Rice Weekly Research Report

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Outlook and Review:

- Though most of the production of paddy is in the Kharif season and hence 80-85 percent of its government procurement is also done in this season, but the Rabi season is also growing rapidly in the southern states, especially in Telangana and Tamil Nadu. According to the official data, the area of paddy at the national level has increased to 35.25 lakh hectare in the current Rabi season, which is 5.05 lakh hectare more than the area of 30.20 lakh hectare last year, but 6.55 lakh hectare less than the average annual area of 41.80 lakh hectare.

- This time, the area of paddy in Telangana has increased by about 4 lakh hectares as compared to last year. Apart from this, 30-30 thousand hectares have been increased in Orissa and Chhattisgarh and 10 thousand hectares in Kerala, Assam and Tamil Nadu. The area of paddy is reported to decrease by 8 thousand hectares in Andhra Pradesh and 7 thousand hectares in Tripura.

- According to official figures, the total government procurement of paddy at the national level during the current kharif marketing season increased to 616.43 lakh tonnes, which is 17.52 percent more than the procurement of 524.52 lakh tonnes in the same period last year. Punjab has the highest procurement of 202.82 lakh tonnes of paddy.

- In some parts of Tamil Nadu, the outbreak of fungal disease significantly reduced the productivity of paddy. Paddy harvesting is being done in Kilipur and many adjoining villages in Tiruchi district but farmers are shocked to see that the average yield rate of the crop has come down to almost half as compared to last year.

- According to government data, during the current Rabi season, the area under paddy in Tamil Nadu has improved to 10.51 lakh hectare, which is 9 thousand hectares more than last year's acreage of 10.42 lakh hectare but much less than the normal average area of 15.20 lakh hectare. The target of paddy area in Tamil Nadu has been set at 12.15 lakh hectares for the current Rabi season.

- India's 5 percent broken parboiled variety was quoted at $402-$408 per tonne this week, unchanged from last week, which was the highest since May 2018. In the last two weeks prices have gone up, but buyers are still making decent purchases.
- A revision to neighbouring Bangladesh’s import policy in part helped lift global rice prices to a seven-month high in January, according to the latest report of Food and Agricultural Organization (FAO). In the parboiled segment, sentiment was also influenced by a series of government purchases by Bangladesh, its approval of lower duties on private sector imports, on condition that traders market supplies promptly.
- Bangladesh imported around 100,000 tonnes of rice mainly from India over the last month and more deals are being finalised.
- Activity was muted in Vietnam and Thailand’s rice trading market is closed as regional traders and exporters observe the Lunar New Year.

State wise Wholesale Prices Weekly Analysis for Rice Fourth week January, 2021

State	Prices 24-31 Jan 2021	Prices 16-23 Jan 2021	Prices 24-31 Jan 2020	% Change(Over Previous Week)	% Change(Over Previous Year)
Karnataka	3720.1	3451.39	3629.15	7.79	2.51
Kerala	3478.13	3482.56	3487.27	-0.13	-0.26
Maharashtra	4474.41	3616.71	4292.97	23.71	4.23
Odisha	2722.92	2837.12	2871.98	-4.03	-5.19
Tripura	2896.33	2911.31	2912.18	-0.51	-0.54
Uttar Pradesh	2397.09	2398.92	2697.91	-0.08	-11.15
West Bengal	2734.42	2698.41	2861.01	1.33	-4.42
Gujarat	3837.99	3734.39	4112.94	2.77	-6.68
Jharkhand	2333.33	2344.31		-0.47	__
Uttrakhand			2508.42	__	__
Average	3177.19	3052.79	3263.76		

Prices in Rs/Quintal

Duration	Trend	Average Price Range	Reason
03rd Week of Feb, 2021	Steady to Firm	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 Varity 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
	13-Feb-21	06-Feb-21	13-Jan-21	13-Feb-20			
1121 Steam	6000	6100	6300	6100	**-1.64**	**-4.76**	**-1.64**
1121 Sella	5050	5200	5400	5200	**-2.88**	**-6.48**	**-2.88**
1121 Raw	6100	6200	6300	6100	**-1.61**	**-3.17**	**0.00**
Basmati Raw	8800	9000	9200	9000	**-2.22**	**-4.35**	**-2.22**
1509 Steam Wand New	5600	5600	5800	5500	**0.00**	**-3.45**	**1.82**
Sugandh Steam	4900	4800	4900	4800	**2.08**	**0.00**	**2.08**
Sharbati Raw	4500	4400	4500	3500	**2.27**	**0.00**	**28.57**
Pusa Raw Wand	6000	6000	6000	4400	**0.00**	**0.00**	**36.36**
Parmal Sella	3200	3250	3300	3200	**-1.54**	**-3.03**	**0.00**

State wise Progressive Procurement As on 08.02.2021

State	In Marketing season 2020-21	In MY season 2019-20
Andhra Pradesh	*23.09*	*9.22*
Telangana	*32.58*	*27.07*
Bihar	*17.55*	*3.63*
Chhattisgarh	*39.76*	*29.91*
Haryana	*37.60*	*37.60*
Kerala	*1.29*	*1.15*
Madhya Pradesh	*24.97*	*13.53*
Maharashtra	*4.31*	*1.81*
Odisha	*33.11*	*13.30*
Punjab	*135.89*	*135.86*
Tamil Nadu	*5.84*	*3.83*
Uttar Pradesh	*43.28*	*31.83*
Uttarakhand	*6.79*	*6.68*
West Bengal	*4.42*	*0.00*
All-India	***413.68***	***316.51***

As on 08th February 2021, during KMS 2020-21, Progressive Procurement of Rice was 413.68 lakh MT as compared to 316.51 lakh MT during corresponding period of KMS 2019-20.

IGC Balance Sheet:

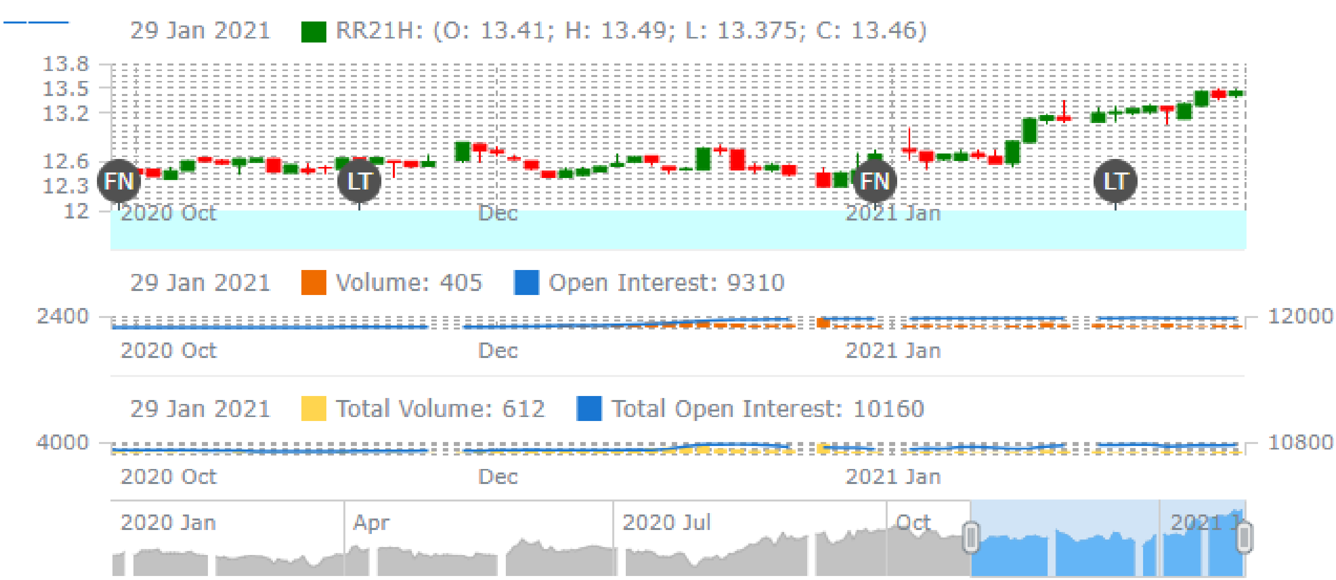
Attributes (Fig in Million Tons)	2017-18	2018-19	2019-20 Est.	26.11.2020	14.01.2021
Production	494	498	497	503	503
Trade	46	43	42	45	45
Consumption	485	487	495	501	502
Carryover stocks	165	175	177	178	175
Y-O-Y change	9	10	2	3	1
Major Exporters	32	39	44	43	39

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

Global **rice** output is tentatively expected at a new peak on bigger outturns in Asian producers, including India and China. Consumption is also forecast to trend higher on population growth, albeit with uptake in India potentially declining due to the conclusion of COVID-19-related food security schemes. Following a contraction in the prior season, world stocks could edge up, including a modest gain in India. That country is also expected to maintain its position as the dominant exporter, although shipments may retreat from the prior year's record as Thailand regains some market share. World trade is predicted to expand by 5% y/y on stronger demand from sub-Saharan Africa.

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

(Prices in US$/hundredweight)



Market Analysis

The CBOT March-21 month rough chart for rice indicates steady to firm tone from last month. We expect market to hover in the range of USD 13.00.80-14.50 hundred weights in coming sessions.

Price Projection (International-CBOT)

Duration	Trend	Price Range
01st Week of Feb-2021	Steady to Firm	USD/ Hundred Weight 13.00-14.50