Rice Monthly Research Report

Contents

Outlook and Review (Domestic Front)

- **Price:** Average monthly wholesale monthly rice prices in India stood at around Rs.3327.61 per quintal in February-2022, up by 1.87% from Rs. 3266.61 per quintal in January-2022 and up by 0.31% from Rs.3317.24 per quintal a year ago. The increase in the average prices of rice during the February month is due to huge export demand received from international markets. Demand for basmati rice came from Middle East countries due to the upcoming Ramzan and Navroz festivals. There was also good demand from East African and South East Asian countries, though container shortage has impacted the trade scenario to a large extent.

- **Procurement:** As of 3rd March 2022, the Centre has procured 724.31 lakh tonne of paddy in the ongoing 2021-22 marketing year so far at the minimum support price (MSP). Also, The Centre announced that it would purchase 44.4 MMT of wheat and 4.29 MMT of rabi-grown rice under the MSP programme in 2022-23. This however excludes Maharashtra, Tamil Nadu, and Telangana estimates. The procurement has already been completed in important states like Bihar, Telangana, Chhattisgarh, Punjab, Haryana, and Madhya Pradesh, it will be completed in Andhra Pradesh, Odisha, and Tamil Nadu by March 31. The formal purchase in Uttar Pradesh, will be concluded this month, while it will continue in West Bengal until June 30. Telangana and Chhattisgarh have emerged as major rice providers to the Central Pool, and they may replace Punjab and Haryana as alternate supplies if the government decides to abandon the northern states due to groundwater depletion.

- **Export:** As per trade sources estimates, India's rice exports for January month was around 16.63 LMT down from 18.04 LMT during December month. The decrease in exports is due to low export demand from Bangladesh. China emerged as the largest importer of Indian rice with 2.34 LMT followed by Iran with 1.78 LMT and Nepal with 1.40 LMT. The average monthly FOB of 25% Indian broken rice for February month was $334.75 per tonne which is higher compared to $330.75 during January month. During February, Pakistan's 25% broken rice FOB stood at $331 per tonne down compared to 335.50 per tonne during the month of January. India is receiving stiff competition from Pakistan due to its competitive prices. In the month of March, we expect good export demand from international market, though container shortages continue as the Ukraine-Russia war is creating huge congestions in other parts of the globe.

- **Stock Position:** On 01st February, FCI had a stock of 26.34 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 on at full pace.

- **Paddy sowing:** As of 04th February, Rabi paddy sowing covered 35.190 lakh hectares down by 17.53% from 42.670 lakh hectares the previous year. Tamil Nadu has sown 11.900 lakh hectares of paddy so far up from 10.870 lakh hectares. The decrease in the acreage is mainly due to Telangana and Andhra Pradesh farmers opting out of paddy due to the procurement issues with the 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 Ministry of Agriculture's Second Advance Estimate, the kharif rice production estimate stood at 109.54 MMT higher compared to 107.04 during the previous estimate for MY 2021-22. The rabi estimate stands at 18.39 MMT. Agriwatch has estimated the kharif production at 107.83 MMT while preliminary estimate for rabi rice is at 15.02 MMT.

- ***Weather Watch****:* During the month of February, the climatic conditions were normal in most part of rice growing regions. There were unseasonal rainfalls in parts of Tamil Nadu during the starting days of March which can affect the yield and crop in the state. As the crops are already resown crops, rainfall has a negative impact on the plants in Tamil Nadu. But overall, the climatic conditions were favorable for rice during the month of February.

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

Duration	Trend	Average Price Range	Reason
March- 2022	**Steady to Firm**	**Rs.3950-4250/Quintal**	The prices are already on higher side, good export demand from middle East countries is coming. There are less stocks available for the crop. Higher prices can make Indian basmati rice uncompetitive, hence it is likely to stay steady to firm for the month of March.

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**	6.750	97.97	7.150	**-0.400**
Assam	**4.02**	1.840	45.77	1.970	**-0.130**
Bihar	**0.71**	0.00	0.00	0.00	**0.00**
Chhattisgarh	**-**	0.670	-	0.650	**0.020**
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**	0.880	200	0.740	**0.140**
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**	0.790	31.73	1.540	**-0.750**
Tamil Nadu	**1.54**	11.900	772.72	10.870	**1.030**
Telangana	**7.33**	7.760	105.87	14.790	**-7.030**
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**	3.800	29.66	4.150	**-0.350**
Others	**0.72**	0.730	101.39	0.730	**0.000**
All-India	**42.51**	35.190	82.78	42.670	**-7.480**

Source: Agricoop **(As on Feb-04, 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
	28-Feb-22	21-Feb-22	28-Jan-22	28-Feb-21			
1121 Steam	8100	7800	7600	6000	3.85	6.58	35.00
1121 Sella	7200	6950	6800	5100	3.60	5.88	41.18
1121 Raw	8200	7900	7700	6000	3.80	6.49	36.67
Basmati Raw	8700	-	-	8600	-	-	1.16
1509 Steam Wand New	7700	7400	7050	5500	4.05	9.22	40.00
Sugandh Steam	6800	6400	6150	4800	6.25	10.57	41.67
Sharbati Raw	5700	5500	4850	4400	3.64	17.53	29.55
Pusa Raw Wand	6900	6500	6200	5600	6.15	11.29	23.21
Parmal Sella	3300	3200	3200	3200	3.13	3.13	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	122.85
Imports	0.00	0.00	0.00	0.00
Total Supply	137.01	141.32	147.83	145.29
Exports	12.01	9.49	20.39	16.16
Consumption	100.00	103.00	105.00	106.20
Total use	112.01	112.49	125.39	122.36
Ending Stock	**25.00**	**28.83**	**22.44**	**22.93**
Stock-to-Use ratio	22.32%	25.62%	17.90%	18.74%

**AW Forecast (Preliminary)*

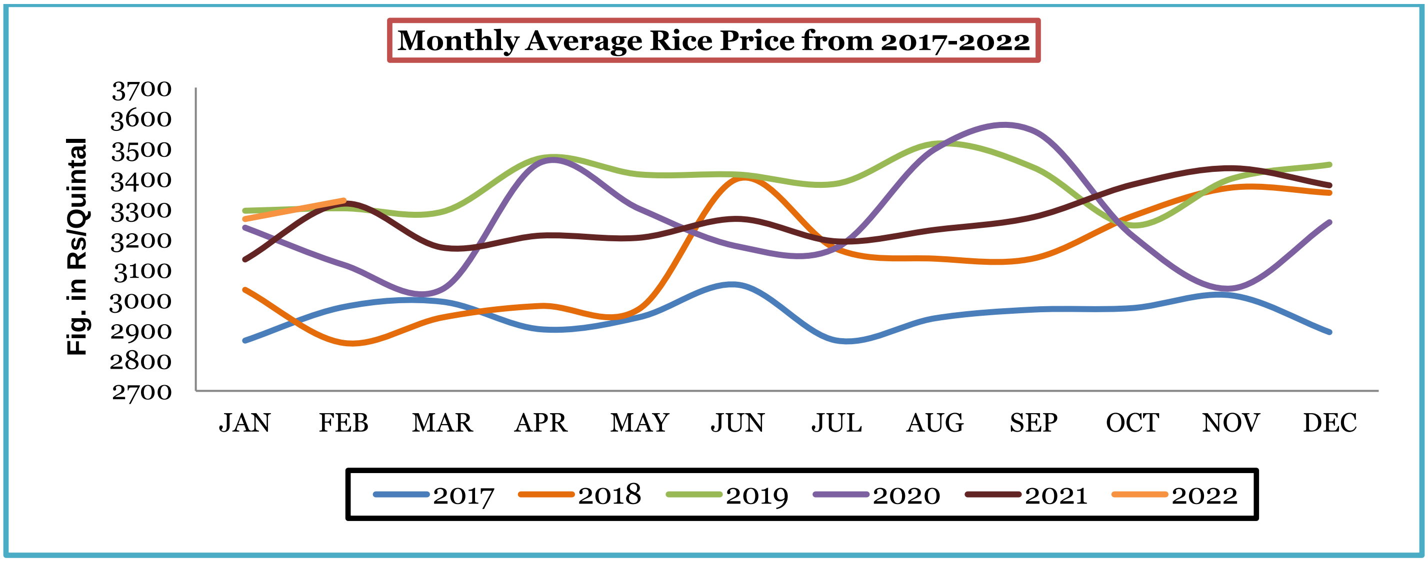
Rice Production Estimates: As per latest Government's second advance estimate, the production of kharif rice during 2021-22 is 109.54 million tonnes, while Agriwatch's estimate for kharif rice production during 2021-22 has been corrected to 107.83 million tonnes from the previous estimate of 110.63 million tonnes due to fall in yields reported in various states. The production of rabi rice is estimated at 18.39 million tonnes by second advance estimate, AgriWatch's rabi preliminary estimate is 15.02 million tonnes. AgriWatch's overall production estimate for 2021-22 has been corrected to 122.85 million tonnes.

State wise Wholesale Prices Monthly Analysis for Rice January, 2022

State	Prices February, 2022	Prices January, 2022	Prices January, 2021	% Change (Over Previous Month)	% Change (Over Previous Year)
Bihar	2663.58	2300	-	15.81	-
Gujarat	4252.64	4234.39	4143.45	0.43	2.64
Jharkhand	-	-	2385.17	-	-
Karnataka	4108.07	3839.19	3840.5	7	6.97
Kerala	3656.04	3669.93	3444.06	-0.38	6.15
Maharashtra	4105.51	4022.89	3694.61	2.05	11.12
Manipur	3417.57	3413.86	4469.14	0.11	-23.53
Odisha	2753.45	2850.26	3018.92	-3.4	-8.79
Tripura	2904.08	2968.46	2914.22	-2.17	-0.35
Uttar Pradesh	2516.16	2505.87	2427.18	0.41	3.67
West Bengal	2899.02	2861.28	2835.2	1.32	2.25
Average	3327.61	3266.61	3317.24	1.87	0.31

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

The average prices were showing steady to firm trend compared to January month. The Indian rice received good export demand from international market specially from Middle east, Africa and South East Asia. The lack of container has disrupted the trade activities despite good export demand.



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	26.34	-	-	-	-	-	-	-	-	-	-

Source-FCI

State-wise Procurement As on 03.03.2022 for KMS 2021-22 ***(in lakh tonnes)***

KMS 2021-22 (Units in LMTs) (as on 03.03.2022)				
S.No.	**STATES/ UTs**	**FCI**	**State Agency**	**Total**
1	A.P.	**0**	**36.52**	**36.52**
2	Telangana	**0**	**70.22**	**70.22**
3	Assam	**0.34**	**0.29**	**0.63**
4	Bihar	**0**	**44.85**	**44.85**
5	Chandigarh	**0.27**	**0**	**0.27**
6	Chhattisgarh	**0**	**92.01**	**92.01**
7	Gujarat	**0**	**1.21**	**1.21**
8	Haryana	**0.60**	**54.71**	**55.31**
9	H.P.	**0.28**	**0.00**	**0.28**

10	Jharkhand	0	4.21	4.21
11	J&K	0.41	0.00	0.41
12	Karnataka	0	1.40	1.40
13	Kerala	0	2.54	2.54
14	M.P.	0	45.83	45.83
15	Maharashtra	0	13.36	13.36
16	Odisha	0	54.02	54.02
17	Punjab	1.61	185.25	186.86
18	Rajasthan	0.07	0.00	0.07
19	NEF (Tripura)	0	0.31	0.31
20	Tamilnadu	0	21.16	21.16
21	U.P.	1.07	64.18	65.25
22	Uttrakhand	0	11.56	11.56
23	West Bengal	0	16.03	16.03
Total		4.65	719.66	724.31

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 2021-22
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 the fourth consecutive year 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.
- 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. 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 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.
- Sri Lankan government has planned to import 400,000 metric tonnes of rice in a bid to increase supply against rising rice prices. As many as 300,000 metric tons of rice are expected to be imported from India, and a further 100,000 tonnes from Myanmar. Sri Lanka's food inflation has reached as high as 25 per cent in January due to supply shortfalls as a result of poor weather and a lack of fertilizer, as well as high import prices. On an average, Sri Lanka consumes around 2.1 million metric tonnes of rice per year.
- As per USDA, Philippines is expected to continue importing rice this year, with shipments expected to reach as much as 2.9 MMT. Rice import forecast for the Philippines has been revised to 2.9 MMT, higher than its earlier projection of 2.5 MMT. The USDA attributed the higher forecast to the continued strong import pace from Vietnam. USDA also adjusted upward its milled rice production forecast for the country at 12.4 MMT from the earlier projection of 12.3 MMT.
- China has set the minimum purchase prices for Early Indica, Late Indica and Japonica rice at 124 yuan (USD 19.60), 129 yuan (USD 20.39) and 131 yuan (USD 20.71) per 50kg respectively. The prices are also higher than those set for 2021, signaling increasing support for production of the crop. The total volume of rice purchased at the minimum purchase price for 2022 will be limited to 50 million tonnes (MMT), with 20 million tonnes (MMT) for indica rice and 30 million tonnes (MMT) for japonica rice.
- In Bangladesh, despite good stocks of rice available, the prices are increasing. The food stock has reached a record 20 LMT and all the warehouses are full .. As of 9th February, the stocks of rice available with the government is 16.94 LMT and 0.49 LMT of paddy. The secure food stock of the country is 10 LMT but the food stocks have already crossed 20 LMT mark. Last year, the rice stocks available was 5.37 LMT way below the secure stocks which has led to huge price inflation. Despite satisfactory number of stocks and good yield of rabi and record production during kharif, the prices have seen rising. The government is strengthening the OMS activity to stabilize the price in the market.
- Cambodia exported nearly 2.073 MMT of agricultural products in the first two months of 2022, up by over 6.4 per cent year-on-year from more than 1.947 MMT. Milled rice accounted for 1.03 LMT, surging by 0.27 LMT (35.21 per cent) year-on-year, while paddy clocked in at 6.51 LMT, climbing by 0.92 LMT (16.47 per cent) year-on-year.

Balance Sheet:

Attributes (Fig in Million Tons)	2018-19	2019-20	2020-21 Est.	2021-22 (Fore.) 13.01.2022	2021-22 (Fore.) 17.02.2022
Production	499	500	508	511	510
Trade	43	44	50	48	49
Consumption	488	496	507	509	509
Carryover stocks	175	179	180	183	181
Y-O-Y change	11	4	1		1
Major Exporters	40	45	49	51	51

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

The global rice production in 2021-22 has been trimmed by 1 MMT month-on-month, to 510 MMT, still higher year on year and a new peak. With uptake maintained from previously, the figure for global stocks is cut by 2 MMT, to 181m higher by 1 MMT compared to previous year, including a modest reduction in the major exporters, principally India. The forecast for trade in 2022 is raised slightly, to about 49 MMT still lower by 1 MMT compared to previous year, well above average. With increases likely in leading producers, including India, world harvested area is predicted to expand by 1% year on year in 2022-23.

Tied to gains in India and Thailand, world rice output in 2021-22 is forecast to establish a peak of 510 MMT, a marginal year on year increase. Amid population-driven gains in food demand, as well as increased use for feeding in China, global uptake is seen at a high, while accumulation in India could underpin record stocks of 181 MMT. Trade in 2022 is predicted to contract slightly from the prior year's peak, to 49 MMT. However, the figure must be put in context – being 3 MMT above the five-year average.

Monthly FOB (US dollar/tonne)

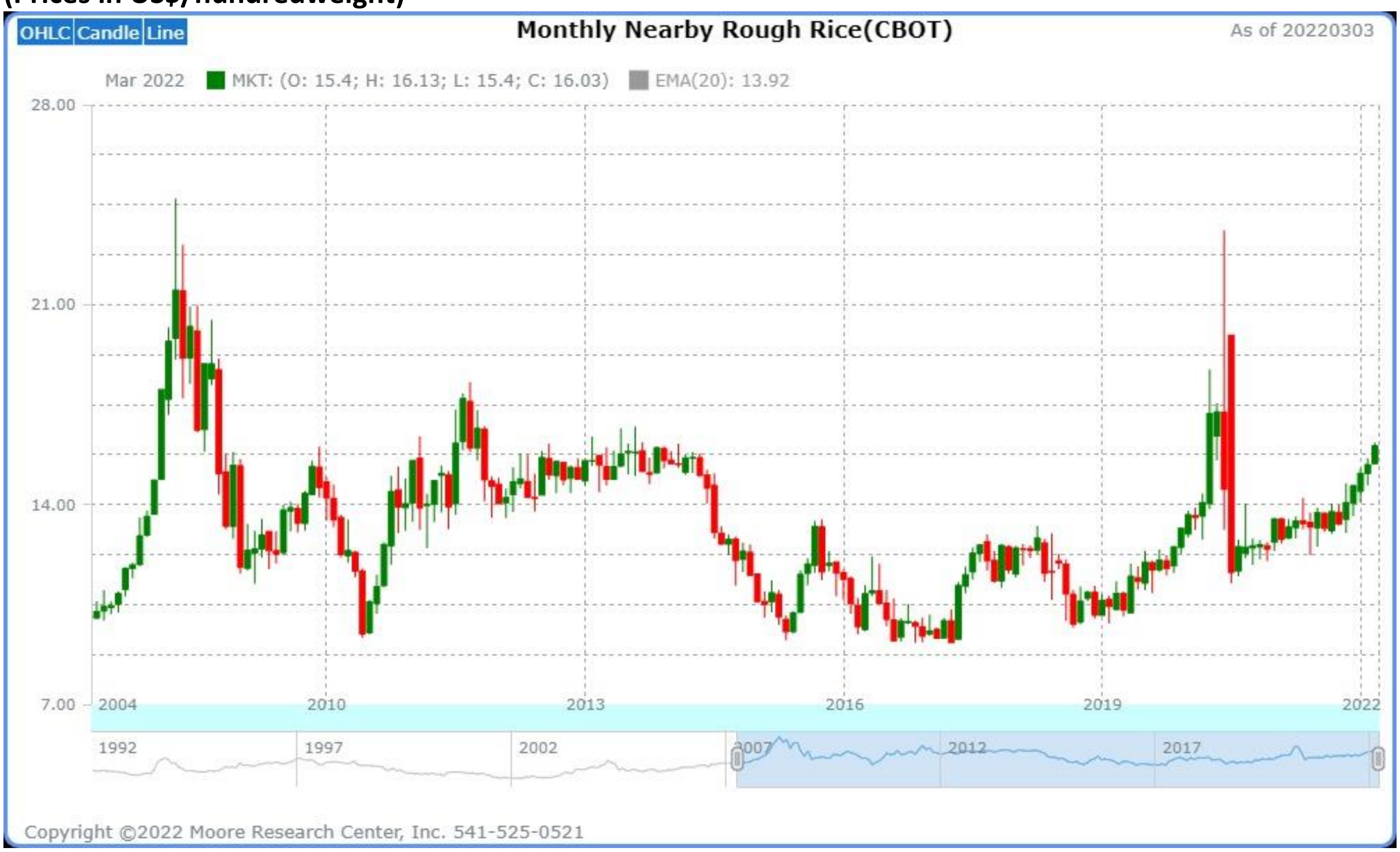
Month	Thai 25% broken rice	Vietnam 25% broken rice	Pakistan 25% broken rice	India 25% broken rice
Feb-22	422.00	372.75	331.00	334.75
Jan-22	418.75	369.25	335.50	330.75
Dec-21	392.75	374.40	320.20	325.20
Nov-21	394.25	398.75	320.25	334.00
Oct-21	393.40	399.00	322.40	351.00
Sep-21	**391.75**	**384.00**	**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

Indicative Basmati Parity Sheet

Parity Calculation Sheet	Rajkot (Kandla)	Andhra Pradesh (Vizag)	Punjab (Kandla)	Haryana (kandla)	West Bengal (Kolkata)
Price @ various center	78780	78780	78150	78480	78730
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)	81110	81110	80480	80810	81060
Indian FOB (USD/MT)	**1082.04**	**1082.04**	**1073.64**	**1078.04**	**1081.38**
Insurance @ 0.1%	1.08	1.08	1.07	1.08	1.08
Freight Charges (US $/ton) to Dubai	50	50	50	50	50
CIF (Kandla to Dubai)	**1133.13**	**1133.13**	**1124.71**	**1129.12**	**1132.46**
INR Monthly Average	74.96	74.96	74.96	74.96	74.96

Source-Agriwatch Trade Source

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



Market Analysis

The CBOT Mar-22 contract rough chart for rice showed firm tone last month which is supported by lowered production estimate by IGC. The CBOT is expected to move firm in the month of March before reversing down after reaching resistance at 16.70.

International Price Projection for Next Month:

Duration	Trend	Support	Resistance
March-2022	**Firm bias**	**S1-12.95** **S2-11.21**	**R1-16.70** **R2-17.85**

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