

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
Outlook
International Rice Market Summary
IGC
Parity Sheet
FOB of 1121 Steam Rice
CBOT Trend

Outlook and Review (Domestic Front)

- **Price:** Average monthly wholesale monthly rice prices in India stood at around Rs.3273.09 per quintal in September-2021, up by 1.29% from Rs. 3231.39 per quintal in August-2021 and down by 8.35% from Rs.3571.63 per quintal a year ago. The increase in the average price of rice during September is due to lower production of the newly arrived crops and higher demand compared to previous month.
- **Procurement:** Government rice procurement for Kharif marketing season 2020-21 has finished. And as on 04th October 2021, an estimated 89.42 MMT was procured, up by 12.33 MMT from 2020. Procurement of KMS 2020-21 has surpassed last year's record-breaking MSP procurement of 77.09 million metric tonnes. It is whopping 15.99 percent jump from last year's record level. The KMS 2021-22 has started since 3rd October 2021 in Punjab and Haryana. As on Oct 04th 2021, procurement of 1.36 lakh tonnes was done by various state agencies.
- **Export:** India is expected to export global rice trade in 2021 as expanded by port handling capacity allows world's largest rice grower after China to ship record volume to buyers across as much as 22 million tonnes of rice this year. Along with the traditional traders, China, Vietnam and Bangladesh are also making purchase from India. According to APEDA, the non-basmati rice export for April-July were up at 5.27 million tonnes, valued at Rs. 14,091 crores, against 3.03 million tonnes worth Rs. 8,982 crores a year ago. As per ACEA, the exports during August-September have slowed down due to increased price of 100 % broken rice.
- **Stock Position:** Till September, FCI had a stock of 268.32 lakh tonnes of rice in central pool while buffer norms of 7.6 million tonnes. As per sources, the estimated FCI rice stock is hovering around 36 million tonnes, against 27.8 million tonnes last year at the same time. The FCI rice stock as on October 1 is higher than total offtake of rice (35.2 MT) from central pool under mid-day meal, NFSA and open market sale scheme.
- **Food grain distribution under PMGKAY:** As on 15th September 2021, 56.53% of foodgrains have been lifted in the country under PMGKAY phase IV. A total 112.39 LMT of foodgrains is lifted against 198.78 LMT allocated, as per Ministry of consumer affairs, food & public distribution. In rice, 62.86 LMT is lifted against allocated 101.69 LMT making lifting percentage as 61.81%. While for wheat, 49.53 LMT is lifted against allocated 97.09 LMT making lifting percentage as 51.01%. Andaman & Nicobar tops the country for lifting highest percentage of foodgrains with 93%. The PMGKAY is extended till November 2021.
- **Impact of delayed rainfall and other climatic issues:** According to survey conducted by Agriculture and Farmer's welfare, around 45% of paddy spread over 13,000 acres of land in Jhajjar district of Haryana has been damaged due to waterlogging after the rains. Owing to rain due to cyclone Gulab, at least 4,453 hectares of paddy fields are inundated in East Godavari district. According to agriculture minister, a total of 2,573 hectares of paddy field remains under the rainwater. In 137 hectare of land the paddy is expected to survive only after the rain water is out of the field. The extent of paddy cultivation in East Godavari district is above 2.22 lakh hectares.
- **Weather Watch:** Isolated heavy rainfall very likely over Kerala and coastal Karnataka during 06-10 Oct; over Tamilnadu during 06-07 Oct; over interior Karnataka during 06-08 Oct and over Rayalaseema on 06 October, 2021. Isolated very heavy falls also very likely over South Interior Karnataka, Tamilnadu and Kerala on 06th October, 2021.

Price Projection for Next Month (October) in Domestic Market

Duration	Trend	Average Price Range	Reason
September - 2021	Steady to Slightly firm	Rs.3250-3900/Quintal	With the upcoming festive season, the demand is expected to go on the higher side.

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	13.86	92.57	14.02	-0.16
Arunachal Pradesh	1.31	1.28	97.49	1.32	-0.04
Assam	20.18	19.91	98.65	19.34	0.57
Bihar	31.14	32.64	104.81	33.07	-0.43
Chhattisgarh	37.36	37.50	100.38	39.04	-1.54
Goa	0.27	0.25	94.09	0.25	0.00
Gujarat	7.97	8.13	102.01	8.39	-0.26
Haryana	14.11	13.64	96.66	13.28	0.36
Himachal Pradesh	0.73	0.74	101.59	0.65	0.09
J&K	2.81	2.58	91.88	2.57	0.01
Jharkhand	15.83	17.62	111.29	17.48	0.14
Karnataka	9.11	9.07	99.51	9.98	-0.91
Kerala	1.46	0.61	41.67	0.67	-0.06
Madhya Pradesh	21.32	34.07	159.77	28.71	5.36
Maharashtra	14.51	15.45	106.45	15.02	0.43
Manipur	0.42	1.95	463.62	1.95	0.00
Meghalaya	0.97	0.97	99.70	0.97	0.00
Mizoram	0.36	0.37	103.58	0.35	0.02
Nagaland	2.05	2.21	107.77	2.57	-0.36
Odisha	36.23	35.13	96.96	37.05	-1.92
Punjab	29.92	30.66	102.47	31.49	-0.83
Rajasthan	1.98	1.94	98.12	2.18	-0.24
Sikkim	0.10	0.11	112.82	0.09	0.02
Tamil Nadu	16.26	4.60	28.29	4.09	0.51
Telangana	9.94	21.28	214.08	20.60	0.68
Tripura	2.00	1.94	96.78	1.98	-0.04

Uttar Pradesh	58.04	60.26	103.82	60.01	0.25
Uttarakhand	2.41	2.50	103.79	2.49	0.01
West Bengal	41.47	42.51	102.51	43.38	-0.87
Others	0.27	0.40	145.56	0.35	0.05
All-India	395.53	414.18	104.68	413.34	0.84

Source: Agricoop (As on Sep-17, 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
	01-Oct-21	24-Sep-21	31-Aug-21	01-Sep-20			
1121 Steam	7100	6450	6250	6200	10.08	13.60	14.52
1121 Sella	6050	5750	5400	4700	5.22	12.04	28.72
1121 Raw	7100	6450	6250	6200	10.08	13.60	14.52
Basmati Raw	9600	9600	9600	8800	0.00	0.00	9.09
1509 Steam Wand New	6500	5900	5900	4500	10.17	10.17	44.44
Sugandh Steam	5400	5350	5100	4000	0.93	5.88	35.00
Sharbati Raw	4000	3900	4800	3600	2.56	-16.67	11.11
Pusa Raw Wand	5600	5550	5400	5500	0.90	3.70	1.82
Parmal Sella	3150	3200	3200	3100	-1.56	-1.56	1.61

Source-Agr-watch

Rice Supply & Demand for MY-2021-22

(Back to Contents)

Particulars	2018-19	2019-20	2020-21	2021-22*
Opening Stock	19.01	23.82	26.70	25.5
Production	118.48	116.32	119.00	126.89
Imports	0.00	0.00	0.00	0
Total Supply	137.49	140.14	145.70	152.39
Exports	13.67	10.44	15.20	14
Consumption	100.00	103.00	105.00	106.2
Total use	113.67	113.44	120.20	120.2
Ending Stock	23.82	26.70	25.50	32.19
Stock-to-Use ratio	20.96%	23.54%	21.21%	26.78%

**AW Forecast (Preliminary)*

Rice Production Estimates: Rice production estimate is raised to 126.89 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 million tonnes, the huge demand from international market and good competitive price are the reason for higher exports.

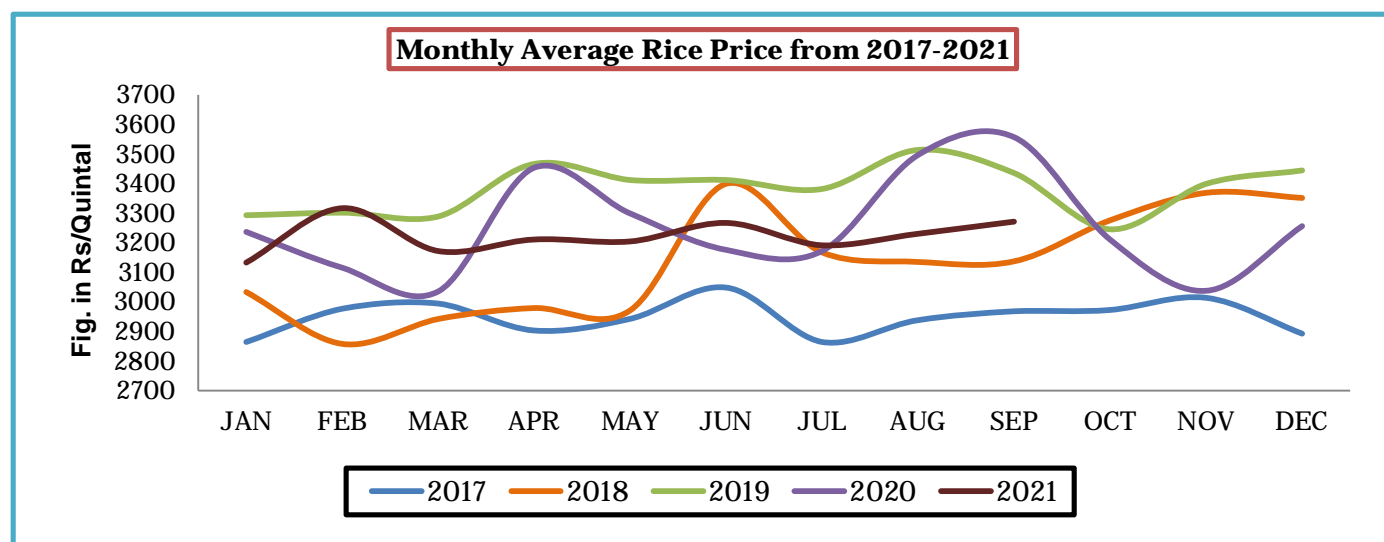
State wise Wholesale Prices Monthly Analysis for Rice September, 2021

State	Prices September, 2021	Prices August, 2021	Prices September, 2020	% Change(Over Previous Month)	% Change(Over Previous Year)
Gujarat	3795.13	3790.74	4327.47	0.12	-12.3
Karnataka	4012.97	4031.29	3664.62	-0.45	9.51
Kerala	3409.07	3406.96	3458.8	0.06	-1.44
Maharashtra	3635.05	4141.96	4199.92	-12.24	-13.45
Maharashtra	2988.98	3024.68	2869.04	-1.18	4.18
Odisha	-	2305.32	-	-	-
Tripura	2970.87	3012.45	3010.8	-1.38	-1.33
Uttar Pradesh	2550.55	2562.72	2647.67	-0.47	-3.67
West Bengal	2822.13	2806.38	2799.84	0.56	0.80
Average	3273.09	3231.39	3571.63	1.29	-8.36

Prices in Rs/Quintal

Source-Agmarknet

Due to lower production of arrived crops along with higher domestic demand has fuelled an upward trend in the price of Rice in September compared to August. Average monthly wholesale monthly rice prices in India stood at around Rs.3273.09 per quintal in September- 2021, up by 1.29% from Rs.3231.39 per quintal in August-2021 and down by 8.36% from Rs.3571.63 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	26.86			

Source-FCI

State-wise Procurement As on 04.10.2021

(in lakh tonnes)

State	In MY season 2021-22	In MY season 2020-21	In MY season 2019-20
Andhra Pradesh	0.06	84.57	82.57
Telangana	0.00	141.11	111.26
Bihar	0.00	35.59	20.02
Chhattisgarh	0.00	69.74	74.86
Haryana	0.64	56.53	64.24
Kerala	0.00	7.65	7.09
Madhya Pradesh	0.00	37.27	25.97
Maharashtra	0.00	18.85	17.42
Odisha	0.06	77.36	70.57
Punjab	0.67	202.82	162.33
Tamil Nadu	0.00	44.90	32.41

<i>Uttar Pradesh</i>	<i>0.00</i>	<i>66.84</i>	<i>56.57</i>
<i>Uttarakhand</i>	<i>0.06</i>	<i>10.72</i>	<i>10.16</i>
<i>West Bengal</i>	<i>0.06</i>	<i>27.75</i>	<i>27.04</i>
<i>All-India</i>	<i>1.36</i>	<i>894.24</i>	<i>770.93</i>

Source-FCI

As on 04th October-2021, during KMS 2020-21, Completed Procurement of Rice was 894.24 lakh MT as compared to 770.93 lakh MT during corresponding period of KMS 2019-20. While KMS 2021-22 has started in Punjab and Haryana since 3rd October 2021. And as of 04th October 2021, 1.36 lakh tonnes of procurement is done.

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:

- Nepal is planning to increase area under aromatic rice and wants to sell it as basmati, which experts see as a threat to India's effort in getting the geographical indication for the rice variety. Report suggests that Egypt Field crop research institute is planning to cultivate basmati rice to cut its import cost of \$100 million annually on basmati rice.

- Upto September, Cambodia shipped 410,698 tonnes of milled rice to foreign market down 15.97% compared to last year and generating \$350 million as income. China is the major market for Cambodia's exports with 18.26% and remaining to Europe and other ASEAN countries.
- Thailand is targeting to export 6 million tonnes of rice this year amid higher output, weaker baht and increased demand which improved the exports. As per reports, the exports during August and September were 831,260 tonnes and 631,363 tonnes. In January to September, 3.7 million tonnes have been exported and is forecasted to export 700,000 tonnes per month in last three months of the year.
- As on 30th September, Export price of rice in Vietnam rose to a two and half month high due to rising domestic demand which drives procurement cost. Vietnam's 5% broken rice rose to range of \$425-\$430 per tonne, highest since mid-July from \$415-\$420 per tonne a week ago. Rice exports in September is expected to be at 530,000 tonnes. While in Thailand, 5% broken rice was quoted at \$385-\$386 per tonne compared to \$380-\$386 last week. High shipping cost is hampering exports of rice in Thailand.
- In Japan's compound feed mix, the demand for rice increases as the price of corn and sorghum surge according to USDA. They project Japan's consumption in 2021-22 to increase slightly to 8.3 million tonnes as feed consumption is expected to be more than the decline in the table rice consumption. The decrease in table rice consumption is due to decreased consumption in food services, tourism, events and inability of increased household demand.
- Prices of both rice and paddy declined by Tk 3-4 per kg in last three days in the milling hubs of Bangladesh which traders attributed to notable rise in supply of imported grain. Release of large chunks of coarse hybrid paddy and rice by big millers, traders and rich farmers also helped cut rice prices.
- Iraq signs first contract in seven years to import Thai rice. Report suggests this as the second lot of rice that Iraq has bought from Thailand this year. The first lot of 44,000 tonnes has been delivered on August 18. Iraq had banned Thai rice 7 years ago owing to quality concerns.
- China has increased import of rice from India. China has already imported 4.76 lakh tonnes of 100 percent broken rice from India between April and July this year. India's export to China this current fiscal year is expected to cross 1 million tonnes. Heavy floods in China have devastated the rice production in China. Both China and Vietnam need broken rice for making rice wine and noodles.
- South Korea has decided to purchase 350,000 tons of rice harvested this year which can be stored and utilized into the market for the future purpose. Under the plan the government will purchase 240,000 tons of packaged rice along with 100,000 tons of pre-dried rice by the end of December.
- In Philippines, tariff collected from shipment for rice decreased by more than 4% to P11.69 billion in eight months to August from P12.22 billion a year ago, as the volume of imports shrank over 7%. The volume of imported rice has fallen to 1.74 million metric tons (MT) in first eight months from 1.88 MT a year earlier.

IGC Balance Sheet:

Attributes (Fig in Million Tons)	2018-19	2019-20 Est.	2020-21 Forecast	2021-22 (Proj.)	
				26.08.2021	23.09.2021
Production	498	499	507	512	512
Trade	43	44	47	47	48
Consumption	488	496	506	511	509
Carryover stocks	175	179	179	172	182
Y-O-Y change	10	4	1		3
Major Exporters	39	43	47	39	50

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

Despite a further upgrade for Chinese feed demand, global rice consumption in 2020/21 is placed 3m t lower m/m to reflect a downgrade for India, linked to historic data revisions. Taking account of a higher figure for carry-ins, the forecast for stocks is lifted by 8m t m/m. This feeds through to an increased projection of world reserves in 2021/22, raised by 10m t m/m, to a peak of 182m (+3m y/y). Trade in 2022 is predicted 1m t higher m/m, at 48m (+1m).

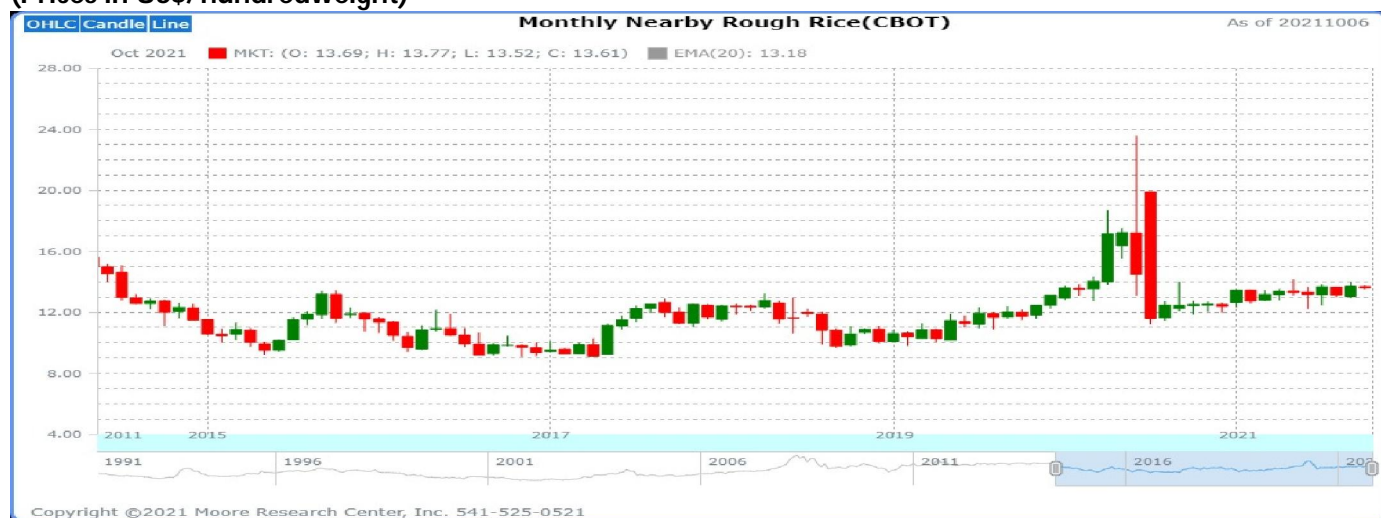
Solid demand from buyers in Asia and Africa is expected to boost rice trade to a peak of 47m t in 2021, with India potentially taking a 40% share of exports. Global output in 2021/22 is seen rising by 1% y/y, to a record of 512m t, principally on bigger harvests in Asia. Consumption is set to expand on population gains, albeit as uptake in China likely retreats on lower feed use, while stocks are seen increasing by 3m t y/y, mostly on accumulation in India. Global trade in 2022 is predicted to edge up, with Thailand potentially reclaiming market share from India.

Indicative Basmati Parity Sheet

Parity Calculation Sheet	Rajkot (Kandla)	Andhra Pradesh (Vizag)	Punjab (Kandla)	Haryana (kandla)	West Bengal (Kolkata)
Price @ various center	67200	67200	63700	64200	66700
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)	69530	69530	66030	66530	69030
Indian FOB (USD/MT)	937.44	937.44	890.25	896.99	930.70
Insurance @ 0.1%	0.94	0.94	0.89	0.90	0.93
Freight Charges (US \$/ton) to Dubai	50	50	50	50	50
CIF (Kandla to Dubai)	988.38	988.38	941.14	947.89	981.63
INR Monthly Average	74.17	74.17	74.17	74.17	74.17

Source-Agriwatch Trade Source

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



Market Analysis

The **CBOT Nov-21** contract rough chart for rice denotes range bound steady to slightly 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 13.60-14.60 hundred weights in coming sessions.

International Price Projection for Next Month:

Duration	Trend	Support	Resistance
October-2021	Steady to slightly firm	S1-11.20	R1-14.00
		S2-9.60	R2-18.70

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