

# 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.3379.89 per quintal in October-2021, up by 3.28% from Rs. 3272.69 per quintal in September-2021 and up by 5.22% from Rs.3212.25 per quintal a year ago. The increase in the average price of rice during October month is due to lower production of the newly arrived crops due to unseasonal rains.
- **Procurement:** As per ministry of consumer affairs, food and public distribution, government has procured 209.52 lakh tonne of paddy so far in the KMS 2021-22 for over Rs. 41,066.80 crore. Around 11.57 lakh farmers have been benefitted from the procurement.
- **Export:** According to APEDA, the non-basmati rice export for April-August were up at 6.62 million tonnes, valued at Rs. 17,679 crores, against 3.98 million tonnes worth Rs. 11,675 crores a year ago. While in case of basmati rice, exports for April-August were down at 1.70 million tonnes worth Rs. 10,688 crores against 2.03 million tonnes worth Rs. 13,660 crores a year ago. During the week ending 30 October, India's rice export prices hit 4-month high due to limited supplies and a strong rupee. India's 5 % broken parboiled rice variety was quoted at \$364 to \$369 per tonne highest since July 8 up from last week's \$363 to \$367 per tonne. Also as per Agriwatch sources, 9.85 lakh tonnes of rice were exported from India during the month of September 2021. Bangladesh, Iraq, Saudi Arabia remains the largest importers.
- **Stock Position:** At the beginning of October, FCI had a stock of 253.26 lakh tonnes of rice in central pool while the buffer norm is 7.6 million tonnes. The stocks are expected to reduce further in the coming months as well until the period of January-February when full-fledged procurement occurs.
- **Food grain distribution under PMGKAY:** Under PMGKAY, for the month of October central allocation of rice was around 2.44 million MT. Automated food grain distribution include 1.67 million MT while unautomated distribution includes 0.05 million MT. Total food grain distribution for the month of October month include 1.72 million MT which is 28.69 percent down than the allocated quantity.
- **Impact of mid-October rainfalls and hailstorms:** In Amritsar, agriculture officials had reported 30% loss to the standing crop. In Rupnagar, 10% of the standing crop were flattened. The rains had expected to delay the pace of the current harvesting season. In Uttarakhand, a crop loss worth Rs. 100 crore was expected in Udham sikh nagar district. The paddy in 45,000 hectares were in water logging condition. This year the harvesting was delayed from mid-October due to high moisture content which turns out to be costly for paddy growers.
- **Paddy sowing:** As of 5<sup>th</sup> November, Rabi paddy sowing was done in 5.62 lakh hectares down by 2.8 lakh hectares from 8.42 lakh hectares the previous year.
- **Weather Watch:** Isolated heavy to very heavy rainfall with Isolated extremely heavy falls is very likely over Tamil Nadu, Puducherry & Karaikal during 09th-11th and over south Coastal Andhra Pradesh on 11th November. Heavy to very heavy rainfall at isolated places also likely over Kerala & Mahe during 09th-11th; over south Coastal Andhra Pradesh on 10th and over Rayalaseema during 10th-11th November, 2021. Fairly widespread to widespread light to moderate rainfall is very likely over Kerala, south Coastal Andhra Pradesh and Tamil Nadu during next 5 days.

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

| Duration        | Trend                     | Average Price Range  | Reason  |
|-----------------|---------------------------|----------------------|---|
| November - 2021 | Range bound to mixed bias | Rs.3150-3400/Quintal | With arrivals of most of the crops already started, we can expect good demand along with good supplies. |

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

| State          | Normal Area | Area sown reported |             |           | Absolute Change |
|----------------|-------------|--------------------|-------------|-----------|-----------------|
|                |             | This Year          | % of Normal | Last Year |                 |
| Andhra Pradesh | 6.89        | 0.02               | 0.30        | 0.14      | -0.12           |
| Assam          | 4.02        | 0.00               | 0.00        | 0.00      | 0.00            |
| Bihar          | 0.71        | 0.00               | 0.00        | 0.00      | 0.00            |
| Chhattisgarh   | -           | 0.00               | 0.00        | 0.00      | 0.00            |
| Gujarat        | 0.45        | 0.00               | 0.00        | 0.00      | 0.00            |
| Karnataka      | 1.81        | 0.13               | 7.18        | 0.00      | 0.13            |
| Kerala         | 0.44        | 0.00               | 0.00        | 0.00      | 0.00            |
| Maharashtra    | 0.50        | 0.00               | 0.00        | 0.00      | 0.00            |
| Manipur        | 1.83        | 0.00               | 0.00        | 0.00      | 0.00            |
| Odisha         | 2.49        | 0.00               | 0.00        | 0.00      | 0.00            |
| Tamil Nadu     | 1.54        | 3.28               | 212.99      | 4.20      | -0.92           |
| Telangana      | 7.33        | 0.29               | 3.96        | 0.00      | 0.29            |
| Tripura        | 0.71        | 0.00               | 0.00        | 0.00      | 0.00            |
| Uttar Pradesh  | 0.26        | 0.00               | 0.00        | 0.00      | 0.00            |
| West Bengal    | 12.81       | 0.00               | 0.00        | 0.00      | 0.00            |
| Others         | 0.72        | 0.00               | 0.00        | 0.00      | 0.00            |
| All-India      | 42.51       | 3.71               | 8.73        | 4.34      | -0.63           |

Source: Agricoop (As on Oct-29, 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-Nov-21 | 24-Oct-21 | 01-Oct-21 | 01-Nov-20 |                         |                          |                         |
| 1121 Steam          | 7100      | 6800      | 7100      | 5500      | 4.41                    | 0.00                     | 29.09                   |
| 1121 Sella          | 6100      | 5900      | 6050      | 5000      | 3.39                    | 0.83                     | 22.00                   |
| 1121 Raw            | 7100      | 6800      | 7100      | 5500      | 4.41                    | 0.00                     | 29.09                   |
| Basmati Raw         | 9700      | 9700      | 9600      | 8800      | 0.00                    | 1.04                     | 10.23                   |
| 1509 Steam Wand New | 6400      | 6100      | 6500      | 4800      | 4.92                    | -1.54                    | 33.33                   |
| Sugandh Steam       | 5400      | 5400      | 5400      | 3600      | 0.00                    | 0.00                     | 50.00                   |
| Sharbati Raw        | 4400      | 4500      | 4000      | 3300      | -2.22                   | 10.00                    | 33.33                   |
| Pusa Raw Wand       | 5600      | 5700      | 5600      | 5400      | -1.75                   | 0.00                     | 3.70                    |
| Parmal Sella        | 3100      | 3100      | 3150      | 3100      | 0.00                    | -1.59                    | 0.00                    |

Source-Agr-watch

*Rice Supply & Demand for MY-2021-22*

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| 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.

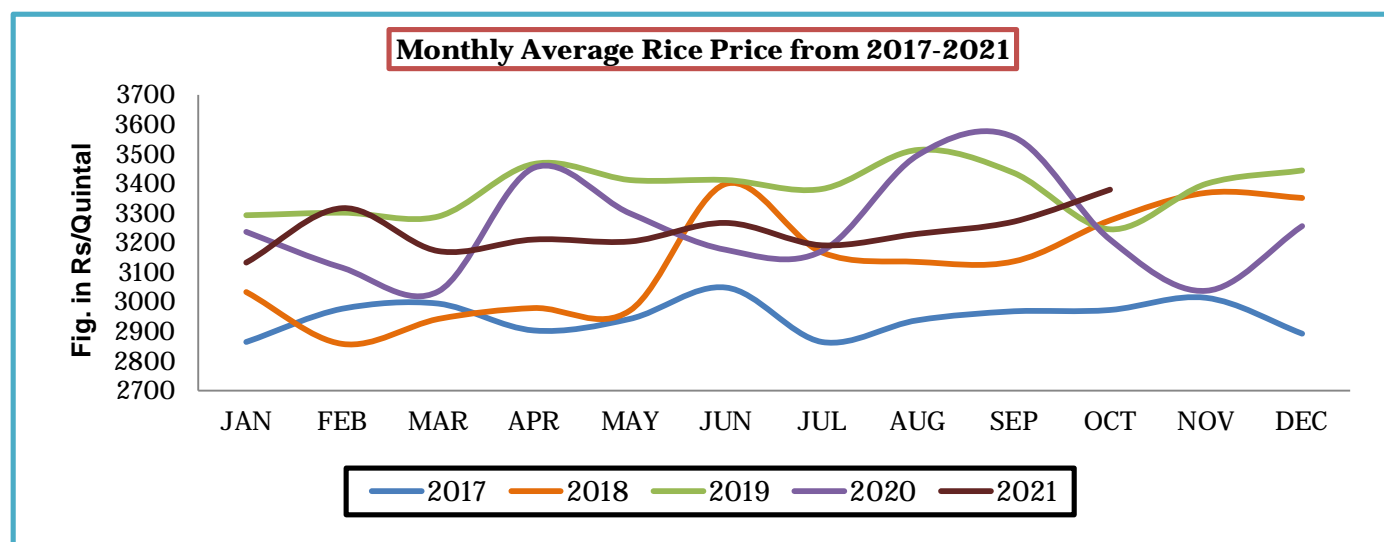
***State wise Wholesale Prices Monthly Analysis for Rice October, 2021***

| State         | Prices<br>October,<br>2021 | Prices<br>September,<br>2021 | Prices<br>October,<br>2020 | %<br>Change(Over<br>Previous<br>Month) | %<br>Change(Over<br>Previous<br>Year) |
|---------------|----------------------------|------------------------------|----------------------------|--|---------------------------------------|
| Gujarat       | 4000.84                    | 3795.13                      | 4266.29                    | 5.42                                   | -6.22                                 |
| Karnataka     | 4419.16                    | 4012.97                      | 3319.08                    | 10.12                                  | 33.14                                 |
| Kerala        | 3443.56                    | 3409.07                      | 3487.81                    | 1.01                                   | -1.27                                 |
| Maharashtra   | 3722.16                    | 3631.82                      | 3576.51                    | 2.49                                   | 4.07                                  |
| Odisha        | 2996.63                    | 2988.98                      | 2735.79                    | 0.26                                   | 9.53                                  |
| Tripura       | 3071.13                    | 2970.87                      | 2977.9                     | 3.37                                   | 3.13                                  |
| Uttar Pradesh | 2557.98                    | 2550.55                      | 2543.27                    | 0.29                                   | 0.58                                  |
| West Bengal   | 2827.69                    | 2822.13                      | 2791.33                    | 0.2                                    | 1.3                                   |
| Gujarat       | 4000.84                    | 3795.13                      | 4266.29                    | 5.42                                   | -6.22                                 |
| Average       | 3379.89                    | 3272.69                      | 3212.25                    | 3.28                                   | 5.22                                  |

Prices in Rs/Quintal

**Source-Agmarknet**

Due to the rains which occurred in the mid October time has impacted the quality and production of paddy which made the market to trade firm the previous month. Also, the festive demand has fuelled the prices. Average monthly wholesale price of rice stood at around Rs. 3379.89 per quintal up by 3.28 percent from Rs. 3272.69 per quintal during September month.



Source-Agmarknet

***Month-wise Rice Stock in Central Pool (in MMT)***

| 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 | 26.83 | 25.32 | 22.92  |       |

Source-FCI

***State-wise Procurement As on 07.10.2021 for KMS 2021-22***

***(in lakh tonnes)***

| KMS 2021-22 (Units in LMTs) (as on 07.10.2021) |              |      |              |       |
|--|--------------|------|--------------|-------|
| S.No.  | STATES/ UTs  | FCI  | State Agency | Total |
| 1  | A.P.         | 0    | 0            | 0     |
| 2  | Telangana    | 0    | 0            | 0     |
| 3  | Assam        | 0    | 0            | 0     |
| 4  | Bihar        | 0    | 0            | 0     |
| 5  | Chandigarh   | 0.01 | 0            | 0.01  |
| 6  | Chhattisgarh | 0    | 0            | 0     |
| 7  | Gujarat      | 0    | 0            | 0     |

|              |               |             |             |             |
|--------------|---------------|-------------|-------------|-------------|
| 8            | Haryana       | 0.02        | 4.84        | 4.86        |
| 9            | H.P.          | 0           | 0           | 0           |
| 10           | Jharkhand     | 0           | 0           | 0           |
| 11           | J&K           | 0           | 0           | 0           |
| 12           | Karnataka     | 0           | 0           | 0           |
| 13           | Kerala        | 0           | 0           | 0           |
| 14           | M.P.          | 0           | 0           | 0           |
| 15           | Maharashtra   | 0           | 0           | 0           |
| 16           | Odisha        | 0           | 0           | 0           |
| 17           | Punjab        | 0.03        | 3.63        | 3.66        |
| 18           | Rajasthan     | 0           | 0           | 0           |
| 19           | NEF (Tripura) | 0           | 0           | 0           |
| 20           | Tamilnadu     | 0           | 0           | 0           |
| 21           | U.P.          | 0           | 0           | 0           |
| 22           | Uttarakhand   | 0           | 0           | 0           |
| 23           | West Bengal   | 0           | 0           | 0           |
| <b>Total</b> |               | <b>0.06</b> | <b>8.47</b> | <b>8.53</b> |

Source-FCI

As of 17<sup>th</sup> October, over 56.62 lakh MT of paddy has been procured in KMS 2021-22. The procurement took place in the states and UTs of Chandigarh, Haryana, Himachal Pradesh, Jammu & Kashmir, Punjab, Uttar Pradesh and Uttarakhand. The KMS 2021-22 at MSP has benefitted 371919 farmers worth Rs. 11,099.25 crore.

### Rice Export Statistics (in MMT)

| 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      | 1.24        | 0.37    | 1.61                 |
| June-20     | 8.15        | 4.09    | 12.24                | June-21     | 1.22        | 0.36    | 1.58                 |
| July-20     | 10.71       | 3.96    | 14.67                | July-21     | 1.15        | 0.34    | 1.49                 |

|                     |              |              |               |                     |             |              |              |
|---------------------|--------------|--------------|---------------|---------------------|-------------|--------------|--------------|
| <b>August-20</b>    | 9.42         | 3.53         | <b>12.95</b>  | <b>August-21</b>    | 1.35        | 0.27         | <b>1.62</b>  |
| <b>September-20</b> | 11.37        | 3.52         | <b>14.89</b>  | <b>September-21</b> |             |              |              |
| <b>Total</b>        | <b>76.13</b> | <b>49.58</b> | <b>125.71</b> | <b>Total</b>        | <b>68.6</b> | <b>24.17</b> | <b>92.76</b> |

### *International Market:*

- Cambodia exported 130,248 tonnes of milled rice in July-September valued at more than \$81 million, representing a 42.95 % rise in volume from 91,115 tonnes in the same period last year.
- Indonesia's rice husk output in 2021 is estimated at 55.27 million tonnes, up from 54.65 million tonnes last year as per statistika bureau, which is below the government target of 58.5 million tonnes in 2021. In January-September the output was 45.61 million tonnes while it is projected to be 9.66 million tonnes in October-December.
- As per USDA's GAIN report on China's rice prices said Indian rice made up to 23 percent of total imports by Beijing during January-August this year. The reason for such huge increase in imports is due to competitive price of Indian rice which averaged at \$345 per tonne while the world average stood at \$454 per tonne. As per sources, during January – August China imported 7.3 lakh tonnes from India, 7.1 lakh tonnes from Vietnam and 6.4 lakh tonnes from Pakistan.
- In Bangladesh, the traders are demanding government to remove import duty as the domestic prices continued to rise in the domestic market despite bumper summer crop production and hefty imports. A huge volume of rice is imported from India through land ports.
- In October, Vietnam's 5% broken rice was averaged quoted at \$424 per tonne up from \$405 per tonne the previous month. Preliminary data showed 321,555 tonnes of rice was loaded at Ho Chi Minh City port on October, heading towards Philippines, Africa and Cuba.
- On 30<sup>th</sup> October, Nepal announced a record high Rs. 5.52 billion payout for farmers who lost farmers to extreme weather in last fortnight. Nepal has suffered severe unseasonal rains on October 17. As per reports, 90,996 hectares of paddy have been completely damaged due to the rains. The situation is expected to make the prices in Nepal strong in the coming weeks.
- To boost the food security amid the pandemic, Philippines has decided to cultivate hybrid rice with a target of 1.3 million hectares for the crop year 2022. Before this, the rice was cultivated only at around 300,000 to 400,000 hectares.
- Rice imports from India through Benapole ports in Bangladesh were suspended on 31<sup>st</sup> October and will progress after further notice. Due to the situation, Importers were seen rushing to complete the imports of rice on 30<sup>th</sup> October. This has led to long waiting period for trucks to enter through Benapole port.
- European Union has decided to lift 25 percent retaliatory tariffs on US products including milled rice and broken rice. The announcement came just before an internal deadline on Nov 1 that gives a one-month period for European commission to formally repeal the tariffs by December 1.
- Bangladesh raised the price the government will pay farmers in the upcoming rice season to 40 taka per kilogram 37 taka the previous year. The government is expected to buy 50,000 tonnes of rice from farmers starting from November 7 as the nation struggle to contain the rising prices of staple food.



*IGC Balance Sheet:*

| Attributes<br>( Fig in Million Tons) | 2018-19 | 2019-20<br>Est. | 2020-21<br>Forecast | 2021-22 (Proj.) |            |
|--------------------------------------|---------|-----------------|---------------------|-----------------|------------|
|                                      |         |                 |                     | 23.09.2021      | 21.10.2021 |
| Production                           | 498     | 499             | 507                 | 512             | 513        |
| Trade                                | 43      | 44              | 48                  | 48              | 48         |
| Consumption                          | 488     | 496             | 506                 | 509             | 510        |
| Carryover stocks                     | 175     | 179             | 179                 | 182             | 182        |
| Y-O-Y change                         | 10      | 4               | 1                   |                 | 3          |
| Major Exporters                      | 39      | 43              | 47                  | 50              | 50         |

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

With increase in shipment to Asia, the forecast for world rice trade in 2021 is lifted to a new high of 48m t (+4m y/y). Reflecting an upgrade for India, the projection for global production in 2021/22 is raised by 1m t, to a peak of 513m (507m), with the net increase in supplies channeled to an increased figure for utilization, leaving carryovers steady m/m, at 182m (+3m). Trade in 2022 is predicted to be little-changed y/y, at close to a new peak.

With increase in freight costs and logistics difficulties in some exporters, world rice import demand in 2020/21 is forecast to expand to a record of 48m t (+4m y/y) on firmer demand from buyers in Africa and Asia. Tied to acreage gains and improved yields, 2021/22 production is predicted at a new peak, including a sizeable main crop in India. While population growth will boost consumption, inventories are seen rising to a high of 182m t (+3m), with major exporters' reserves at a record of 50m. Trade in 2022 is seen remaining high, mostly on African demand.

*Indicative Basmati Parity Sheet*

| Parity Calculation Sheet  | Rajkot<br>(Kandla) | Andhra<br>Pradesh<br>(Vizag) | Punjab<br>(Kandla) | Haryana<br>(kandla) | West Bengal<br>(Kolkata) |
|---|--------------------|------------------------------|--------------------|---------------------|--------------------------|
| Price @ various center  | 70860              | 70860                        | 67400              | 67860               | 70360                    |
| Port handling charges<br>/Loading/Unloading /Clearing<br>(Rs/ton) | 330                | 330                          | 330                | 330                 | 330                      |
| Freight Charges till port   | 2000               | 2000                         | 2000               | 2000                | 2000                     |
| Indian FOB (Rs/MT)  | 73190              | 73190                        | 69730              | 70190               | 72690                    |
| Indian FOB (USD/MT)   | <b>977.04</b>      | <b>977.04</b>                | <b>930.85</b>      | <b>936.99</b>       | <b>970.36</b>            |
| Insurance @ 0.1%  | 0.98               | 0.98                         | 0.93               | 0.94                | 0.97                     |
| Freight Charges (US \$/ton) to Dubai                              | 50                 | 50                           | 50                 | 50                  | 50                       |
| CIF (Kandla to Dubai)   | <b>1028.02</b>     | <b>1028.02</b>               | <b>981.78</b>      | <b>987.93</b>       | <b>1021.33</b>           |
| INR Monthly Average   | 74.91              | 74.91                        | 74.91              | 74.91               | 74.91                    |

*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 firm tone from last month owing to higher trade happened last month leading to greater tenders and buying from Bangladesh, Philippines. We expect market to hover in the range of USD 13.00-14.50 hundred weights in coming sessions.

***International Price Projection for Next Month:***

| Duration      | Trend                   | Support | Resistance |
|---------------|-------------------------|---------|------------|
| November-2021 | Range bound to mix bias | S1-9.43 | R1-14.00   |
|               |                         | S2-6.40 | R2-16.00   |

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