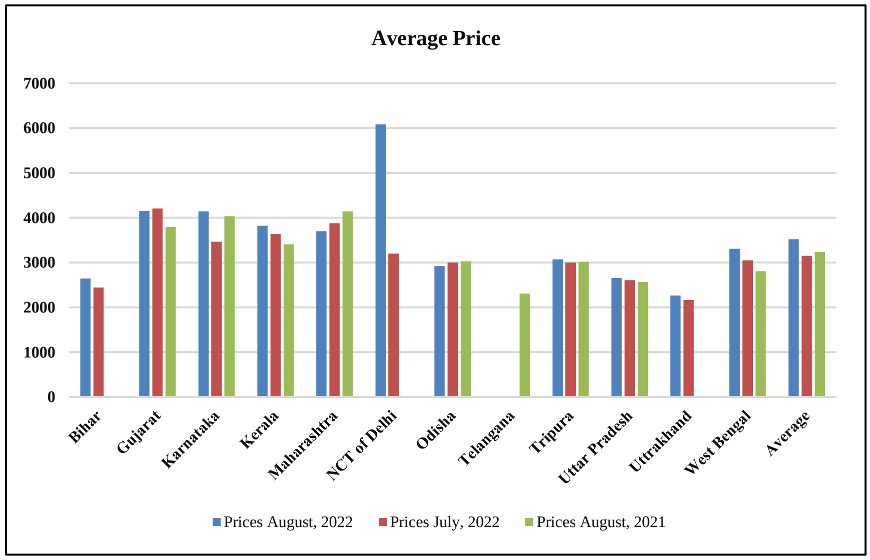
Rice Monthly Research Report

Contents

Outlook and Review (Domestic Front)

Price:

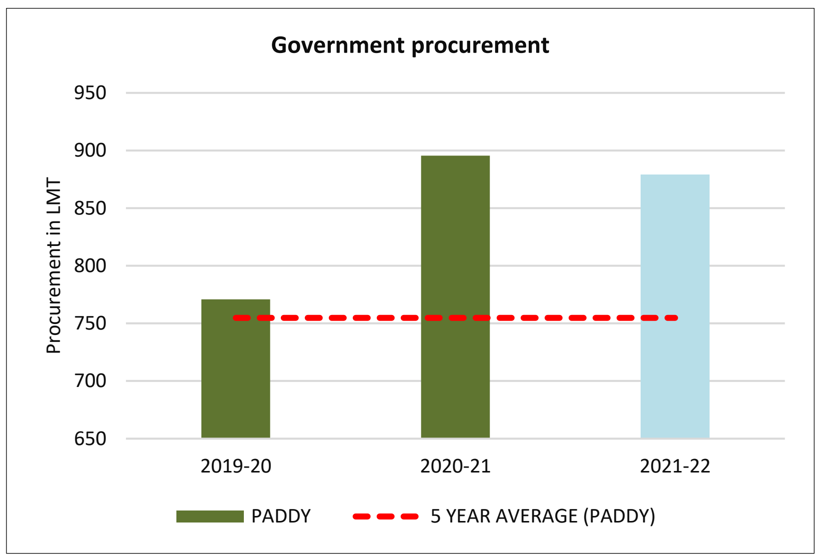
- Average monthly wholesale monthly rice prices in India stood at around Rs. 3521.88 per quintal in August-2022, down by 0.11% from Rs. 3148.34 per quintal in July-2022 and down by 0.08% from Rs.3231.35 per quintal a year ago.



- 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.

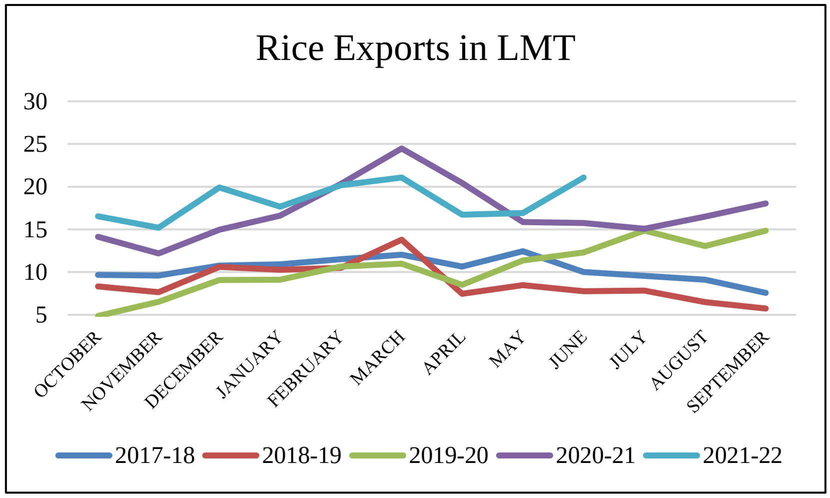
Procurement:

- According to the latest data of FCI as of 31st Aug 22, the Centre has procured 881.32 lakh tonne (LMT) of paddy in the current 2021-22 marketing year so far at the Minimum Support Price (MSP). Up till this point, the MSP value has benefited around 130.65 lakh farmers.
- 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 excessive seeding delays, uncertainty still exists regarding the final harvest.



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.

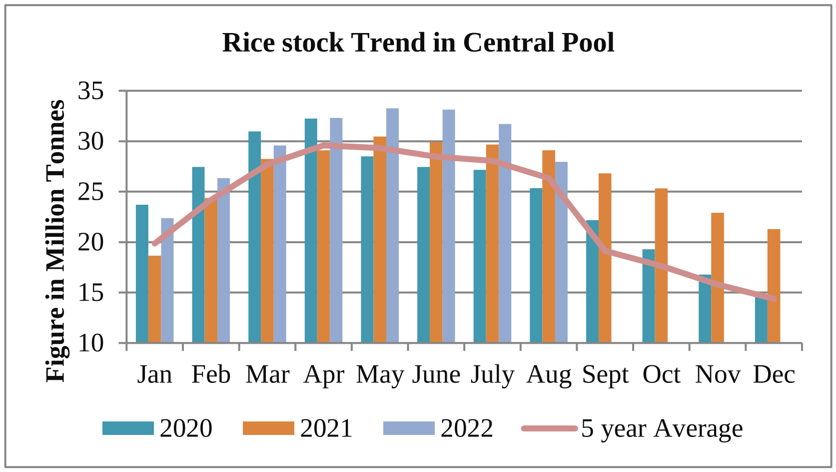


- Export price of 5% Broken Parboiled Indian Rice were quoted at $379-387 per Tonne as compared to prices of $366-$372 per Tonne during past week due to a Bangladeshi tender, prices increased. Due to crop damage this year, Bangladesh may be compelled to make large purchases. The FOB prices for India are 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.

Rice Export Statistics (in Lakh MT)

Month	Non-Basmati		Basmati		Total	
	MY 2020-21	MY 2021-22	MY 2020-21	MY 2021-22	MY 2020-21	MY 2021-22
October	4.33	6.68	3.58	2.14	7.91	8.82
November	3.53	5.59	3.03	2.38	6.56	7.97
December	5.29	6.48	3.33	3.43	8.62	9.91
January	5.23	5.5	3.8	3.48	9.03	8.98
February	7.49	5.83	3.91	3.94	11.4	9.77
March	9.51	6.2	4.78	4.61	14.29	10.81
April	7.82	5.47	3.58	3.2	11.4	8.67
May	4.58	5.23	3.71	3.66	8.29	8.89
June	5.48	6.53	3.58	4.4	9.06	10.93
July	4.96	6.03	3.42	3.8	8.38	9.83
August	6.51	-	2.68	-	9.19	-
September	8.71	-	2.47	-	11.18	-
Total	**73.44**	**59.54**	**41.87**	**35.04**	115.31	94.58

Source-DGCIS



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 increase in coming months on the account of increasing Rice arrivals, most probably till November, 2022. However, if FCI resumes milled Rice procurement from Telangana, a gradual increase in the Rice stocks at Central Pool can be expected. Further procurement will be decided by the prevailing market price which is ruling above the current MSP.

Paddy sowing:

- As of 26th August 2022, Rice has been sown in 367.55 lakh Ha. of area compared to 390.99 lakh Ha of previous year, down by 6%. The lag in acreage has reduced from earlier 13% as recent rains mainly over eastern India reportedly added to the acreage.

Weather Watch:

- As per the latest update, Bihar, Jharkhand, Sub-Himalayan West Bengal, Sikkim, and the extreme south peninsula of India, according to the Indian Meteorological Department (IMD), may experience severe rains during the coming days. Over Chhattisgarh, coastal Karnataka, north interior Karnataka, Lakshadweep, Tamil Nadu, Kerala, and Mahe, there will likely be moderate to widespread rainfall with isolated heavy falls and thunderstorms.

Price Projection for Next Month (September) in Narella Market

Variety	Trend	Average Price Range	Reason
1121 Paddy	Steady to Firm	Rs.4200-4650/Quintal	High prevailing price and good demand in the market.
1121 Steam	Firm	Rs. 9100-9600/Quintal	Good export demand from middle east and low availability of stocks within millers.

Parmal Steam	Steady to Weak	Rs. 3500-3800/ Quintal	Higher supplies from southern markets are reducing the non-basmati demands.

Kharif Paddy Sowing Updates as of 26th August 2022

Sr.No.	State	Normal Area	Area Covered		Difference in Area coverage	
		(DES)	(Lakh Ha)		with Current Week & Normal	
			2022	2021	2022	Normal
1	Andhra Pradesh	15.17	10.69	10.27	0.42	-4.48
2	Arunachal Pradesh	1.32	1.36	1.26	0.10	0.03
3	Assam	19.98	18.71	19.19	-0.49	-1.28
4	Bihar	30.76	29.92	32.32	-2.40	-0.84
5	Chhattisgarh	37.31	33.22	36.67	-3.45	-4.09
6	Goa	0.26	0.22	0.25	-0.03	-0.04
7	Gujarat	8.16	8.50	8.02	0.48	0.34
8	Haryana	14.06	13.20	13.64	-0.44	-0.86
9	Himachal Pradesh	0.72	0.88	0.50	0.38	0.16
10	J&K	2.73	1.12	1.17	-0.05	-1.61
11	Jharkhand	15.48	6.95	17.46	-10.51	-8.53
12	Karnataka	9.24	7.49	6.28	1.21	-1.75
13	Kerala	1.48	0.58	0.54	0.04	-0.90
14	Madhya Pradesh	21.44	31.70	32.16	-0.46	10.26
15	Maharashtra	14.52	14.49	14.56	-0.07	-0.03
16	Manipur	0.40	1.95	1.95	0.00	1.55
17	Meghalaya	0.97	0.76	0.94	-0.18	-0.21
18	Mizoram	0.35	0.34	0.37	-0.03	-0.01
19	Nagaland	2.08	2.00	2.21	-0.21	-0.08
20	Odisha	36.20	29.01	31.25	-2.24	-7.19
21	Punjab	29.83	31.33	31.45	-0.12	1.50
22	Rajasthan	2.07	2.26	1.94	0.32	0.19
23	Sikkim	0.09	0.09	0.11	-0.02	-0.01
24	Tamil Nadu	16.32	3.28	3.00	0.28	-13.04
25	Telangana	12.04	18.50	17.20	1.30	6.46
26	Tripura	2.00	1.61	1.83	-0.22	-0.39
27	Uttar Pradesh	57.67	57.62	60.25	-2.63	-0.05
28	Uttarakhand	2.38	2.35	2.33	0.02	-0.03
29	West Bengal	41.64	36.93	41.55	-4.62	-4.71
30	Puducherry	0.11			0.00	-0.11
31	Others	0.28	0.50	0.32	0.18	0.22

	All-India	397.06	367.55	390.99	-23.45	-29.51

Source: NFSM

Comparative Rice Variety Prices of Delhi (Naya Bazaar) in Rs. /Quintal

Market	Variety	Today	Week Ago	Month Ago	Year ago	% Change From last week	% Change from last Month	% Change from last Year
		05-Sep-22	29-Aug-22	06-Aug-22	06-Sep-21			
Delhi	1121 Steam	9000	8800	9200	6400	2.27	-2.17	40.63
	1121 Sella	8550	8300	8500	5500	3.01	0.59	55.45
	1121 Raw	9100	9300	9500	6400	-2.15	-4.21	42.19
	Basmati Raw	13000	13200	13000	9600	-1.52	0.00	35.42
	1509 Steam Wand New	7700	8300	8300	6100	-7.23	-7.23	26.23
	Sugandh Steam	7200	7400	7700	5100	-2.70	-6.49	41.18
	Sharbati Raw	6750	6300	6550	4800	7.14	3.05	40.63
	Pusa Raw Wand	8400	8500	8200	5500	-1.18	2.44	52.73
	ParmalSella	4000	3600	3575	3300	11.11	11.89	21.21

Source-Agriwatch

Rice Supply & Demand for MY-2021-22

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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:

- According to the sources, the fourth advance estimates of production of major agricultural crops released by the Union Ministry of Agriculture and Farmers Welfare, the production of foodgrains in India is expected to reach a record 315.72 million tonnes during the 2021–22 season, an increase of 4.98 million tonnes over what was harvested during the previous harvest season.

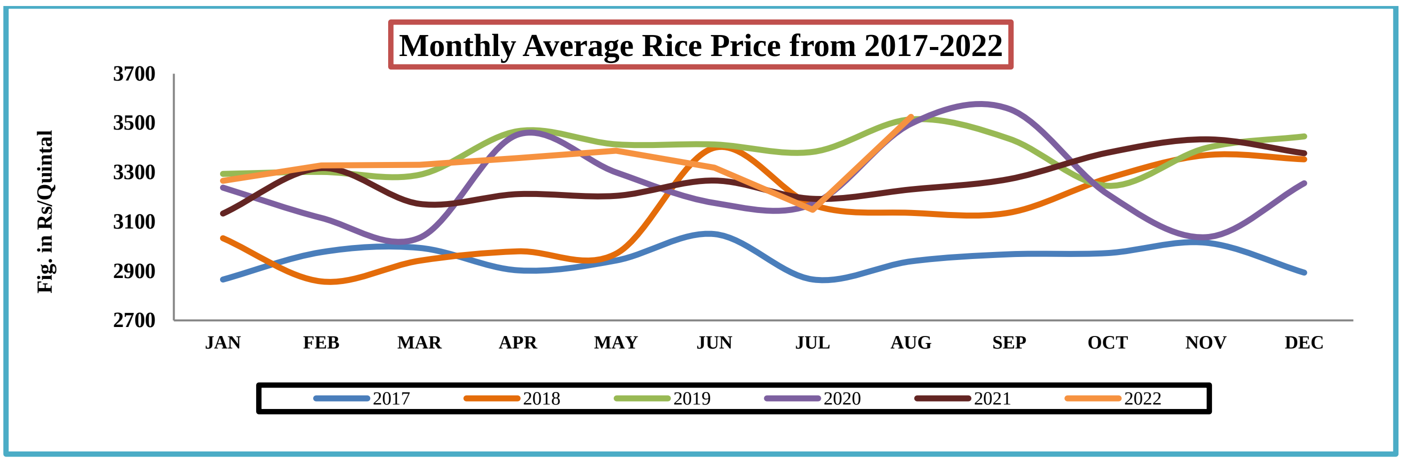
State	Acreage (mn Ha)	Yield (kg/Ha)	Production (mn MT)
Andhra Pradesh	0.66	4469.70	2.95
Assam	0.18	2833.33	0.51
Karnataka	0.07	3000.00	0.21
Kerala	0.09	3222.22	0.29
Odisha	0.08	3125.00	0.25
Tamil Nadu	0.14	4214.29	0.59
Telangana	0.78	3410.26	2.66
West Bengal	1.27	3354.33	4.26
Others	0.97	3402.06	3.30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

State wise Wholesale Prices Monthly Analysis for Rice August, 2022 ***(in Rs/Quintal)***

State	Prices August, 2022	Prices July, 2022	Prices August, 2021	% Change (Over Previous Month)	% Change (Over Previous Year)
Bihar	2639.77	2444.64		7.98	—
Gujarat	4147.74	4201.39	3790.74	-1.28	9.42
Karnataka	4140.6	3464.06	4030.94	19.53	2.72
Kerala	3818.17	3631.63	3406.96	5.14	12.07
Maharashtra	3697.48	3875.01	4141.96	-4.58	-10.73

NCT of Delhi	6080.96	3200		90.03	__
Odisha	2921.26	3001.18	3024.68	-2.66	-3.42
Telangana			2305.32	__	__
Tripura	3069.45	2996.33	3012.45	2.44	1.89
Uttar Pradesh	2654.74	2603.48	2562.72	1.97	3.59
Uttrakhand	2265.27	2164.24		4.67	__
West Bengal	3304.26	3049.83	2806.38	8.34	17.74
Average	**3521.79**	**3148.34**	**3231.35**	__	__

Source-Agmarknet



Aug 2022*
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	31.70	27.95	-	-	-	-

Source-FCI

State-wise Procurement As on 31.08.2022 for KMS 2021-22(in lakh tonnes)

KMS 2021-22 (Units in LMTs) (as on 31.08.2022)				
S.No.	**STATES/ UTs**	**FCI**	**State Agency**	**Total**
1	**A.P.**	0.00	67.56	67.56
2	**TELANGANA**	0.00	119.05	119.05
3	**ASSAM**	2.24	2.78	5.02
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	17.61	17.61
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	0.58	0.58
20	**TAMIL NADU**	0.00	43.27	43.27
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	**6.63**	**874.68**	**881.32**

Source-FCI

International Market:

- As per sources, Sri Lanka imports over 600,000 metric tonnes of inferior and poisonous rice due to previous government's decision to ban the import of chemical fertilisers and encourage organic cultivation.
- As per the sources Thailand's 5% broken rice prices were reported slightly low at $415-$416 per tonne as compared to $416-$420 per tonne than last week's prices due to reduced demand as a result of rain and continuous production.
- Sources state that Vietnam's 5% broken rice prices remained constant at $390-$393 per tonne as per the reports from 25th august,2022 till last week. Along with the markets closing for the national day

holiday, slow sales and poor demand were reason behind this, and prices aren't anticipated to drop because the summer-autumn harvest's finish is lowering supplies.

- According to sources, Vietnam's rice exports are estimated to have increased by nearly 19% from last year to 4.7 million tonnes for the months of January-August.
- As per sources, North Korean government plans to import 10,000 tonnes of rice from India. Due to floods and COVID-19, the nation is suffering from serious food crisis.
- According to sources, Bangladeshi government has further reduced the import tax on rice to 5% while liberalising imports into the nation to increase the country's stock of the foodgrain.
- According to sources, the Southeast Sulawesi Government has been urged by Indonesia's Agriculture Minister to export rice in order to make significant profits given the region's strong rice output. According to the minister, Indonesia has the second-cheapest rice prices in the world, at Rp 12,000 per kg. In the meantime, the cost of a kg of rice has increased to Rp 47,000 in Japan, Rp 62,000 in the US, Rp 29,000 in Singapore, and Rp 22,000 in Malaysia. The government can export rice since it has enough on hand to cover domestic demand for the next two years.

Global Rice Balance Sheet:

Attributes	2019-20	2020-21 Est.	2021-22 (Fore.)	2022-23 (Proj.)	
(Fig in Million Tons)				21.07.2022	18.08.2022
Production	500	510	515	518	514
Trade	44	51	51	52	52
Consumption	495	509	517	519	518
Carryover stocks	181	182	180	179	177
Y-O-Y change	5	1	-2		-3
Major Exporters	45	50	50	53	49

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 1% higher, at 52MMT, 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
Aug-22	407.02	387.61	358.04	330.46
July-22	429.62	401.57	378.30	329.24
June-22	440.9	401.45	365.16	325.85
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	89000	89000	88000	88000	85000
Port handling charges /Loading/Unloading /Clearing (Rs/ton)	600	600	600	600	600
Freight Charges till port	2000	2000	2000	2000	2000
Indian FOB (Rs/MT)	91600	91600	90600	90600	87600
Indian FOB (USD/MT)	**1181.48**	**1181.48**	**1168.58**	**1168.58**	**1129.89**
Insurance @ 0.1%	1.18	1.18	1.17	1.17	1.13
Freight Charges (US $/ton) to Dubai	50	50	50	50	50
CIF (Kandla to Dubai)	**1232.66**	**1232.66**	**1219.75**	**1219.75**	**1181.02**
USD/INR MonthlyAverage	77.53	77.53	77.53	77.53	77.53

Source-Agriwatch Trade Source

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

Market Analysis

Market is currently moving in uptrend and trading above 9, 18, 50 and 100 DMA indicating bullish sentiments RSI is currently in Overbought zone, indicating strong buying strength, MACD is indicating strong momentum.

International Price Projection for Next Month:

Duration	Trend	Support	Resistance
Sept-2022	**Firm bias**	**S1-17.16** **S2-16.75**	**R1-17.91** **R2-18.16**