Rice Monthly Research Report

Contents

Outlook and Review (Domestic Front)

- **Price:** Average monthly wholesale monthly rice prices in India stood at around Rs.3264.04 per quintal in January-2022, down by 3.19% from Rs. 3371.71 per quintal in December-2021 and up by 4.18% from Rs.3133.01 per quintal a year ago. The decrease in the average prices of rice during the January month is due to few export deals contracted. Major Importers like Iran and Iraq have also shifted to Pakistan due to the bilateral trade relationship between the countries. The container shortage has also halted the exports which led to fall in the prices. In Delhi and NCR regions, the mills are not fully working to capacity due to which millers were not willing to take new consignments.

- **Procurement:** As of 30th January 2022, 637.86 lakh metric tonne (LMT) of paddy have been procured in KMS 2021-22 in the procuring states. In Punjab, the highest paddy procurement was done with 186.86 LMT. Haryana follows next with 55.31 LMT of paddy procurement. During the month of January 2022, an amount of 50,000 metric tonne was purchased from Tamil Nadu FCI.

- **Export:** As per trade sources, during the month of December, around 18.04 LMT of rice was exported from India at an average FOB of $772.07 per tonne. Iran is the largest buyer of rice in the month of December with 2.14 LMT followed by Sri Lanka with 1.68 LMT. Nepal has imported 1.89 LMT of rice and China has imported 1.26 LMT. The exports are 4.3 LMT higher than the November month export of 13.74 LMT. The increase in exports is mainly due to higher demand received from middle east countries owing to Ramzan festival in the month of March. Also, China had imported India's broken rice due to its competitive price compared to other competitors.

- **Stock Position:** On 01st January, FCI had a stock of 22.37 million tonnes of rice in central pool, compared to buffer norms of 7.6 million tonnes. The central pool stock has started to increase with procurement going in full pace.

- **Paddy sowing:** As of 28th January, Rabi paddy sowing was done in 28.160 lakh hectares down by 19.31% from 34.900 lakh hectares the previous year. Tamil Nadu has sown 11.38 lakh hectares of paddy so far up from 10.51 lakh hectares. The decrease in the acreage is mainly due to Telangana and Andhra Pradesh farmers opting out sowing of paddy due to the procurement issues with centre and government's crop diversification policies. Also, in West Bengal and Odisha, the sowing has been delayed due to unseasonal rainfalls.

- **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.

- ***Weather Watch****:* During the month of January various hailstorms and rainfall activity has occurred in major rice growing areas. In Andhra Pradesh, irregular rainfall is expected to reduce the yield of the crop by 1-2 percent. And the hailstorms in central India has impacted the procurement activity in various states of Chhattisgarh, Bihar etc.

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

Duration	Trend	Average Price Range	Reason
February- 2022	Slightly Firm	Rs.3750-3900/Quintal	Good export demand is expected in coming month which would support the paddy 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**	6.250	90.71	6.740	**-0.490**
Assam	**4.02**	1.060	26.37	1.430	**-0.370**
Bihar	**0.71**	0.00	0.00	0.00	**0.00**
Chhattisgarh	**-**	0.510	-	0.840	**-0.330**
Gujarat	**0.45**	0.00	0.00	0.00	**0.00**
Karnataka	**1.81**	0.070	3.87	0.080	**-0.010**
Kerala	**0.44**	0.840	190.91	0.740	**0.100**
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**	0.490	19.68	1.000	**-0.510**
Tamil Nadu	**1.54**	11.380	738.96	10.510	**0.870**
Telangana	**7.33**	5.650	77.08	11.310	**-5.660**
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**	1.220	9.52	1.620	**-0.400**
Others	**0.72**	0.690	95.83	0.630	**0.060**
All-India	**42.51**	28.160	66.24	34.900	**-6.740**

Source: Agricoop **(As on Jan-28, 2022)**

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
	29-Jan-22	23-Jan-22	29-Dec-21	29-Jan-21			
1121 Steam	7600	7700	7300	6300	-1.30	4.11	20.63
1121 Sella	6800	6900	6600	5400	-1.45	3.03	25.93
1121 Raw	7700	7700	7300	6300	0.00	5.48	22.22
Basmati Raw	_	_	_	9200	_	_	_
1509 Steam Wand New	7300	7100	6850	5900	2.82	6.57	23.73
Sugandh Steam	6100	6100	6150	5000	0.00	-0.81	22.00
Sharbati Raw	4900	4950	4800	4700	-1.01	2.08	4.26
Pusa Raw Wand	6200	5900	5700	6000	5.08	8.77	3.33
Parmal Sella	3100	3100	3100	3200	0.00	0.00	-3.13

Source-Agriwatch

Rice Supply & Demand for MY-2021-22 ***(Back to Contents)***

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	15.83
Consumption	12.01	9.49	20.39	106.20
Total use	112.01	112.49	125.39	122.03
Ending Stock	**25.00**	**28.83**	**22.44**	**24.50**
Stock-to-Use ratio	22.32%	25.62%	17.90%	20.08%

**AW Forecast (Preliminary)*

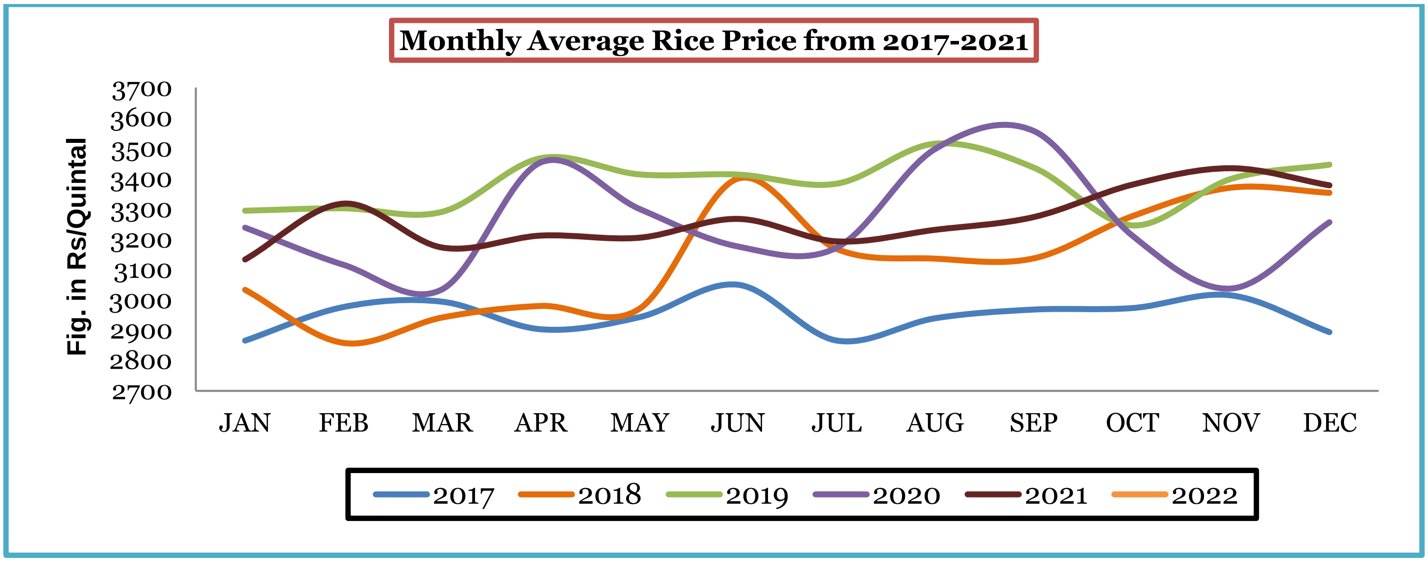
Rice Production Estimates: As per latest Government's first advance estimate, the production of kharif rice during 2021-22 is expected to be 107.04 million tonnes, while Agriwatch's estimate for kharif rice production during 2021-22 has been corrected to 107.83 million tonnes from the previous estimate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

State wise Wholesale Prices Monthly Analysis for Rice January, 2022

State	Prices January, 2022	Prices December, 2021	Prices January, 2021	% Change (Over Previous Month)	% Change (Over Previous Year)
Bihar	2300	-	-	-	-
Gujarat	4234.39	4278.28	3917.29	-1.03	8.09
Jharkhand	-	-	2345.45	-	-
Karnataka	3839.19	4069.81	3530.41	-5.67	8.75
Kerala	3669.93	3603.2	3481.87	1.85	5.4
Maharashtra	4003.71	3982.91	4160.03	0.52	-3.76
Manipur	3413.86	-	-	-	-
Odisha	2850.26	2808.56	2762.75	1.48	3.17
Tripura	2968.46	3010.15	2908.15	-1.38	2.07
Uttar Pradesh	2505.87	2489.07	2386.87	0.67	4.99
West Bengal	2861.28	2779.73	2704.26	2.93	5.81
Average	3264.7	3377.71	3133.01	**-3.35**	**4.20**

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

The prices largely fell due to lower exports than expected in the month of January. The rice mills were also not operating with full capacity which has also weakened the market in the month of January. The container shortages all over the globe is expected to be sorted out by mid-February.



Source-Agmarknet

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

Year	Jan	Feb	Mar	Apr	May	June	July	Aug	Sept	Oct	Nov	Dec
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
2022	22.15	-	-	-	-	-	-	-	-	-	-	-

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 31.01.2022)				
S.No.	**STATES/ UTs**	**FCI**	**State Agency**	**Total**
1	A.P.	***0***	***26.92***	***26.92***
2	Telangana	***0***	***70.22***	***70.22***
3	Assam	***0.04***	***0.03***	***0.07***
4	Bihar	***0***	***27.47***	***27.47***
5	Chandigarh	***0.27***	***0***	***0.27***
6	Chhattisgarh	***0***	***92.01***	***92.01***
7	Gujarat	***0***	***1.22***	***1.22***
8	Haryana	***0.60***	***54.71***	***55.31***
9	H.P.	***0.28***	***0.00***	***0.28***

10	Jharkhand	*0*	*1.62*	*1.62*
11	J&K	*0.41*	*0.00*	*0.41*
12	Karnataka	*0*	*0*	*0.0*
13	Kerala	*0*	*2.06*	*2.06*
14	M.P.	*0*	*45.45*	*45.45*
15	Maharashtra	*0*	*11.57*	*11.57*
16	Odisha	*0*	*33.90*	*33.90*
17	Punjab	*1.61*	*185.25*	*186.86*
18	Rajasthan	*0.07*	*0.00*	*0.07*
19	NEF (Tripura)	*0*	*0.22*	*0.22*
20	Tamilnadu	*0*	*8.80*	*8.80*
21	U.P.	*0.99*	*59.55*	*60.54*
22	Uttrakhand	*0*	*11.56*	*11.56*
23	West Bengal	*0*	*5.47*	*5.47*
Total		*4.26*	*638.04*	*642.30*

Source-FCI

Rice Export Statistics (in Lakh MT)

MY-2020-21	Non Basmati	Basmati	Total Export 2020-21	MY-2021-22	Non-Basmati	Basmati	Total Export 2020-21
October-20	10.44	3.57	14.01	**October-22**	14.34	2.14	16.48
November-20	8.97	3.02	11.99	**November-22**	12.56	2.35	14.91
December-20	11.96	3.35	15.32	**December-22**	-	-	-
January-21	12.40	3.80	16.20	**January-22**	-	-	-
February-21	16.16	3.91	20.07	**February-22**	-	-	-
March-21	19.96	4.78	24.74	**March-22**	-	-	-
April-21	16.59	3.58	20.17	**April-22**	-	-	-
May-21	12.44	3.71	16.15	**May-22**	-	-	-
June-21	12.16	3.59	15.75	**June-22**	-	-	-
July-21	11.46	3.43	14.89	**July-22**	-	-	-
August-21	13.53	2.71	16.24	**August-22**	-	-	-
September-21	15.77	2.47	18.24	**September-22**	-	-	-
Total	**161.84**	**41.92**	**203.77**	**Total**	**26.90**	**4.49**	**31.39**

Source-DGCIS

International Market:

- Thailand became the world's third-largest rice exporter by shipping 6.12MMTof rice last year, up 6.7 per cent year on year. Though the export volume has increased, the total value of exported rice in 2021 dropped 7.1 per cent from the previous year i.e from $3.7 billion to $3.4 billion. Meanwhile, India still remains the top rice exporter for four consecutive years with 19.5 MMT of rice exported in 2021, up 33.9 per cent year on year. Vietnam came in second with 6.24 MMT exported last year, dropping 5.2 per cent year on year. Pakistan and the United States, meanwhile, are in fourth and fifth places, with 3.93 MMT and 2.85 MMT of rice exported in 2021.
- Rice exports in Vietnam in January are estimated to have risen 4.2 percent from a year earlier to 360,000 tonnes. Revenue from rice exports in the period was seen decreasing 4.3 percent to $182 million. The high prices along with stiff competition from India is the reason for a decrease in the exports.
- Supply chain issues hampered South Korean rice imports in the final quarter of 2021, leading to a 11% decrease in imports from the previous marketing year. The rice import forecast for 2021-22 has been revised upward to 490,000 tonnes, a 19% increase, due to actual delivery of some 2021 tariff rate quota contacts moving to 2022. As per USDA, as in many Asian countries, rice consumption has been declining in South Korea in recent years, having fallen four consecutive years since a recent peak of 4.7 million tonnes in 2017-18. Per capita rice consumption has declined from 59.2 kilograms in 2018-19 to a projected 55.3 kilograms in 2021-22.
- Cambodia Rice Federation (CRF) set for bold promotion of Cambodia's fragrant rice in some European countries in a bid to spread out the quality of milled rice to the bloc's consumers. This promotion came after EU ends three-year import tariffs on Cambodia and Myanmar. The EU market accounted for more than 50 percent of Cambodia's total milled rice export in 2016 and this amount dropped sharply to around 20 percent last year. Now they are expecting at least 200,000 tons of rice exports to the EU this year.
- As per reports, Pakistan exported rice worth $1066.769 million during July-December (2021-22) against the exports of $963.379 million during July-December (2020-21), showing growth of 10.73 percent. Among the rice commodities, the exports of Basmati rice increased by 33.14 percent as this surge from $228.370 million last year to $304.043 million during the current year. The exports have been higher mainly because Iran and Iraq started purchasing basmati from Pakistan instead of India due to better connectivity.

Balance Sheet:

Attributes (Fig in Million Tons)	2018-19	2019-20	2020-21 Est.	2021-22 (Fore.) 18.11.2021	2021-22 (Fore.) 13.01.2022
Production	499	500	508	513	511
Trade	43	44	50	48	48
Consumption	488	496	507	510	509
Carryover stocks	175	179	181	184	183
Y-O-Y change	11	4	1		2
Major Exporters	40	45	49	52	51

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

On the basis of reduced figures for Asian producers, the Council's outlook for 2021-22 global rice output is cut by 2 MMT, to 511 MMT, down by 1 percent. With consumption trimmed slightly – albeit still seen at a fresh peak – the forecast for world stocks is lowered by 1 MMT, to 183 MMT. Global import demand in 2022 from January to December is projected little-changed from before, representing a marginal y/y contraction from the prior year's record.

World rice trade in 2021 is pegged at a record of 50 MMT up by 13 percent, stemming from a heavy expansion of deliveries to Asia, including Bangladesh, China and Vietnam, and Africa. Global output in 2021-22 is forecast at 511 MMT, marginally higher y/y and a new peak on bigger harvests in Asian producers. Tied to population-driven gains in food use, consumption is predicted at a peak, while inventories are seen at a new high, including accumulation in key exporters, principally India. After the prior year's solid y/y rise, trade may edge lower in 2022.

Monthly FOB (US dollar/tonne)

Month	Thai 25% broken rice	Vietnam 25% broken rice	Pakistan 25% broken rice	India 25% broken rice
Jan-22	418.75	369.25	335.50	330.75
Dec-21	392.75	374.40	320.20	325.20
Nov-21	394.25	398.75	320.25	334.00
Oct-21	393.40	399.00	322.40	351.00
Sep-21	**391.75**	**384.00**	**320.75**	**357.50**
Aug-21	392.00	364.00	321.00	361.00
Jul-21	411.00	376.00	343.40	363.00
Jun-21	**461.50**	**437.00**	**374.25**	**370.00**
May-21	482.50	462.50	382.75	370.00
Apr-21	487.50	464.00	382.80	369.00
Mar-21	518.75	480.75	390.25	378.75
Feb-21	542.00	487.50	403.00	378.75

Indicative Basmati Parity Sheet

Parity Calculation Sheet	Rajkot (Kandla)	Andhra Pradesh (Vizag)	Punjab (Kandla)	Haryana (kandla)	West Bengal (Kolkata)
Price @ various center	74950	74950	74230	74650	74850
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)	77280	77280	76560	76980	77180
Indian FOB (USD/MT)	**1038.01**	**1038.01**	**1028.34**	**1033.98**	**1036.67**
Insurance @ 0.1%	1.04	1.04	1.03	1.03	1.04
Freight Charges (US $/ton) to Dubai	50	50	50	50	50
CIF (Kandla to Dubai)	**1089.05**	**1089.05**	**1079.37**	**1085.02**	**1087.71**

INR Monthly Average	74.45	74.45	74.45	74.45	74.45

Source-Agriwatch Trade Source

Rice Price Trend – CBOT@ **CBOT Feb- 22, Rough Rice)**
(Prices in US$/hundredweight)

Market Analysis

The CBOT Feb-21 contract rough chart for rice showed firm tone last month which is supported by the tenders from Bangladesh and other countries. Also, removal of import tax by European Union for Cambodia and Myanmar has also resulted in supporting the CBOT market. In coming month, we expect the market to trade firm as good exports are expected from middle east countries.

International Price Projection for Next Month:

Duration	Trend	Support	Resistance
Febrary-2022	**Slight Firm bias**	**S1-9.43** **S2-6.40**	**R1-16.00** **R2-17.00**