

# Rice Monthly Research Report

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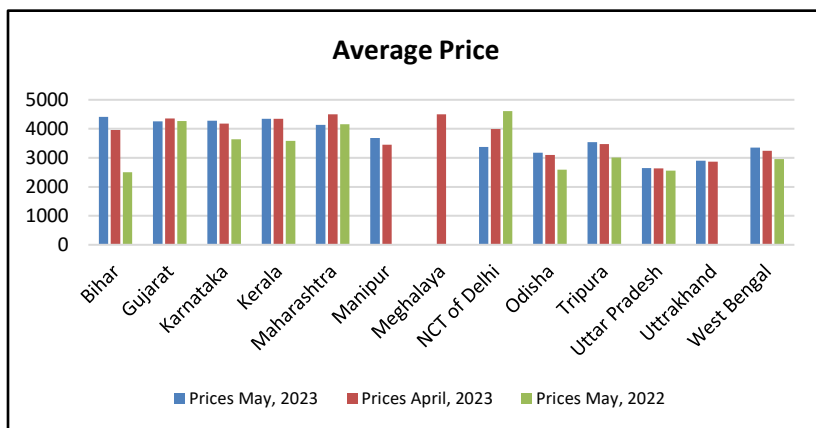
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## Price:

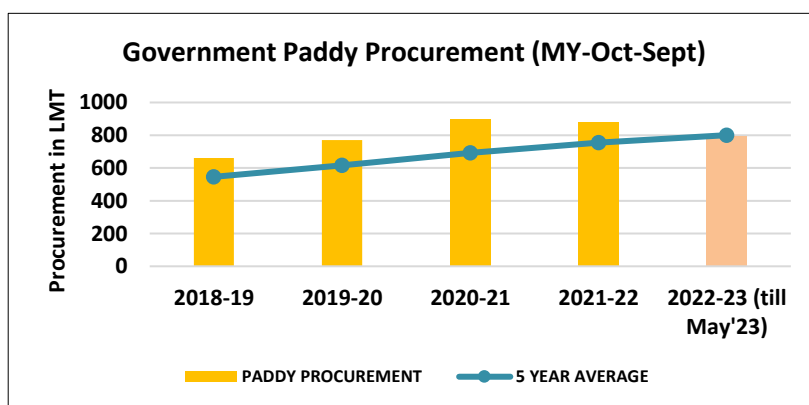
- During the month under review, average monthly wholesale price in India went down by 1.70% to Rs. 3673.42 per quintal, from Rs. 3736.85 per quintal from previous month, however, went down by 8.46 % from May, 2022 at Rs. 3386.8 per quintal.



- It is noteworthy that, once again, the rice market may experience further decline, primarily due to financial constraints and a lack of demand. Currently, the selling price of 1718 Sela ranges from Rs.7450 to Rs. 7600 per quinaltl, while Sugandha is priced at Rs. 5900. Taj Sela is available up to Rs. 6000, and RH10 Sela is priced up to Rs. 5100. In the same market, Golden Rs.1718 is being sold at prices reaching Rs.7850, while Steam is being sold at up to Rs. 8600. This situation is mainly attributed to the absence of strong buyers in the market at present. Despite the abundant crop of 1509 paddy, the upside potential remains uncertain. The current stock levels are reported to be significantly high due to the availability of both 1509 paddy and rice in large quantities, resulting in increased sales and subsequent buyer hesitation.

## Procurement:

- As of May 31, 2023, the central pool had received 792.99 lakh tonnes (LMT) of paddy from FCI and state procurement agencies during the current 2022–2023 kharif marketing season which is higher than the procurement target of 775.72 LMT.



## Export:

- As per trade sources, total rice exports for the month of April, 2023 were reported to be at 11.80 LMT, out of which 7.30 was non-basmati rice and 4.50 was basmati rice.

- Currently, price of Indian 5% broken parboiled rice is in the range of \$374 to \$378 per tonne, which is slightly down from the last month's range of \$376-\$380 per tonne. These rates have been subject to pressure, partially attributed to the depreciation of the rupee, resulting in an increased margin for traders engaged in overseas sales. Weak demand has been observed in recent weeks, leading to buyers deferring their purchases.
- The G.O.I. has authorized the export of approximately 1.06 million tonnes of grains, comprising wheat and rice, as part of the nation's diplomatic food assistance program to four countries. However, it should be noted that restrictions on the export of wheat and limitations on rice shipments will remain in effect. In line with discussions held with the Ministry of External Affairs regarding humanitarian food assistance, the Ministry of Food has approved the export of over 200,000 tonnes of broken rice to Indonesia, 500,000 tonnes of broken rice to Senegal, and 50,000 tonnes of broken rice to Gambia.
- On 29th May, 2023, The Directorate General of Foreign Trade (DGFT) has announced changes to a notification from August 17, 2022. These changes will affect the export of rice (both basmati and non-basmati) to European Union (EU) member states and other European countries such as Iceland, Liechtenstein, Norway, Switzerland, and the UK. According to the new rules, exporters will only need to obtain a certificate of inspection from the Export Inspection Council/Export Inspection Agency for exports to these specific countries. For the next six months, exports to other European countries will not require a certificate of inspection from the Export Inspection Council/Export Inspection Agency.

### **Rice Export Statistics (in Lakh MT)**

Month	Non-Basmati		Basmati		Broken Rice		Total	
	MY 2021-22	MY 2022-23	MY 2021-22	MY 2022-23	MY 2021-22	MY 2022-23	MY 2021-22	MY 2022-23
October	6.68	6.12	2.14	2.53	2.91	0.3	11.73	8.95
November	5.59	5.93	2.38	3.22	2.20	0.67	10.17	9.82
December	6.48	6.47	3.43	4.65	2.78	1.01	12.69	12.13
January	5.5	6.4	3.48	4.57	3.54	0.89	12.52	11.86
February	5.83	7.43	3.94	4.44	4.95	1.66	14.72	13.53
March*	6.2	7.47	4.61	4.58	4.64	2.1	15.45	14.15
April	5.47	-	3.2	-	4.23	-	12.9	-
May	5.23	-	3.66	-	4.11	-	13	-
June	6.53	-	4.4	-	5.71	-	16.64	-
July	6.03	-	3.8	-	3.92	-	13.75	-
August	12.8	-	5.58	-	3.64	-	15.68	-
September	6.99	-	2.8	-	2.18	-	11.97	-
<b>Total</b>	<b>74.88</b>	<b>39.82</b>	<b>41.53</b>	<b>23.99</b>	<b>44.81</b>	<b>6.63</b>	<b>161.22</b>	<b>70.44</b>

Source-DGCIS

### Stock Position:

- As of May 31, 2023, the central pool had received 792.99 lakh tonnes (LMT) of paddy from FCI and state procurement agencies during the ongoing 2022–2023 kharif marketing season.
- During the Kharif Marketing Season (KMS) 2022-23, as of 22<sup>nd</sup> May 2023, the estimated production of rice stands at 1308.37 LMTs, according to the second advance estimate. The procurement estimate for rice is 626.06 LMTs, with an actual quantity of rice procured amounting to 520.63 LMTs. These figures have resulted in a total Minimum Support Price (MSP) payment of Rs. 159,659.59 Crores, benefiting a significant number of 1,12,96,159 farmers within the same KMS period.

### Technical Analysis



- Market Participants are recommended to sell in the range of 9,500-9,700 and buy in the range of 8,800-9,000 in short run.

**Rice Price Outlook for coming week (Narela 1121 Steam):** Monthly price closed at INR. 9,100/qtl. and is expected to remain in the range of INR 9,100-9,600 in short run.

**Price Projection for Next Month (March) in Narela Market**

Rice Price Outlook (INR./Qtl)	Previous Month Apr'23	Month under review May'23	Next Month May'23
Monthly Average Price	9,504	9,281.48	9,100-9,600

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

Market	Variety	Today	Month Ago	Year ago	% Change from last Month	% Change from last Year
		31-May-23	29-Apr-23	31-May-22		
Delhi	1121 Raw Wand	9200	9800	8900	-6.12	3.37
	1121 White Parboiled (Sella)	8050	8300	7900	-3.01	1.90
	1121 Steam Wand	9100	9600	8800	-5.21	3.41
	Basmati Rice Common (Raw Wand)	9000	9200	-	-2.17	-
	1509 Steam wand	9100	9300	8200	-2.15	10.98
	Sugandha Steam	7500	7800	7300	-3.85	2.74
	Sarbati Raw Wand	6500	6800	6300	-4.41	3.17
	DB(Duplicate Basmati) Raw Wand	8800	9700	7450	-9.28	18.12
	PR-11/14 Steam	4200	4400	3400	-4.55	23.53

Source-Agriwatch

**India Current (MY Oct-Sep) Balance Sheet:**

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Particulars (Million tonnes)	2021-22	2022-23*
Carry in	33.31	33.17
Production	122.86	114.89
Imports	0.00	0.00

<b>Total Availability</b>	156.17	<b>148.06</b>
<b>Consumption</b>	108.00	<b>109.00</b>
<b>Exports</b>	<b>15.00</b>	<b>12.50</b>
<b>Total Usage</b>	123.00	<b>121.50</b>
<b>Carry out</b>	<b>33.17</b>	<b>26.56</b>
<b>Stock to use ratio</b>	27%	<b>22%</b>

\*AW 2<sup>nd</sup> Forecast

### **Rice Production Estimates:**

- According to the 2nd advance estimates of production of main agricultural crops released by the Union Ministry of Agriculture and Farmers Welfare on February 14, 2023, the rice output in India has been raised to 130.83 MMT, exceeding the target of 130.5 MMT. The increased acreage in important rabi paddy-growing states has led to a revision of the Rabi production estimate, which was raised from the target of 18.5 MMT to 22.76 MMT. However, the Kharif rice production estimate was lowered from the target of 112 MMT to 108.07 MMT due to unfavorable weather conditions during the Kharif season in 2022-23.

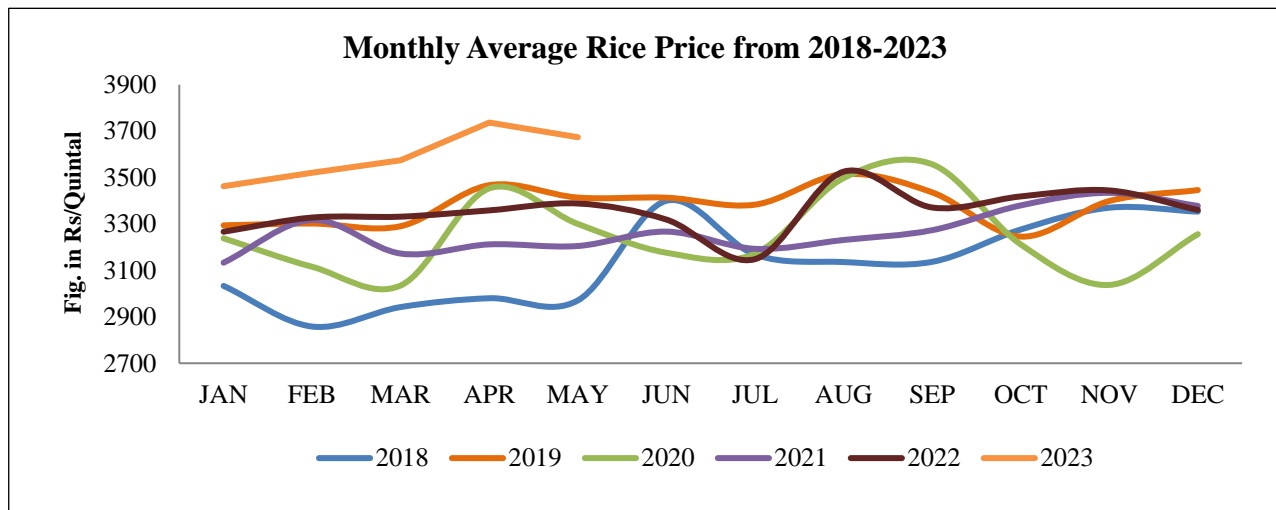
State	Acreage (‘000 Ha)	Yield (kg/Ha)	Production (MMT)
<b>Andhra Pradesh</b>	772.2	4428.67	3.42
<b>Assam</b>	324.2	2863.33	0.92
<b>Bihar</b>	43.2	2403.56	0.10
<b>Karnataka</b>	236.4	3074.25	0.72
<b>Kerala</b>	55.8	3206.56	0.17
<b>Odisha</b>	264.9	3205.20	0.84
<b>Tamil Nadu</b>	150.2	4238.88	0.63
<b>Telangana</b>	1260.1	3389.00	0.42
<b>West Bengal</b>	990.8	3385.00	0.33
<b>Others</b>	681.3	3321.00	0.22

All India	4779.0	3476.97	16.73
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### State wise Wholesale Prices Monthly Analysis for Rice May, 2023 (in Rs/Quintal)

State	Prices May, 2023	Prices April, 2023	Prices May, 2022	% Change (Over Previous Month)	% Change (Over Previous Year)
Bihar	4409	3955	2501	11.48	76.29
Gujarat	4259	4353	4268	-2.16	-0.21
Karnataka	4280	4177	3638	2.47	17.65
Kerala	4341	4340	3586	0.02	21.05
Maharashtra	4133	4501	4154	-8.18	-0.51
Manipur	3683	3453		6.66	—
Meghalaya		4500		—	—
NCT of Delhi	3374	3987	4614	-15.37	-26.87
Odisha	3174	3094	2592	2.59	22.45
Tripura	3536	3473	3005	1.81	17.67
Uttar Pradesh	2647	2640	2560	0.27	3.4
Uttrakhand	2896	2862		1.19	—
West Bengal	3349	3244	2950	3.24	13.53
Average	3673.42	3736.85	3386.8		

May - 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	21.05	24.86	26.50							

Source-FCI

**State-wise Paddy Procurement for KMS 2022-23**

KMS 2022-23 (Units in LMTs) (as on 31.05.2023)				
S.No.	STATES/ UTs	FCI	State Agency	Total
1	A.P.	0.00	41.43	41.43
2	TELANGANA	0.00	96.35	96.35
3	ASSAM	1.85	3.81	5.66
4	BIHAR	0.00	42.05	42.05
5	CHANDIGARH	0.19	0.00	0.19
6	CHHATISGARH	0.00	87.53	87.53
7	GUJARAT	0.00	1.77	1.77
8	HARYANA	0.14	59.22	59.36
9	H. P.	0.07	0.07	0.14
10	JHARKHAND	0.00	1.72	1.72



11	J&K	0.34	0.00	0.34
12	KARNATAKA	0.00	0.20	0.20
13	KERALA	0.00	6.65	6.65
14	M. P	0.00	46.16	46.16
15	MAHARASHTRA	0.00	15.26	15.26
16	ODISHA	0.00	68.41	68.41
17	PUNJAB	2.00	180.11	182.11
18	RAJASTHAN	0.00	0.00	0.00
19	NEF (Tripura)	0.00	0.40	0.40
20	TAMIL NADU	0.00	28.45	28.45
21	UTTAR PRADESH	1.12	64.38	65.50
22	UTTRAKHAND	0.00	8.96	8.96
23	WEST BENGAL	0.00	34.35	34.35
	<b>TOTAL</b>	<b>5.71</b>	<b>787.28</b>	<b>792.99</b>

Source-FCI

### **International Market:**

- As per trade sources, Vietnam's 5% broken rice was currently offered at \$490-\$495 as compared to last month's \$485-\$495 per tonne. This price range is highest since April. Trading activity has been subdued as certain buyers have reduced their purchases in response to the high prices.
- Thailand's 5% broken rice prices went up at \$495 per tonne compared to \$485 per tonne last month. The prices had increased to a more than two-month high of \$490-\$495 per tonne last week due to subdued demand and weak Baht.
- As per trade sources, in the initial month of the current fiscal year (March 21-April 20), the Islamic Republic of Iran imported a substantial quantity of rice totaling 77,932 tons which is down by 52% when compared to the corresponding month of the previous year. Among the exporting nations, India emerged as the primary rice supplier to Iran, shipping 41,000 tons, followed by Pakistan with 30,000 tons and the United Arab Emirates with 2,000 tons.

### **Global Rice Balance Sheet:**

Attributes (Fig in Million Tons)	2020-21	2021-22 (Est.)	2022-23 (Fore.)	2023-24 (Proj.)	
				20.04.2023	18.05.2023
Production	510	515	509	521	521
Trade	51	55	53	54	54
Consumption	509	519	516	519	520
Carryover stocks	182	178	171	174	173
Y-O-Y change	0	-4	-7		2
Major Exporters	50	46	43	45	44

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

There have been slight revisions to the anticipated rice supply and demand for the year 2022/23. Global reserves are now expected to decrease marginally month-over-month to reach 171 million metric tonnes, representing a reduction of 7 million metric tonnes. Consequently, the forecast for closing stocks in 2023/24 has been adjusted to 173 million metric tonnes, indicating a modest increase of 2 million metric tonnes. The projected trade volume for the period of January to December 2024 remains largely unchanged compared to the previous month, with an estimated volume of 54 million metric tonnes, showing a slight year-over-year increase.

### Monthly FOB (US dollar/tonne)

Month	Thai 25% broken rice	Vietnam 25% broken rice	India 25% broken rice
May-23*	475.20	460.26	427.36
Apr-23	469.49	445.44	423.38
Mar-23	469.68	435.35	414.78
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

### Mundra Port Comparative Price

PORT	Variety	May,2023	A month ago	% Change From last month
		31-May-23	29-Apr-23	
Mundra	1121 RAW/WHITE SELLA	1230	1280	-3.91
	- 1121 STEAM RICE	1205	1255	-3.98
	- 1718 RAW/ WHITE RICE	1205	1243	-3.06
	- 1509 STEAM RICE	1143	1205	-5.15
	- 1401 STEAM RICE	1205	1255	-3.98
	- PUSA RAW/ WHITE RICE	1205	1205	0.00
	- TRADITIONAL RAW/ WHITE RICE	1268	1330	-4.66
	- SUGANDHA RAW/ WHITE RICE	957	1056	-9.38

	<b>- PR11/14 RAW/ WHITE RICE</b>	640	706	<b>-9.35</b>
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Source-Agriwatch / Trades

### Rice Price Trend – CBOT@ CBOT June- 23, Rough Rice) (Prices in US\$/hundredweight)

#### Market Analysis



During the month under review, market extended previous month's loss went down by 0.12% compared to previous month and closed at 17.26, made high of 18.58 and low of 16.59. Market is trading above 18, 50 and 100 DMA. and RSI is above 50, indicating weakening buying strength, MACD is indicating steady to weak momentum.

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



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