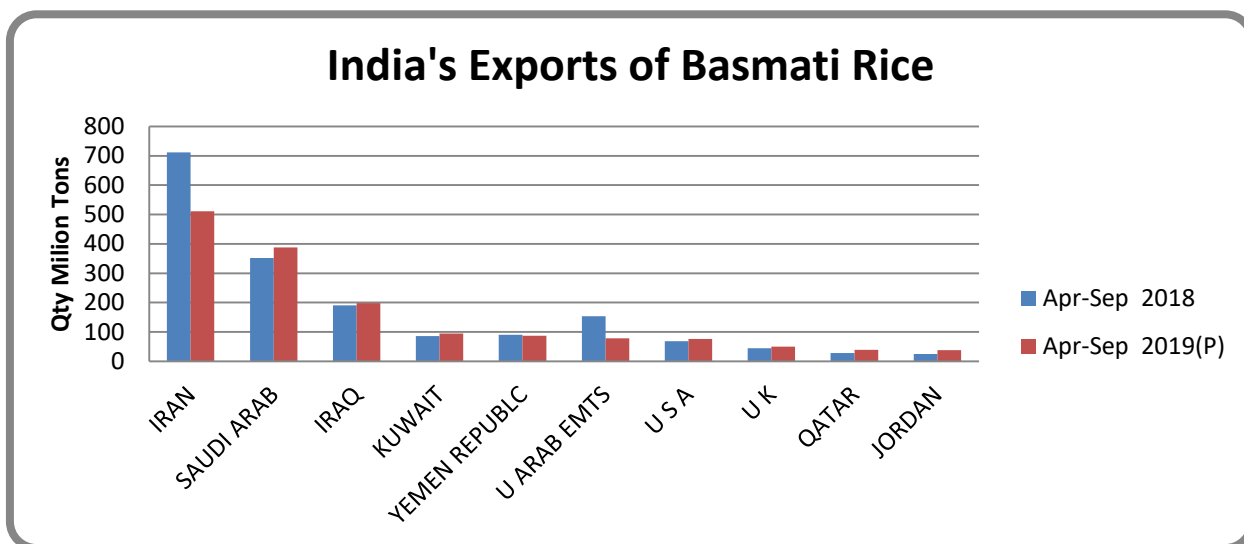
- India has been the largest exporter of rice over the years. Other major rice exporting countries are Thailand, Vietnam and Pakistan. Countries which witnessed higher growth in exports of rice in the year 2018 are Brazil (91%), China (48%), and Pakistan (15%). India registered 4.5% increase in exports of rice.



Source: USDA

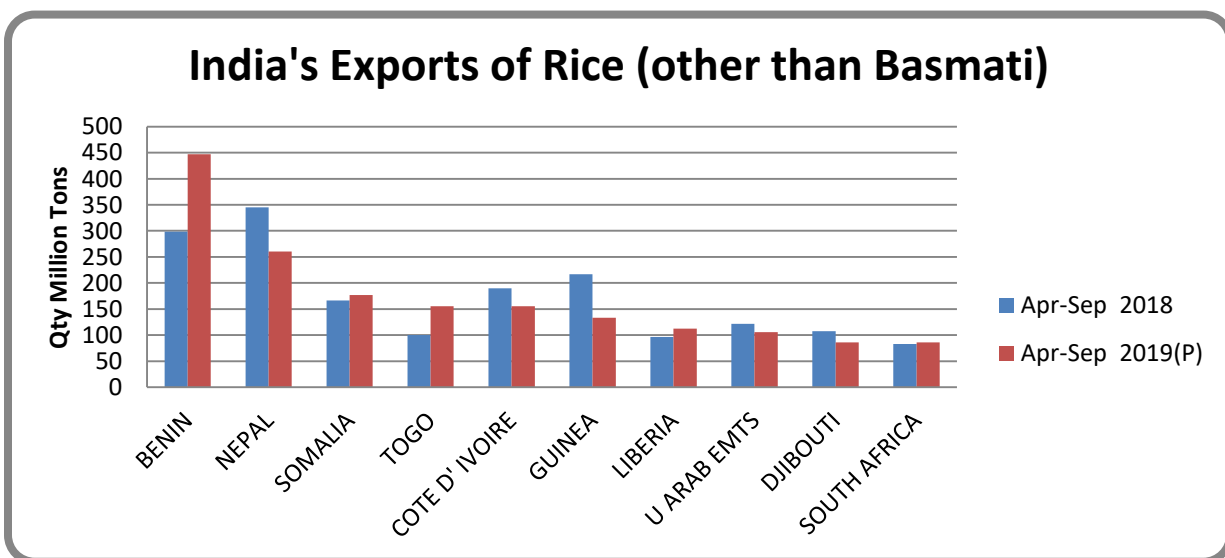
- Major Rice importing countries are China, Philippines, Nigeria, Cote d' Ivoire, Saudi Arabia etc.
- Rice imports by China have declined significantly in the last 3 years on account of abundant domestic supplies.
- Philippines is on its way in becoming the largest importer of rice following the government's decision to allow the unimpeded importation of the staple as a way to bring down prices.

6. India's Major Export Destinations for Basmati as well as Non-basmati Rice



Source: Department of Commerce

- 2018-19, Iran was the leading importing country for Basmati rice from India followed by Saudi and Iraq. In the period 2019-20 (Apr-Sep (P)), Iran, Saudi Arabia, Iraq and Kuwait remained the leading export destinations of Basmati Rice.



Source: Department of Commerce

- For Non Basmati Rice, during the 2019-20 (Apr-Sep (P)), Benin and Nepal remained the top exporting destination, a trend which continued from the previous year 2018-19.
- The exports of non basmati rice have declined in the 2019-20 (Apr-Sep (P)) on account of increased government procurement under MSP and significant slowdown of non-Basmati sales.

7. India's Trade Flow for Rice during 2011-12 to 2018-19

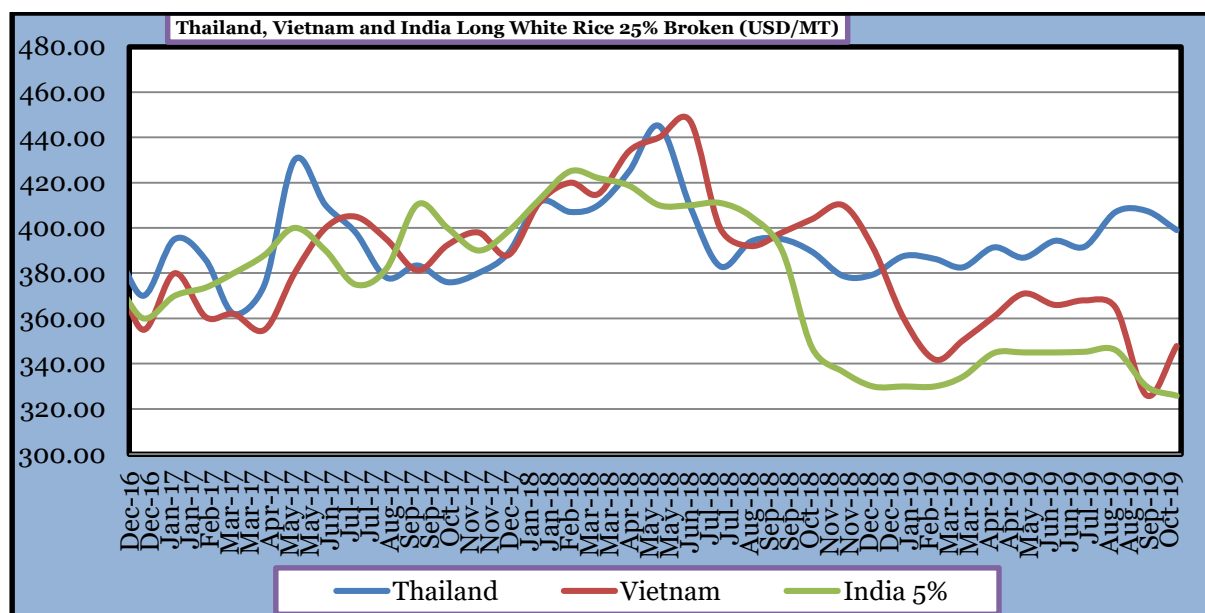
(Unit: Million Tonnes)

Year	Export		Import	
	Basmati	Non-basmati	Basmati	Non-basmati
2011-12	3.17	3.99	0.0	0.00
2012-13	3.46	6.69	0.0	0.00
2013-14	3.75	7.14	0.0	0.00
2014-15	3.70	8.30	0.0	0.00
2015-16	4.05	6.46	0.0	0.00
2016-17	3.99	6.77	0.0	0.00
2017-18	4.06	8.82	0.0	0.00
2018-19	4.41	7.65	0.0	0.01
2019-20 (Apr- Sep (P))	1.87	2.52	0.00	0.00

Source: Department of Commerce

- India exported substantial quantity of both Basmati as well as Non-basmati rice to the world during 2011-12 to 2018-19, and import in the same categories were insignificant during that period.

8. Domestic and International Price Movement for Long White Rice 25% Broken



Source: Oryza(A website on rice)

- Vietnam prices remain low but have increased over last month's quotes to \$348/ton.
- Indian quotes are down to \$362/ton, just below the steady \$370/ton for Pakistan.

9. Minimum Support Price (MSP) for Rice (Paddy) during 2015-16 to 2019-20

(Unit: Rs/ Quintal)

Rice Quality	2015-16	2016-17	2017-18	2018-19	2019-20
Common	1410	1470	1550	1750	1815
Grade 'A'	1450	1510	1590	1770	1835

Source: Commission for Agricultural Costs and Prices (CACP)

- MSP for both quality of Paddy has consistently increased during 2015-16 to 2019-20, to the extent of 28 percent in the last 5 years.

10.1 Rice arrivals in Major Domestic Mandis.

(Unit in Tonnes)

New MY 2018-19	Oct-19(Cumulative)	Sept-19(Cumulative)	July-18-Cumulative)	% Change(Over Previous Month)	% Change(Over Previous year)
Burdwan	630440.99	582235.99	387817.84	8.28	62.56
Midnapore	107457.54	22155.54	39136.14	385.01	174.57
Banaganapalli	119210.5	109208.5	71847.45	9.16	65.92
Ramachandrapuram	81364.05	72379.05	29793.5	12.41	173.09
Devariya	908954.73	119392.73	63052.65	661.31	1341.58
Sitapur	92476.98	83581.98	140834.14	10.64	-34.34
Mysore	485119.78	386363.78	347075.46	25.56	39.77
Raichur	512829.83	437177.83	297606.15	17.30	72.32

Source: Agmarknet

- The figure for rice arrivals in major mandis shows that Midnapore and Burdwan were leading in October, 2019.

10.2 Price Movement for Rice in Major Domestic Mandis

(Unit: Rs/Quintal)

in Rs./QtlMandi	Prices Oct-2019	Prices Sept-2019	Prices Jul-2018	% Change(Over Previous Month)	% Change(Over Previous year)
Burdwan	2550	2600	2660.82	-1.92	-4.16
Midnapore	2600	2605.83	2748.43	-0.22	-5.40
Banaganapalli	4220	4205	4135.29	0.36	2.05
Ramachandrapuram	4210	4440	4420	-5.18	-4.75
Devariya	2560	2400	2352.94	6.67	8.80
Sitapur	2355	2300	2336.55	2.39	0.79
Mysore	4120	4080	4180.43	0.98	-1.45
Raichur	2400	2020	2111.24	18.81	13.68

Source: Agmarknet

- Domestic price movement in major mandis in India indicate steady to firm in price in Aug, 2019 over the same period of the previous year.

11. Future Prices for Rice

(Unit: US\$/Tonnes)

Table 7 : Future prices for Rice						
Contract	06.10.2019	week ago (28.09.2019)	month ago(06-Sept)	3 month ago (06-Jul)	6 month ago(06-Apr)	% Change over 6 months
Nov-2019	250.00	250.00	257.72	246.92	234.79	6.48
Jan-2020	256.39	261.02	263.89	253.53	236.77	8.29
Mar-2020	259.92	265.65	267.86	257.94	238.10	9.17
May-2020	262.13	267.20	270.72	261.47	238.10	10.09

Source: Chicago Board of Trade(CBOT)

- Futures prices for rice are expected to increase over the previous year as shown in Table 7

12. Trade Policy

12.1 Export Policy: Export of rice (except seed quality and other rice in husk) is free, subject to condition circulated by DGFT.*

12.2 Import Policy: Import of seeds is restricted. However, the import of rice for human consumption is permitted through State Trading Enterprises.

Exim Code	Item Description	Policy	Bound Duty	Standard Duty
1006 10 10	Of Seed Quality	<i>Restricted</i>	80	80
1006 10 90	Other	<i>Import allowed through FCI</i>	80	80
1006 20 00	Husked (brown) Rice		80	80
1006 30 10	Rice, parboiled		70	70
1006 30 20	Basmati rice		70	70
1006 30 90	Other		70	70
1006 40 00	Broken rice		80	80

Source: Directorate General of Foreign Trade (DGFT), Department of Revenue and World Trade Organization (WTO)

*The export of rice of seed quality and other rice in husk (paddy) was placed in Restricted category vide DGFT's notification no. 23/2015-20 dated 7th October 2015

13. Signification Changes for the Month:

- **The price of Pusa 1121 basmati paddy in Amritsar remained steady due to low demand as rice millers are awaiting** the arrivals of the new crop to start in full swing.
- **The November 1121 basmati paddy futures contract on the Indian Commodity Exchange fell 2.9% to 3,395 rupees per 100 kg.** Over 8 lakh tonnes of paddy expected to arrive in market in Nizamabad. A record quantity of 8.6 lakh tonnes of paddy is expected to arrive in the market, of which the authorities have set a target of purchasing at least 7.20 lakh tonnes through over 300 procurement centres in the district.
- **About 53.8 LMT paddy purchased in Punjab. Government agencies and private millers have procured 53,84,057 tonne** paddy in the state till October 22, while Rs 4695.65 crore has been transferred to the accounts of arhtiyas/farmers by the government, allowing MSP benefits to 3,50,389 farmers. The government agencies have reportedly procured 53, 11,251 tonne paddy, while 72,806 tonne has been procured by millers. PUNGRAIN has procured 21,27,342 tonne,

MARKFED 13,96,610 tonne, PUNSUP 10,42,971 tonne and the Punjab State Warehousing Corporation 6,60,686 tonne. The FCI has procured 83,642 tonne paddy.

- **No paddy purchases for four days, glut in Karnalmandis. Hundreds of paddy farmers of the district are worried as their** produce has not being procured for the past four days, leading to glut in grain markets of the district. About 55,000 MT of paddy is lying unattended, harboring resentment among farmers and arhtiyas. They requested the authorities to resume procurement. The next two days were holidays. The produce was not lifted on Tuesday and Wednesday. The procurement agencies have purchased 13.75 lakh MT of paddy, surpassing the target of 13.5 lakh MT. We have informed the authorities about the glut in the grain markets and requested them to revise the target.
- **With a drop in prices of basmati variety Pusa 1121, farmers have started stocking their produce. They are** hopeful that the prices of the paddy variety will increase in the near future. The variety is fetching a price between Rs 2,500 and Rs 2,800 in the Karnal grain market, between Rs 2,400 and Rs 2,700 in the Nigdhu grain market, between Rs 2,600 and Rs 2,850 in the Taraori grain market and between Rs 2,500 and Rs 2,850 in the Gharaunda grain market. The prices are almost the same in almost all grain markets of the district. During last year, the variety fetched prices between Rs 3,200 and Rs 3,700 in various grain markets of the district.
- **In India, prices of the 5 percent broken parboiled were unchanged from last week at \$368-\$372 per tonne.** Trading was negligible due to the Diwali festival. New season supplies have also been delayed due to recent rainfall. Prices had recovered from a four-month low on a stronger rupee last week. Many rice growing states had rainfall in the last few days, damaging paddy crops ready for harvesting.
- **The central government has set a target of procuring 416 lakh tons of rice for the marketing season** (October-September) of 2019-20, out of which 113.11 lakh tons has been procured. Punjab government paddy procurement is highest with 72 lakh tons, followed by Haryana with 38 lakh tons, and Uttrakhand 1.16 lakh tons. Paddy procurement in south will take pace form December onwards.

Disclaimer: The information and opinions contained in the document have been compiled from various sources believed to be reliable. This Department will not be liable for any losses and damages in connection with the uses of the information provided in the commodity profile.