

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.3377.71 per quintal in December-2021, down by 1.64% from Rs. 3434.11 per quintal in November-2021 and up by 3.73% from Rs.3256.34 per quintal a year ago. The decrease in the average price of rice during December month is due lower demand from millers as the prices went up in the November month as a result millers were reluctant to purchase the paddy. The air quality issue has also devastated the rice milling industry during the month of December which affected various export consignments also.
- **Procurement:** As of 31st December 2021, 486.22 lakh MT of paddy has been procured in KMS 2021-22 in the procuring states. Till now approximately, 55.69 lakh farmers have been benefitted from the procurement. In Punjab, the highest paddy procurement was done with 186.86 LMT benefitting 9.24 lakh farmers at MSP value of Rs. 36,623.64 crores. Haryana follows next with 55.31 LMT of paddy procurement benefitting 3.10 lakh farmers at MSP value of Rs. 10,839.97 crores.
- **Export:** As per trade sources, 11.98 lakh tonnes of rice were exported from India during the month of November 2021, which is 26.11 percent higher compared to October's export of 9.50 lakh tonnes. Nepal is the largest importer of Indian rice with 1.12 lakh tonnes of imports while Iran imports 1.12 lakh tonnes of rice and Benin imported 1.01 lakh tonnes of rice. As per APEDA, in the international market, Non-Basmati Rice has emerged as India's top export item among the many agricultural and processed food, contributing close to one-fourth of the total exports in 2020-21. India's Non-Basmati rice exports were valued at \$4799.91 million (Rs 35,477 crore) in 2020-21, the Basmati Rice exports were at \$4018.71 million (Rs 29,850 crore).
- **Stock Position:** On 01st December, FCI had a stock of 21.30 million tonnes of rice in central pool, compared to buffer norms of 7.6 million tonnes. With the procurement custom milled rice for central pool has already started and is in full pace, the central pool stock is expected to increase from January.
- **Production:** As per latest Government's first advance estimate, the production of kharif rice during 2021-22 is expected to be 107.04 million tonnes, while Agriwatch's estimate for kharif rice production during 2021-22 is corrected to 107.83 million tonnes from previous estimate of 110.63 million tonnes due to crop failures reported in various states. As per USDA, India is expected to produce 125 million tonnes for the year 2021-22. Rabi production has been estimated based on five-year average, and shall be revised once the sowing progresses.
- **Paddy sowing:** As of 31st December, rabi paddy sowing was done in 14.052 lakh hectares down by 0.997 lakh hectares from 15.049 lakh hectares the previous year during corresponding period. In Tamil Nadu, around 10.219 lakh hectares up by 0.817 lakh hectares from 9.402 lakh hectares the previous year.
- **Weather Watch:** Isolated to scattered light rainfall/snowfall very likely over Western Himalayan Region and light isolated to scattered rainfall over northwest India, Madhya Pradesh and Gujarat on today. It is very likely to increase from tomorrow, 07th Jan, with fairly widespread to widespread light/moderate rainfall/snowfall over Western Himalayan Region till 09th and decrease significantly thereafter. Isolated heavy rainfall/snowfall very likely over Jammu-Kashmir-Ladakh-Gilgit-Baltistan-Muzaffarabad on 07th and isolated heavy to very heavy falls on 08th. Isolated heavy rainfall/snowfall very likely over Himachal Pradesh on 08th & 09th and over Uttarakhand on 08th January.

Price Projection for 1121 Paddy Next Month (November) in Narella Market

Duration	Trend	Average Price Range	Reason
January- 2022	Range bound to mixed bias	Rs.3600-3800/Quintal	Some consignments from Middle east countries can support the market which is expected after mid January.

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	1.690	24.53	2.720	-1.030
Assam	4.02	0.273	6.79	0.219	0.054
Bihar	0.71	0.00	0.00	0.00	0.00
Chhattisgarh	-	0.035	-	0.122	-0.087
Gujarat	0.45	0.00	0.00	0.00	0.00
Karnataka	1.81	0.050	2.76	0.080	-0.030
Kerala	0.44	0.680	154.55	0.660	0.020
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	0.093	3.73	0.089	0.04
Tamil Nadu	1.54	10.219	663.57	9.402	0.817
Telangana	7.33	0.478	6.52	1.245	-0.767
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	0.534	74.17	0.512	0.022
All-India	42.51	14.052	33.06	15.049	-0.997

Source: Agricoop (As on Dec-31, 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
	31-Dec-21	25-Dec-21	30-Nov-21	31-Dec-20			
1121 Steam	7500	7300	8000	5900	2.74	-6.25	27.12
1121 Sella	6700	6700	7000	5100	0.00	-4.29	31.37
1121 Raw	7500	7300	8000	5900	2.74	-6.25	27.12
Basmati Raw	—	—	10000	8600	—	—	—
1509 Steam Wand New	6900	7000	7300	5300	-1.43	-5.48	30.19
Sugandh Steam	6200	6200	6800	5200	Unch	-8.82	19.23
Sharbati Raw	4900	4800	5000	4200	2.08	-2.00	16.67
Pusa Raw Wand	5700	6200	6200	6000	-8.06	-8.06	-5.00
Parmal Sella	3100	3150	3400	3200	-1.59	-8.82	-3.13

Source-Agriwatch

Rice Supply & Demand for MY-2021-22

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Particulars	2018-19	2019-20	2020-21	2021-22*
Opening Stock	18.53	25.00	28.83	22.44
Production	118.48	116.32	119.00	124.09
Imports	0.00	0.00	0.00	0.00
Total Supply	137.01	141.32	147.83	146.53
Exports	100.00	103.00	105.00	15.03
Consumption	12.01	9.49	20.39	106.20
Total use	112.01	112.49	125.39	121.23
Ending Stock	25.00	28.83	22.44	25.30
Stock-to-Use ratio	22.32%	25.62%	17.90%	20.87%

*AW Forecast (Preliminary)

Rice Production Estimates: As per latest Government's first advance estimate, the production of kharif rice during 2021-22 is expected to be 107.04 million tonnes, while Agriwatch's estimate for kharif rice production during 2021-22 is corrected to 107.83 million tonnes from previous estimate of 110.63 million tonnes due to crop failures reported in various states.

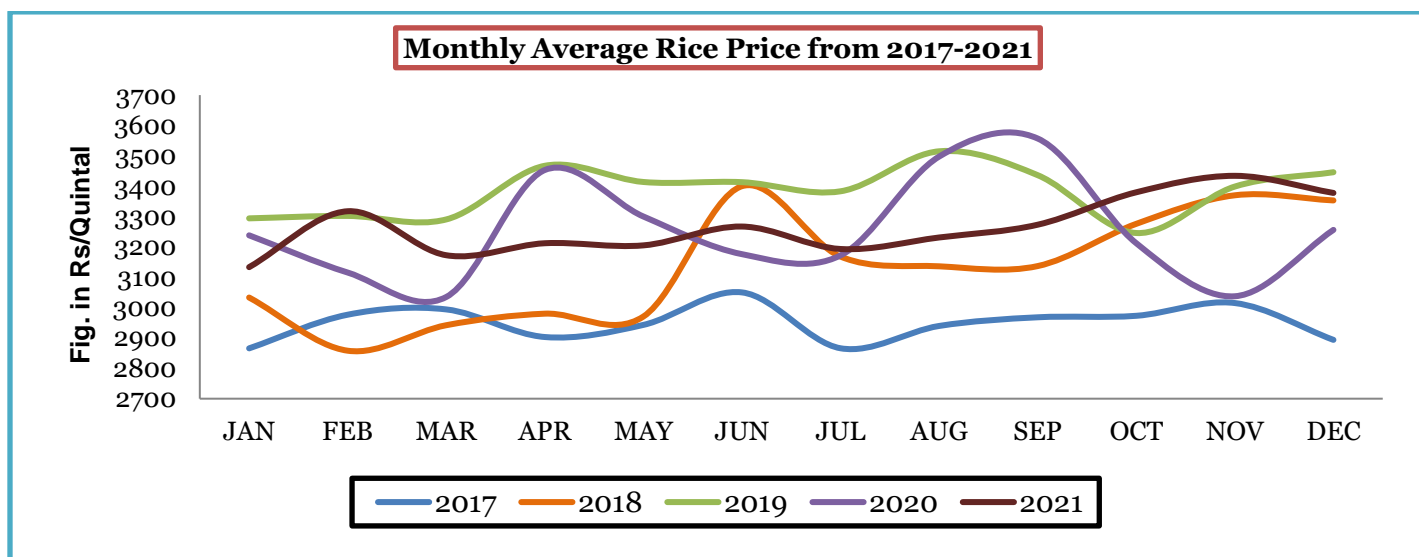
State wise Wholesale Prices Monthly Analysis for Rice December, 2021

State	Prices December, 2021	Prices Noevmber, 2021	Prices December, 2020	% Change(Over Previous Month)	% Change(Over Previous Year)
Gujarat	4278.28	4315.36	4292.99	-0.86	-0.34
Karnataka	4069.81	4346.55	3502.25	-6.37	16.21
Kerala	3603.2	3446.51	3483.03	4.55	3.45
Maharashtra	3982.91	4018.86	3813.77	-0.89	4.43
Odisha	2808.56	2991.06	2953.56	-6.1	-4.91
Tripura	3010.15	3045.27	2921.99	-1.15	3.02
Uttar Pradesh	2489.07	2519.11	2369.17	-1.19	5.06
West Bengal	2779.73	2790.17	2714	-0.37	2.42
Average	3377.71	3434.11	3256.34	-1.64	3.73

Prices in Rs/Quintal

Source-Agmarknet

Due to huge increase in the price of Basmati rice during the month Of November, most of the millers were reluctant to buy paddy at a higher rate as a result the prices went down. The impact of Air quality issue can be also seen in the prices various consignments were halted due to stopping of operations of rice mills.



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 31.12.2021)				
S.No.	STATES/ UTs	FCI	State Agency	Total
1	A.P.	0	10.34	10.34
2	Telangana	0	62.25	62.25
3	Assam	0	0	0
4	Bihar	0	10.25	10.25
5	Chandigarh	0.27	0	0.27
6	Chhattisgarh	0	53.18	53.18
7	Gujarat	0	0.92	0.92
8	Haryana	0.60	54.71	55.31
9	H.P.	0.28	0.00	0.28
10	Jharkhand	0	0.31	0.31
11	J&K	0.40	0.00	0.40
12	Karnataka	0	0	0.0
13	Kerala	0	1.83	1.83
14	M.P.	0	22.42	22.42
15	Maharashtra	0	4.84	4.84
16	Odisha	0	12.57	12.57
17	Punjab	1.61	185.25	186.86
18	Rajasthan	0.07	0.00	0.07
19	NEF (Tripura)	0	0.02	0.02
20	Tamilnadu	0	6.83	6.83
21	U.P.	0.64	41.12	41.76
22	Uttarakhand	0	11.56	11.56
23	West Bengal	0	3.95	3.95

Total	3.87	482.35	486.22
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Source-FCI

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:

- Rice exporters association of Pakistan (REAP) is urging government to take immediate action to ensure timely availability of containers for the exports of rice. Also shipping companies are charging too high compared to the prevailing rates.
- As per reports, the rains due to Jawad cyclone has impacted around 2,95,491 hectares of paddy in Bangladesh.
- South Korea government will buy 200,000 tons of locally produced rice this year to help stabilize the market price of the staple grain. The move comes after this year's rice production reached 3.88 million tons, up by 10.7 percent from a year earlier, and matched expected demand of 3.61 million tons, which resulted in a surplus of 270,000 tons.
- Cambodia is set to enjoy a considerable boost in milled-rice exports to the EU next year after safeguard measures imposed by the European Commission (EC) expire on January 18. The safeguard regulations demands Cambodia to pay import duty of €175 (\$200) per tonne in the first year, €150 per tonne in the second, and €125 per tonne in the third.
- Pakistan has decided to grant industry status to rice processing mills to boost the commodity's exports and solve other problems. Giving industry status to rice would help the industry get financing facilities from banks

while other issues, including energy supply to the sector, would also be resolved. In addition, the industrialization of rice is expected to increase rice exports as well as its production in Pakistan.

- December rice exports from Vietnam totalled at 470,000 tonnes, worth \$242 million. Rice exports in 2021 from Vietnam were forecast to drop 0.5% earlier to 6.2 million tonnes. Revenue from rice exports in the year was expected to rise 5% to \$3.3 billion.
- Due to offseason rains, rice production in the current fiscal has significantly shrunk and the fall is the lowest in the past five years in Nepal. This year the rice production went down by 8.74 percent compared to the last fiscal year. The production was 5.13 million MT this year while it was 5.62 million MT last fiscal year.
- Bangladesh's state grains buyer has issued an international tender to purchase 50,000 tonnes of rice on 5th January 2022. The deadline for submission of price offers is January 16th 2022.

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	75300	75300	74440	75000	75250
Port handling charges /Loading/Unloading /Clearing	330	330	330	330	330

(Rs/ton)					
Freight Charges till port	2000	2000	2000	2000	2000
Indian FOB (Rs/MT)	77630	77630	76770	77330	77580
Indian FOB (USD/MT)	1029.17	1029.17	1017.76	1025.19	1028.50
Insurance @ 0.1%	1.03	1.03	1.02	1.03	1.03
Freight Charges (US \$/ton) to Dubai	50	50	50	50	50
CIF (Kandla to Dubai)	1080.20	1080.20	1068.78	1076.21	1079.53
INR Monthly Average	75.43	75.43	75.43	75.43	75.43

Source-Agriwatch Trade Source

Rice Price Trend – CBOT@ CBOT Jan- 22, 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 13.90-14.90 hundred weights in coming sessions.

International Price Projection for Next Month:

Duration	Trend	Support	Resistance
January-2022	Range bound to mix bias	S1-9.43	R1-14.00

		S2-6.40	R2-16.00
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