

# 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.3239.51 per quintal in August- 2021, up by 1.46% from Rs.3192.74 per quintal in July-2021 and down by 7.18% from Rs.3490.16 per quintal a year ago. The increase in the average price of rice is due to talks of lower crop on account of a likely lower acreage has fuelled an upward trend in the price of rice compared to last month.
- **Procurement:** Government rice procurement as on Sep-05, 2021, is estimated at 889.62 LMT, up by 125.23 LMT from the same period in 2020. Procurement at this pace is surpassing last year's record-breaking MSP procurement of 764.39 Lakhs metric tons. Paddy procurement has reached all time high level, surpassing previous high of 773.45 LMT in KMS 2019-20. This has benefitted 130.47 lakh farmers with the MSP value of Rs. 1,67,960.77 crore.
- **Export:** Based on reports, India has expanded its record setting rice exports due to high export pace and competitive prices. Vietnam is surprisingly added to India's export list. India's milled rice export to Iraq has also increased by almost 40%. Non-PDS, private-sector rice imports have been rising, and private sector buyers have been attracted to India's competitive prices for basmati. MY 2020-2021 rice export estimate is raised higher to 14.45 million metric tons.
- **Stock Position:** Till August, FCI had a stock of 291.08 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.
- **UP and Haryana Government to start the procurement of rice:** Paddy procurement in Uttar Pradesh will start from October 1 under the Minimum support Price scheme for the year 2021-22. The procurement will continue till January 31, 2022 in western UP and Bundelkhand region while in eastern UP the purchase will start from November 1 to February 28, 2022. Haryana government has decided to start the procurement of paddy from 25<sup>th</sup> September and the procurement will continue till 15<sup>th</sup> November. This year around 200 procurement centres have been set up for paddy procurement by the Haryana government.
- **Punjab set to decrease acreage :** Punjab has set to bring the acreage of rice below 2 million marks which includes both basmati and non basmati rice. The decision came up due to water table that has come up to dark zone in 85% of the agricultural blocks. The area has been diverted to cotton and maize in order to stop overexploitation of ground water.
- **Weather Watch:**

Fairly widespread to widespread rainfall activity will likely over Telangana, coastal & north interior Karnataka, Vidarbha and Marathwada on 07<sup>th</sup> September and reduction thereafter and over Madhya Maharashtra, Konkan, Gujarat state during 07<sup>th</sup>-11<sup>th</sup> September. Isolated extensive rainfall is also likely over Madhya Maharashtra & Konkan on 07<sup>th</sup>& 08<sup>th</sup>, Gujarat on 08<sup>th</sup>-09<sup>th</sup> September. Rainfall is likely to continue with fairly widespread to widespread rainfall over most parts of northwest India 11<sup>th</sup> September 2021.

*Price Projection for Next Month (August) in Domestic Market*

Duration	Trend	Average Price Range	Reason
September - 2021	Steady to Slightly firm	Rs.3300-4000/Quintal	Higher export demand, competitive pricing and high export pace, rice market is likely to trade steady to slightly firm in coming month.

*Kharif Paddy Sowing Updates for MY-2021-22*

State	Normal Area	Area sown reported			Absolute Change
		This Year	% of Normal	Last Year	
Andhra Pradesh	14.97	12.07	80.57	12.20	-0.13
Arunachal Pradesh	1.31	1.26	96.18	1.17	0.09
Assam	20.18	19.19	95.09	18.27	0.92
Bihar	31.14	32.60	104.68	32.80	-0.20
Chhattisgarh	37.36	37.13	99.38	39.04	-1.91
Goa	0.27	0.25	92.59	0.25	0.00
Gujarat	7.97	8.09	101.50	8.16	-0.07
Haryana	14.11	13.64	96.66	13.28	0.36
Himachal Pradesh	0.73	0.74	101.36	0.65	0.09
J&K	2.81	1.17	41.63	1.14	0.03
Jharkhand	15.83	17.58	111.05	17.21	0.37
Karnataka	9.11	8.28	90.88	8.33	-0.05
Kerala	1.46	0.54	36.98	0.67	-0.13
Madhya Pradesh	21.32	33.51	157.17	28.62	4.89
Maharashtra	14.51	14.97	103.17	14.20	0.77
Manipur	0.42	1.95	464.28	1.95	0.00
Meghalaya	0.97	0.97	100.00	0.97	0.00
Mizoram	0.36	0.37	102.77	0.35	0.02
Nagaland	2.05	2.21	107.80	2.57	-0.36
Odisha	36.23	33.13	91.44	36.04	-2.91
Punjab	29.92	30.66	102.47	31.49	-0.83
Rajasthan	1.98	1.94	97.97	2.18	-0.24
Sikkim	0.10	0.11	110.00	0.11	0.00

Tamil Nadu	16.26	3.45	21.21	2.51	0.94
Telangana	9.94	18.87	189.83	19.49	-0.62
Tripura	2.00	1.58	79.00	1.37	0.21
Uttar Pradesh	58.04	60.25	103.80	60.01	0.24
Uttarakhand	2.41	2.50	103.73	2.49	0.01
West Bengal	41.47	41.82	100.84	42.73	-0.91
Others	0.27	0.32	118.51	0.29	0.03
All-India	395.53	401.15	101.42	400.54	0.61

Source: Agricoop (As on Sep-02, 2021)

**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
	03-Apr-21	27-Aug-21	03-Aug-21	03-Sep-20			
1121 Steam	6500	6100	5900	6400	6.56	10.17	1.56
1121 Sella	5600	5300	5100	5100	5.66	9.80	9.80
1121 Raw	6500	6100	5900	6500	6.56	10.17	0.00
Basmati Raw	9600	9600	10000	8800	0.00	-4.00	9.09
1509 Steam Wand New	6100	5700	5400	4600	7.02	12.96	32.61
Sugandh Steam	5200	5000	4800	4500	4.00	8.33	15.56
Sharbati Raw	4800	4800	4700	3800	0.00	2.13	26.32
Pusa Raw Wand	5500	5300	5300	5800	3.77	3.77	-5.17
Parmal Sella	3250	3100	3100	3700	4.84	4.84	-12.16

Source-Agr-watch

**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	121
Imports	0	0	0	0
Total Supply	129.33	135.13	142.63	148.75
Exports	11.8	10.5	10.44	14.45
Consumption	98.4	99	104.06	105

Total use	110.2	109.5	114.5	119.45
Ending Stock	19.13	25.63	28.13	29.30
Stock-to-Use ratio	17.36%	23.41%	24.57%	27.90%

*\*AW Forecast (Preliminary)*

**Rice Production Estimates:** Rice production estimate is raised to 121 Million tons, due to fact that there were higher planting and good rainfall activity which helped produce better yield. The export quantity of rice is expected to be 14.45 million tonnes, the huge demand from international market and good competitive price are the reason for higher exports.

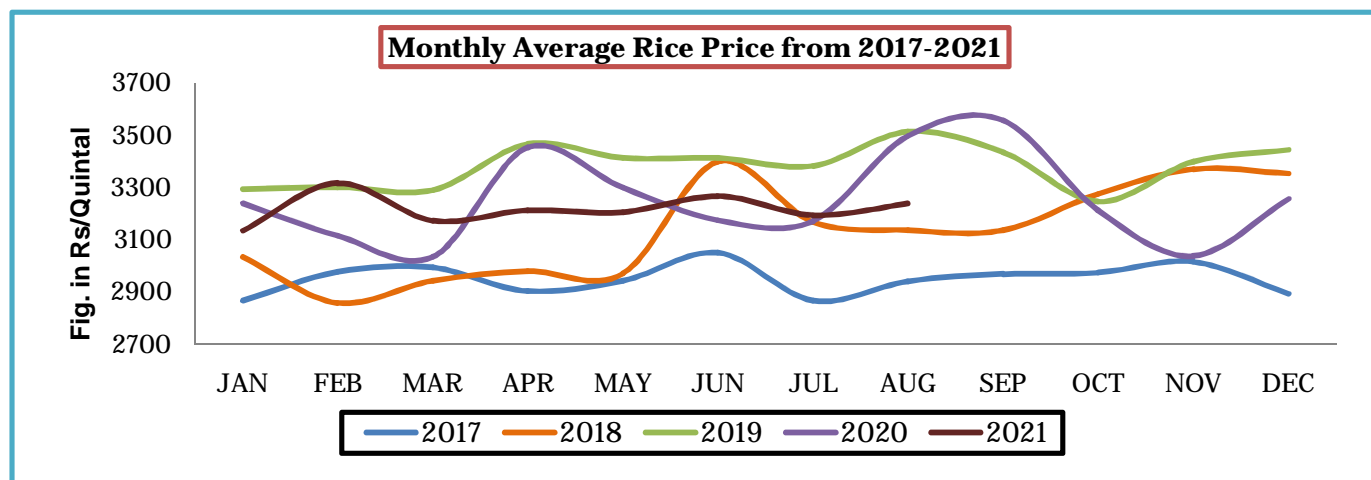
***State wise Wholesale Prices Monthly Analysis for Rice July, 2021***

State	Prices August, 2021	Prices July, 2021	Prices August, 2020	% Change(Over Previous Month)	% Change(Over Previous Year)
Gujarat	3790.74	3800	4238.49	-0.24	-10.56
Jharkhand	-	2535.79	-	-	-
Karnataka	4104.34	3884.77	3489.23	5.65	17.63
Kerala	3406.96	3457.66	3481.42	-1.47	-2.14
Maharashtra	4141.96	3672.41	5473.47	12.79	-24.33
Odisha	3024.68	2983.07	2715.08	1.39	11.4
Tripura	2305.32	-	-	-	-
Uttar Pradesh	3012.45	3026.98	2992.44	-0.48	0.67
West Bengal	2562.72	2547.23	2677.36	0.61	-4.28
Average	3239.51	3192.74	3490.16	1.46	-7.18

Prices in Rs/Quintal

Source-Agmarknet

Talks of lower crop on account of lower acreage fuelled an upward trend in the price of Rice in August compared to July. Average monthly wholesale monthly rice prices in India stood at around Rs.3239.51 per quintal in August- 2021, up by 1.46% from Rs.3192.74 per quintal in July-2021 and down by 7.18% from Rs.3490.16 per quintal a year ago.



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	30.48	29.92	29.68	29.11				

Source-FCI

### State-wise Progressive Procurement As on 05.09.2021

State	In Marketing season 2020-21	In MY season 2019-20
Andhra Pradesh	82.94	82.57
Telangana	141.93	111.26
Bihar	35.59	20.02
Chhattisgarh	69.14	74.86
Haryana	56.55	64.29
Kerala	7.65	7.09
Madhya Pradesh	37.27	25.97
Maharashtra	16.85	17.42
Odisha	77.38	70.57
Punjab	202.83	162.33
Tamil Nadu	42.61	32.41
Uttar Pradesh	66.84	56.57

<i>Uttarakhand</i>	<i>16.72</i>	<i>10.18</i>
<i>West Bengal</i>	<i>27.79</i>	<i>27.04</i>
<i>All-India</i>	<i>889.62</i>	<i>770.93</i>

Source-FCI

As on 05<sup>th</sup> September-2021, during KMS 2020-21, Progressive Procurement of Rice was 889.62 lakh MT as compared to 770.93 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	2.01	4.8	6.81
April-20	4.28	4.21	8.49	April-21	1.66	0.36	2.02
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	63.6	22.82	86.42

### International Market:

- Thailand's 5% broken rice was quoted at \$390-\$400 per tonne down from \$390-\$403 per tonne last week. The decrease in the price has attracted buyers from Middle East but the scarcity of ships at Thai ports remains a challenge. The export of rice during January to July this year was 2.59 million tonnes down by 22% from last year.
- Nepal has imported rice worth Rs 50.48 billion in the last fiscal year up by 51.4% than the previous year. The import expense on rice has increased by Rs 17 billion during the fiscal year 2020/21 and this amount to 3.3% of total expense on imports. Nepal imports rice mainly from India, China, Japan and Thailand.
- Bangladesh starts importing from India despite having 1.7 million tons of rice and wheat reserves. The Indian rice cost Tk 40-42 per kg compared to home grown rice of price Tk 50 per kg. The reduction of import duty from 62.5% to 25% has resulted in increased imports of rice. Last fiscal year Bangladesh has imported 0.78 million tons of rice while this fiscal year within 2 months the government has approved import of 1.2 million from private players.

- Cambodia earned \$685 million from rice export to international market in first eight months of the year as the volume of rice sold abroad doubled year to year. According to agriculture ministry 2.7 million tonnes of rice are shipped to international market. The rough grain made up of 57.39 % and 87.40 % of all rice exports in terms of value and volume.
- In Iraq traditional suppliers lost market share in 2020, India milled rice exports to Iraq increased by almost 40 percent. The Government of Iraq has traditionally been a major buyer for its Public Distribution System (PDS), buying mainly from approved origins including the United States. Non PDS, private-sector rice imports have been rising, and private-sector buyers have been attracted to India's competitive prices for basmati in 2020. Almost all India rice exports to Iraq are milled rice, with the majority being basmati rice.

### *IGC Balance Sheet:*

Attributes ( Fig in Million Tons)	2018-19	2019-20 Est.	2020-21 Forecast	2021-22 (Proj.)	
				29.07.2021	26.08.2021
Production	498	499	506	511	512
Trade	43	44	47	47	47
Consumption	488	500	509	510	511
Carryover stocks	175	173	171	171	172
Y-O-Y change	10	-2	-2		1
Major Exporters	39	38	38	38	39

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

Global trade of rice in 2021 is marginally higher m/m, at around 47m t (+3m y/y), on an upgrade for shipments to Asia, including to Bangladesh. Reflecting higher figures for carry-ins and production, the outlook for world supplies in 2021/22 is lifted slightly m/m, feeding through to a 1m t increase for inventories, to 172m (+1m y/y). Global trade in 2022 is little-changed m/m and unchanged y/y.

Against the backdrop of demand from buyers in Africa and Asia, global rice trade in 2021 is seen up by 7% y/y, to 47m t, with Indian exports rising sharply to a peak of 18.5m. Tied to bigger harvests in Asia's key producers, world output in 2021/22 is forecast to increase by 1% y/y, to a peak of 512m t, with consumption and stocks predicted to edge up. While trade in 2022 is likely to be little-changed y/y, the Council expects India's sales to contract as shipments by Thailand recover amid assumed ample and competitively priced supplies.

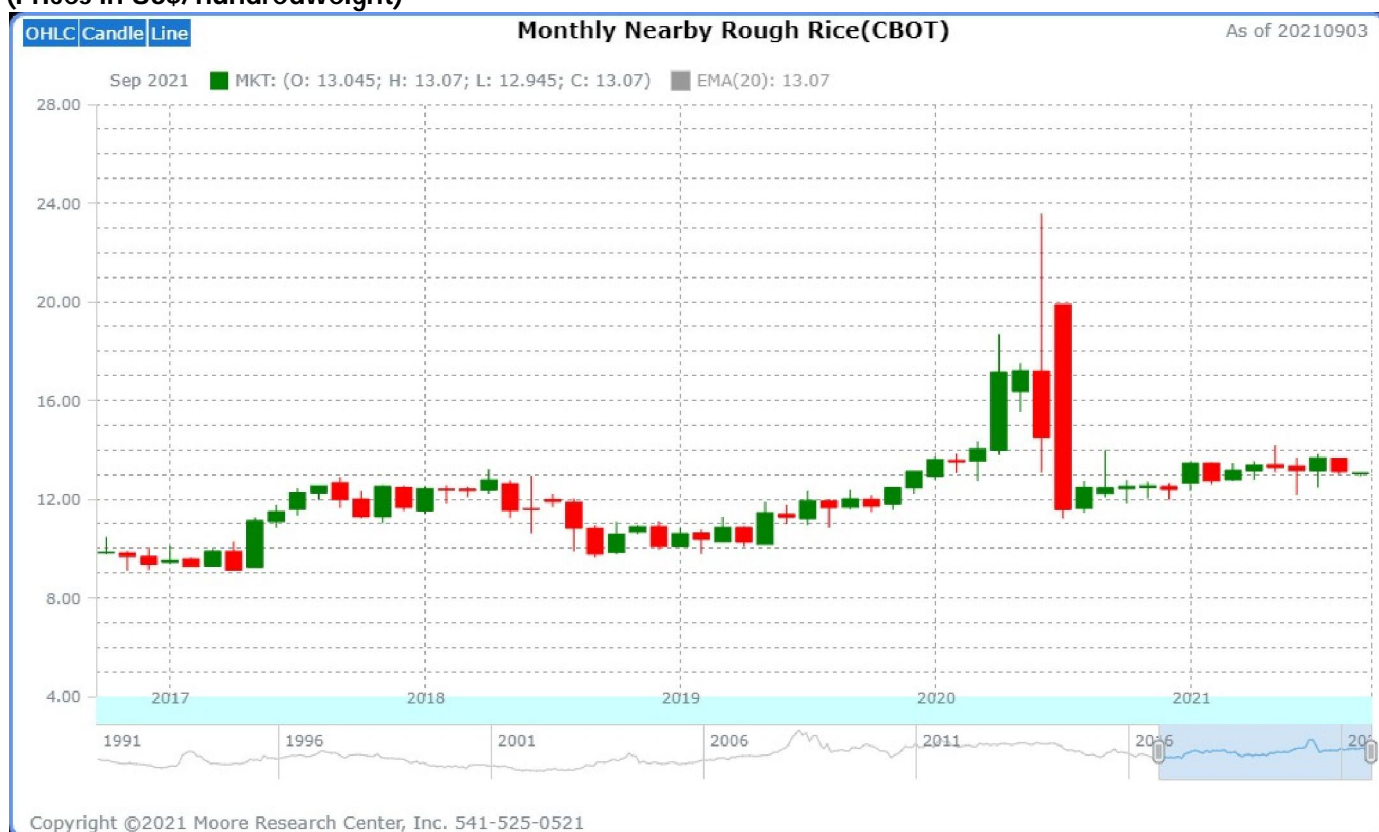


*Indicative Basmati Parity Sheet*

Parity Calculation Sheet	Rajkot (Kandla )	Andhra Pradesh(Vizag )	Punjab(Kandla )	Haryana(kandla )	West Bengal(Kolkata )
Price @ various center	60000	60000	59700	59700	59950
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)	62330	62330	62030	62030	62280
Indian FOB (USD/MT)	<b>840.37</b>	<b>840.37</b>	<b>836.32</b>	<b>836.32</b>	<b>839.69</b>
Insurance @ 0.1%	0.84	0.84	0.84	0.84	0.84
Freight Charges (US \$/ton) to Dubai	50	50	50	50	50
CIF (Kandla to Dubai)	<b>891.21</b>	<b>891.21</b>	<b>887.16</b>	<b>887.16</b>	<b>890.53</b>
INR MonthlyAverage	74.17	74.17	74.17	74.17	74.17

*Source-Agriwatch Trade Source*

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



*Market Analysis*

*The CBOT Sept-21* month rough chart for rice denotes range bound steady to weak tone from last month owing to higher global production and higher global stocks especially in Thailand, Vietnam and China. We expect market to hover in the range of USD 12.40-13.00 hundred weights in coming sessions.

*International Price Projection for Next Month:*

Duration	Trend	Support	Resistance
September-2021	Steady to weak	S1-11.70	R1-13.10
		S2-11.00	R2-13.80

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