Rice Monthly Research Report

Contents

Outlook and Review (Domestic Front)

- **Price:** Average monthly wholesale monthly rice prices in India stood at around Rs.3434.08 per quintal in November-2021, up by 1.79% from Rs. 3373.75 per quintal in October-2021 and up by 13.10% from Rs.3036.29 per quintal a year ago. The increase in the average price of rice during November month is due huge rise in the price of basmati rice which reached record levels during the November month due to lower production expected this year.

- **Procurement:** In KMS 2021-22, a quantity of 290.98 lakh metric tonne of paddy has been procured upto 30th November 2021 which is down by 67.46 percent against 894.19 lakh metric tonnes procured in KMS 2020-21 during the corresponding period. Till now about 18.17 lakh farmers have been benefitted with MSP value of Rs. 57,032.03 crores. Maximum procurement has been done in Punjab 186.86 lakh tonnes followed by Haryana with 55.31 lakh tonnes.

- **Export:** As per APEDA, non-basmati rice exports during the first half of the fiscal year increased by 75 percent to 8.91 million tonnes valued at Rs. 21,852 crores from 5.08 million tonnes valued at Rs. 11,765 crores during the same period a year ago. Bangladesh is the top importer buying 1.25 million tonnes during the same period followed by Benin and China importing 0.685 million tonnes and 0.675 million tonnes. From December the exports from India are expected to slow down as the arrivals of kharif paddy would peak and most of the buyers would be adopting "wait and watch" attitude which would ultimately pick up in January. Most of the exports from India are moving towards Red sea mainly to Djibouti. As per trade sources, 9.50 lakh tonnes of rice were exported from India during the month of October 2021. It is 3.73 percent lower compared to September with export of 9.87 lakh tonnes.

- **Stock Position:** At the beginning of November, FCI had a stock of 229.22 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.

- **PMGKAY:** Cabinet ministry has announced extension of PMGKAY for another four months till March 2022. The food grain under Phase V would include an estimated food subsidy at Rs. 53,344.52 crores. The total outgo of food grains in Phase V is expected to be 163 LMT.

- **Paddy sowing:** As of 03rd December, rabi paddy sowing was done in 9.74 lakh hectares up by 0.36 lakh hectares from 9.37 lakh hectares the previous year during corresponding period. In Tamil Nadu, around 8.74 lakh hectares up by 0.85 lakh hectares from 7.88 lakh hectares the previous year.

- ***Weather Watch:*** Isolated to scattered light to moderate rainfall over Coastal Andhra Pradesh, Tamilnadu and Kerala on 09th with isolated heavy falls over Tamilnadu. Gradual fall in minimum temperatures by 2-4° over most parts of Northwest, Central and East India during next 4-5 days. Dense fog very likely in isolated pockets over Northeast India during next 3 days. Light rainfall/snowfall over Jammu- Kashmir- Ladakh- Gilgit- Baltistan-Muzaffarabad during 07th-09th and over Himachal Pradesh on 08th & 09th December.

Price Projection for Next Month (November) in Domestic Market

Duration	Trend	Average Price Range	Reason
December- 2021	Range bound to mixed bias	Rs.3200-3400/Quintal	Lower demand due to high price and air quality issue stabilized with good export demand

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**	0.510	7.40	0.970	-0.460
Assam	**4.02**	0.003	0.07	0.002	0.001
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**	0.060	3.31	0.030	0.030
Kerala	**0.44**	0.230	52.27	0.360	-0.130
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**	0.007	0.28	0.010	-0.003
Tamil Nadu	**1.54**	8.736	567.27	7.883	0.853
Telangana	**7.33**	0.004	0.05	0.001	0.003
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**	0.190	26.39	0.120	0.070
All-India	**42.51**	**9.740**	**22.91**	**9.376**	**0.364**

Source: Agricoop **(As on Dec-03, 2021)**

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
	04-Dec-21	27-Nov-21	04-Nov-21	04-Dec-20			
1121 Steam	7700	8400	Closed	5700	-8.33	-	35.09
1121 Sella	6900	7300	Closed	4800	-5.48	-	43.75
1121 Raw	7700	8600	Closed	5800	-10.47	-	32.76
Basmati Raw	10000	10000	Closed	8500	Unch	-	17.65
1509 Steam Wand New	7100	7700	Closed	5300	-7.79	-	33.96
Sugandh Steam	6000	6300	Closed	4500	-4.76	-	33.33
Sharbati Raw	4900	5500	Closed	4100	-10.91	-	19.51
Pusa Raw Wand	6100	6700	Closed	5400	-8.96	-	12.96
Parmal Sella	3250	3500	Closed	3300	-7.14	-	-1.52

Source-Agriwatch

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)*

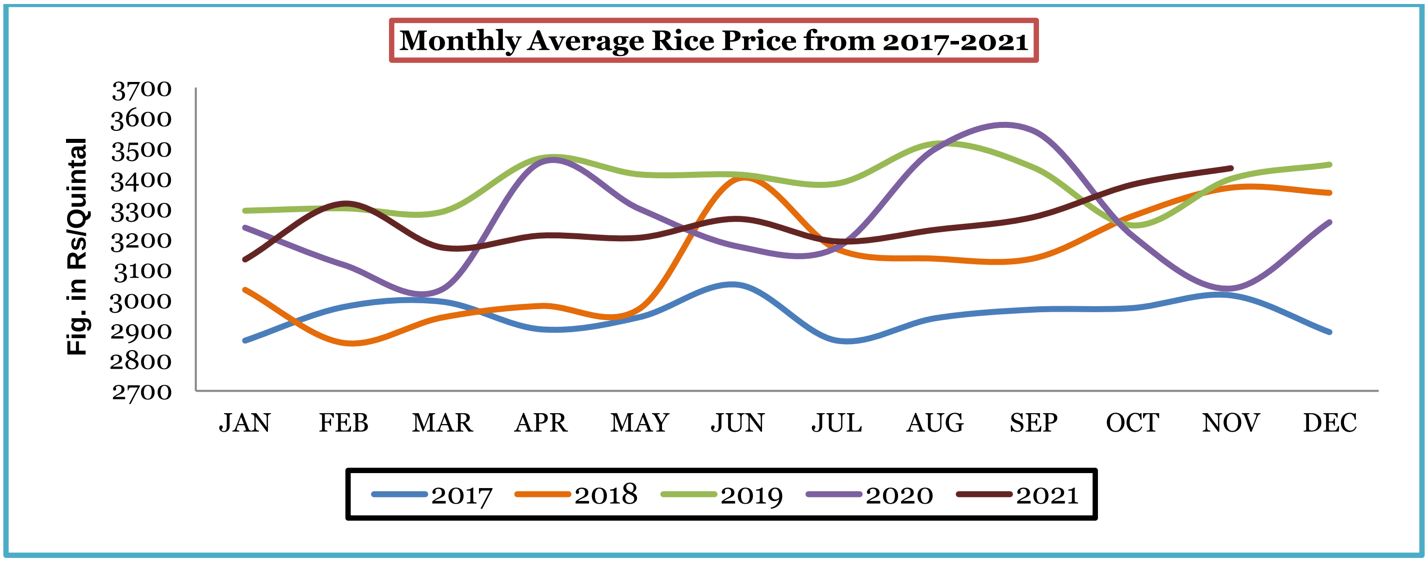
Rice Production Estimates: Rice production estimate is raised to 126.89 million tons, due to fact that there were higher planting and good rainfall activity which helped produce better yield. The export quantity of rice is expected to be higher, the huge demand from international market and good competitive price are the reason for higher exports.

State wise Wholesale Prices Monthly Analysis for Rice November, 2021

State	Prices November, 2021	Prices October, 2021	Prices November, 2020	% Change(Over Previous Month)	% Change(Over Previous Year)
Chattisgarh	__	__	2500	__	__
Gujarat	4315.36	4000.84	4298.6	7.86	0.39
Karnataka	4347.08	4376.79	3269.75	-0.68	32.95
Kerala	3446.51	3443.56	3493.22	0.09	-1.34
Maharashtra	4018.07	3715.55	3572.93	8.14	12.46
Odisha	2991.06	2996.63	3003.91	-0.19	-0.43
Punjab	__	__	2000	__	__
Uttar Pradesh	2519.11	2557.78	2423.65	-1.51	3.94
West Bengal	2790.17	2827.69	2809.89	-1.33	-0.7
Average	3434.08	3373.75	3036.29	1.79	13.10

Prices in Rs/Quintal **Source-Agmarknet**

Due to huge increase in the price of Basmati rice, the overall price of rice were on higher side during the month of November, as a resul the prices were up by almost 1.8 percent compared to October month while up by almost 13 percent compared to November 2020.



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	21.30

Source-FCI

State-wise Procurement As on 30.11.2021 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	0.62	0.62
2	Telangana	0	16.14	16.14
3	Assam	0	0	0
4	Bihar	0	0.59	0.59
5	Chandigarh	0.27	0	0.27
6	Chhattisgarh	0	0	0
7	Gujarat	0	0.22	0.22
8	Haryana	0.60	54.70	55.30
9	H.P.	0.22	0.02	0.24
10	Jharkhand	0	0	0
11	J&K	0.25	0.04	0.29
12	Karnataka	0	0	0.0
13	Kerala	0	0.91	0.91
14	M.P.	0	0	0
15	Maharashtra	0	0.17	0.17
16	Odisha	0	0.03	0.03
17	Punjab	1.59	185.27	186.86
18	Rajasthan	0.06	0.01	0.07
19	NEF (Tripura)	0	0	0
20	Tamilnadu	0	5.28	5.28
21	U.P.	0.16	12.27	12.43
22	Uttrakhand	0	11.55	11.55
23	West Bengal	0	0	0
Total		3.15	287.82	290.97

Source-FCI

Procurement of paddy in ongoing KMS 2021-22 is going in India at MSP, as was done in previous seasons, and a quantity of over 290.97 LMT of rice was procured as of November 30th 2021. In Punjab, the procurement operations are almost finished. The procurement has been done majorly in Punjab and Haryana. The procurement in southern and eastern part of the country have started. With time the procurement is about to increase specially in southern and eastern part of the country.

Rice Export Statistics (in Lakh MT)

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**	8.97	3.02	11.99
December-19	4.22	4.7	8.92	**December-20**	11.96	3.35	15.32
January-20	4.52	4.56	9.08	**January-21**	12.40	3.80	16.20
February-20	5.41	5.37	10.78	**February-21**	16.16	3.91	20.07
March-20	6.18	4.84	11.02	**March-21**	19.96	4.78	24.74
April-20	4.28	4.21	8.49	**April-21**	16.59	3.58	20.17
May-20	6.83	4.54	11.37	**May-21**	12.44	3.71	16.15
June-20	8.15	4.09	12.24	**June-21**	12.16	3.59	15.75
July-20	10.71	3.96	14.67	**July-21**	11.46	3.43	14.89
August-20	9.42	3.53	12.95	**August-21**	13.53	2.71	16.24
September-20	11.37	3.52	14.89	**September-21**	15.77	2.47	18.24
Total	**77.52**	**48.24**	**125.76**	**Total**	**161.84**	**41.92**	**203.77**

Source-DGCIS

International Market:

- In Philippines, the rice imports expanded by 16.24 percent year-on-year from January to October to 2.242 million metric tonnes. The imports grew by 0.31 million metric tonnes from previous year imports of 1.929 million metric tonnes. Vietnam remains the largest exporter of rice to Philippines.
- South Korea's rice output rose for the first time in six years due to favorable climatic conditions and increase in the area. The output reached 3.88 million tonnes in 2021u up by 10.7 percent from a record low of 3.51 million tonnes the previous years.
- In Bangladesh, central bank has directed banks to end 15 percent incentive to fragrant rice exporters. In the circular, the bank didn't mention any specific reason for this statement.
- Iran imported a total of 665,000 tonnes of rice during March 21-November 21 showing a rise of 24 percent compared to similar period last year.
- Philippines is taking step to limit imports of the grain from Vietnam amid big harvest at Philippines. They have suspended issuing sanitary and phytosanitary import clearance for rice shipments from Vietnam. Vietnam's rice shipment to Philippines in the first 10 months of the year rose 12.3 percent from previous year to 2.09 million tonnes.
- Sri Lankan government has decided to partially lift the ban on chemical fertilizer and permit the private players to import fertilizer from other countries and to allow farmers to purchase it from open market. The ban was made in order to make Sri Lanka 100 percent organic nation.

- China's imports of rice and paddy from Pakistan rose 3.9 times that of the same period last year. Pakistan is the third largest supplier of rice to China. Pakistan was the largest supplier of rice to China during the first five months. As China and Pakistan advances agricultural cooperation, Pakistan's rice exports to China may increase in coming months.
- Thailand's monthly rice exports grew for fifth consecutive month in October. As per reports, October exports totaled 773,823 MT up by 74 percent on the year and the highest monthly since January 2019. Thai exports in January-October 2021 to 4.59 million MT marginally higher than this time last year.
- Sri Lanka to import rice from Myanmar for $460 per tonne as a state-run trading firm has approved import of 20,000 of rice from Burma as the domestic prices in Sri Lanka has been pushed by milling oligopoly which takes cover under import control.
- Pakistan has achieved bumper rice crop of 9 million tonnes this year with an exportable surplus of 8.03 million tonnes worth $4.85 billion. Currently the shipping line is easing and if the current level is achieved it will earn $2.74 billion more than the previous year. It is expected to be the highest growth in the entire export sector of Pakistan this year.
- Pakistan's rice exports surge by 19.04 percent to $594.53 million during the July to October 2021 compared to export worth $499.44 million during the corresponding period last year. Among the rice commodities, the exports of Basmati rice have increased by 27.44 percent surging from $161.65 million to $206.01 million during the current year.
- As per Thai rice exporter association (TREA) rice importing nations would pay approximately $579.75 million to shipping line as freight charges by the end of the year. Nigeria would pay $300 million for 2 million tonnes of rice, Benin pays $81 million for 540,000 tonnes while Togo pays $56.25 million for 375,000 tonnes and Ghana pays $142.5 million for 950,000 tonnes. The shift from containers to bulk shipment have affected the cost of foreign rice importation to West Africa from Thailand and other Asian countries.

IGC Balance Sheet:

Attributes (Fig in Million Tons)	2018-19	2019-20 Est.	2020-21 Forecast	2021-22 (Proj.)	
				21.10.2021	18.11.2021
Production	498	500	508	513	513
Trade	43	44	48	48	48
Consumption	488	496	506	510	510
Carryover stocks	175	179	179	182	184
Y-O-Y change	10	4	2		3
Major Exporters	39	45	49	50	52

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

The Council's forecast for global rice trade in 2021 is fractionally higher m/m, at 48.3m t (44.0m), on stronger than anticipated demand from buyers in Asia. While 2021/22 world production is projected little-changed m/m, at a peak of 513m t (+1% y/y), end-season stocks are lifted from before, to 184m (+3m y/y), on an upward revision for India. The outlook for global import demand in 2022 is maintained and would be steady y/y.

Stronger demand from importers in Asia and Africa is seen pushing up world rice trade to a peak of 48.3m t (44.0m) in 2021. Linked to another record outturn in India, global production in 2021/22 is forecast at a fresh high, while inventories are seen expanding on accumulation in the major exporters. Despite a likely contraction in feed uptake in China, consumption is predicted at a record on continued population growth. Trade is projected little-changed y/y in 2022 as a potential reduction in deliveries to Asia is countered by firmer demand in Africa.

Indicative Basmati Parity Sheet

Parity Calculation Sheet	Rajkot (Kandla)	Andhra Pradesh (Vizag)	Punjab (Kandla)	Haryana (kandla)	West Bengal (Kolkata)
Price @ various center	76500	76500	75673	76217	76450
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)	78830	78830	78003	78547	78780
Indian FOB (USD/MT)	**1058.55**	**1058.55**	**1047.44**	**1054.75**	**1057.88**
Insurance @ 0.1%	1.06	1.06	1.05	1.05	1.06
Freight Charges (US $/ton) to Dubai	50	50	50	50	50
CIF (Kandla to Dubai)	**1109.61**	**1109.61**	**1098.49**	**1105.80**	**1108.93**
INR Monthly Average	74.47	74.47	74.47	74.47	74.47

Source-Agriwatch Trade Source

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

Market Analysis

The CBOT Dec-21 contract rough chart for rice slightly firm tone from last month owing to higher trade happened last month. But since most of the major countries is expecting good crop this season, we can expect market to hover in the range of USD 13.50-14.50 hundred weights in coming sessions.

International Price Projection for Next Month:

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