

# Rice Monthly Research Report

---

## Contents

Outlook and Review  
Weather Watch  
Price Estimate  
Sowing Updates  
Comparative Price  
Balance Sheet  
Basmati Production Estimates  
Monthly Price Analysis  
Price Trend  
Monthly Stock & Procurement  
Export Statics  
Monthly Rice Export Destination wise  
Monthly Basmati Export vs. FoB  
Technical Analysis of 1121 Steam Rice  
Outlook  
International Rice Market Summary  
IGC  
Parity Sheet  
FOB of 1121 Steam Rice  
CBOT Trend

***Outlook and Review (Domestic Front)***

- **Price:** Average monthly wholesale rice prices in India stood at around Rs.3332 per quintal in May- 2021, up by 3% from Rs.3240 per quintal in March-2021 and up by 2% from Rs.3276 per quintal a year ago.
- India's MY 2020-21 domestic rice prices have stayed steady thanks to the government distributing free rice under PMGKAY, which subdues potential price increases. Market prices during the rest of MY 2020-2021 (till September) will remain stable on expected good rabi harvest but may be affected by export demand and international price movements.
- **Procurement:** As on 15 June 2021, during KMS 2020-21, progressive procurement of Rice was 561.03 lakh MT as compared to 519.97 lakh MT during the same period of KMS 2019-20. Procurement of Unmilled paddy as on date is recorded at 835.17 lakh tonnes which was 773.45 lakh tonnes last year.
- **Stock Position in central Pool:** India's rice stock in the central pool as on June 1, 2021 stood at 29.92 million tons-up by 8.28% from 27.44 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 28.69 million tones recorded on June-01, 2021 up by 27% by from 20.89 million tons recorded during the corresponding period last year.

**Export Scenario:**

- The 2021 rice export forecast for India has been raised to 17.0 million tons, which would be a new record. This quantity would also be nearly three times of Vietnam's exports, which would be the next largest exporter. 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.
- India hit's a new monthly export record in March- of nearly 2.5 million tons, resulting in over 6 million tons shipped in the first quarter of 2021. India's export growth has been a result of stronger demand from its neighbors and from countries in Sub-Saharan Africa, as well as the emergence of new buyers such as China and Vietnam.
- 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 on competitive prices. In addition, China recently granted India access for non-basmati rice. China began importing rice from India for the first time in decades, reaching nearly 300,000 tons in the first quarter. In the same period, India even exported nearly 250,000 tons to Vietnam, the world's second largest rice supplier.
- India has increased export capacity by using deep water ports where exporters can take advantage of shipping in bulk. For 2022, India is forecast to have abundant supplies while its exports are expected to decline moderately to 15.5 million tons, mostly on lower demand from Bangladesh.

**Weather Watch:**

All-India level rainfall during the week, 18 February 2021 to 24 May 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 (June) in Domestic Market**

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

**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
	01 June-May-21	26-May-21	01-May-21	01 Jun-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

[\(Back to Contents\)](#)

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 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.

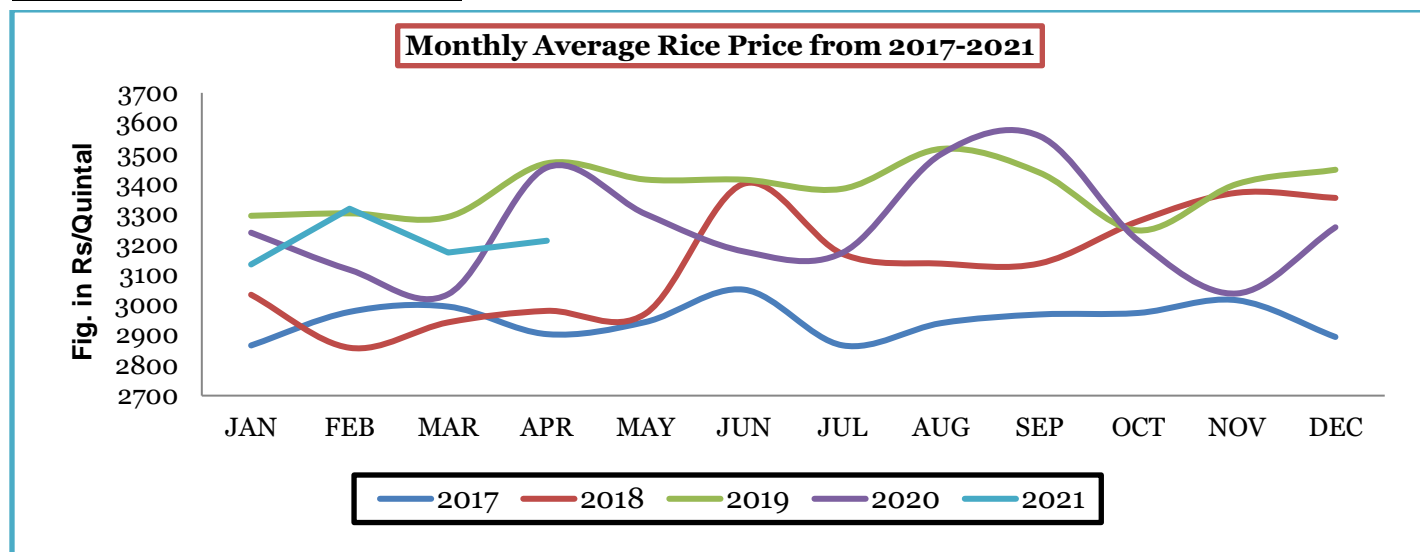
**State wise Wholesale Prices Monthly Analysis for Rice May, 2021**

State	Prices May, 2021	Prices April, 2021	Prices May, 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**

	2016	2017	2018	2019	2020	2021
Jan	12.69	13.48	16.2	18.29	23.71	18.66
Feb	16.24	17.03	19.89	22.79	27.45	24.36
Mar	19.42	20.41	23.27	26.39	30.97	28.23
Apr	22.16	23.08	24.87	29.39	32.23	29.11
May	21.32	22.83	25.36	29.05	28.5	30.48
June	20.79	22.1	24.27	27.58	27.44	29.92
July	19.41	21.04	23.25	28.42	27.17	
Aug	18.01	19.86	21.85	27.53	25.34	
Sept	16.53	18.18	20.57	26.14	22.19	
Oct	14.47	16.31	18.63	24.91	19.30	
Nov	12.52	14.03	16.25	23.1	16.79	
Dec	11.06	13.13	14.78	21.27	14.54	

Source-FCI

Fueled by record procurement, government rice stocks on Jun 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 05.05.2021

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
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	10.76	12.68
All-India	466.92	392.40

Source-FCI

As on 05<sup>th</sup> 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
<b>Indian FOB (USD/MT)</b>	<b>920.69</b>	<b>920.69</b>	<b>879.67</b>	<b>879.67</b>	<b>913.85</b>
Insurance @ 0.1%	0.92	0.92	0.88	0.88	0.91
Freight Charges (US \$/ton) to Dubai	50	50	50	50	50
<b>CIF (Kandla to Dubai)</b>	<b>971.61</b>	<b>971.61</b>	<b>930.55</b>	<b>930.55</b>	<b>964.77</b>
INR Monthly Average	73.13	73.13	73.13	73.13	73.13

Source-Agriwatch Trade Source

**Rice Price Trend – CBOT@ CBOT June - 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:***

<b>Duration</b>	<b>Trend</b>	<b>Support</b>	<b>Resistance</b>
<b>June-2021</b>	<b>Steady</b>	<b>S1-11.80</b>	<b>R1-14.20</b>
		<b>S2-11.00</b>	<b>R2-14.40</b>

**Disclaimer**

The information and opinions contained in the document have been compiled from sources believed to be reliable. The company does not warrant its accuracy, completeness and correctness. Use of data and information contained in this report is at your own risk. This document is not, and should not be construed as, an offer to sell or solicitation to buy any commodities. This document may not be reproduced, distributed or published, in whole or in part, by any recipient hereof for any purpose without prior permission from the Company. IASL and its affiliates and/or their officers, directors and employees may have positions in any commodities mentioned in this document (or in any related investment) and may vary from time to time to add to or dispose of any such commodities (or investment). Please see the detailed disclaimer at <http://www.agriwatch.com/disclaimer.php> © 2021 Indian Agribusiness Systems Ltd.