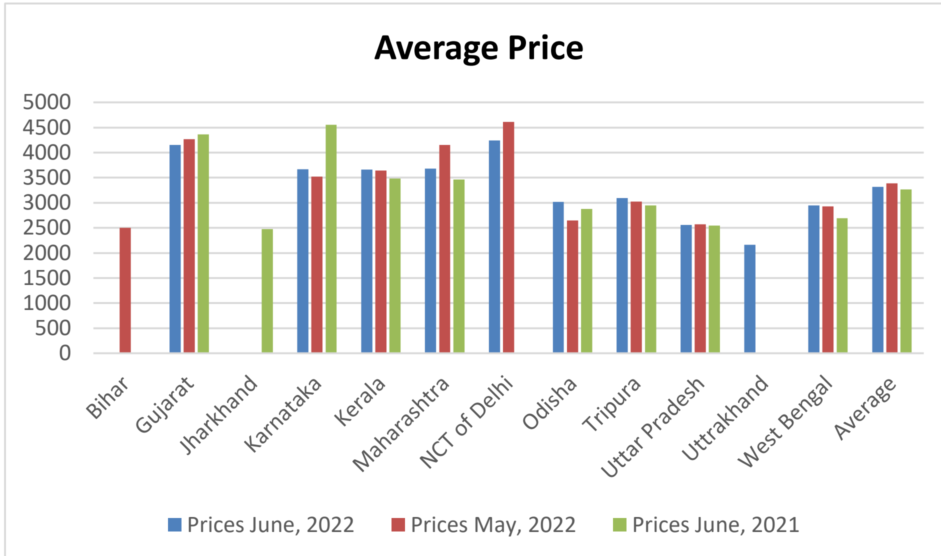
Rice Monthly Research Report

Contents

Outlook and Review (Domestic Front)

Price:

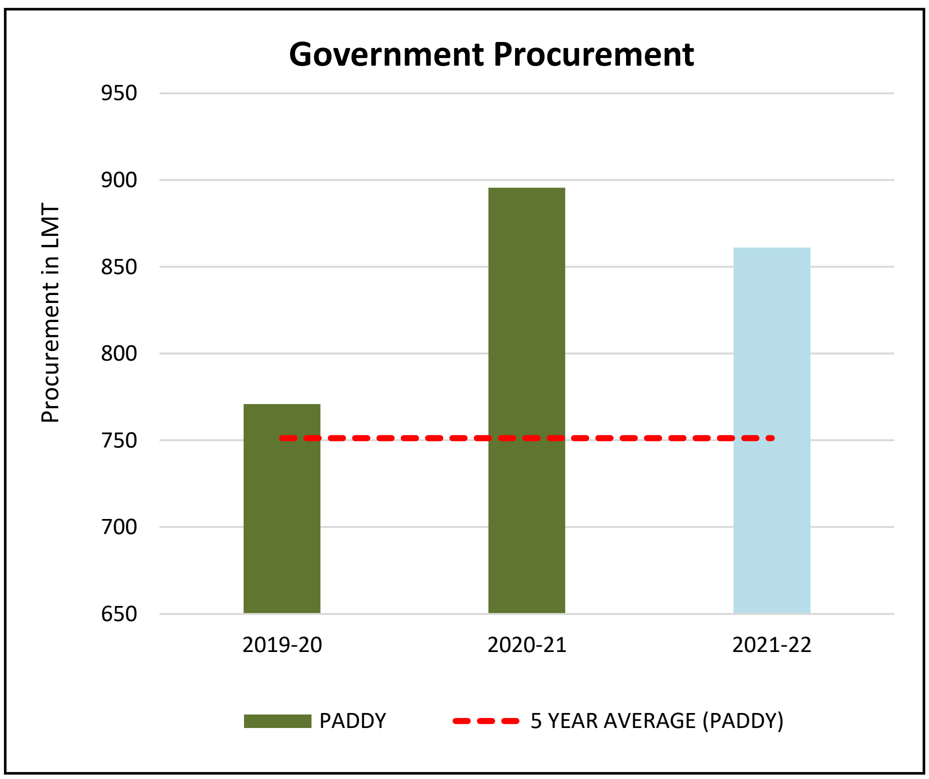
- Average monthly wholesale monthly rice prices in India stood at around Rs. 3318.83 per quintal in June-2022, down by 0.02% from Rs. 3388.18 per quintal in May-2022 and down by 0.03% from Rs.3332.28 per quintal a year ago.



- 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.

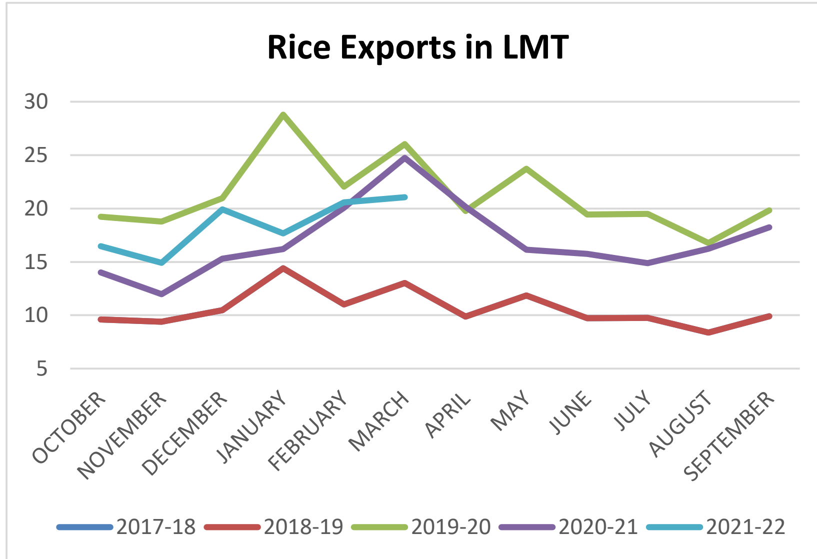
Procurement:

- As of 26th June, the Centre has procured 860.82 lakh tonne (LMT) of paddy in the ongoing 2021-22 Marketing year so far at the Minimum Support Price (MSP). Till now, about 125.82 lakh farmers have been benefited with the MSP value. As per the sources, around 93.5 lakh tonne of Paddy's milling has stopped in Telangana after FCI's denial of lifting up milled stocks.



- Due to early paddy sowing in Tamil Nadu, farmers are expecting early crop this season, which would be ready for harvest by last week of August. Looking at the early planting, reportedly state government has requested the Centre to procure paddy a month early in the state by 1st week of Sept 2022.

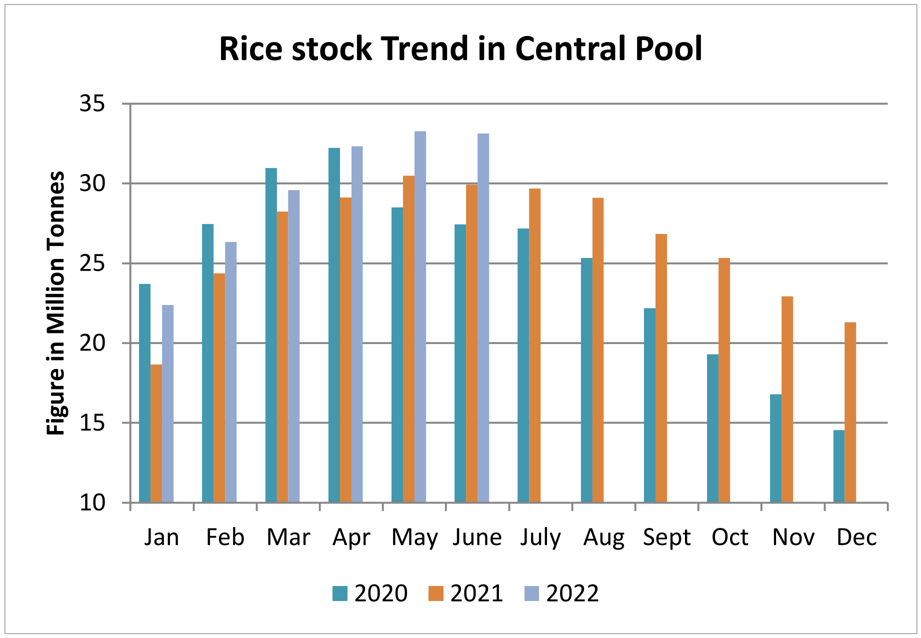
Export:



- Currently Indian rice markets saw a firm tone. Overall Indian Rice exports during fiscal year 2021-22 was around 212.10 LMT as compared to total exports of 177.79 LMT during fiscal year 2020-21, comprising of 172.62 LMT of Non-Basmati Rice exports against 131.49 LMT Non-Basmati Rice exports during previous fiscal year. There are chances of increasing export demand of Indian Rice on the account of consumers opting Rice as staple food over Wheat due to persisting high prices of Wheat around the world. Under current scenario in upcoming season export of Indian Rice is expected jump by 1.0 million and there are chances of India to emerge as leading Rice exporter, accounting for around forty percent of total world Rice supply.
- Export price of 5% Broken Parboiled Indian Rice were reported at $355 -$360 per tonne which is at par with the last week. The FOB prices for India is still very lucrative from other competitors like Thailand and Vietnam due to which reportedly some foreign demand is there for Indian rice. Overall according to the sources, a good export demand for 25% and 100% broken white Rice variety was noticed, reason being lower prices of Indian Rice due to weak Rupee value against Dollar.
- As per the sources All India Rice Exporters' Association has stated that around 9,14,000 tonne of Rice has been exported till now under ongoing 2021-22 season from India to Bangladesh against the exports of 4,91,000 tonne during last 2020-2021 for the corresponding time period. This demand was mainly after Bangladesh reduced import duty on Rice due to floods hitting the country.

Stock Position:

- As of latest update, FCI had a stock of 331.20 LMT of rice in central pool, compared to buffer norms of 135.8 LMT. The stocks are likely to reduce in coming months on the account of increasing Rice distribution, most probably till November, 2022. After which new crop arrivals would be helpful in replenishing the stocks. However, if FCI resumes milled Rice procurement from Telangana, a gradual increase in the Rice stocks at Central Pool can be expected.



Paddy sowing:

- As per the latest update of Agriculture department, GoI, India marked a decline in Rice area coverage till 1st July 22 as compared to same period last year due to deficit and uneven distribution of monsoon rains over key states. Till last week Rice has been sown in 43.44 lakh Ha. compared to 59.55 lakh Ha. same period last year, which is approximately 27.04 % less. As per the report, largest area coverage under paddy was in Punjab at around 15.75 Lakh hectares as compared to 23.77 Lakh hectares during same period last year, followed by U.P with area coverage of around 5.47 Lakh hectares under paddy against total area coverage of around 4.82 Lakh hectares in 2021 for corresponding period last year.
- As per the current monsoon progress, it is likely that in Bihar Paddy transplanting would be completed by 15th July 2022.

Weather Watch:

- As per the latest update so far ongoing monsoon has covered the entire Northern states and NCR part of the country, including most of the parts of Bihar. The monsoon showers have covered maximum parts of central and eastern parts of the country.

Price Projection for Next Month (May) in Narella Market

Variety	Trend	Average Price Range	Reason
1121 Paddy	Steady to Firm	Rs.4700-4800/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. 3300-3550/ Quintal	Higher supplies from southern markets are reducing the non-basmati demands.

Kharif Paddy Sowing Updates as of 25th June 2022

Sr.No.	State	Normal Area (DES)	Area Covered (Lakh Ha)		Difference in Area coverage with Current Week	
			2022	2021	2021	2020
1	Andhra.Pradesh	-	0.27	0.65	-0.38	-0.62
2	Arunachal.Pradesh	-	1.347	1.26	0.087	0.182
3	Assam	-	1.489	1.711	-0.222	0.799
4	Bihar	-	0.19	0.34	-0.15	-0.8
5	Chhattisgarh	-	0.23	2.86	-2.63	-3.43
6	Goa	-	-	-	-	-
7	Gujarat	-	0.003	0.063	-0.06	-0.012
8	Haryana	-	0.74	0.52	0.22	0.61
9	Himachal.Pradesh	-	-	-	-	-
10	Jammu..Kashmir.	-	0.157	0.308	-0.151	-0.084
11	Jharkhand	-	0.195	0.229	-0.034	0.015
12	Karnataka	-	0.563	0.78	-0.217	-0.277
13	Kerala	-	0.31	0.36	-0.05	-0.03
14	Laddakh	-	-	-	-	-
15	Madhya.Pradesh	-	-	-	-	-
16	Maharashtra	-	0.457	0.78	-0.323	-0.908
17	Manipur	-	1.546	1.245	0.301	-
18	Meghalaya	-	0.47	0.442	0.028	-0.165
19	Mizoram	-	0.295	0.32	-0.025	-0.05
20	Nagaland	-	0.885	1.07	-0.185	-0.335
21	Odisha	-	0.655	1.429	-0.775	-0.058
22	Punjab	-	4.34	15.74	-11.4	-10.06
23	Rajasthan	-	0.05	0.03	0.02	-0.106
24	Sikkim	-	0.062	0.061	0.001	-0.023

25	Tamil.Nadu	-	0.492	0.397	0.095	-0.073
26	Telangana.	-	0.103	0.099	0.003	-0.138
27	Tripura	-	0.23	0.434	-0.204	-0.14
28	Uttar.Pradesh	-	2.614	2.95	-0.336	-1.266
29	Uttarakhand	-	1.28	1.26	0.02	-0.07
30	West.Bengal	-	0.605	0.69	-0.085	-0.345
31	Others	-	0.014	-	-	-
	Total	-	19.591	36.028	-16.437	-15.845

Source: NFSM **(As on June-25, 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
	30-Jun-22	23-Jun-22	31-May-22	30-Jun-21			
1121 Steam	8900	8800	8800	6100	1.14	1.14	45.90
1121 Sella	8450	8350	7900	5050	1.20	6.96	67.33
1121 Raw	9200	8800	8900	6000	4.55	3.37	53.33
Basmati Raw	13000	13000	11500	10100	0.00	13.04	28.71
1509 Steam Wand New	8500	8400	8200	5600	1.19	3.66	51.79
Sugandh Steam	7700	7500	7300	5100	2.67	5.48	50.98
Sharbati Raw	6750	6500	6300	4900	3.85	7.14	37.76
Pusa Raw Wand	7600	7500	7450	5800	1.33	2.01	31.03
Parmal Sella	3550	3475	3450	3150	2.16	2.90	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	26.9	20.52
Production	118.48	116.32	119	122.85
Imports	0.00	0.00	0.00	0.00
Total Supply	136.45	142.48	145.9	143.37
Exports	10.29	12.58	20.38	17.38
Consumption	100.00	103.00	105	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%	16.02%

**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.

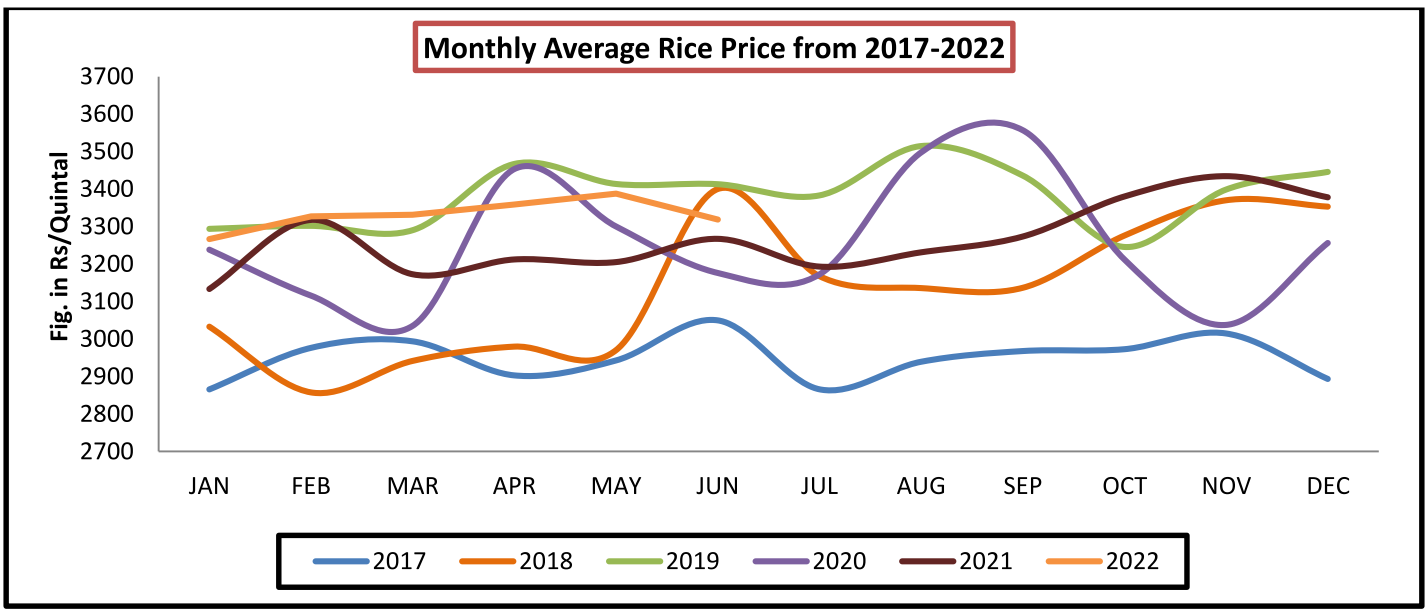
State	Acreage (mn Ha)	Yield (kg/Ha)	Production (mn MT)
Andhra Pradesh	0.66	4469.70	2.95
Assam	0.18	2833.33	0.51
Karnataka	0.07	3000.00	0.21
Kerala	0.09	3222.22	0.29
Odisha	0.08	3125.00	0.25
Tamil Nadu	0.14	4214.29	0.59
Telangana	0.78	3410.26	2.66
West Bengal	1.27	3354.33	4.26
Others	0.97	3402.06	3.30
All India	**4.25**	**3534.12**	**15.02**

State wise Wholesale Prices Monthly Analysis for Rice May, 2022

State	Prices June, 2022	Prices May, 2022	Prices June, 2021	% Change (Over Previous Month)	% Change (Over Previous Year)
Bihar		2501.09		—	—
Gujarat	4150.66	4267.93	4361.12	-2.75	-4.83
Jharkhand			2476.13	—	—
Karnataka	3669.61	3522.53	4555.67	4.18	-19.45

Kerala	3663.49	3645.36	3485	0.5	5.12
Maharashtra	3682.95	4152.99	3466.16	-11.32	6.25
NCT of Delhi	4241.18	4614		-8.08	—
Odisha	3018.42	2651.04	2875.91	13.86	4.96
Tripura	3092.44	3026.92	2949.22	2.16	4.86
Uttar Pradesh	2557.02	2572.08	2545.06	-0.59	0.47
Uttrakhand	2162.66			—	—
West Bengal	2949.9	2927.56	2695.18	0.76	9.45
Average	**3318.83**	**3388.15**	**3267.72**	—	—

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



Source-Agmarknet

<u>Month-wise Rice Stock in Central Pool (in MMT)</u>

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	33.12	-	-	-	-	-	-

Source-FCI

State-wise Procurement As on 29.06.2022 for KMS 2021-22 ***(in lakh tonnes)***

KMS 2021-22 (Units in LMTs) (as on 29.06.2022)				
S.No.	**STATES/ UTs**	**FCI**	**State Agency**	**Total**
1	**A.P.**	0.00	66.91	66.91
2	**TELANGANA**	0.00	118.82	118.82
3	**ASSAM**	2.03	2.18	4.21
4	**BIHAR**	0.00	44.90	44.90
5	**CHANDIGARH**	0.27	0.00	0.27
6	**CHHATISGARH**	0.00	92.01	92.01
7	**GUJARAT**	0.00	1.22	1.22
8	**HARYANA**	0.60	54.72	55.32
9	**H. P.**	0.28	0.00	0.28
10	**JHARKHAND**	0.00	7.53	7.53
11	**J&K**	0.40	0.00	0.41
12	**KARNATAKA**	0.00	2.19	2.19
13	**KERALA**	0.00	7.46	7.46
14	**M. P**	0.00	45.83	45.83
15	**MAHARASHTRA**	0.00	16.05	16.05
16	**ODISHA**	0.00	71.02	71.02
17	**PUNJAB**	1.69	185.60	187.29
18	**RAJASTHAN**	0.07	0.00	0.07
19	**NEF (Tripura)**	0.00	0.39	0.39
20	**TAMIL NADU**	0.00	39.27	39.27
21	**UTTAR PRADESH**	1.08	64.45	65.53
22	**UTTRAKHAND**	0.00	11.55	11.55
23	**WEST BENGAL**	0.00	24.53	24.53
Total		**6.42**	**856.63**	**863.06**

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:

- Sources state that Malaysia has uplifted the ban on importing Rice flour from Thailand and would permit Thailand to export Rice flour to Western parts of the country. The ban was imposed before 20 years which now has been uplifted. Also sources say that in first five months of this year Rice and other Rice products exports of Thailand rose by around 12.5 percentage.
- As per the sources Thailand's 5% broken rice prices saw a decline for the consecutive week and fell to $412-$415 per tonne from $420-$425 last week, as the reaction towards good yield expectation of upcoming crop.
- Sources state that Vietnam's 5% broken rice prices were noted at$415-$420 per tonne compared to $418-$423 in past week due to supply pressure being created by harvesting of summer-autumn crop.
- Sources point towards 3.5 million tonne of Rice exports from Vietnam during the span of January to June 2022, which happens to be 16.2% more than that of last year for same time period, with the estimated increase of around 4.6 % in Value of the exports compared to that of last year for same time period.
- Sources say that around 14,700 MT of Rice as the part of humanitarian aid has been received at Colombo from the side of India.
- As per the sources government of Vietnam (department of Crop Production at the Ministry of Agriculture and Rural Development) stated that just in case India bans Rice exports, Vietnam would be ready for the export of around 7 million tons of Rice.

- As per the sources in order to control the ongoing instability in domestic Rice market, Bangladesh government has reduced import duty rates for the import of Rice from 62.5 percent to 25 percent. This norm as of now is supposed to continue till 31st October 2022.
- 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.)	
				19.05.2022	23.06.2022
Production	500	510	514	519	518
Trade	44	51	51	51	51
Consumption	495	510	515	518	518
Carryover stocks	181	182	181	181	181
Y-O-Y change	5	1	0	0	0
Major Exporters	45	50	51	54	55

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.

<u>Monthly FOB (US dollar/tonne)</u>

Month	Thai 25% broken rice	Vietnam 25% broken rice	Pakistan 25% broken rice	India 25% broken rice
May-22	422.00	396.50	329.80	326.00
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

CBOT Rough Rice futures prices are currently at the major support level of 16.10. Momentum indicator MACD and Oscillator RSI are pointing some further weakness in prices. Overall, a range bound movement is expected in prices with weak bias.

International Price Projection for Next Month:

Duration	Trend	Support	Resistance
July-2022	**Weak bias**	**S1-15.23** **S2-14.53**	**R1-17.03** **R2-18.16**