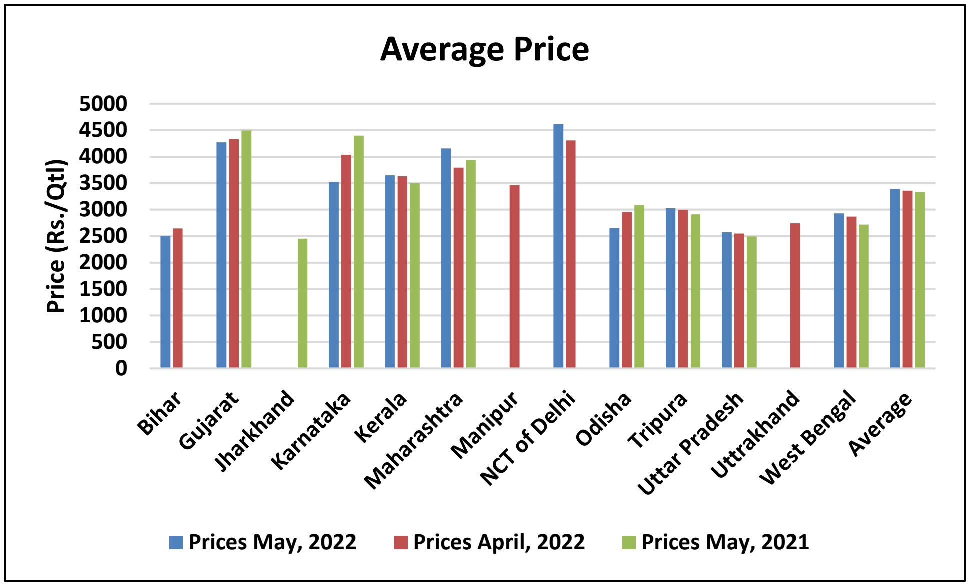
Rice Monthly Research Report

Contents

Outlook and Review (Domestic Front)

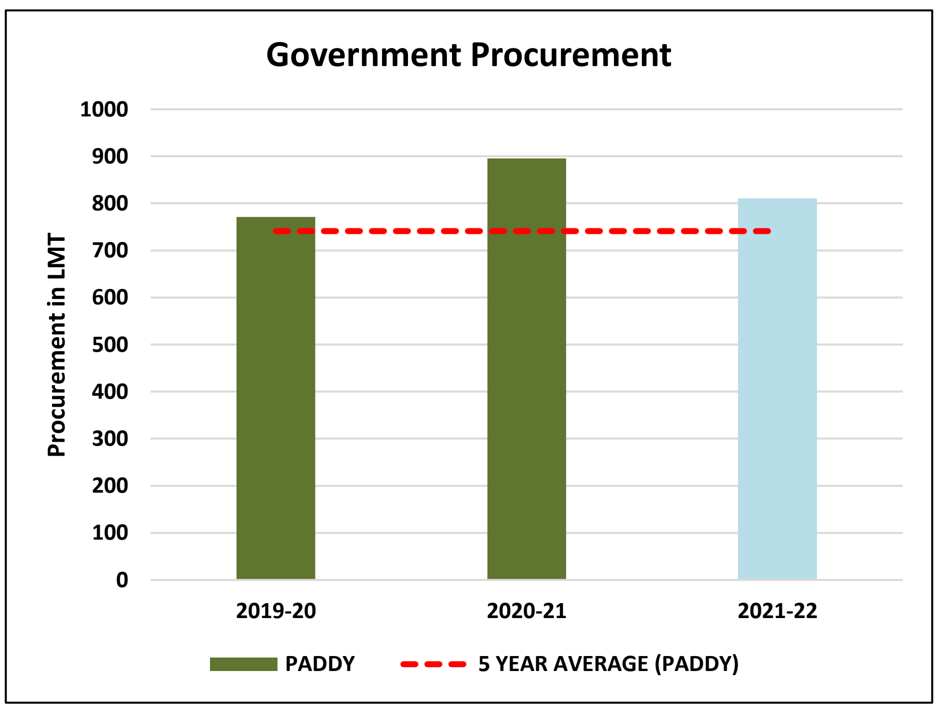
Price:



- Average monthly wholesale monthly rice prices in India stood at around Rs.3388.18 per quintal in May-2022, up by 0.86% from Rs. 3359.42 per quintal in April-2022 and up by 1.65% from Rs.3332.28 per quintal a year ago.

- The average rice prices were showing steady to slightly firm tone. The supply has been good as government is distributing more rice under various distribution schemes.

Procurement:

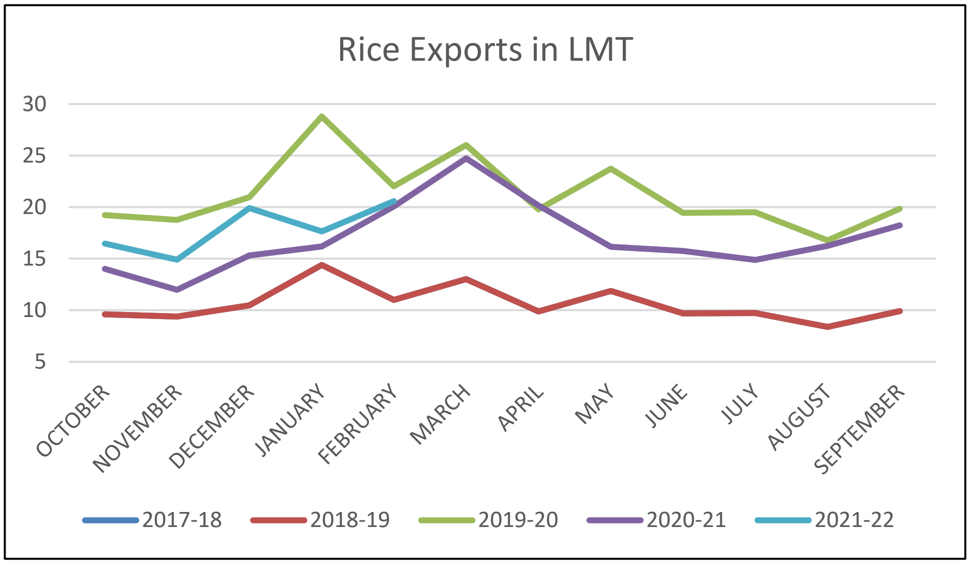


- As of 29th May, the Centre has procured 810.05 lakh tonne (LMT) of paddy in the ongoing 2021-22 marketing year so far at the minimum support price (MSP). Till now, about 117.05 lakh farmers have been benefited with the MSP value of Rs. 158,770 crores.

- In Telangana, the procurement of paddy has slowed down due to lack of space availability in mills. The government proposed to open 6,808 paddy procurement centres (PPC) across the State out of which only 6,512 were opened as on May 20, while 345 were already closed as the procurement was over in some places.

Export:

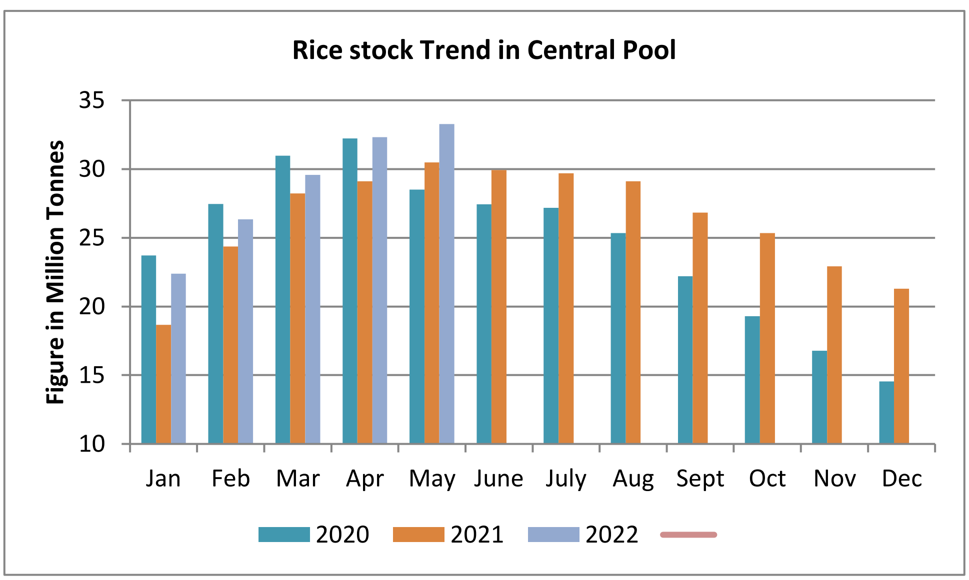
- Currently Indian rice markets saw a disruptive tone as Traders' sentiments were supported by a probable decision by the Government to impose a restrictive measure on rice exports from India. These sentiments have led to sellers backing up contracts with a letter of credit to be issued from the buyer to safeguard the impact against the change of policy.



- Indian rice export prices continue to lose to their lowest in more than five years this week, which is due to depreciation in rupee and supply continue to be abundant. India's 5% broken rice price was quoted at $350 to $354 per tonne, down from last week's $351 to $356 per tonne. Demand is there but supplies are also ample. Many buyers are looking for 100% broken rice to replace expensive corn in animal feed. Many traders believe that after sugar and wheat, there might be export restrictions for rice. It is expected that the export quota will be pegged at 100 LMT. But from our analysis, it is unlikely that there will be any export restriction as the stocks within the government is huge.

Stock Position:

- On 01st May, As on 01st May, FCI had a stock of 332.7 LMT of rice in central pool, compared to buffer norms of 135.8 LMT. The stocks remain at higher level as a result most of the wheat stocks requirements has been diverted to rice for PDS and PMGKAY. The distribution of rice by the government is also higher.



Paddy sowing:

- Like Punjab, Haryana has also decided to provide incentive of Rs. 4000 per acre to the farmers who will cultivate paddy by DSR method. The DSR method is likely to reduce the input cost increasing the farmer's return.

- For the coming kharif season, the paddy acreage is likely to fall as cotton cultivation and red gram cultivation is likely to increase. Paddy sowing is likely to cross 50 lakh acres.

- 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.

- ***Weather Watch***:

  IMD has announced normal rainfall for the upcoming kharif season which would help the growth of the kharif crops though during the late monsoon there might be some irregularity in the rains which may hamper the yield.

Price Projection for Next Month (May) in Narella Market

Variety	Trend	Average Price Range	Reason
1121 Paddy	Steady to Firm	Rs.4700-4300/Quintal	Lower stocks in the market.
1121 Steam	Firm	Rs. 8800-9100/Quintal	Good export demand from middle east and low availability of stocks within millers.
Parmal Steam	Steady to Weak	Rs. 3300-3450/ Quintal	Higher supplies from southern markets are reducing the non-basmati demands.

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
	4-Jun-22	28-May-22	5-May-22	4-Jun-21			
1121 Steam	8900	8900	8650	6000	**Unch**	**2.89**	**48.33**
1121 Sella	8500	8250	7850	5050	**3.03**	**8.28**	**68.32**
1121 Raw	8900	8900	8700	6000	**Unch**	**2.30**	**48.33**
Basmati Raw	11800	11200	10300	10400	**5.36**	**14.56**	**13.46**
1509 Steam Wand New	8500	8400	8400	5500	**1.19**	**1.19**	**54.55**
Sugandh Steam	7900	7500	7200	5100	**5.33**	**9.72**	**54.90**
Sharbati Raw	6600	6200	6000	4600	**6.45**	**10.00**	**43.48**
Pusa Raw Wand	7600	7450	7250	5700	**2.01**	**4.83**	**33.33**
Parmal Sella	3550	3450	3425	3150	**2.90**	**3.65**	**12.70**

Source-Agriwatch

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

Particulars	2018-19	2019-20	2020-21	2021-22*
Opening Stock	17.97	26.16	26.90	20.52
Production	118.48	116.32	119.00	122.85
Imports	0.00	0.00	0.00	0.00
Total Supply	136.45	142.48	145.90	143.37
Exports	10.29	12.58	20.38	17.38
Consumption	100.00	103.00	105.00	106.20
Total use	110.29	115.58	125.38	123.58
Ending Stock	**26.16**	**26.90**	**20.52**	**19.79**
Stock-to-Use ratio	23.72%	23.27%	16.37%	16.01%

**AW Forecast (Preliminary)*

Rice Production Estimates:

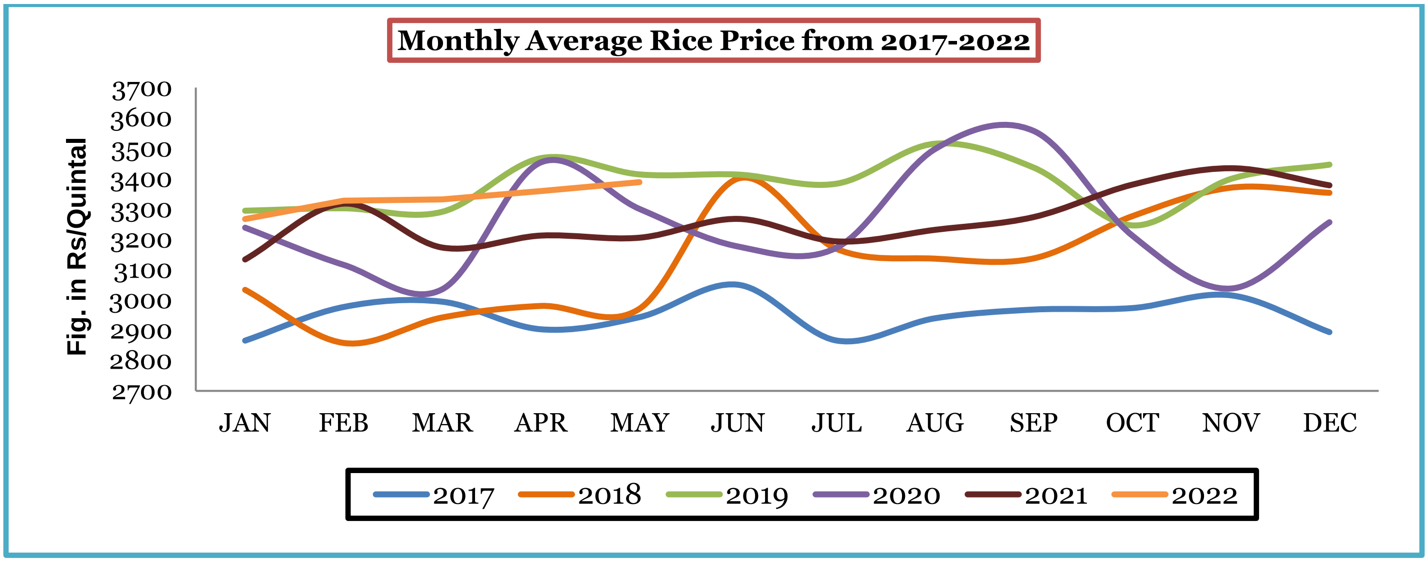
- As per latest Government's third advance estimate, the production of kharif rice during 2021-22 is 111.04 million tonnes, while Agriwatch's estimate for kharif rice production during 2021-22 has been corrected to 107.83 million tonnes from the previous estimate of 110.63 million tonnes due to fall in yields reported in various states. The production of rabi rice is estimated at 18.62 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 May, 2022

State	Prices May, 2022	Prices April, 2022	Prices May, 2021	% Change (Over Previous Month)	% Change (Over Previous Year)
Bihar	2501.09	2645.72	-	-5.47	-
Gujarat	4267.93	4331.67	4493	-1.47	-5.01
Jharkhand	-	-	2453.06	-	-
Karnataka	3522.53	4037.34	4398.31	-12.75	-19.91
Kerala	3645.36	3630.2	3495.37	0.42	4.29
Maharashtra	4153.25	3792.63	3937.81	9.51	5.47
Manipur	-	3458.67	-	-	-
NCT of Delhi	4614	4309.05	-	7.08	-
Odisha	2651.04	2953.27	3087.71	-10.23	-14.14
Tripura	3026.92	2996.56	2912.21	1.01	3.94
Uttar Pradesh	2572.08	2550.58	2496.2	0.84	3.04
Uttarakhand	-	2738.33	-	-	-
West Bengal	2927.59	2868.99	2716.86	2.04	7.76
Average	3388.18	3359.42	3332.28	0.86	1.65

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	32.32	33.27	-	-	-	-	-	-	-

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 18.05.2022)				
S.No.	**STATES/ UTs**	**FCI**	**State Agency**	**Total**
1	A.P.	**0**	**54.09**	**54.09**
2	Telangana	**0**	**81.16**	**81.16**
3	Assam	**1.38**	**1.36**	**2.74**
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	7.53	7.53
11	J&K	0.41	0.00	0.41
12	Karnataka	0	2.19	2.19
13	Kerala	0	6.12	6.12
14	M.P.	0	45.83	45.83
15	Maharashtra	0	13.38	13.38
16	Odisha	0	57.24	57.24
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	35.10	35.10
21	U.P.	1.07	64.46	65.53
22	Uttrakhand	0	11.55	11.55
23	West Bengal	0	22.01	22.01
Total		**5.77**	**780.73**	**786.51**

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**	16.65	3.94	20.59
March-21	19.96	4.78	24.74	**March-22**	16.46	4.60	21.06
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**	**90.68**	**19.95**	**110.63**

Source-DGCIS

International Market:

- Vietnam's rice exports is growing in ASEAN countries. The Philippines was Vietnam's largest rice buyer in 2021, with a purchase volume of 2.45 MMT and a turnover of US$1.25 billion. On an average, Vietnamese rice to the Philippines fetched $509 per tonne, a 10.7 per cent increase in volume and 7.1 per cent in price from the previous year. Apart from Vietnam, Malaysia, Singapore, Indonesia and Brunei were also the top buyers of Vietnamese rice. Currently Vietnam is producing high quality rice, keeping the prices on higher side and getting stiff competition from highly competitive brands of India, Pakistan and Myanmar.
- As per sources, Cambodia has exported 221,138 MT of milled rice and 1,648,474 MT of un-milled rice, with a total value of $516.21 million in the first four months of 2022. Cambodia has exported to 54 destinations of which Cambodia exported 115,255 MT or 52.12 %, worth $62.74 million to China and Hong Kong. And exported 68,555 MT, or 31 percent, valued at $51 million to Europe. The export to ASEAN countries amounted to 21,876 MT or 9.89 percent, with a value of $13.90 million. The exports to other countries were valued at $11.74 million, representing 15,452 MT or a share of 6.99 percent. Exports of all types of fragrant rice were 67.12 percent, white rice (30.13 percent), steamed rice (1.07 percent) and organic rice (1.68 percent).
- Due to the new regime of fixing the exchange rate in Myanmar is impacting the competitiveness of Myanmar rice. The orders from international market started becoming low. In January, exports of rice (including broken rice) hit 260,000 MT. Due to increase in prices, the 5 percent broken rice, which exporters in Pakistan are selling for $350 per metric tonne, Myanmar exporters are offering $370 to $380 a tonne, up from $330 to $335 a tonne at the start of this year.
- In Thailand, rice exporters are concerned about the shipment prospects in the second quarter, as there is a sharp rise in domestic prices. It is estimated that 5% white rice prices in the domestic market have risen by 25% to 15 baht per kilogramme, up from 12 baht per kg at the beginning of this year, driven by high import demand, particularly from Iraq.
- Myanmar has exported more than 144,034 MT of rice and over 106,912 MT of broken rice in April. The country has exported rice to 22 countries including Cameroon, China, Angola, the Philippines and Poland, while it exported the broken rice to eight countries including Belgium, China and Spain. Myanmar has shipped over 244,826 metric tons of those exported rice and broken rice in April via sea routes, while it has exported the rest 6,120 metric tons of those rice and broken rice via land border gates.
- Due to increased inflation in Mexico, the government is trying to suspend the import tariff for paddy and other food materials. USA will see some increased competition for paddy sales to Mexico specially from Uruguay rice. Brazil has also reduced their tariffs by an additional 10 percent through the end of 2023, thus bringing the tariff for milled rice down to 9.6 percent and rough rice down to 8 percent.
- In Philippines, as of April 1st, the stocks of rice have marginally increased by 2.5 percent to 2.5 MMT from 2.4 MMT a year ago. But month-on-month, the rice stockpile surged by 53.5 percent from 1.6 MMT. Rice supply in commercial warehouses/wholesalers/retailers expanded but those stored by households and the National Food Authority (NFA) dropped.
- As per Brazilian Rice Industry Association (Abiarroz), Brazilian rice exports (husk base) totaled 4.51 LMT during the first quarter, which is more than double the same period in 2021 when 2.07 LMT were shipped. The rice association expects foreign sales to reach at least 14 LMT in 2022, surpassing the volume of around 12 LMT in 2021. During April the main markets for processed rice were Senegal, Peru, Venezuela, Gambia, and Sierra Leone.

Global rice Balance Sheet:

Attributes (Fig in Million Tons)	2019-20	2020-21 Est.	2021-22 (Fore.)	2022-23 (Proj.) 21.04.2022	2022-23 (Proj.) 19.05.2022
Production	500	510	514	520	519
Trade	44	51	51	50	51
Consumption	495	510	515	517	518
Carryover stocks	181	182	181	184	181
Y-O-Y change	5	1	0		0
Major Exporters	45	50	51	56	54

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

- The outlook for world rice supply and demand in 2021-22 has little-changed month on month. The projection for global production in 2022-23 is cut slightly month on month and, due to an uprated figure for total use – linked to anticipated solid feed demand in China – global carryovers are lowered by 3MMT month on month. Trade in 2023 (Jan-Dec) is placed 1MMT higher, at 51MMT, unchanged year on year.

- World rice trade is seen edging up to a high in 2022 on sizeable deliveries to Africa. Tied to acreage gains in Asia, 2022-23 global production is predicted 1% higher year on year at a record. Underpinned by population growth, food demand is seen pushing up consumption to a fresh high, with uptake for feeding also contributing to gains.

- With increases in major exporters compensating for reductions elsewhere, world carryovers are seen little-changed year on year. Global trade in 2023 is projected steady, at 51MMT, with heavy buying by African importers and China expected to feature.

Monthly FOB (US dollar/tonne)

Month	Thai 25% broken rice	Vietnam 25% broken rice	Pakistan 25% broken rice	India 25% broken rice
Apr-22	427.75	391.00	329.80	326.00
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

Indicative Basmati Parity Sheet

Parity Calculation Sheet	Rajkot (Kandla)	Andhra Pradesh (Vizag)	Punjab (Kandla)	Haryana (kandla)	West Bengal (Kolkata)
Price @ various center	88550	88550	86820	88250	88500
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)	90880	90880	89150	90580	90830
Indian FOB (USD/MT)	**1175.07**	**1175.07**	**1152.70**	**1171.19**	**1174.42**
Insurance @ 0.1%	1.18	1.18	1.15	1.17	1.17
Freight Charges (US $/ton) to Dubai	50	50	50	50	50
CIF (Kandla to Dubai)	**1226.25**	**1226.25**	**1203.86**	**1222.36**	**1225.60**
INR Monthly Average	77.34	77.34	77.34	77.34	77.34

Source-Agriwatch Trade Source

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

Market Analysis

- ***The CBOT Rough rice*** futures is moving with range bound. The candles are moving above 9,18,50 and 100 DMA which indicates firm sentiments.
- The RSI oscillator is falling indicating weak momentum.
- The MACD crossover also indicates firm bias.

International Price Projection for Next Month:

Duration	Trend	Support	Resistance
June-2022	**Firm bias**	**S1-15.96** **S2-15.40**	**R1-19.12** **R2-20.08**