Rice Monthly Research Report

Contents

Outlook and Review (Domestic Front)

- **Price:** Average monthly wholesale rice prices in India stood at around Rs.3258 per quintal in April- 2021, up by 2% from Rs.3203 per quintal in March-2021 and down by 9% from Rs.3516 per quintal a year ago.
- India's MY 2020-21 domestic rice prices are staying subdued, thanks to the government offloading significant amounts of subsidized rice, which contains potential price increases. Market prices during the rest of MY 2020-2021 (till September) are expected to remain stable amidst expected good rabi harvest and good export demand.
- **Procurement:** As on 09 April 2021, during KMS 2020-21, Progressive Procurement of Rice was 498.61 lakh MT as compared to 519.97 lakh MT by the end of KMS 2019-20. Procurement of Unmilled paddy as on date is recorded at 742.27 lakh tonnes which was 773.45 lakh tonnes at the end of the last year KSM 2019-20.
- **Stock Position in Central Pool:** India's rice stock in the central pool as on May 1, 2021 stood at 30.48 million tons- up by 7% from 28.50 million tons recorded during the corresponding period last year, according to data from Food Corporation of India (FCI). India's Unmilled paddy stocks in the central pool are 26.22 million tones recorded on May-01, 2021 up by 12% by from 23.42 million tons recorded during the corresponding period last year.
- **Non Basmati Exports**: India has witnessed significant growth of 132% in export of Non-Basmati Rice. Export of Non-Basmati Rice has gone up from Rs 13,030 crore in 2019-20 (April'20 to March'21) to Rs 30,277 crore in 2020-21. This increase in exports is on account of multiple factors, mainly being India capturing new markets namely, Timor-Leste, Papua New Guinea, Brazil, Chile, and Puerto Rico. Exports are also made to Togo, Senegal, Malaysia, Madagascar, Iraq, Bangladesh, Mozambique, Vietnam, Tanzania Rep and Madagascar.
- **Basmati Exports:** A total of around 46.32 lakh tonnes of basmati rice has been exported from the country during the entire period (April-March) of FY 2020-21, which is significantly higher than the 44.55 lakh tonnes shipments for FY 2019-20. However, data from APEDA showed that Basmati rice export income declined 3.8 percent to Rs 29849 crore in Indian currency from Rs 31026 crore in the fiscal year 2020-21.
- Under PMGKAY-III, more than 1 lakh tons of food grains have been distributed in 12 states and union territories so far. From 1 April 2020 to 31 March 2021, the government distributed 928.77 lakh tonnes of grain (wheat 363.89, rice 564.88) under PMGKAY. Under this scheme, 15.55 lakh tonnes of food grains were raised from FCI in various states till 10 May 2021.

Weather Watch:

All-India level rainfall during the week, 18 February 2021 to 24 April 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 (March) in Domestic Market

Duration	Trend	Average Price Range	Reason
March - 2021	**Steady**	**Rs.3300-3800/Quintal**	Expected strong market arrivals from March onward, after the onset of harvested rabi rice, are likely to keep prices under pressure over the coming months despite the continued strong export offtakes.

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 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
	06-May-21	26-Apr-21	03-Apr-21	04-May-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**

Source-Agriwatch

Rice Supply & Demand for MY-2020-21 ***(Back to Contents)***

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 119Million 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.

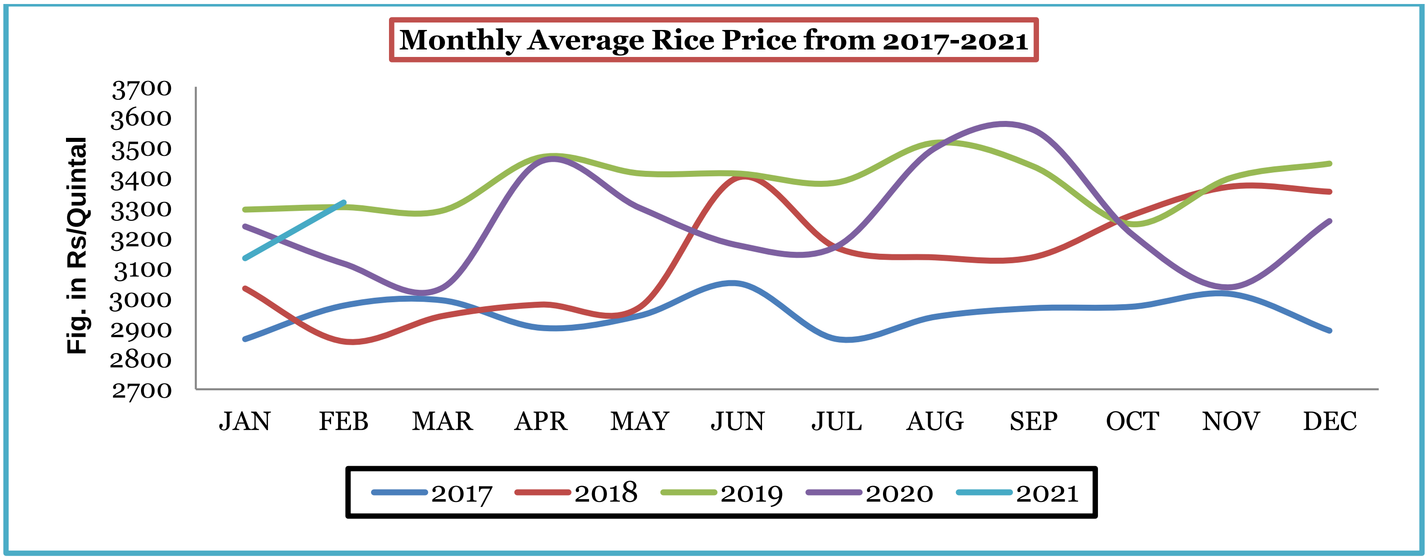
State wise Wholesale Prices Monthly Analysis for Rice February, 2021

State	Prices February, 2021	Prices January, 2021	Prices February, 2020	% Change (Over Previous Month)	% Change (Over Previous Year)
Gujarat	4143.45	3917.29	3640.33	5.77	13.82
Jharkhand	2385.17	2345.45		1.69	__
Karnataka	3841.61	3529.77	3750.14	8.83	2.44
Kerala	3444.06	3481.87	3486.38	-1.09	-1.21
Maharashtra	3694.92	4160.03	3852.5	-11.18	-4.09
Manipur	4469.14			__	__
Odisha	3018.92	2762.75	2964.23	9.27	1.84
Tripura	2914.22	2908.15	3004.14	0.21	-2.99
Uttar Pradesh	2427.18	2386.87	2502.58	1.69	-3.01
West Bengal	2835.2	2704.26	2832.12	4.84	0.11
Average	3317.39	3132.94	3137.94		

Source-Agmarknet Prices in Rs/Quintal

Average monthly wholesale monthly rice prices in India stood at around Rs.3133 per quintal in January- 2021, down by 3.76% from Rs.3256 per quintal in December-2020 and down by 3.23% from Rs.3238 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										

Source-FCI

On 1 February, FCI had a stock of 24.36 lakh tonnes of rice in central pool while buffer norms of 7.6 million tonnes. To reduce the stock, the government approved the purchase of rice for ethanol but distillers retreated due to the current prices. It was believed that about 100 lakh tonnes of rice stock would be reduced from the central pool. The ethanol manufacturers were given a purchase price of Rs 2000 per quintal by the centre. The cost price of rice purchased in 2020-21 has been 2727 rupees, which FCI wanted to sell on 2000. FCI is not willing to sell below 2000 price but this price seems to be high to distiller.

State-wise Progressive Procurement As on 05.03.2021

State	In Marketing season 2020-21	In MY season 2019-20
Andhra Pradesh	*27.41*	*28.86*
Telangana	*32.67*	*31.55*
Bihar	*23.40*	*4.20*
Chhattisgarh	*39.76*	*51.85*

Haryana	*37.60*	*43.07*
Kerala	*1.58*	*1.42*
Madhya Pradesh	*24.97*	*17.40*
Maharashtra	*6.28*	*5.13*
Odisha	*39.98*	*31.63*
Punjab	*135.89*	*108.76*
Tamil Nadu	*13.53*	*7.37*
Uttar Pradesh	*44.78*	*34.22*
Uttarakhand	*6.79*	*6.27*
West Bengal	*10.73*	*8.38*
All-India	***450.20***	***381.40***

Source-FCI

As on 05th March 2021, during KMS 2020-21, Progressive Procurement of Rice was 450.30 lakh MT as compared to 381.40 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**			
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**	**43.81**	**13.75**	**57.56**

Based on the latest Indian official trade data available from Trade Data Monitor and the Directorate General of Commercial Intelligence, the MY 2019-2020 rice export estimate is marginally raised to a record 12.6 MMT, and CY 2020 exports increased to a record of 14.7 MMT on strong exports continuing since the beginning of CY 2020 based on competitively priced Indian rice outcompeting other origins. Assuming the current price parity for Indian rice in the international market, MY 2020/21 rice exports is forecast to reach 14 MMT on sufficient domestic supplies.

International Market:

- 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.
- 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.
- 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.

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

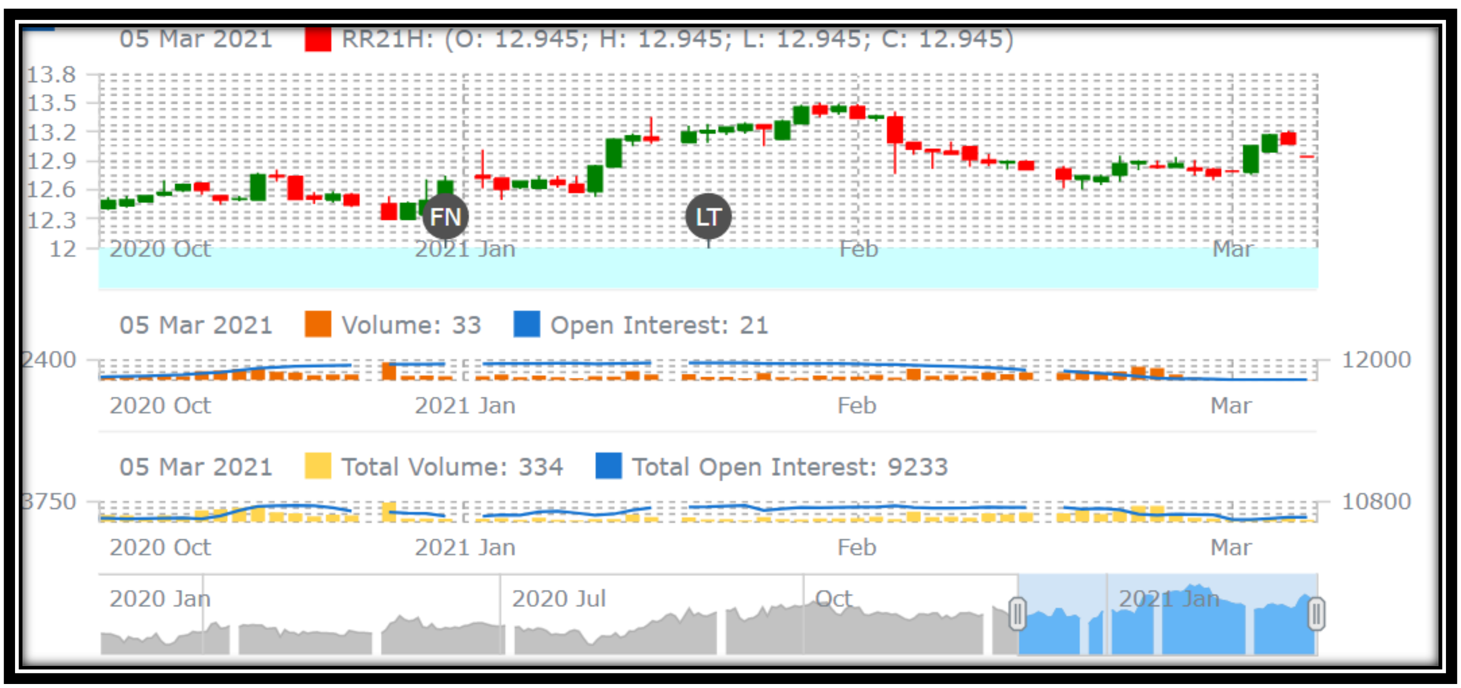
Global **rice** output is tentatively expected at a new peak on bigger outturns in Asian producers, including India and China. Consumption is also forecast to trend higher on population growth, albeit with uptake in India potentially declining due to the conclusion of COVID-19-related food security schemes. 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.

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 March- 21, Rough Rice)**
(Prices in US$/hundredweight)



Market Analysis

The CBOT March-21 month rough chart for rice indicates range bound to firm tone from last month. We expect market to hover in the range of USD 11.80.80-14.20 hundred weights in coming sessions.

International Price Projection for Next Month:

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