

# Rice Weekly Research Report

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**12<sup>th</sup>-Jul-2021*****Outlook and Review:***

- According to the latest Rice Kharif sowing data, sowing in India reached 114.82 lakh hectares on July 9, 2021, lower 8.93 percent from 126.08 lakh hectares the previous year at the same time. As of Jul 9, 2021, Telangana has a total area of 1.05 lakh hectares, lower from 1.39 lakh hectares the previous year at the same time. It is 0.34 lakh hectares in Rajasthan lower from 0.77 lakh hectares the previous year, and 0.66 lakh hectares in Gujarat up from 0.57 hectares the year before. Paddy sowing in Odisha has reduced by 33.82% from the previous year, reaching 5.83 lakh hectare down from 8.81 lakh hectare the previous year.
- Procurement of paddy in ongoing RMS 2021-22 is continuing smoothly in the procuring States of India at MSP, as was done in previous seasons, and till now (up-to 8.07.2021) a quantity of over 866.05 LMT of rice. About 127.72 lakh farmers have already been benefitted with MSP value of Rs.1, 52,620.82 crore.
- PMGKAY-4 has been approved by the Center. From July to November, this scheme will be in effect. This program will provide 5 kg of food grains (wheat/rice) per person per month. In PMGKAY-3, 79 lakh tonnes of food grains were allocated for May and June, with 76 lakh tonnes procured in various states so far. In May, 35 lakh tonnes of food grains were distributed, followed by 23 lakh tonnes in June. The Center allocated 204 lakh tonnes of food grains for the fourth scheme from July to November.
- Due to likely active monsoon trough at lower levels, fairly widespread to widespread rainfall with isolated heavy falls is very likely over plains of northwest India, central & east India and south Peninsula during 15<sup>th</sup> July to 21<sup>st</sup> July 2021.
- According to a USDA estimate, Vietnam will likely ship less rice in 2020-21. The USDA has reduced imports by 500,000 tonnes to 6.1 million tonnes. Due to better yields, Vietnam's milled rice production is expected to increase by 1.2 percent to 27.4 million tonnes in 2020-21. Yield increased to nearly 6 tonnes per hectare in 2020-21, up from 5.8 tonnes per hectare the previous year.
- The Centre has allocated approximately 78,000 tonnes of rice from FCI stocks to distilleries for ethanol production during the ethanol supply year (ESY) 2020-21 at a subsidised rate of Rs 20 per kg. By 2025, total ethanol production will be 740 million liters from grain and 760 million liters from sugar.
- Andhra Pradesh's Kharif crop sowing target has been set at 94.20 lakh acres, which is 4% more than last year's production area. The target area for paddy production has been set at 39.50 lakh acres, the same as last year.
- The government raised the minimum support price (MSP) of paddy marginally by Rs 72 per quintal to Rs 1,940 per quintal for the 2021-22 crop year.
- Basmati rice exports were 358,059.45 kgs in April 2021 lower from 421,139.86 kgs in Apr 2020. The Basmati rice export were 1,607,700.92 kgs in Jan- April 2021 lower from 2,033,180.87 kgs in last year during the corresponding period of time.
- Basmati rice exports were 4.6 million tonnes (mt) valued at \$4.01 (31,026 crore) billion in 2020-21, up from 4.45 mt valued at \$4.33 billion in the previous year (Rs 29,849 crore). The per unit value of Basmati exports fell by more than 10% to \$868 (Rs 63,400) per tonne last fiscal year (\$972 or Rs 71,000 in 2019-20).
- Export demand declined in April 2021 in Nepal, Burma, Vietnam, and other countries due to sever impact of Covid-19.
- Rice exports also decreased in this calendar year (Jan to April 2021). Demand may improve in the export market of Basmati rice.
- The Philippines' reduction in rice import duty may benefit Indian rice exports. The Philippines imports 2.5 million tonnes of rice per year, primarily from Vietnam and Thailand. Non-basmati rice exports from India may increase to the Philippines.

### State wise Wholesale Prices Weekly Analysis for Rice first week July, 2021

State	Prices 01-08 Jul 2021	Prices 24-30 Jun 2021	Prices 16-23 Jun 2021	Prices 01-08 Jul 2020	% Change(Over Previous Week)	% Change(Over Previous to Previous Week)	% Change(Over Previous Year)
Chattisgarh	1628.38	1647.17	1780.63	1692.08	-1.14	-8.55	-3.76
Karnataka	5654.29	3628.33	2642.64	3051.58	55.84	113.96	85.29
Madhya Pradesh	1841.11	1866.22	1856.23	1842.62	-1.35	-0.81	-0.08
Maharashtra	2546.63	2299.55	2294.81	2268.9	10.74	10.97	12.24
Rajasthan	1776.23	1875.75	1834.77	1774.09	-5.31	-3.19	0.12
Jharkhand	2270	2270	2270	2493.82	0	0	-8.97
Uttar Pradesh	1702.1	1769.87	1959.41	1910.63	-3.83	-13.13	-10.91
West Bengal	1792.63	1702.73	1845.95	2011.04	5.28	-2.89	-10.86
Gujarat	1781.35	1761.77	1755.29	1794.96	1.11	1.48	-0.76
Average	2332.52	2091.27	2031.47	2067.56	11.53		12.81

Prices in Rs/Quintal

#### Outlook :-

Duration	Trend	Average Price Range	Reason
Second Week of Jul, 2021	Steady to weak	Rs.2100-2300/Quintal	Due to lean season the prices may vary steady to weak.

**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
		9-Jul-21	2-Jul-21	9-Jun-21	9-Jul-20			
Delhi	1121 Steam	6000	6100	5900	6800	-1.6	1.7	-11.8
	1121 Sella	5000	5050	5100	5300	-1.0	-2.0	-5.7
	1121 Raw	6000	6000	6100	7000	Unch	-1.6	-14.3
	Basmati Raw	10100	10100	10500	8800	Unch	-3.8	14.8
	1509 Steam Wand New	5500	5600	5600	6000	-1.8	-1.8	-8.3
	Sugandh Steam	5000	5100	5000	5000	-2.0	Unch	Unch
	Sharbati Raw	4600	4900	4800	4100	-6.1	-4.2	12.2
	Pusa Raw Wand	5600	5800	5600	6300	-3.4	Unch	-11.1
	Parmal Sella	3150	3150	3200	3600	Unch	-1.6	-12.5

**State wise Progressive Procurement As on 08.07.2021**

KMS 2020-21 (Positions upto 08.07.2021) Units in LMTs				
S.No.	STATES/ UTs	FCI	State Agency	Total
1	A.P.	0	82.33	82.33
2	Telangana	0	139.95	139.95
3	Assam	1.14	0.74	1.88
4	Bihar	0	35.59	35.59
5	Chandigarh	0.28	0	0.28
6	Chhattisgarh	0	59.35	59.35
7	Gujarat	0	1.1	1.1
8	Haryana	0.59	55.96	56.55
9	H.P.	0	0	0
10	Jharkhand	1.68	4.6	6.28
11	J&K	0.38	0	0.38
12	Karnataka	0	2.06	2.06
13	Kerala	0	7.65	7.65
14	M.P.	0	37.27	37.27
15	Maharashtra	0	17.4	17.4
16	Odisha	0	77.38	77.38

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17	Punjab	2.69	200.13	202.82
18	Rajasthan	0	0	0
19	NEF (Tripura)	0	0.21	0.21
20	Tamilnadu	0	37.02	37.02
21	U.P.	1.1	65.74	66.84
22	Uttarakhand	0	10.62	10.62
23	West Bengal	0.65	22.64	23.29
<b>Total</b>		<b>8.51</b>	<b>857.54</b>	<b>866.05</b>

Procurement of Rice in ongoing RMS 2021-22 is continuing smoothly in the procuring States of India at MSP, as was done in previous seasons, and till now (up-to 8.07.2021) a quantity of over 866.05 LMT of rice. About 127.20 lakh farmers have already been benefitted with MSP value of Rs.1, 62,747.75 crore.

#### IGC Balance Sheet:

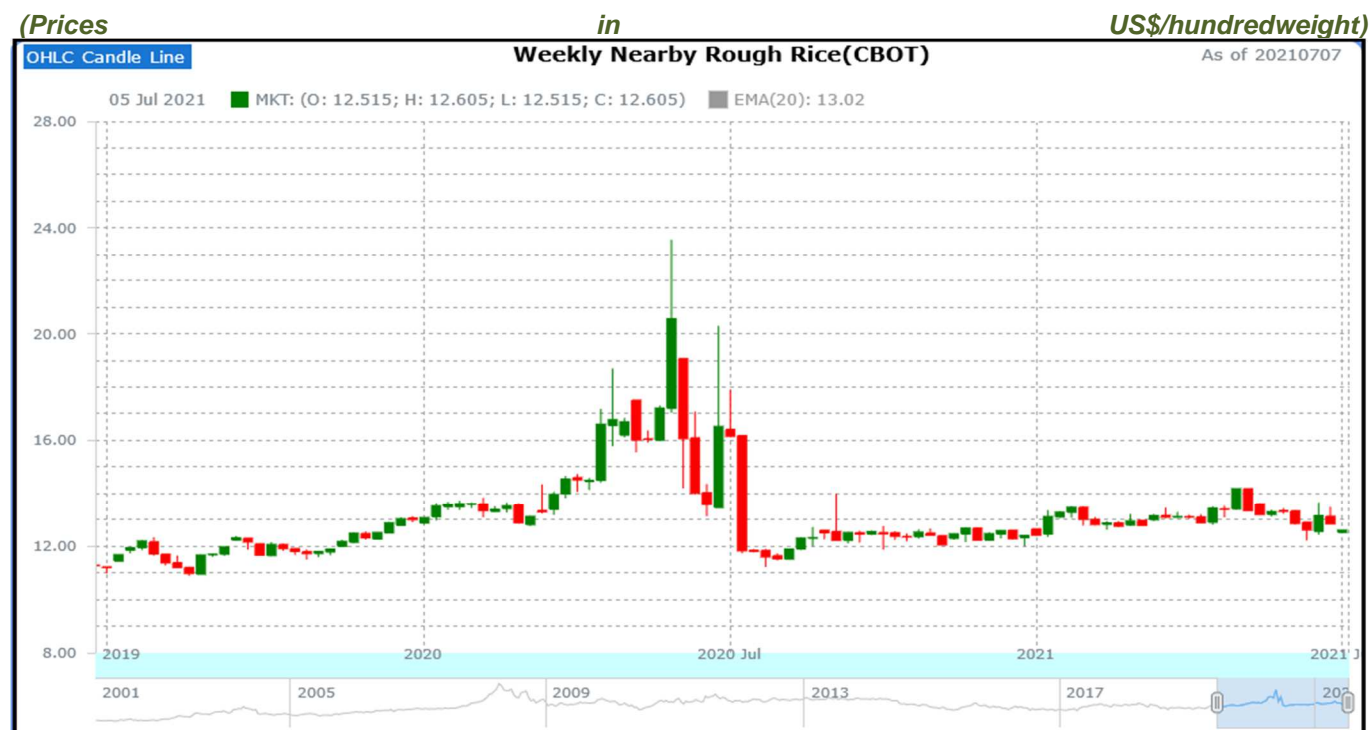
Attributes ( Fig in Million Tons)	2018-19	2019-20 Est.	2020-21 Forecast	2021-22 (Proj.)	
				27.05.2020	24.06.2021
Production	498	499	504	511	512
Trade	43	44	47	47	47
Consumption	488	500	509	509	510
Carryover stocks	175	174	169	171	171
Y-O-Y change	11	-2	-5		2
Major Exporters	39	39	37	38	37

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

Due to bigger harvests in Asia, global rice production in 2021/22 is projected to rise by 1.59% to a fresh high. Consumption is also set to go up – partly due to the likely scaling-back of COVID-19-related support schemes in Asia – stocks could edge up y/y. Trade in 2022 (Jan/Dec) is anticipated to be little-changed y/y, as a potential reduction in shipments to South Asia is offset by bigger dispatches to Africa. India is set to remain by far the world's leading exporter.

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### Rice Price Trend @ CBOT Jul- 2021, Rough Rice)



### Market Analysis

The **CBOT Jul-21** weekly rough chart for rice indicates steady to weak tone from last week. We expect market to hover in the range of USD 12.00 -12.80 hundred weights in coming sessions.

### Price Projection (International-CBOT)

Duration	Trend	Price Range
2 <sup>nd</sup> Week of Jul-2021	Steady to weak	USD/ Hundred Weight 12.00 -12.80

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