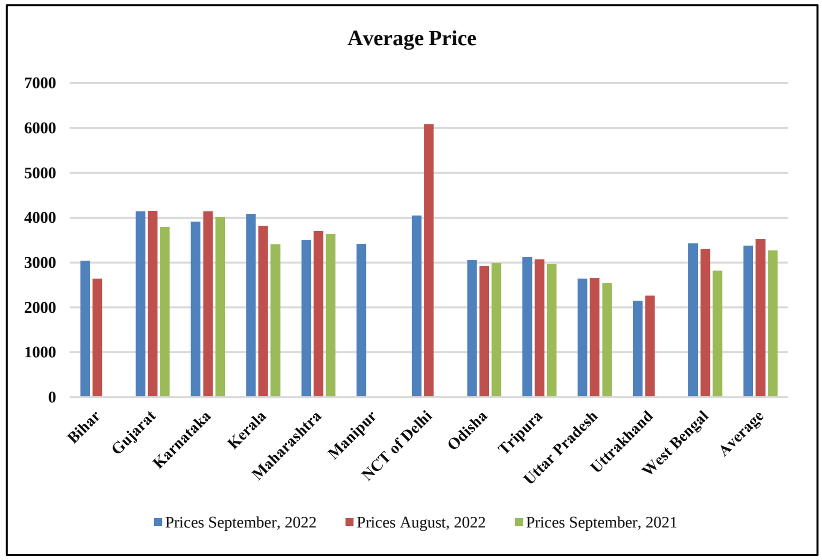
Rice Monthly Research Report

Contents

Outlook and Review (Domestic Front)

Price:

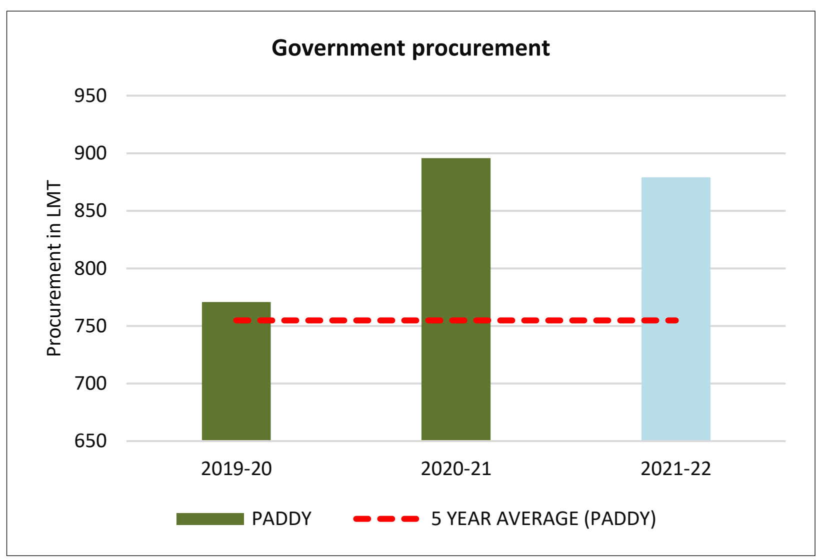
- Average monthly wholesale monthly rice prices in India stood at around Rs. 3378.45 per quintal in September-2022, down by 4.07% from Rs. 3521.99 per quintal in August-2022 and down by 3.23% from Rs.3272.69 per quintal a year ago.



- The average rice prices were traded range bound. The supply has been good because of new arrivals from kharif paddy, export restrictions, and extension for PMGKAY scheme till December,2022.

Procurement:

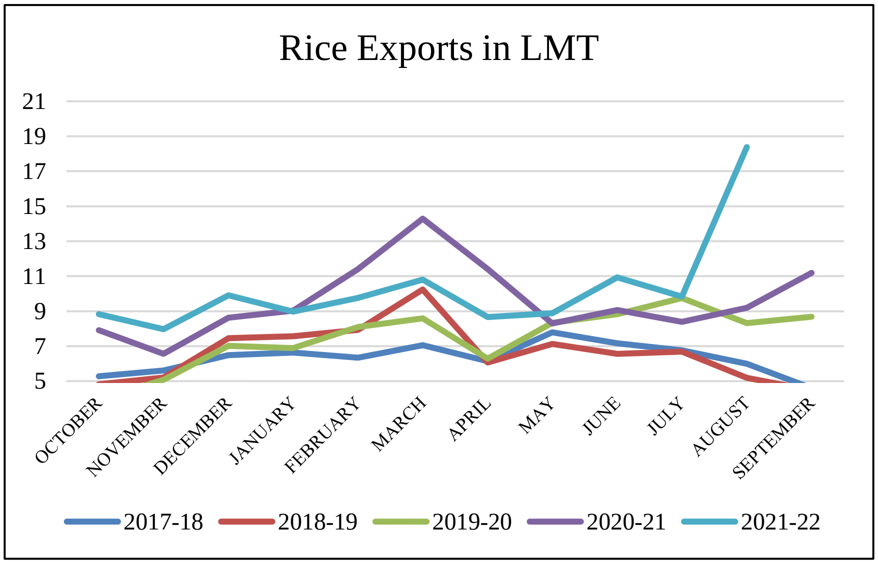
- Procurement of paddy has started in some states and as per the latest data of FCI as of September 30th, 2022, the Center has so far procured 2.92 lakh tonne (LMT) of paddy in the current 2022-23 marketing year at the Minimum Support Price (MSP). The MSP value has so far benefited over 130.87 lakh farmers.



- Due to excessive seeding delays, uncertainty still exists regarding the final harvest.

Export:

- As per the latest export data of August, 9.45 MMT of rice has been exported from India in 2021-22 marketing season and we are expecting it to reach the estimated number of 20.38 MMT. Recently, the G.O.I. has imposed an import duty of 20% on non-basmati grades of rice/paddy as well as an export ban on 100% broken rice. So, it is likely that overall rice exports will decline by 20 to 25% during the aforementioned marketing year compared to previous MY. However, Agriwatch is evaluating the current situation and latest updates are awaited. Export price of 5% Broken Parboiled Indian Rice eased at $374-382 per Tonne as that of $376-384 last week due to the weaker rupee which boosted trader's margins from international sales. Currently, Indian rice is cheaper than rice from major exporters like Vietnam and Thailand. Bangladesh and West African nations continue to have a strong demand for Indian rice exports. On 27th September, 2022, G.O.I. has further extended the export period of broken rice from 30th September, 2022 till 15th October, 2022 to permit the export of those consignments that had already been scheduled for transportation and were waiting in warehouses at various ports.



Rice Export Statistics (in Lakh MT)

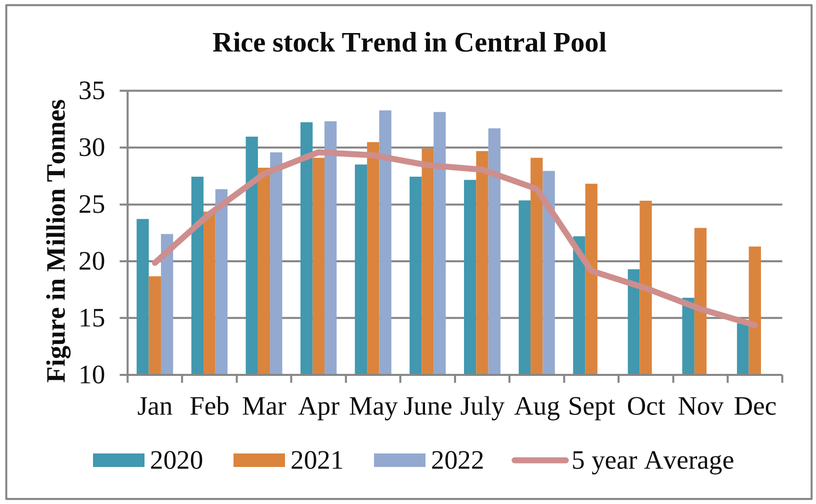
Month	Non-Basmati		Basmati		Total	
	MY 2020-21	MY 2021-22	MY 2020-21	MY 2021-22	MY 2020-21	MY 2021-22
October	4.33	6.68	3.58	2.14	7.91	8.82
November	3.53	5.59	3.03	2.38	6.56	7.97
December	5.29	6.48	3.33	3.43	8.62	9.91
January	5.23	5.5	3.8	3.48	9.03	8.98
February	7.49	5.83	3.91	3.94	11.4	9.77
March	9.51	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	12.8	2.68	5.58	9.19	18.38
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 per the latest update, FCI had a stock of 244.63 LMT of Rice in Central Pool, compared to buffer norms of 135.8 LMT. The stocks are likely to reduce in coming months on account of increasing Rice distribution, most probably till November, 2022. By then, 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. Further procurement will be decided by the prevailing market price which is ruling above the current MSP.



Price Projection for Next Month (October) in Narella Market

Variety	Trend	Average Price Range	Reason
1121 Paddy	Steady to Weak	Rs.3800-4200/Quintal	Depressed export demand and new arrivals.
1121 Steam	Steady to Weak	Rs. 8800-9100/Quintal	Depressed export demand and new arrivals.
Parmal Steam	Steady to Weak	Rs. 2800-3250/Quintal	Govt. export restrictions and free distribution under PMGKAY scheme.

Paddy sowing:

- As of latest sowing update on 30th September 2022, area deficit of paddy has decreased. Rice has been sown in 402.88 lakh Ha. of area compared to 423.04 lakh Ha of previous year, down by 4.76% due to erratic monsoon rains in Jharkhand, West Bengal, and Uttar Pradesh.

Kharif Paddy Sowing Updates as of 30th September 2022

Sr.No.	State	Normal Area (DES)	Area Covered (Lakh Ha)		Difference in Area coverage with Current Week & Normal	
		Normal	2022	2021	2022	Normal
1	Andhra Pradesh	15.17	13.83	14.35	-6.74	-8.81
2	Arunachal Pradesh	1.32	1.36	1.32	2.04	2.58
3	Assam	19.98	19.55	20.48	-4.80	-2.18
4	Bihar	30.76	30.67	32.64	-6.04	-0.30
5	Chhattisgarh	37.31	36.99	37.58	-1.96	-0.85
6	Goa	0.26	0.22	0.25	-12.00	-14.43
7	Gujarat	8.16	8.68	8.13	6.22	6.34
8	Haryana	14.06	14.58	13.64	6.89	3.71
9	Himachal Pradesh	0.72	0.88	0.74	18.92	22.58
10	J&K	2.73	2.62	2.58	1.55	-4.18
11	Jharkhand	15.48	8.40	17.62	-52.35	-45.75
12	Karnataka	9.24	10.15	9.89	-0.68	9.90
13	Kerala	1.48	0.59	0.61	-3.28	-60.06
14	Madhya Pradesh	21.44	32.20	38.52	-6.50	50.21
15	Maharashtra	14.52	15.55	15.46	0.52	7.11
16	Manipur	0.40	1.95	1.95	0.00	389.70
17	Meghalaya	0.97	0.76	0.97	-21.86	-21.63
18	Mizoram	0.35	0.34	0.37	-7.03	-2.66
19	Nagaland	2.08	2.00	2.21	-9.41	-3.93
20	Odisha	36.20	35.16	35.32	-0.55	-2.86
21	Punjab	29.83	31.33	31.45	-0.38	5.04
22	Rajasthan	2.07	2.31	1.94	19.18	11.45
23	Sikkim	0.09	0.10	0.11	-9.09	6.84
24	Tamil Nadu	16.32	5.70	4.62	0.78	-65.10
25	Telangana	12.04	26.12	25.15	3.86	116.91
26	Tripura	2.00	1.69	1.94	-11.27	-15.80
27	Uttar Pradesh	57.67	57.78	60.26	-4.11	0.19
28	Uttarakhand	2.38	2.36	2.33	1.29	-1.01
29	West Bengal	41.64	38.52	42.17	-8.66	-7.50
30	Puducherry	0.11				
31	Others	0.28	0.50	0.40	19.05	81.75

	All-India	**397.06**	**402.88**	**425.00**	**-4.77**	**1.47**

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
		04-Oct-22	27-Sep-22	03-Sep-22	05-Oct-21			
Delhi	1121 Steam	8800	8800	9000	7000	0.00	-2.22	25.71
	1121 Sella	8650	8600	8550	5950	0.58	1.17	45.38
	1121 Raw	8900	9000	9100	7000	-1.11	-2.20	27.14
	Basmati Raw	10000	10500	13200	9600	-4.76	-24.24	4.17
	1509 Steam Wand New	7300	7300	7800	6400	0.00	-6.41	14.06
	Sugandh Steam	7100	7100	7500	5400	0.00	-5.33	31.48
	Sharbati Raw	6200	6200	6750	4100	0.00	-8.15	51.22
	Pusa Raw Wand	8400	8400	8450	5600	0.00	-0.59	50.00
	ParmalSella	4200	3700	3950	3150	13.51	6.33	33.33

Source-Agriwatch

Kharif Rice Supply & Demand for MY-2022-23

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Particulars	2019-20	2020-21	2021-22	2022-23*
Opening Stock	25.00	28.83	29.33	**31.98**
Production	**116.32**	**119.00**	**122.85**	**113.78**
Imports	0.00	0.00	0.00	**0.00**
Total Supply	141.32	147.83	152.18	**145.76**
Exports	9.49	14.50	14.00	**12.00**
Consumption	103.00	104.00	106.20	**109.00**
Total use	112.49	118.50	120.20	**121.00**
Ending Stock	**28.83**	**29.33**	**31.98**	**24.76**
Stock-to-Use ratio	26%	25%	27%	**20%**

**AW Forecast (Preliminary)*

Rice Production Estimates:

- As per sources, the first advance estimates of production of major agricultural crops released by the Union Ministry of Agriculture and Farmers Welfare on 21st September,2022, the production of kharif rice in India is expected to reach a record 104.99 million tonnes during the 2022–23 season, down by 6% over what was harvested during the previous harvest season.

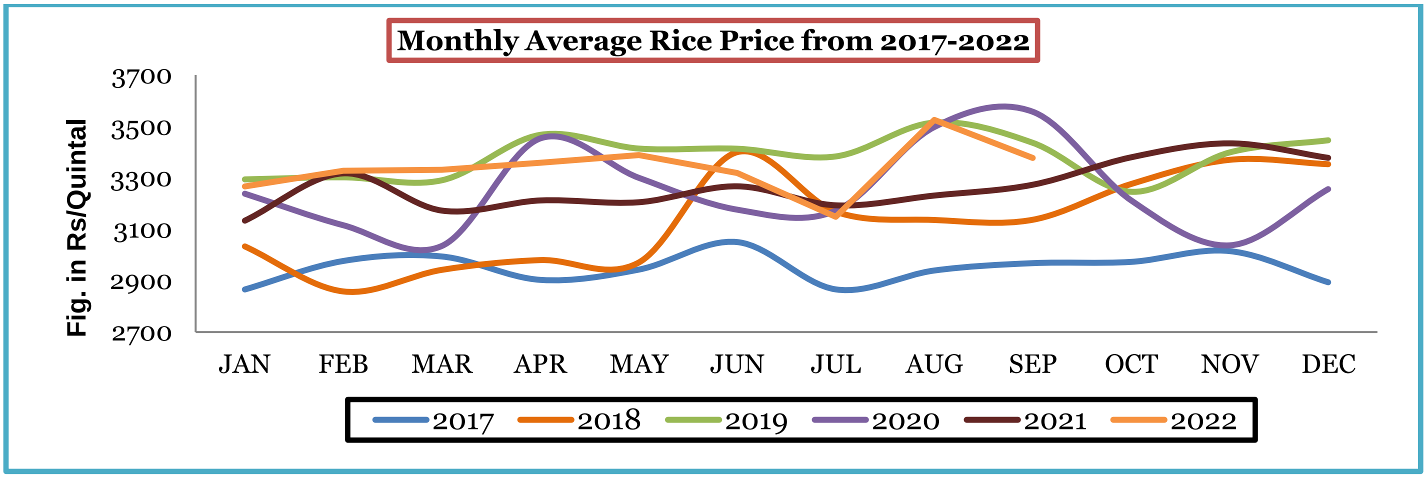
State	Acreage (mn Ha)	Yield (kg/Ha)	Production (mn MT)
Andhra Pradesh	0.66	4469.70	2.95
Assam	0.18	2833.33	0.51
Karnataka	0.07	3000.00	0.21
Kerala	0.09	3222.22	0.29
Odisha	0.08	3125.00	0.25
Tamil Nadu	0.14	4214.29	0.59
Telangana	0.78	3410.26	2.66
West Bengal	1.27	3354.33	4.26
Others	0.97	3402.06	3.30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

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

State	Prices September, 2022	Prices August, 2022	Prices September, 2021	% Change (Over Previous Month)	% Change (Over Previous Year)
Bihar	3039.51	2639.77		**15.14**	—
Gujarat	4143.62	4147.74	3795.13	**-0.1**	**9.18**
Karnataka	3910.79	4142.46	4012.97	**-5.59**	**-2.55**
Kerala	4075.14	3818.17	3409.07	**6.73**	**19.54**
Maharashtra	3506.02	3698.5	3631.82	**-5.2**	**-3.46**
Manipur	3411.64			—	—
NCT of Delhi	4050	6080.96		**-33.4**	—
Odisha	3068.23	2921.26	2988.98	**5.03**	**2.65**
Tripura	3118.89	3069.45	2970.87	**1.61**	**4.98**

Uttar Pradesh	2645.39	2654.74	2550.55	**-0.35**	**3.72**
Uttrakhand	2151.28	2265.27		**-5.03**	—
West Bengal	3430.96	3304.26	2822.13	**3.83**	**21.57**
Average	**3379.29**	**3522.05**	**3272.69**		

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	24.46	-	-	-

Source-FCI

State-wise Paddy Procurement As on 30.09.2022 for KMS 2021-22(in lakh tonnes)

KMS 2021-22 (Units in LMTs) (as on 30.09.2022)				
S.No.	**STATES/ UTs**	**FCI**	**State Agency**	**Total**
1	**A.P.**	0.00	0.00	0.00
2	**TELANGANA**	0.00	0.00	0.00
3	**ASSAM**	0.00	0.00	0.00

4	BIHAR	0.00	0.00	0.00
5	CHANDIGARH	0.00	0.00	0.00
6	CHHATISGARH	0.00	0.00	0.00
7	GUJARAT	0.00	0.00	0.00
8	HARYANA	0.00	0.00	0.00
9	H. P.	0.00	0.00	0.00
10	JHARKHAND	0.00	0.00	0.00
11	J&K	0.00	0.00	0.00
12	KARNATAKA	0.00	0.00	0.00
13	KERALA	0.00	0.00	0.00
14	M. P	0.00	0.00	0.00
15	MAHARASHTRA	0.00	0.00	0.00
16	ODISHA	0.00	0.00	0.00
17	PUNJAB	0.00	0.00	0.00
18	RAJASTHAN	0.00	0.00	0.00
19	NEF (Tripura)	0.00	0.00	0.00
20	TAMIL NADU	0.00	2.92	2.92
21	UTTAR PRADESH	0.00	0.00	0.00
22	UTTRAKHAND	0.00	0.00	0.00
23	WEST BENGAL	0.00	0.00	0.00
Total		**0.00**	**2.92**	**2.92**

Source-FCI

International Market:

- Export price of Vietnam's 5% broken rice rose to $420-$425 per Tonne, from $400-$410 last week due to end of the summer-autumn harvest.
- As per the sources, Thailand's 5% broken rice prices rose to $422-$435 per tonne from $420-$435 per tonne last week amid a weaker baht. Due to the export demand from Middle East and South Asia

Global Rice Balance Sheet:

Attributes (Fig in Million Tons)	2019-20	2020-21 Est.	2021-22 (Fore.)	2022-23 (Proj.)	
				18.08.2022	22.09.2022
Production	500	510	516	514	508
Trade	44	51	51	52	49
Consumption	495	509	518	518	515
Carryover stocks Y-O-Y change	181 5	182 1	180 -2	177	173 -7
Major Exporters	45	50	49	49	48

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 basis with trade edging up to a new high. The estimated global output for 2022–2023 has been reduced by 6 million tonnes per month due to lower expectations for Asian countries, particularly India due to lower production, and export restrictions. Global carryovers are reduced by 7 million to 173 MMT, including decreases for China and top exporters, along with a decreased prediction for food use. The 2023 trade projection has been reduced by about 3 MMT month on month basis due to anticipated tighter supply from major suppliers.

Monthly FOB (US dollar/tonne)

Month	Thai 25% broken rice	Vietnam 25% broken rice	Pakistan 25% broken rice	India 25% broken rice
Sep-22	408.15	384.25	361.98	337.84
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

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 Nov- 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 near Overbought zone, indicating strong buying strength, MACD is indicating firm momentum.

Duration	Trend	Support	Resistance
Nov-2022	**Firm bias**	**S1-17** **S2-16**	**R1-18** **R2-19**