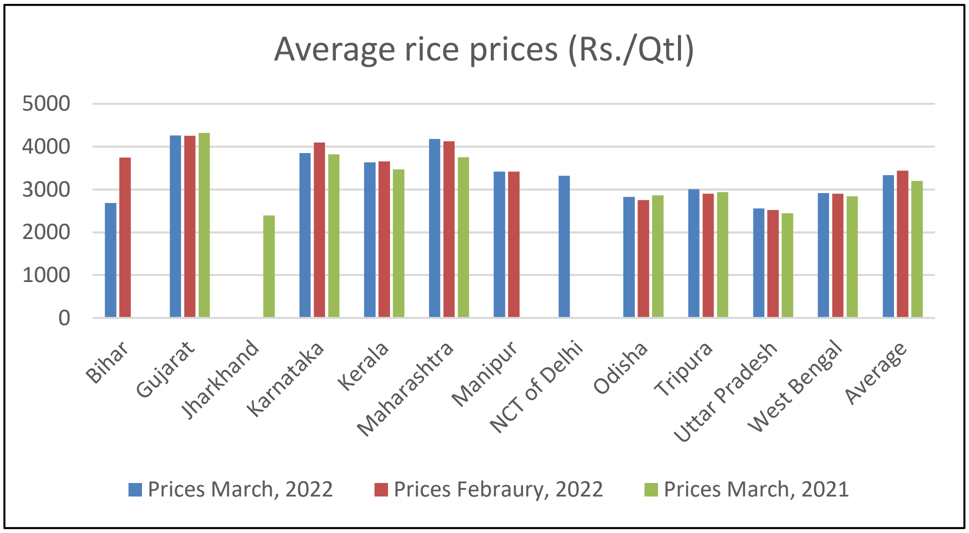
Rice Monthly Research Report

Contents

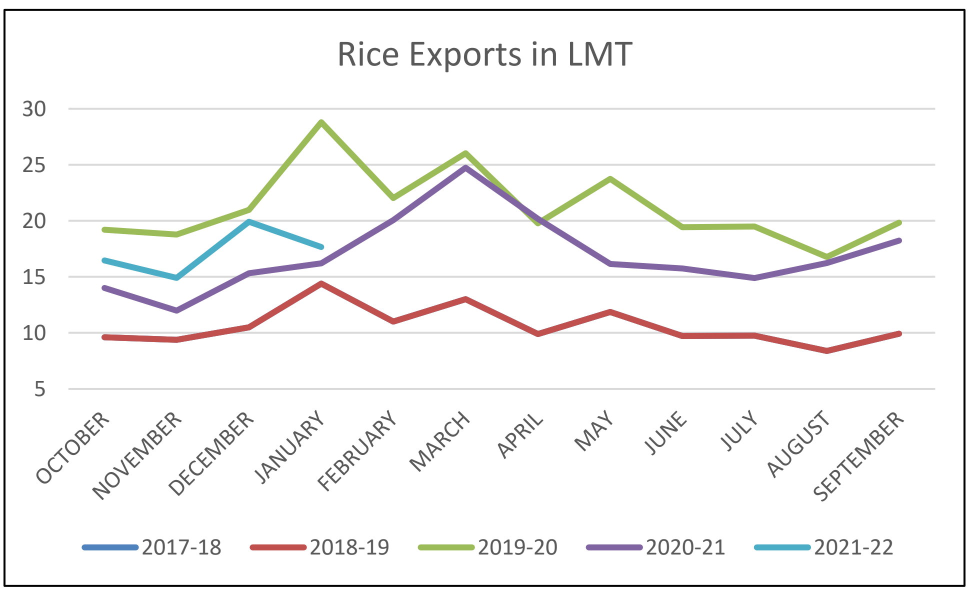
Outlook and Review (Domestic Front)

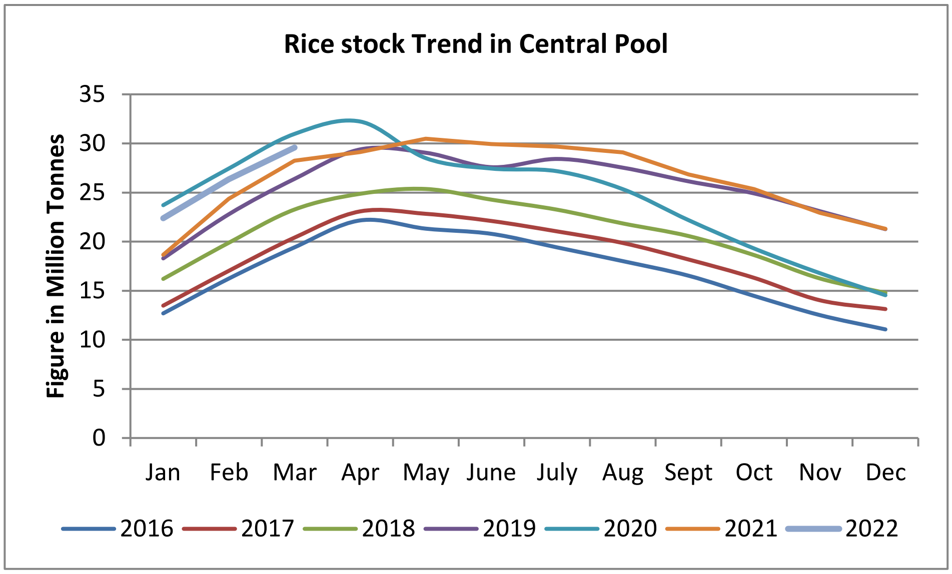
- **Price:** Average monthly wholesale monthly rice prices in India stood at around Rs.3331.37 per quintal in March-2022, down by 3.06% from Rs. 3436.40 per quintal in February-2022 and up by 3.99% from Rs.3203.50 per quintal a year ago. The average rice prices were showing weak tone despite huge demand of rice as an alternate to wheat and corn.



- **Procurement:** As of 20th March, the Centre has procured 737.11 lakh tonne of paddy in the ongoing 2021-22 marketing year so far at the minimum support price (MSP). Till now, about 104.39 lakh farmers have benefited. For RMS 2022-23, several states have started the preparation for the procurement of paddy. Jharkhand government will request the Centre to extend the deadline for paddy procurement upto April 30 this year, in case if it fails to achieve the target by March 31. The target for 2021-22 is 80-lakh tonne, and the deadline for procurement is expiring on March 31. The state has achieved over 71 per cent of its paddy procurement target till March 23.

- **Export:** As per trade sources, during the month of February, around 16.82 lakh MT of rice was exported from India at an average FOB of $838.34 per tonne. China emerged as the largest buyer of rice from India with 2.48 lakh MT of imports followed by Iran with 1.50 lakh MT and Benin with 1.20 lakh MT. Broke rice markets remain flat as the freight charges remain high and container availability is highly volatile which is keeping the prices on competitive side. Demand remains average and is expected to stay quiet in coming month.





- **Stock Position:** On 01st March, FCI had a stock of 29.58 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. The central government may have to distribute more rice than wheat in the latest extension of the PMGKAY for six months starting April 1 to prevent a drawdown in its wheat stocks at the end of 2022-23. The government plans to allocate 24.4 million tonnes of wheat and rice for PMGKAY for the next six months starting April 1. And it is expected that the breakup for the rice stocks will be on higher side.

- **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 March, the climatic conditions were normal in most part of rice growing regions. There were some unseasonal rains without having any major impact on the crop.

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

Duration	Trend	Average Price Range	Reason
April- 2022	**Steady to Weak**	**Rs.4950-4250/Quintal**	Ramzan is going as a result in little export demand from middle East countries and domestic demand is also expected to be lower.

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
	02-Apr-22	26-Mar-22	02-Mar-22	02-Apr-21			
1121 Steam	9000	8400	7900	6000	**7.14**	**13.92**	**50.00**
1121 Sella	8100	7250	7000	5100	**11.72**	**15.71**	**58.82**
1121 Raw	9000	8400	8000	6000	**7.14**	**12.50**	**50.00**
Basmati Raw	10000	10000	8700	9800	**Unch**	**14.94**	**2.04**
1509 Steam Wand New	8700	8200	7750	5500	**6.10**	**12.26**	**58.18**
Sugandh Steam	7200	6700	6550	4800	**7.46**	**9.92**	**50.00**
Sharbati Raw	5800	5800	5700	4600	**Unch**	**1.75**	**28.26**
Pusa Raw Wand	7100	6750	6700	5600	**5.19**	**5.97**	**26.79**
Parmal Sella	3300	3300	3250	3200	**Unch**	**1.54**	**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	17.00
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**	**22.09**
Stock-to-Use ratio	22.32%	25.62%	17.90%	18.74%

**AW Forecast (Preliminary)*

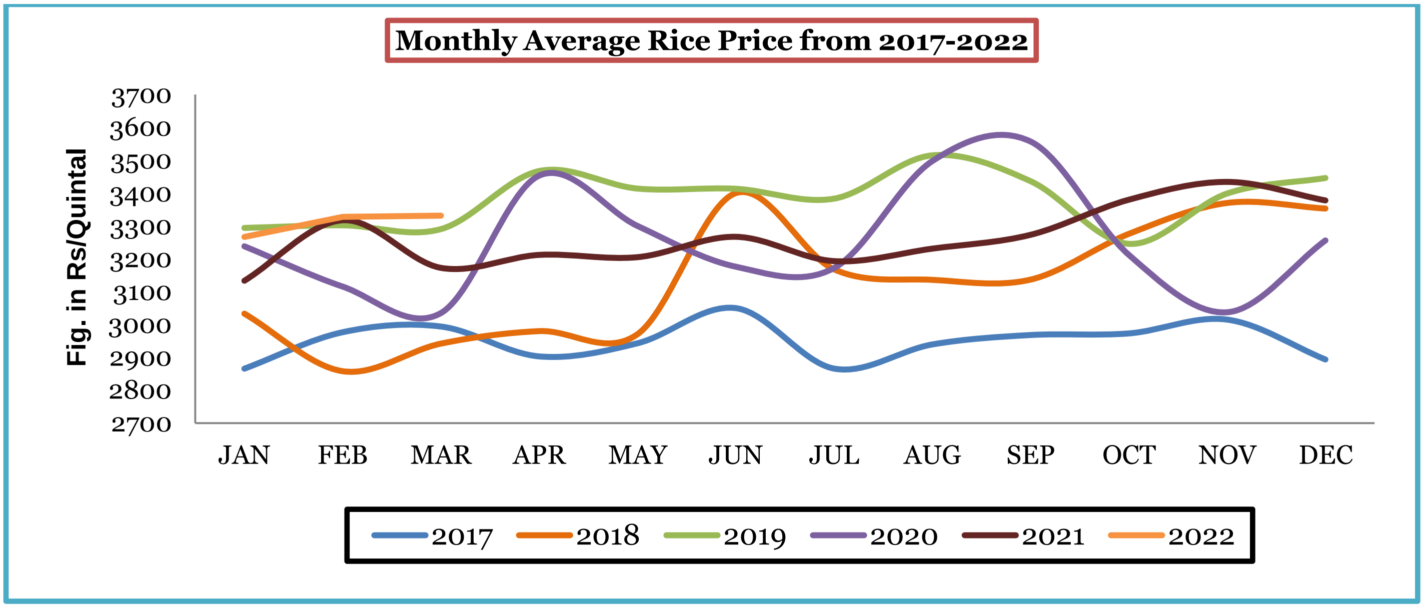
Rice Production Estimates: As per latest Government's second advance estimate, the production of kharif rice during 2021-22 is 109.54 million tonnes, while Agriwatch's estimate for kharif rice production during 2021-22 has been corrected to 107.83 million tonnes from the previous estimate of 110.63 million 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	Acreage (mn Ha)	Yield (kg/Ha)	Production (mn MT)
Andhra Pradesh	0.66	4469.70	2.95
Assam	0.18	2833.33	0.51
Karnataka	0.07	3000.00	0.21
Kerala	0.09	3222.22	0.29
Odisha	0.08	3125.00	0.25
Tamil Nadu	0.14	4214.29	0.59
Telangana	0.78	3410.26	2.66
West Bengal	1.27	3354.33	4.26
Others	0.97	3402.06	3.30
All India	**4.25**	**3534.12**	**15.02**

State wise Wholesale Prices Monthly Analysis for Rice March, 2022

State	Prices February, 2022	Prices January, 2022	Prices January, 2021	% Change (Over Previous Month)	% Change (Over Previous Year)
Bihar	2687.82	3746.78	-	**-28.26**	-
Gujarat	4261.75	4252.64	4320.14	**0.21**	**-1.35**
Jharkhand	-	-	2391.07	-	-
Karnataka	3849.86	4095.78	3819.04	**-6**	**0.81**
Kerala	3632.45	3656.04	3465.95	**-0.65**	**4.8**
Maharashtra	4179.08	4123.12	3749.53	**1.36**	**11.46**
Manipur	3415.86	3417.57	-	**-0.05**	-
NCT of Delhi	3321.43	-	-	-	-
Odisha	2822.76	2753.45	2864.74	**2.52**	**-1.47**
Tripura	3005.94	2904.08	2937.08	**3.51**	**2.34**
Uttar Pradesh	2555.11	2516.28	2444.76	**1.54**	**4.51**
West Bengal	2912.98	2898.26	2839.22	**0.51**	**2.6**
Average	3331.37	3436.4	3203.5	**-3.06**	**3.99**

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



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	23.40	-	-	-	-	-	-	-	-	-

Source-FCI

State-wise Procurement As on 20.03.2022 for KMS 2021-22 ***(in lakh tonnes)***

KMS 2021-22 (Units in LMTs) (as on 20.03.2022)				
S.No.	**STATES/ UTs**	**FCI**	**State Agency**	**Total**
1	A.P.	**0**	**38.20**	**38.20**
2	Telangana	**0**	**70.22**	**70.22**
3	Assam	**0.54**	**0.52**	**1.06**
4	Bihar	**0**	**44.90**	**44.90**
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	5.34	5.34
11	J&K	0.41	0.00	0.41
12	Karnataka	0	1.90	1.90
13	Kerala	0	2.98	2.98
14	M.P.	0	45.83	45.83
15	Maharashtra	0	13.36	13.36
16	Odisha	0	56.65	56.65
17	Punjab	1.69	185.59	187.28
18	Rajasthan	0.07	0.00	0.07
19	NEF (Tripura)	0	0.31	0.31
20	Tamilnadu	0	26.40	26.40
21	U.P.	1.07	64.46	65.53
22	Uttrakhand	0	11.56	11.56
23	West Bengal	0	16.03	16.03
Total		**4.92**	**732.19**	**737.11**

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-21**	14.34	2.14	16.48
November-20	8.97	3.02	11.99	**November-21**	12.56	2.35	14.91
December-20	11.96	3.35	15.32	**December-21**	16.49	3.44	19.92
January-21	12.40	3.80	16.20	**January-22**	14.18	3.48	17.66
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**	**57.57**	**11.41**	**68.97**

Source-DGCIS

International Market:

- As per sources, Thailand is expected to export more than 7 MMT of rice this year, exceeding its initial target. Rice exports are expected to be boosted by competitive prices due to the weak Thai Baht. Thailand was expected to export about 2 MMT of rice in the first quarter of 2022. It is also expected that with this pace the exports could possibly reach 8 MMT of rice exports this year. They shipped a higher volume to markets in the Middle East such as Iraq, and observed consistent demand from African markets. Asian markets are also turning to Thai rice over Vietnamese because of competitive prices.
- In Vietnam, Rice exports in January to March are estimated to have increased by 24% from a year earlier to 1.475 MMT. Revenue from Rice exports in the period is expected to show a rise of 10.5% to $715 MMT. March rice exports from Vietnam likely to be 500,000 tonnes, worth $246 million.
- Cambodia's rice exports during the month of January and February 2022 records an increase compared to the same period in previous year. During the first two months, Cambodia exported 103,058 tons of rice, including all kinds of fragrant rice. This is an increase of 26,836 tons compared to the previous year's exports for 76,222 tons. Rice exports in February 2022 amounted to 50,022 tons which is an increase of 8,073 tons or 19.24 percent compared to February 2021's export of 41,949 tons. The exports increased after the country recovered from covid related restrictions and also after the removal of imort duty by European union.
- There has been high demand for Cambodian fragrant rice in China. In the first two months of 2022, the total rice exports to China by Cambodia have surged 56 percent to 52,057 tonnes of rice, compared to the same months in the previous year. According to the CRF report, 113,000 tonnes of rice had been signed by the end of February 2022, and 86,000 tonnes had been delivered to customers.
- As per USDA, the 2021-22 global outlook is for larger supplies, higher consumption, increased trade, and higher stocks. Rice supplies are raised 4.9 MMT to 701.6 MMT, mainly due to higher production in India, which is projected at a record 129.0 MMT, up by 4.0 MMT. Global 2021-22 consumption is increased by 0.7 MMT to a record 511.1 MMT. World trade is 0.5 MMT higher at 51.3 MMT on greater exports by India and Thailand. India's 2021-22 exports are forecast at 20.5 MMT, surpassing last year's record 20.2 MMT.

Global rice Balance Sheet:

Attributes (Fig in Million Tons)	2018-19	2019-20	2020-21 Est.	2021-22 (Fore.)	
				17.02.2022	17.03.2022
Production	499	500	509	511	514
Trade	43	44	51	49	51
Consumption	488	496	509	509	514
Carryover stocks	175	179	180	181	181
Y-O-Y change	11	4	1	1	0
Major Exporters	40	45	49	51	52

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

The large production of Rice in India is reflected in the IGC's 2021-22 rice output estimate which is lifted by 4 MMT to a peak of 514 MMT, there is an increase in China's imports and 2022 trade outlook is lifted up by 1 MMT and would be steady.

On the basis of bigger and record crops in Asia, world rice output is placed at a peak of 514 MMT, an increase by 1 percent year on year. Tied to expanded food use, coupled with increased feed sector uptake given high prices for traditional ingredients, such as maize, consumption is forecast at a record. Aggregate inventories are predicted little-changed year on year as gains in major exporters offset reductions elsewhere. World import demand is seen at an above-average 51 MMT, nearly unchanged year on year.

Monthly FOB (US dollar/tonne)

Month	Thai 25% broken rice	Vietnam 25% broken rice	Pakistan 25% broken rice	India 25% broken rice
Mar-22	417.25	385.75	323.25	340.00
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

Indicative Basmati Parity Sheet

Parity Calculation Sheet	Rajkot (Kandla)	Andhra Pradesh (Vizag)	Punjab (Kandla)	Haryana (kandla)	West Bengal (Kolkata)
Price @ various center	82600	82600	82220	82300	82550
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)	84930	84930	84550	84630	84880
Indian FOB (USD/MT)	**1114.27**	**1114.27**	**1109.29**	**1110.34**	**1113.62**
Insurance @ 0.1%	1.11	1.11	1.11	1.11	1.11
Freight Charges (US $/ton) to Dubai	50	50	50	50	50
CIF (Kandla to Dubai)	**1165.39**	**1165.39**	**1160.40**	**1161.45**	**1164.73**
INR Monthly Average	76.22	76.22	76.22	76.22	76.22

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 increased trade in rice as traders are shifting to rice as an alternate to wheat and maize. The CBOT is expected to move firm in the month of April before reversing down after reaching resistance at 17.68.

International Price Projection for Next Month:

Duration	Trend	Support	Resistance
March-2022	**Firm bias**	**S1-14.00** **S2-13.28**	**R1-17.68** **R2-18.89**