

Rice Monthly Research Report

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Outlook and Review (Domestic Front)

- Price: Average monthly wholesale monthly rice prices in India stood at around Rs.3317 per quintal in March-2021, up by 5.87% from Rs.3256 per quintal in January-2021 and up by 6.40% from Rs.3115 per quintal a year ago.
- Telangana government to buy entire paddy produced during Rabi season: All the paddy produced during Yasangi (Rabi) season will be procured by the State government through 6,408 purchasing centres, as it was done during the intense COVID-19 pandemic last year. Purchasing centres will operate in villages this year as well. For purchasing the entire Rabi paddy, the State government will give a counter guarantee to the Civil Supplies Corporation for taking a loan of Rs 20,000 crore.
- Kharif Sowing: Kharif paddy sowing has just begun in some states of North-East India and as on 05th April, 2021 paddy area is reported reached to 71,526 hectares which is up by 31.33% from last year same period area of 54,444 hectares.
- Centre paddy procurement for Kharif 2020-21 is continuing smoothly with purchase of over 688.02 LMTs. This is an increase of 13.54 % against last year corresponding purchase of 605.94 LMT. Out of the total purchase of 688.02 LMT, Punjab alone has contributed 202.82 LMT which is 29.47% of total procurement.
- After record exports of around 12 million tonnes (mt) of non-basmati rice during 2020-21, exporters are confident of sustaining the trend this fiscal. However, exporters see a slower start to the shipments in current fiscal as buyers have turned cautious over the sharp increase in freight rates. 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.
- Rice 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 05.04.2021. Out of the total purchase of 466.92 LMT, Punjab alone has contributed 135.89 LMT.

Weather Watch:

All-India level rainfall during the week, 18 February 2021 to 24 February 2021, has been 54% lower than the Long Period Average (LPA). Among the four broad geographical divisions of the country, against the LPA the rainfall has been:

- Higher by 275% in South Peninsula,
- Higher by 74% in Central India,
- Lower by 97% in North West India,
- Lower by 97% in East & North East India.

Price Projection for Next Month (April) in Domestic Market

Duration April - 2021	Trend Steady to Firm	Average Price Range Rs.3300-3800/Quintal	Reason Expected strong export demand, rice price is likely to move up in coming month.
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Rabi Paddy Sowing Updates

Area Sown Reported in Lakh Hectares			
State	Normal Area	This Year	Last Year
Andhra Pradesh	6.86	6.74	6.82
Assam	4.06	1.43	1.33
Chhattisgarh	0.75	0.84	0.54
Karnataka	1.92	0.08	0.08
Kerala	0.44	0.78	0.67
Odisha	2.51	1	0.69
Tamil Nadu	1.52	10.51	10.42
Telangana	6.49	11.31	7.33
Uttar Pradesh	0.27	0	0
West Bengal	12.85	2.52	2.1
Others	4.12	6.95	4.85
All-India	41.78	35.23	30.2

Source: Agricoop (As on January 29, 2021)

With favorable weather condition rabi paddy sowing is running smoothly. Farmers have planted 29.94 lakh hectares area so far against 25.99 lakh hectares same period last year. Except Tamil nadu and Assam acreage under paddy is up in all major rabi growing states.

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
	12-Apr-21	05-Apr-21	12-Mar-21	10-Apr-20			
1121 Steam	6200	6000	5950	Closed	3.33	4.20	#VALUE!
1121 Sella	5200	5050	5100	Closed	2.97	1.96	#VALUE!
1121 Raw	6200	5950	6100	Closed	4.20	1.64	#VALUE!
Basmati Raw	10400	10400	9400	Closed	0.00	10.64	#VALUE!
1509 Steam Wand New	5700	5800	5500	Closed	-1.72	3.64	#VALUE!
Sugandh Steam	4900	5100	4800	Closed	-3.92	2.08	#VALUE!
Sharbati Raw	4600	4800	4300	Closed	-4.17	6.98	#VALUE!
Pusa Raw Wand	5700	5800	5700	Closed	-1.72	0.00	#VALUE!
Parmal Sella	3300	3100	3150	Closed	6.45	4.76	#VALUE!

Source-Agriwatch

Rice Supply & Demand for MY-2020-21

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Particulars	2017-18	2018-19	2019-20	2020-21*
Opening Stock	17.33	19.13	25.63	27.75
Production	112	116	117	119
Imports	0	0	0	0
Total Supply	129.33	135.13	142.63	146.75
Exports	11.8	10.5	10.44	12
Consumption	98.4	99	104.06	104.04
Total use	110.2	109.5	114.5	116.04
Ending Stock	19.13	25.63	28.13	30.71
Stock-to-Use ratio	17.36%	23.41%	24.57%	26.47%

*AW Forecast (Preliminary)

Rice Production Estimates: Rice production estimate is raised to 119 Million tons, based on higher planting and expectation of higher- yields of Kharif rice in India's northern and southern producing states. Field reports suggest that excellent monsoon rains supported the higher planting and improved yield prospects for Kharif rice in MY-2020-21, compared to last year. However, if weather is not conducive at the time of harvest, projections for Kharif production may change.

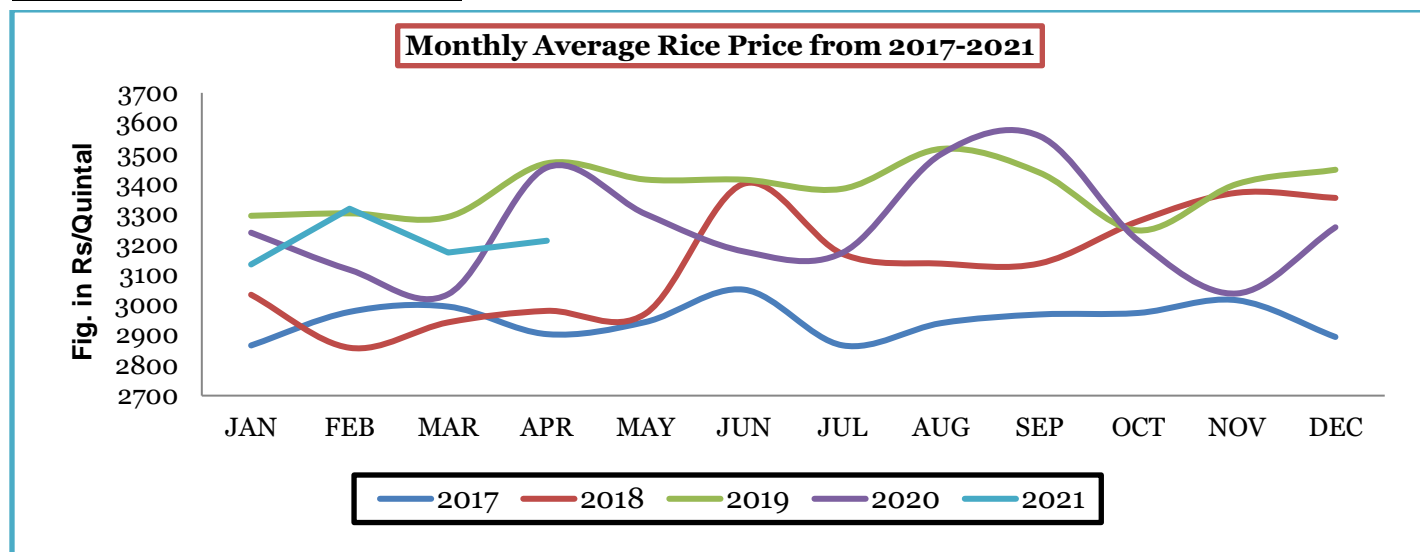
State wise Wholesale Prices Monthly Analysis for Rice March, 2021

State	Prices March, 2021	Prices Febrary, 2021	Prices March, 2020	% Change(Over Previous Month)	% Change(Over Previous Year)
Gujarat	4320.14	4143.45	4028.49	4.26	7.24
Jharkhand	2391.07	2385.17		0.25	---
Karnataka	3821.13	3842.58	3502.09	-0.56	9.11
Kerala	3465.95	3444.06	3493.53	0.64	-0.79
Maharashtra	3749.53	3694.61	4426.73	1.49	-15.3
Manipur		4469.14		---	---
Odisha	2864.74	3018.92	2724.12	-5.11	5.16
Tripura	2937.08	2914.22	2983.34	0.78	-1.55
Uttar Pradesh	2444.76	2427.18	2499.54	0.72	-2.19
Uttrakhand			2240.68	---	---
West Bengal	2839.22	2835.2	2810.95	0.14	1.01
Average	3203.74	3317.45	3189.94		

Source-Agmarknet

Prices in Rs/Quintal

Average monthly wholesale monthly rice prices in India stood at around Rs.3203 per quintal in March- 2021, down by 3.42% from Rs.3317 per quintal in February-2020 and up by 0.43% from Rs.3198 per quintal a year ago.

Monthly Average Rice Price Trend


Source-Agmarknet

Month-wise Rice Stock in Central Pool

Year	Jan	Feb	Mar	Apr	May	June	July	Aug	Sept	Oct	Nov	Dec
2016	12.69	16.24	19.42	22.16	21.32	20.79	19.41	18.01	16.53	14.47	12.52	11.06
2017	13.48	17.03	20.41	23.08	22.83	22.10	21.04	19.86	18.18	16.31	14.03	13.13
2018	16.20	19.89	23.27	24.87	25.36	24.27	23.25	21.85	20.57	18.63	16.25	14.78
2019	18.29	22.79	26.39	29.39	29.05	27.58	28.42	27.53	26.14	24.91	23.105	21.27
2020	23.71	27.45	30.97	32.23	28.50	27.44	27.17	25.34	22.19	19.30	16.79	14.54
2021	18.66	24.36	28.23	29.11								

Source-FCI

Fueled by record procurement, government rice stocks on April 1, 2021, were estimated at 50.4 MMT compared to 44.8 MMT at the same time last year, and four times the government's peak buffer stocks (13.5 MMT on April 1). Assuming higher monthly offtake in the remaining marketing season, MY 2020-2021 government ending stocks are estimated at 29.11 MMT, and private stocks at 3.5 million metric tons. There is no published data on privately held rice stocks, but these reportedly range of 2.0 to 4.0 MMT, depending on the market situation.

State-wise Progressive Procurement As on 05.04.2021

State	In Marketing season 2020-21	In MY season 2019-20
Andhra Pradesh	30.49	28.86
Telangana	32.67	31.55
Bihar	23.40	4.20
Chhattisgarh	39.76	51.85
Haryana	37.60	43.07
Kerala	2.62	1.42

<i>Madhya Pradesh</i>	<i>24.97</i>	<i>17.40</i>
<i>Maharashtra</i>	<i>6.28</i>	<i>5.13</i>
<i>Odisha</i>	<i>39.98</i>	<i>31.63</i>
<i>Punjab</i>	<i>135.89</i>	<i>108.76</i>
<i>Tamil Nadu</i>	<i>13.53</i>	<i>7.37</i>
<i>Uttar Pradesh</i>	<i>44.78</i>	<i>34.22</i>
<i>Uttarakhand</i>	<i>6.79</i>	<i>6.27</i>
<i>West Bengal</i>	<i>10.76</i>	<i>12.68</i>
<i>All-India</i>	<i>466.92</i>	<i>392.40</i>

Source-FCI

As on 05th April 2021, during KMS 2020-21, Progressive Procurement of Rice was 466.92 lakh MT as compared to 392.40 lakh MT during corresponding period of KMS 2019-20.

Rice Export Statistics

MY-2019-20	Non-Basmati	Basmati	Total Export 2019-20	MY-2020-21	Non-Basmati	Basmati	Total Export 2020-21
October-19	2.99	1.86	4.85	October-20	10.44	3.57	14.01
November-19	3.44	3.06	6.5	November-20	9.01	3.02	12.03
December-19	4.22	4.7	8.92	December-20	11.96	3.36	15.32
January-20	4.52	4.56	9.08	January-21	12.4	3.8	16.2
February-20	5.4	5.37	10.77	February-21	16.16	3.91	20.07
March-20	4.8	6.18	10.98	March-21			
April-20	4.28	4.21	8.49	April-21			
May-20	6.83	4.54	11.37	May-21			
June-20	8.15	4.09	12.24	June-21			
July-20	10.71	3.96	14.67	July-21			
August-20	9.42	3.53	12.95	August-21			
September-20	11.37	3.52	14.89	September-21			
Total	76.13	49.58	125.71	Total	59.97	17.66	77.63

India has become the world's leading rice exporter following the government's 2011 removal of its export ban on coarse rice. Rice exports in MY 2020-2021 are estimated at a record 15.5 MMT (11.5 MMT coarse rice and 4 MMT Basmati rice), an increase of 24 percent over the previous year. MY 2020-2021 rice exports during October 2020 to February 2021 are pegged at 7.7 MMT, compared to 4.01 MMT during the same period last year, largely on strong exports of coarse grain rice to the traditional Middle East and African markets.

International Market:

- According to the Minister of Agriculture, 51 Cambodian exporters exported rice to 41 countries around the world during the period under review. It consists of 19 European Union countries, China, three ASEAN countries, and 18 other countries. China was the country's largest buyer, importing over 85 thousand tonnes of rice, accounting for 55.55 percent of Cambodia's total rice exports.
- The European Union received 35 thousand tons of rice, ASEAN countries received 12 thousand tons, and 18 other countries received 21 thousand tons of rice. In 2019, China increased its annual rice import quota from Cambodia to 4 lakh tonnes.
- According to exporters, the cost of exporting rice in 20-foot containers has risen to \$ 4-5 thousand, up from \$ 800/1000 at the end of 2020. Last year, Cambodia exported 6.91 lakh tonnes of rice, generating \$ 53.90 million in revenue. This year's export was 11.40 percent higher than the previous year.
- Myanmar was expected to trigger some challenges to India in the global rice export market, but there has been tension since the February military takeover, making rice export shipments difficult. Since then, there has been an atmosphere of instability, making rice export shipments difficult. Total rice exports from India (normal + basmati) are expected to reach a new high of 150-160 lakh tonnes in the 2020-21 fiscal year (April-March).

IGC Balance Sheet:

Attributes (Fig in Million Tons)	2017-18	2018-19	2019-20 Est.	25.02.2021	25.03.2021
Production	494	498	497	504	510
Trade	46	43	42	46	46
Consumption	485	487	495	502	507
Carryover stocks	165	175	177	176	177
Y-O-Y change	9	10	2		3
Major Exporters	32	39	44	39	41

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

Reflecting bigger crops in exporters, global rice production in 2020/21 is forecast 1% higher y/y, at a peak of 504m t. Including an expansion of feed use, uptake in China is seen edging up as world consumption rises further, while inventories are expected to be little-changed y/y. With firmer buying from importers in Asia and Africa, trade is anticipated to rise by 4% y/y in 2021. Outlooks for 2021/22 remain tentative, yet bigger sowings in Asia could boost global production, with total use and stocks also projected at new peaks. Trade in 2022 is predicted to stay high on African demand.

Indicative Basmati Parity Sheet

Parity Calculation Sheet	Rajkot (Kandla)	Andhra Pradesh(Vizag)	Punjab(Kandla)	Haryana(kandla)	West Bengal(Kolkata)
Price @ various center	65000	65000	62000	62000	64500
Port handling charges /Loading/Unloading /Clearing (Rs/ton)	330	330	330	330	330
Freight Charges till port	2000	2000	2000	2000	2000
Indian FOB (Rs/MT)	67330	67330	64330	64330	66830
Indian FOB (USD/MT)	920.69	920.69	879.67	879.67	913.85
Insurance @ 0.1%	0.92	0.92	0.88	0.88	0.91
Freight Charges (US \$/ton) to Dubai	50	50	50	50	50
CIF (Kandla to Dubai)	971.61	971.61	930.55	930.55	964.77
INR Monthly Average	73.13	73.13	73.13	73.13	73.13

Source-Agriwatch Trade Source

Rice Price Trend – CBOT@ CBOT May - 21, Rough Rice)
(Prices in US\$/hundredweight)

Market Analysis

The **CBOT May-21** month rough chart for rice indicates range bound tone from last month. We expect market to hover in the range of USD 12.00-14.20 hundred weights in coming sessions.

International Price Projection for Next Month:

Duration	Trend	Support	Resistance
April-2021	Steady	S1-11.80	R1-14.20
		S2-11.00	R2-14.40

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