Rice Monthly Research Report

Contents

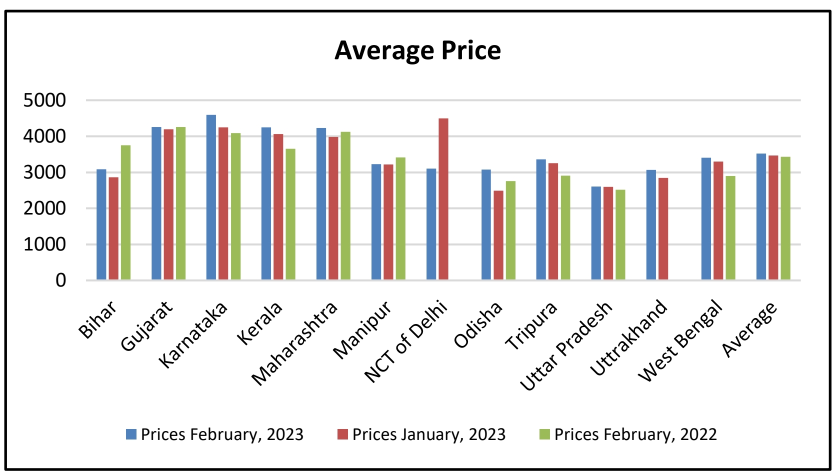
Ongoing Rabi Paddy Sowing Updates:

- As per final sowing progress released by Ministry of Agriculture on 2nd February, 2023, paddy has been sown in 46.25 lakh hectares, compared to 35.05 lakh ha the year before, an increase of 32% this rabi season.

Sr.No.	State	Normal Area (DES)	Area Covered (Lakh Ha)		Difference in Area coverage with Current Week	
			2022-23	2021-22	2022-23	% Of Normal
1	Andhra Pradesh	7.02	5.51	6.75	-18.37	-21.50
2	Assam	3.97	1.52	1.84	-17.32	-61.64
3	Bihar	0.66	0.02	0.00	-	-96.99
4	Chhattisgarh	2.06	1.17	0.67	74.63	-43.20
5	Gujarat	0.52	0.00	0.00	-	-100.00
6	Karnataka	2.26	0.11	0.07	57.14	-95.13
7	Kerala	0.45	0.83	0.88	-5.68	86.02
8	Maharashtra	0.61	0.00	0.00	-	-100.00
9	Manipur	1.83	0.00	0.00	-	-100.00
10	Odisha	2.72	1.01	0.79	27.50	-63.00
11	Tamil Nadu	1.56	12.21	11.76	3.82	685.04
12	Telangana	9.51	18.07	7.76	132.88	90.12
13	Tripura	0.70	0.01	0.00	-	-98.29
14	Uttar Pradesh	0.27	0.00	0.00	-	-100.00
15	West Bengal	12.76	5.00	3.80	31.58	-60.81
16	Others	0.81	0.79	0.73	7.53	-3.09
17	**Total**	**47.71**	**46.25**	**35.05**	**31.94**	

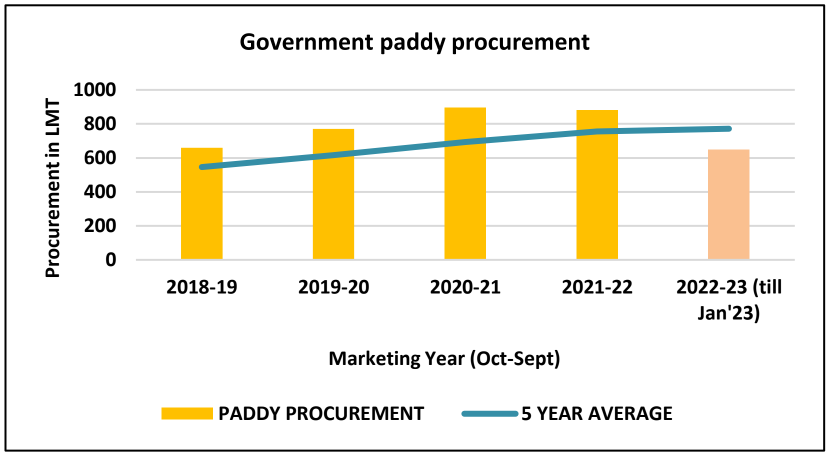
Price:

- In February 2023, the average monthly wholesale price of rice in India was Rs. 3520.4 per quintal, marginally up by 1.67% from Rs. 3462.59 per quintal in January 2023 and also up by 2.47 % from February,2022 at Rs. 3435.62 per quintal.



Procurement:

- As of February 16, 2023, the central pool had received 694.12 lakh tonnes (LMT) of paddy from FCI and state agencies during the current 2022–2023 kharif marketing season.
- The target amount for paddy procurement in 2022–2023 is 775.72 lakh MT.



Export:

- Price for India's 5% broken rice increased to $397-$404 a tonne from $395-$402 last week due to robust export demand amid competitive prices.
- As per trade sources, 12.29 LMT of rice was exported during January 2023, of which 4.81 LMT was basmati and 7.5 LMT was non-basmati.
- As per trade sources, rice trade was excellent at GULFOOD 2023 in Dubai. The 1121 Sella variety sold for Rs. 8500 per quintal and the 1718 Sella variety sold for Rs. 8200 per quintal. The Golden and Steam varieties of rice were also in high demand, and as a result, they were sold at good prices. The lower grade varieties were even more sought after, resulting in good deals being made, with deliveries expected in April. Consequently, there is a possibility that prices could increase during that month. While government tenders are still pending, there are high chances of prices rising. A new Basmati record could potentially be set in April-May.

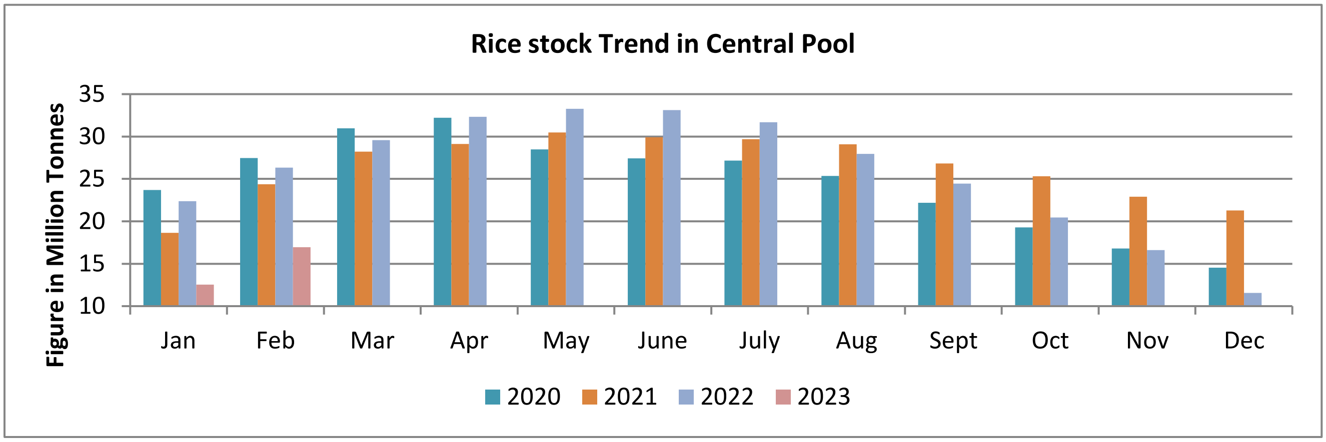
Rice Export Statistics (in Lakh MT)

Month	Non-Basmati		Basmati		Total	
	MY 2021-22	MY 2022-23	MY 2021-22	MY 2022-23	MY 2021-22	MY 2022-23
October	6.68	6.14	2.14	2.91	8.82	9.05
November	5.59	6.54	2.38	3.58	7.97	10.12
December	6.48	6.36	3.43	5.30	9.91	11.66
January	5.5	-	3.48	-	8.98	-
February	5.83	-	3.94	-	9.77	-
March	6.2	-	4.61	-	10.81	-
April	5.47	-	3.2	-	8.67	-
May	5.23	-	3.66	-	8.89	-
June	6.53	-	4.4	-	10.93	-
July	6.03	-	3.8	-	9.83	-
August	12.8	-	5.58	-	18.38	-
September	6.99	-	2.8	-	11.97	-
Total	**74.88**	**19.03**	**41.53**	**11.79**	**161.93**	**30.83**

Source-DGCIS

Stock Position:

- As of February, 2023, FCI had 169.63 LMT rice in its central pool more than the required 135.8 LMT buffer. Whereas, the stock for unmilled paddy in central pool is 452.32 LMT. Stock numbers are on the safer side which will support the rice distribution under PMGKAY scheme.



Technical Analysis

Rice – Technical Outlook	Rice Narela Mandi prices -Monthly time frame

Technical Chart:

Technical Commentary:

- During the month under review, market remained bearish and went down to 9300 levels as compared to previous month at 9600. During the month, market made low of 9,100 and high of 9,500.

- Market is currently facing near term support of 9 EMA, while, 18 and 50 EMA can be characterized as long-term support.
- In last few weeks, RSI has declined from 67 to 62, which is indicating slight decline in buying strength and MACD is indicating firm momentum.
- 8,700-9,000 is near term support and 9,400-9,500 is near term resistance.

Recommendation-

- Market Participants are recommended to buy in the range of 8,700-9,000 and sell in the range of 9,400-9,500 in short run.

Rice Price Outlook for coming week (Narela 1121 Steam): Monthly price closed at INR. 9,300/qtl. and are expected to trade range bound in the range of INR 8,800-9,400 in short run.

Price Projection for Next Month (March) in Narela Market

Rice Price Outlook (INR./Qtl)	Previous Month Jan'23	Month under review Feb'23	Next Month Mar'23
Monthly Average Price	9,200-9,800	9,100-9,500	8,800-9,400

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
		28-Feb-23	21-Feb-23	28-Jan-23	28-Feb-22			
Delhi	1121 Raw Wand	9500	9500	10600	NR	-	-10.38	-
	1121 White Parboiled (Sella)	9300	9500	9500	8200	-2.11	-2.11	13.41
	1121 Steam Wand	9300	9200	9500	8100	1.09	-2.11	14.81
	Basmati Rice Common (Raw Wand)	9700	10500	11600	8700	-7.62	-16.38	11.49
	1509 Steam wand	8650	8800	8600	NR	-1.70	0.58	-
	Sugandha Steam	8000	8200	8400	NR	-2.44	-4.76	-
	Sarbati Raw Wand	8700	8700	8800	6900	-	-1.14	26.09
	DB(Duplicate Basmati) Raw Wand	6400	6400	6600	NR	-	-3.03	-
	PR-11/14 Steam	6700	6700	6900	NR	-	-2.90	-

Source-Agriwatch

India Current (MY Oct-Sep) Balance Sheet:

(Back to Contents)

Particulars (Million tonnes)	2021-22	2022-23*
Carry in	33.31	**33.17**
Production	**122.86**	**114.89**
Imports	0.00	**0.00**
Total Availability	156.17	**148.06**
Consumption	108.00	**109.00**
Exports	**15.00**	**12.50**
Total Usage	123.00	**121.50**
Carry out	**33.17**	**26.56**
Stock to use ratio	27%	**22%**

**AW 2nd Forecast*

Rice Production Estimates:

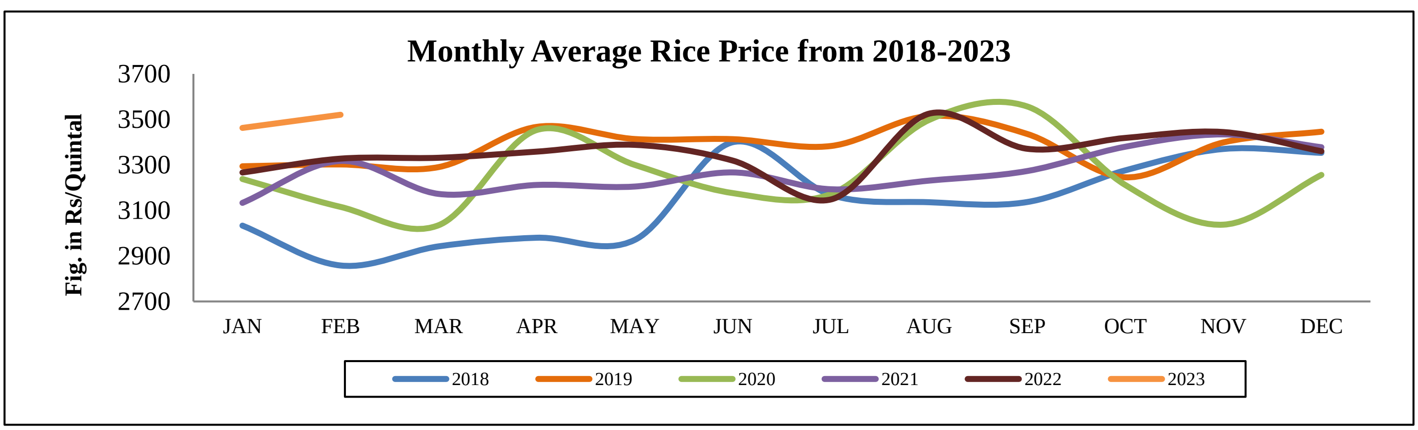
- The output of rice in India has been raised to 130.83 MMT, up from the target of 130.5 MMT, according to the 2nd advance estimates of production of main agricultural crops provided by the Union Ministry of Agriculture and Farmers Welfare on 14th February 2023. Due to increased acreage in important rabi paddy-growing states, the Rabi production estimate was revised up from the target of 18.5 MMT to 22.76 MMT. In contrast, the Kharif rice production estimate was down from the target of 112 MMT to 108.07 MMT due to unfavorable weather conditions in the Kharif season 2022–23.

State	Acreage ('000 Ha)	Yield (kg/Ha)	Production (MMT)
Andhra Pradesh	772.2	4428.67	3.42
Assam	324.2	2863.33	0.92
Bihar	43.2	2403.56	0.10
Karnataka	236.4	3074.25	0.72
Kerala	55.8	3206.56	0.17

Odisha	264.9	3205.20	0.84
Tamil Nadu	150.2	4238.88	0.63
Telangana	1260.1	3389.00	0.42
West Bengal	990.8	3385.00	0.33
Others	681.3	3321.00	0.22
All India	**4779.0**	**3476.97**	**16.73**

State wise Wholesale Prices Monthly Analysis for Rice February, 2023 (in Rs/Quintal)

State	Prices February, 2023	Prices January, 2023	Prices February, 2022	% Change (Over Previous Month)	% Change (Over Previous Year)
Bihar	3088.3	2861.38	3746.78	7.93	-17.57
Gujarat	4254.59	4193.13	4252.64	1.47	0.05
Karnataka	4595.66	4246.48	4087.98	8.22	12.42
Kerala	4243.77	4059.05	3656.04	4.55	16.08
Maharashtra	4227.92	3977.92	4123.12	6.28	2.54
Manipur	3223.21	3221.22	3417.57	0.06	-5.69
NCT of Delhi	3100	4500		-31.11	—
Odisha	3073.51	2494.24	2753.45	23.22	11.62
Tripura	3357.98	3250.35	2904.08	3.31	15.63



Uttar Pradesh	2604.74	2599.41	2516.28	**0.21**	**3.52**
Uttrakhand	3070	2848.13		**7.79**	—
West Bengal	3404.98	3299.8	2898.26	**3.19**	**17.48**
Average	**3520.39**	**3462.59**	**3435.62**		

Feb - 2023* *Source-Agmarknet*

Month-wise Rice Stock in Central Pool (in MMT)

Year	Jan	Feb	Mar	Apr	May	June	July	Aug	Sept	Oct	Nov	Dec
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	20.46	16.59	11.54
2023	12.53	16.96										

Source-FCI

State-wise Paddy Procurement for KMS 2022-23(in lakh tonnes)

KMS 2022-23 (Units in LMTs) (as on 16.02.2023)				
S.No.	**STATES/ UTs**	**FCI**	**State Agency**	**Total**
1	A.P.	0.00	31.30	31.30
2	TELANGANA	0.00	64.92	64.92
3	ASSAM	0.70	1.55	2.25
4	BIHAR	0.00	36.31	36.31
5	CHANDIGARH	0.19	0.00	0.19
6	CHHATISGARH	0.00	92.00	92.00
7	GUJARAT	0.00	1.77	1.77
8	HARYANA	0.14	58.82	58.96
9	H. P.	0.07	0.07	0.14
10	JHARKHAND	0.00	1.17	1.17
11	J&K	0.34	0.00	0.34
12	KARNATAKA	0.00	0.00	0.00
13	KERALA	0.00	2.06	2.06
14	M. P	0.00	46.16	46.16

15	MAHARASHTRA	0.00	14.32	14.32
16	ODISHA	0.00	55.95	55.95
17	PUNJAB	2.00	180.11	182.11
18	RAJASTHAN	0.00	0.00	0.00
19	NEF (Tripura)	0.00	0.39	0.39
20	TAMIL NADU	0.00	9.61	9.61
21	UTTAR PRADESH	1.11	62.46	63.57
22	UTTRAKHAND	0.00	8.96	8.96
23	WEST BENGAL	0.00	21.64	21.64
	TOTAL	**4.55**	**689.57**	**694.12**

Source-FCI

International Market:

- The prices for Vietnam's 5% broken rice underwent a slight change last week, going from a range of $455-$460 to $457 per tonne. Despite an unstable global market, demand for the commodity has remained high, with many people continuing to purchase it. However, in the first half of this month, shipments to Malaysia and Africa experienced a significant decrease from the previous year, while trade with China and the Philippines saw a significant increase. This week, negotiations are ongoing for a UN-backed agreement that would allow for the continuation of rice supplies from the Black Sea. Nevertheless, there is a looming risk of further escalation in the conflict between Russia and Ukraine, which could potentially impact the agreement.
- In spite of weak demand, Thailand's 5% broken rice prices remained stable at $460 per tonne. New supply anticipated in early March to April might further ease the prices.
- As per sources, amid middlemen's stockpiling, domestic rice prices in Bangladesh remain high despite good crops and reserves. To stabilise local prices, Bangladesh has permitted private traders to import rice.

Global Rice Balance Sheet:

Attributes (Fig in Million Tons)	2019-20	2020-21	2021-22 (Est.)	2022-23 (Fore.)	
				12.01.2023	16.02.2023
Production	500	509	516	504	504
Trade	44	51	55	51	52
Consumption	495	509	519	514	513
Carryover stocks	181	182	179	168	170
Y-O-Y change	5	1	-3		-9
Major Exporters	45	50	47	42	42

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

There is no significant change in the estimated global rice production for 2022-2023 on a monthly basis. However, due to a lower demand outlook and a downgrade in India's production, the stockpiles have slightly increased to 170 million tonnes (179m). Although the trade volume in 2023 is projected to be over 52 million tonnes, it remains 6% lower than the previous year, mainly due to an increased forecast for China. In 2023-2024, the harvested area across Asia and the Americas is likely to increase by 1% year on year.

Monthly FOB (US dollar/tonne)

Month	Thai 25% broken rice	Vietnam 25% broken rice	India 25% broken rice
Feb-23	473.52	438.49	403.41
Jan-23	447.74	430.83	385.48
Dec-22	426.51	420.66	373.03
Nov-22	411.19	409.78	352.14
Oct-22	411.41	425.11	376.94
Sep-22	408.15	384.25	337.84
Aug-22	407.02	387.61	330.46
July-22	429.62	401.57	329.24
June-22	440.9	401.45	325.85
May-22	422.00	396.50	326.00
Apr-22	427.75	391.00	326.00
Mar-22	417.25	385.75	340.00
Feb-22	422.00	372.75	334.75
Jan-22	418.75	369.25	330.75
Dec-21	392.75	374.40	325.20
Nov-21	394.25	398.75	334.00

Mundra Port Comparative Price

PORT	Variety	February,2023	A month ago	% Change From last month
		28-Feb-23	31-Jan-23	
Mundra	1121 RAW/WHITE SELLA	1243	1363	-8.80
	- 1121 STEAM RICE	1218	1338	-8.97
	- 1718 RAW/ WHITE RICE	1193	1263	-5.54
	- 1509 STEAM RICE	1180	1250	-5.60
	- 1401 STEAM RICE	1180	1300	-9.23
	- PUSA RAW/ WHITE RICE	1162	1257	-7.56
	- TRADITIONAL RAW/ WHITE RICE	1367	1400	-2.36
	- SUGANDHA RAW/ WHITE RICE	1037	1106	-6.24
	- PR11/14 RAW/ WHITE RICE	676	741	-8.77

Source-Agriwatch / Trades

Rice Price Trend – CBOT@ **CBOT May- 23, Rough Rice)**
(Prices in US$/hundredweight)

Market Analysis

During the month under review market extended previous month's loss and went down by 4.97% to 16.93%, however, during the month, market made high of 18.19, low of 16.65. Market is trading above 18, 50 and 100 DMA indicating firm sentiments while, RSI is currently near 60, indicating good buying strength, MACD is indicating steady momentum.

Duration	Trend	Support	Resistance
May-2023	**Firm Bias**	**S1 - 16.5** **S2 - 16**	**R1 -18** **R2 – 18.5**