



Rice Weekly Research Report

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Outlook and Review:

- Out of total rice procurement of 353.13Lakh MT as on 08 January, 2021, rice procurement in Andhra Pradesh has been reported to be 13.43Lakh MT which was 10.32Lakh MT same period last year.
- As on 08th January,2021, rabi paddy planting in Andhra Pradesh is 4.32 Lakh hectares which is down by 0.25 lakh hectares by last year area of 4.07 Lakh hectares.
- Paddy prices in West Bengal have firmed up by nearly 10 per cent this year on the back of a robust procurement by the government and an anticipated surge in demand from Bangladesh. Price of paddy in the open market is currently ruling at around ₹1,600-1,700 a quintal as against ₹1,400-1,450 during the same period last year. The central government has fixed the MSP of paddy (common grade) at ₹1,868 a quintal for the 2020-21 crop years. The State government has procured close to 11.2 lakh tons of paddy till December 31. The way things are progressing, the procurement is likely to be up than last year. There is also a good demand coming in from Bangladesh which may support the prices.
- Due to delay in lifting of rice from Chhattisgarh by the Food Corporation of India (FCI) for the Central pool has been affecting procurement of paddy at the Minimum Support Price (MSP) at some districts. Over 52.64 lakh MT paddy has been purchased from 13.47 lakh farmers till January 1 in the ongoing Kharif marketing season (KMS), since the procurement drive started on December 1, 2020.
- FCI has cut the base price of rice by 11% to 2,000 rupees per quintal from the earlier price of 2,250 rupees to boost off-take under the Open Market sale Scheme (OMSS). The price cut for rice was required to increase private purchases as the government may still be looking at a storage crisis. Usually, only state governments buy rice from the government at the auction. Earlier, the FCI had written to the food ministry to reduce the base price to boost private purchases and clear out excess stock from the central pool. In 2020-21 (Apr-Mar), the government had aimed to offload 5 MMT of rice at the weekly auctions from the central pool. So far, it had been able to sell only 1.15 MMT rice, with private buyers buying just 40,720 tonnes of total.
- India's rice stock in the central pool as on December- 1, 2020 stood at 14.54 MMT down by 31.64% from 21.27 MMT recorded during the corresponding period last year, according to data from Food Corporation of India (FCI). India's rice stocks in the central pool are down by 13.40% by from 16.79 MMT recorded on November-01, 2020.

State wise Wholesale Prices Weekly Analysis for Rice Third week December, 2020

| State | Prices 16-23 Dec 2020 | Prices 09-15 Dec 2020 | Prices 16-23 Dec 2019 | % Change(Over Previous Week) | % Change(Over Previous Year) |
|----------------|-----------------------|-----------------------|-----------------------|------------------------------|------------------------------|
| Kerala | 3491.96 | 3471.11 | 3496.37 | 0.6 | -0.13 |
| Odisha | 2844.45 | 3187.37 | 2672.49 | -10.76 | 6.43 |
| Andhra Pradesh | | | 4040 | --- | --- |
| Karnataka | 3240.6 | 3426.66 | 3459.5 | -5.43 | -6.33 |
| Maharashtra | 3647.8 | 4212.34 | 3499.55 | -13.4 | 4.24 |
| Uttrakhand | | | 2677.03 | --- | --- |
| West Bengal | 2695.04 | 2723.41 | 3083.45 | -1.04 | -12.6 |
| Gujarat | 4352.57 | 4294.16 | 3233.12 | 1.36 | 34.62 |
| Tripura | 2928.1 | 2949 | 2891.29 | -0.71 | 1.27 |
| Uttar Pradesh | 2366.88 | 2347.93 | 2616.46 | 0.81 | -9.54 |
| Manipur | | | 4818.47 | --- | --- |
| Assam | | | 3040.3 | --- | --- |
| Average | 3195.92 | 3326.5 | 3294 | | |

| Duration | Trend | Average Price Range | Reason |
|------------------------------------|--------|----------------------|---|
| 02 nd Week of Jan, 2021 | Steady | Rs.3200-3700/Quintal | Fresh Arrival starts in many northern states which may pressurize the rice and paddy market; however demand may put support on prices on medium term. |

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 |
|---------------------|----------|----------|-----------|----------|-------------------------|--------------------------|-------------------------|
| | 8-Jan-21 | 1-Jan-21 | 8-Dec-20 | 8-Jan-20 | | | |
| 1121 Steam | 6200 | 5900 | 6000 | 5900 | 5.08 | 3.33 | 5.08 |
| 1121 Sella | 5400 | 5100 | 5200 | 5100 | 5.88 | 3.85 | 5.88 |
| 1121 Raw | 6200 | 5900 | 6000 | 5900 | 5.08 | 3.33 | 5.08 |
| Basmati Raw | 8600 | 8600 | 8500 | 8200 | 0.00 | 1.18 | 4.88 |
| 1509 Steam Wand New | 5600 | 5300 | 5700 | 5400 | 5.66 | -1.75 | 3.70 |
| Sugandh Steam | 4900 | 5200 | 5200 | 4400 | -5.77 | -5.77 | 11.36 |
| Sharbati Raw | 4500 | 4200 | 4300 | 4500 | 7.14 | 4.65 | 0.00 |
| Pusa Raw Wand | 6000 | 6000 | 5500 | 4200 | 0.00 | 9.09 | 42.86 |
| ParmalSella | 3300 | 3200 | 3300 | 3200 | 3.13 | 0.00 | 3.13 |

Paddy Kharif Sowing Updates as on 18th September 2020-

| RICE | | | | | |
|-------------------|-------------|--------------------|-------------|-----------|-----------------|
| State | Normal Area | Area sown reported | | | Absolute Change |
| | | This Year | % of Normal | Last Year | |
| Andhra Pradesh | 15.19 | 14.02 | 92.3 | 13.23 | 0.79 |
| Arunachal Pradesh | 1.30 | 1.17 | 89.9 | 1.31 | -0.14 |
| Assam | 20.55 | 21.22 | 103.3 | 19.67 | 1.55 |
| Bihar | 31.85 | 33.07 | 103.8 | 27.72 | 5.35 |
| Chhattisgarh | 37.64 | 37.84 | 100.5 | 38.14 | -0.30 |
| Goa | 0.27 | 0.24 | 88.1 | 0.28 | -0.04 |
| Gujarat | 7.78 | 8.39 | 107.8 | 8.47 | -0.08 |
| Haryana | 13.79 | 13.28 | 96.3 | 13.57 | -0.29 |
| Himachal Pradesh | 0.73 | 0.74 | 101.6 | 0.73 | 0.01 |
| J&K | 2.80 | 1.16 | 41.4 | 1.15 | 0.01 |
| Jharkhand | 16.12 | 17.38 | 107.8 | 13.57 | 3.81 |
| Karnataka | 9.28 | 9.98 | 107.5 | 7.330 | 2.65 |
| Kerala | 1.47 | 0.68 | 46.4 | 0.68 | 0.00 |
| Madhya Pradesh | 21.67 | 28.71 | 132.5 | 24.60 | 4.11 |
| Maharashtra | 14.57 | 14.98 | 102.8 | 14.780 | 0.20 |

| | | | | | |
|---------------|---------------|---------------|--------------|---------------|--------------|
| Manipur | 0.42 | 1.95 | 467.3 | 0.97 | 0.98 |
| Meghalaya | 0.97 | 0.97 | 99.8 | 0.97 | 0.00 |
| Mizoram | 0.36 | 0.35 | 97.1 | 0.00 | 0.35 |
| Nagaland | 2.01 | 1.95 | 97.0 | 2.11 | -0.16 |
| Odisha | 36.67 | 37.02 | 101.0 | 37.42 | -0.40 |
| Punjab | 29.87 | 27.36 | 91.6 | 29.20 | -1.84 |
| Rajasthan | 1.87 | 1.97 | 105.1 | 1.82 | 0.15 |
| Sikkim | 0.10 | 0.10 | 97.8 | 0.00 | 0.10 |
| Tamil Nadu | 16.06 | 4.96 | 30.9 | 3.85 | 1.11 |
| Telangana | 9.59 | 20.74 | 216.3 | 12.29 | 8.45 |
| Tripura | 2.00 | 0.42 | 21.0 | 1.65 | -1.23 |
| Uttar Pradesh | 58.30 | 60.14 | 103.1 | 60.05 | 0.09 |
| Uttarakhand | 2.44 | 2.49 | 101.9 | 2.49 | 0.00 |
| West Bengal | 41.20 | 43.34 | 105.2 | 40.31 | 3.03 |
| Others | 0.28 | 0.35 | 126.4 | 0.35 | 0.00 |
| All-India | 397.29 | 406.97 | 102.4 | 378.71 | 28.26 |

State wise Progressive Procurement As on 30.12.2020

| State | In Marketing season 2020-21 | In MY season 2019-20 |
|-----------------------|-----------------------------|----------------------|
| Andhra Pradesh | 9.22 | 5.73 |
| Telangana | 27.07 | 21.86 |
| Bihar | 3.63 | 0.07 |
| Chhattisgarh | 29.91 | 13.87 |
| Haryana | 37.60 | 43.07 |
| Kerala | 1.15 | 1.09 |
| Madhya Pradesh | 13.53 | 1.32 |
| Maharashtra | 1.81 | 1.36 |
| Odisha | 13.30 | 8.45 |
| Punjab | 135.86 | 108.73 |
| Tamil Nadu | 3.83 | 0.32 |
| Uttar Pradesh | 31.83 | 24.00 |
| Uttarakhand | 6.68 | 6.12 |
| West Bengal | 0.00 | -- |
| All-India | 316.51 | 236.31 |

As on 27th November 2020, during KMS 2020-21, Progressive Procurement of Rice was 208.18 lakh MT as compared to 175.20 lakh MT during corresponding period of KMS 2019-20.

IGC Balance Sheet:

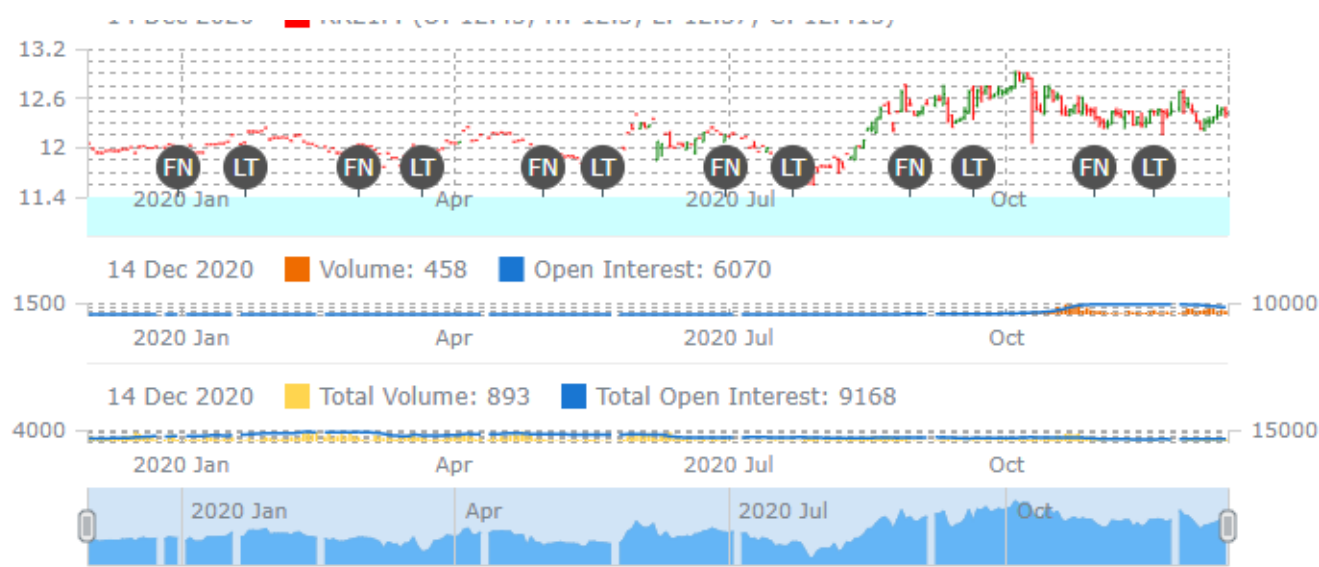
| Attributes (Fig in Million Tons) | 2017-18 | 2018-19 | 2019-20 Est. | 2020-21 Forecast 29.10.2020) | 26.11.2020 |
|--------------------------------------|---------|---------|-----------------|------------------------------------|------------|
| Production | 494 | 498 | 497 | 504 | 503 |
| Trade | 46 | 43 | 42 | 45 | 45 |
| Consumption | 485 | 487 | 495 | 501 | 501 |
| Carryover stocks | 165 | 175 | 177 | 178 | 178 |
| Y-O-Y change | 9 | 10 | 2 | 3 | 3 |
| Major Exporters | 32 | 39 | 44 | 44 | 43 |

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

Despite weak demand and disruptions to export flows earlier in the year owing to the impact of the COVID-19 pandemic, world **rice** trade in 2020 (Jan/Dec) is expected to be only fractionally lower y/y. This is linked to larger than anticipated shipments in the second half of the season, principally by India. Consumption in 2019/20 is seen reaching a new peak, with gains led by enlarged government food assistance programmes in India, while end-season inventories may be broadly unchanged y/y. Production in 2020/21 is forecast to expand by 6m t y/y, to a high of 503m, including larger outturns in major exporters. World uptake may continue to expand on population growth, while stocks could increase further. Trade in 2021 is anticipated to rebound by 6% y/y, to 45m t, on tentative expectations of stronger demand from importers in sub-Saharan Africa.

Rice Price Trend @ CBOT Jan- 2021, Rough Rice)

(Prices in US\$/hundredweight)



Market Analysis

The CBOT January-21 month rough chart for rice indicates steady to firm tone from last month. We expect market to hover in the range of USD 12.00.80-13.50 hundred weights in coming sessions.

Price Projection (International-CBOT)

| Duration | Trend | Price Range |
|-----------------------------------|----------------|------------------------------------|
| 02 nd Week of Jan-2021 | Steady to Firm | USD/ Hundred Weight 11.50-14.50 |

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