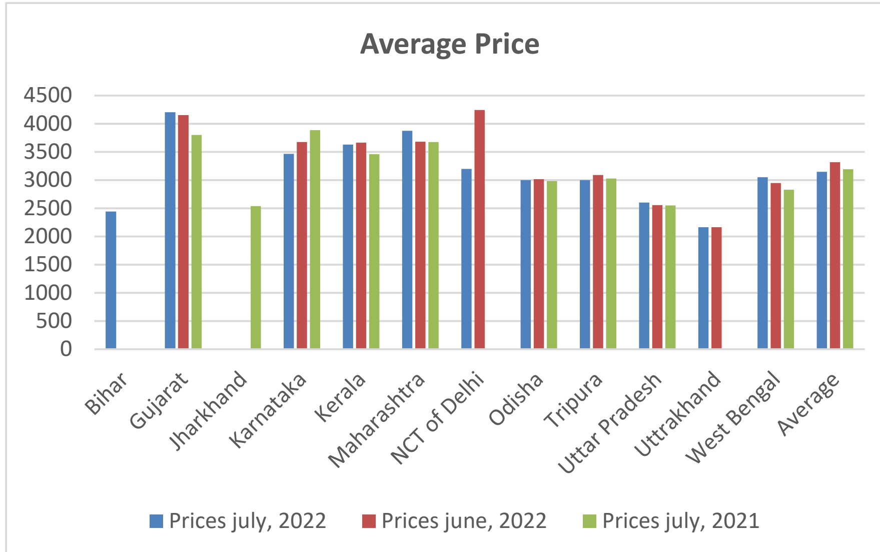
Rice Monthly Research Report

Contents

Outlook and Review (Domestic Front)

Price:

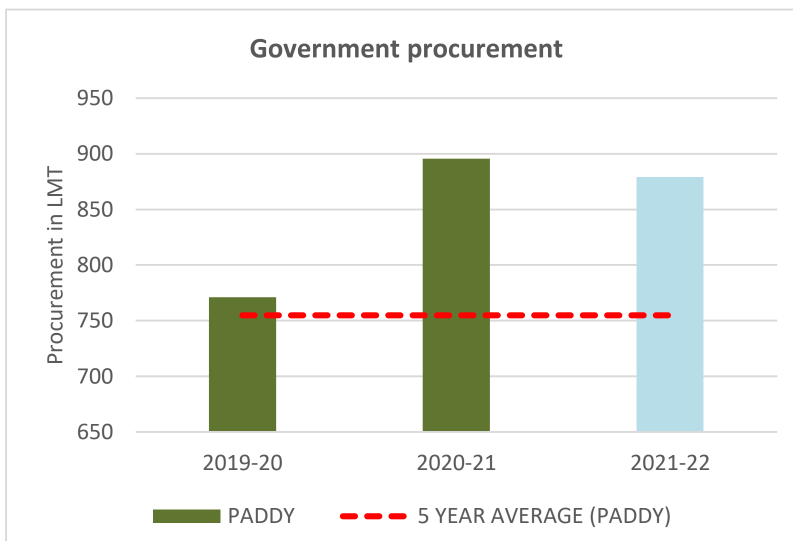
- Average monthly wholesale monthly rice prices in India stood at around Rs. 3148.34 per quintal in July-2022, down by 0.05% from Rs. 3319.11 per quintal in June-2022 and down by 0.03% from Rs.3192.71 per quintal a year ago.



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

Procurement:

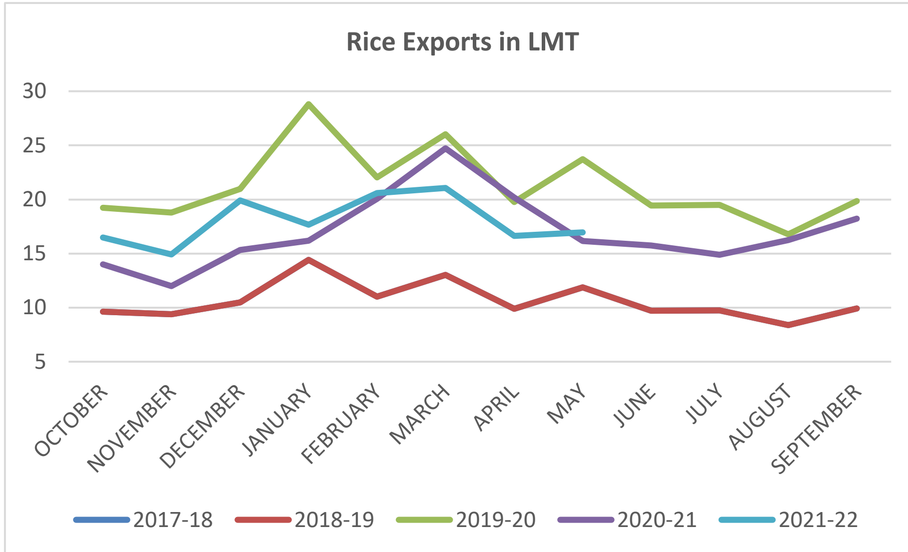
- According to the latest data of FCI as of 31st July 22, the Centre has procured 878.96 lakh tonne (LMT) of paddy in the ongoing 2021-22 Marketing year so far at the Minimum Support Price (MSP). Till now, about 130.25 lakh farmers have been benefited with the MSP value.



- According latest data India marked a decline in Rice area coverage. Till July 29th, Rice has been sown in 231.59 lakh Ha. of area compared to 267.05 lakh Ha, down by approximately 13% compared to same period last year. The reason attributed for lag in paddy sowing is highly deficit rains over West Bengal, Jharkhand, Bihar, Chhattisgarh and Uttar Pradesh. As per the sources there is a suspicion regarding decline in the production output of Rice during upcoming season by around 1.5 million tonnes in upcoming season as the result of deficient and delayed rainfall.

Export:

- Currently Indian rice markets saw a steady tone. Overall Indian Rice exports during fiscal year 2021-22 was around 144.21 LMT as compared to total exports of 138.65 LMT during fiscal year 2020-21, comprising of 117.47 LMT of Non-Basmati Rice exports against 108.92 LMT Non-Basmati Rice exports during previous fiscal year.

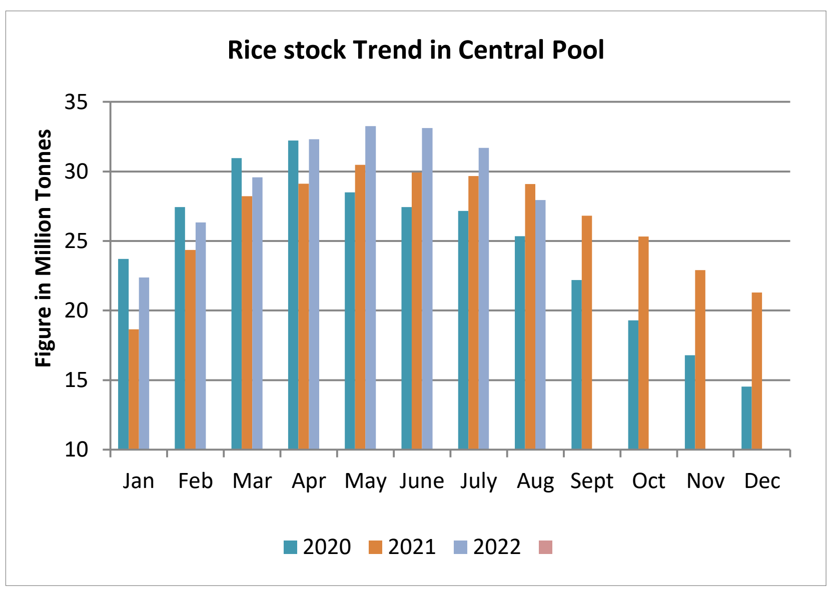


- There are chances of increasing export demand of Indian Rice on the account of consumers opting Rice as staple food over Wheat due to persisting high prices of Wheat around the world. Under current scenario in upcoming season export of Indian Rice is expected jump by 1.0 million and there are chances 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 $364 to $370 per Tonne as compared to prices of $362 to $368 per Tonne during past week due to appreciation in the rate of Indian Rupees.

Stock Position:

- As of latest update, FCI had a stock of 279.52 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:

- According latest data India marked a decline in Rice area coverage. Till July 29th, Rice has been sown in 231.59 lakh Ha. of area compared to 267.05 lakh Ha, down by approximately 13% compared to same period last year. The reason attributed for lag in paddy sowing is highly deficit rains over West Bengal, Jharkhand, Bihar, Chhattisgarh and Uttar Pradesh. As per the sources there is a suspicion regarding decline in the production output of Rice during upcoming season by around 1.5 million tonnes in upcoming season as the result of deficient and delayed rainfall.

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. 8800-9400/Quintal	Good export demand from middle east and low availability of stocks within millers.
Parmal Steam	Steady to Weak	Rs. 3300-3700/ Quintal	Higher supplies from southern markets are reducing the non-basmati demands.

Kharif Paddy Sowing Updates as of 29th July 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	15.17	4.86	5.13	-	-
2	Arunachal Pradesh	1.32	1.35	1.26	-	-
3	Assam	19.98	10.16	11.55	-	-
4	Bihar	30.76	16.53	22.14	-	-
5	Chhattisgarh	37.31	26.10	28.47	-	-

6	Goa	0.26	0.18	0.18	-	-
7	Gujarat	8.16	4.72	4.21	-	-
8	Haryana	14.06	12.03	12.25	-	-
9	Himachal Pradesh	0.72	0.88	0.45	-	-
10	J&K	2.73	0.98	1.00	-	-
11	Jharkhand	15.48	2.75	7.47	-	-
12	Karnataka	9.24	2.45	2.82	-	-
13	Kerala	1.48	0.49	0.49	-	-
14	Madhya Pradesh	21.44	22.25	19.83	-	-
15	Maharashtra	14.52	8.01	7.96	-	-
16	Manipur	0.40	1.95	1.85	-	-
17	Meghalaya	0.97	0.70	0.94	-	-
18	Mizoram	0.35	0.30	0.35	-	-
19	Nagaland	2.08	1.60	1.35	-	-
20	Odisha	36.20	12.79	15.39	-	-
21	Punjab	29.83	30.38	30.33	-	-
22	Rajasthan	2.07	1.70	0.82	-	-
23	Sikkim	0.09	0.08	0.09	-	-
24	Tamil Nadu	16.32	2.29	1.93	-	-
25	Telangana	12.04	5.02	9.08	-	-
26	Tripura	2.00	0.35	1.98	-	-
27	Uttar Pradesh	57.67	46.58	53.26	-	-
28	Uttarakhand	2.38	2.30	2.33	-	-
29	West Bengal	41.64	11.31	21.93	-	-
30	Puducherry	0.11	-	-	-	-
31	Others	0.28	0.50	0.21	-	-
	All-India	**397.06**	**231.59**	**267.05**	-	-

Source: GOI **(As on July-29, 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-Jul-22	23-Jul-22	30-Jun-22	30-Jul-21			
1121 Steam	9100	9400	8900	5900	**-3.19**	**2.25**	**54.24**
1121 Sella	8600	8800	8450	5100	**-2.27**	**1.78**	**68.63**
1121 Raw	9100	9500	9200	5900	**-4.21**	**-1.09**	**54.24**
Basmati Raw	13000	13000	13000	10000	**unch**	**unch**	**30.00**
1509 Steam Wand New	8500	8700	8500	5400	**-2.30**	**unch**	**57.41**
Sugandh Steam	7700	7700	7700	4800	**unch**	**unch**	**60.42**
Sharbati Raw	6550	6600	6750	4700	**-0.76**	**-2.96**	**39.36**
Pusa Raw Wand	8000	8000	7600	5300	**unch**	**5.26**	**50.94**
Parmal Sella	3575	3550	3550	3100	**0.70**	**0.70**	**15.32**

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	19.10
Consumption	100.00	103.00	105	106.20
Total use	110.29	115.58	125.38	125.30
Ending Stock	**26.16**	**26.90**	**20.52**	**18.07**
Stock-to-Use ratio	23.72%	23.27%	16.37%	14.42%

**AW Forecast (Secondary)*

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.

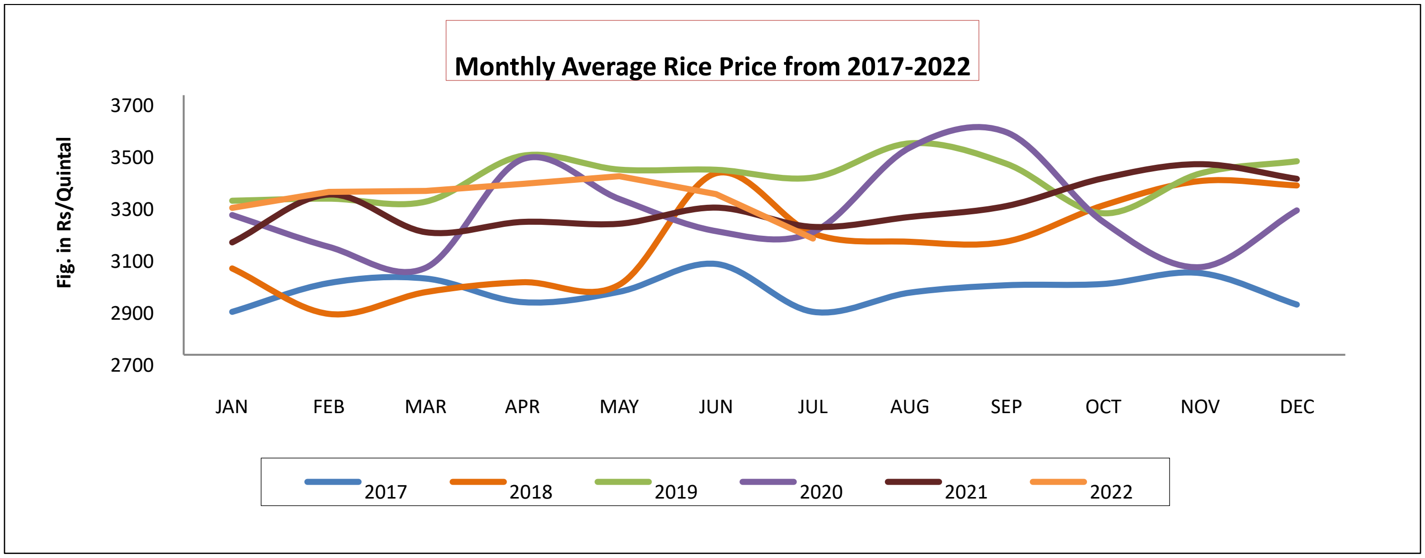
State	Acreage (mn Ha)	Yield (kg/Ha)	Production (mn MT)
Andhra Pradesh	0.66	4469.70	2.95
Assam	0.18	2833.33	0.51
Karnataka	0.07	3000.00	0.21
Kerala	0.09	3222.22	0.29
Odisha	0.08	3125.00	0.25
Tamil Nadu	0.14	4214.29	0.59
Telangana	0.78	3410.26	2.66
West Bengal	1.27	3354.33	4.26

Others	0.97	3402.06	3.30
All India	**4.25**	**3534.12**	**15.02**

State wise Wholesale Prices Monthly Analysis for Rice July, 2022

State	Prices July 2022	Prices June 2022	Prices July, 2021	% Change (Over Previous Month)	% Change (Over Previous Year)
Bihar	2654.55	2444.64		8.59	—
Gujarat	4104.46	4201.39	3790.74	-2.31	8.28
Karnataka	3864.03	3464.06	4030.94	11.55	-4.14
Kerala	3658.17	3631.63	3406.96	0.73	7.37
Maharashtra	4006.23	3875.01	4141.96	3.39	-3.28
NCT of Delhi	4400	3200		37.5	—
Odisha	3039.09	3001.18	3024.68	1.26	0.48
Telangana			2305.32	—	—
Tripura	3033.89	2996.33	3012.45	1.25	0.71
Uttar Pradesh	2638.08	2603.48	2562.72	1.33	2.94
Uttrakhand	2321.09	2164.24		7.25	—
West Bengal	3216.85	3049.83	2806.38	5.48	14.63
Average	3357.86	3148.34	3231.35	—	—

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	33.12	31.7	27.95	-	-	-	-

Source-FCI

State-wise Procurement As on 31.07.2022 for KMS 2021-22 ***(in lakh tonnes)***

KMS 2021-22 (Units in LMTs) (as on 31.07.2022)				
S.No.	**STATES/ UTs**	**FCI**	**State Agency**	**Total**
1	**A.P.**	0.00	67.56	67.56
2	**TELANGANA**	0.00	119.07	119.07
3	**ASSAM**	2.09	2.34	4.43
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	7.48	7.48
14	M. P	0.00	45.83	45.83
15	MAHARASHTRA	0.00	17.57	17.57
16	ODISHA	0.00	71.04	71.04
17	PUNJAB	1.69	185.60	187.29
18	RAJASTHAN	0.07	0.00	0.07
19	NEF (Tripura)	0.00	0.53	0.53
20	TAMIL NADU	0.00	41.58	41.58
21	UTTAR PRADESH	1.08	64.45	65.53
22	UTTRAKHAND	0.00	11.55	11.55
23	WEST BENGAL	0.00	35.31	35.31
Total	**TOTAL**	**6.48**	**872.48**	**878.97**

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**	13.54	3.1	16.64
May-21	12.44	3.71	16.15	**May-22**	13.25	3.7	16.95
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**	**117.47**	**26.75**	**144.21**

Source-DGCIS

International Market:

- Sources state that Vietnam's 5% broken rice prices dropped at $395-$400 per tonne which were reported at $395-$413 per tonne past week due to sluggish exports and arrival pressure of summer-autumn crop.
- As per the sources Thailand's 5% broken rice prices were noted at $412-$425 per tonne as compared to $400 per tonne than last week's prices due to demand sudden emergence of demand.
- According to sources Vietnam's Rice exports for the time frame between Jan-July rose by 20% to 4.16 million tonnes as compared to last year. Also Rice export revenue generation rose by around 8.5% to 2.6 billion when compared to previous year.
- As per the sources Pakistan's Rice export for fiscal year 2021-2022 have surged by around 32 % to 4.877 million tonnes as compared to the exports of 3.684 million tonnes for the fiscal year 2020-2021. Main reason behind this rise was hike of around 6 % in the area sown under Paddy in Pakistan as compared to previous year. Rice production in Pakistan also saw an increase of around 10.7 % during 2021-22 as compared to previous year.
- As per the sources Cambodia has exported 17.4 % more milled Rice to China as compared to previous year which was around 168,280 tons of milled rice . Also as per the sources during first half of this year 3,27,200 tonnes of milled Rice has been exported by Southeast Asian Countries to 51 countries around the world which also happens to be 16.6 % more than previous year.
- Sources point towards 2.06 million tonne of milled and Paddy Rice exports from Cambodia during the span of January to June 2022, which happens to be 19.18% more than that of last year for same time period, with the estimated value of around $ 616 million. Out of which 1,733,157 tonne of Paddy with the value of around $336,232,458 was exported to Vietnam.

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.

Monthly FOB (US dollar/tonne)

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

As evident from the above chart, Rice prices at CBOT moving in a ranged manner with firm bias. 16.54 level is seen as the immediate support and prices are currently holding above this key support. Also prices are holding well above the both short and medium term EMAs. Momentum indicator MACD and oscillator RSI pointing and sideways movement. We expect Rough Rice prices at CBOT may remain in ranged manner in from some time and immediate trading band would be between 16.54 to 18.14 breakout either side of the mentioned level would give prices new direction. Overall the remains up and intact.

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

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