

# Rice Weekly Research Report

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

- According to the latest Rice Kharif sowing data, sowing in India reached 161.97 lakh hectares on July 16, 2021, lower 12.47 percent from 174.44 lakh hectares the previous year at the same time. As of Jul 16, 2021, Telangana has a total area of 3.49 lakh hectares, higher from 1.69 lakh hectares the previous year at the same time. It is 0.36 lakh hectares in Rajasthan lower from 0.97 lakh hectares the previous year, and 1.10 lakh hectares in Gujarat up from 0.86 hectares the year before. Paddy sowing in Odisha has reduced by 3.90% from the previous year, reaching 9.06 lakh hectare down from 12.96 lakh hectare the previous year.
- Procurement of paddy in ongoing KMS 2021-22 is continuing smoothly in the procuring States of India at MSP, as was done in previous seasons, and till now (up-to 15.07.2021) a quantity of over 868.44 LMT of rice. About 128.13 lakh farmers have already been benefitted with MSP value of Rs.1, 63,961.84 crore.
- Rainfall during the southwest monsoon reduced sharply in July compared to June, impacting the sowing of major Kharif crops. The deficit in rainfall is high in West Uttar Pradesh, east Rajasthan, Gujarat, the Saurashtra and Kutch regions, and Kerala this year and has reduced the area sown by more than 10% until July 9, 2021 compared to the same period in 2020. The area sown under paddy decreased significantly across many States compared to the last five years.
- 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. Lifting 15.30 lakh tonnes of food grains by the states under the free ration distribution scheme: So far 15.30 lakh tonnes of food grains have been lifted from government godowns for the fourth phase by 31 states & union territories (UTs) of the country for free distribution under the centrally sponsored Pradhan Mantri Garib Kalyan Anna Yojana. Food Corporation of India (FCI) has loaded food grains in 4005 railway rakes and transported them to different states from 1st April 2021 till now. The government has allocated 198.79 lakh tonnes of food grains under the free distribution scheme for the period July-November 2021.
- India's rice stock in the central pool as on July 1, 2021 stood at 29.68 million tons- up by 4.14% from 28.5 million tons recorded during the corresponding period last year, according to data from Food Corporation of India (FCI). India's Unmilled paddy stocks in the central pool are 28.98 million tones recorded on July-01, 2021 up by 38.7% by from 20.89 million tons rrecorded during the corresponding period last year.
- Basmati rice exports were 3.58 lakh tonnes in April 2021 lower from 4.21 lakh tonnes in Apr 2020. The Basmati rice export were 16.07 lakh tonnes in Jan- April 2021 lower from 20.33 lakh tonnes in last year during the corresponding period of time. Demand may improve in the export market of Basmati rice.
- 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.
- Thailand shipped 2.2 million tonnes of rice worth US \$ 1.38 billion in the first six months of this year, according to sources.

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- According to the President of the Thai Rice Exporters Association (TREA), Thailand's overall rice export volume this year would be 5.7 million tonnes, less than the aim of 6 million tonnes, due to higher rice prices than other competitors. The country may expand its rice trading marketplaces from government to government. Under the contract to buy 1 million tons of G2G rice with China, the ministry can increase white rice exports to China by 20,000 tons more.
- 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.

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

State	Prices 09-15 Jul 2021	Prices 01-08 Jul 2021	Prices 24-30 Jun 2021	Prices 09-15 Jul 2020	% Change(Over Previous Week)	% Change(Over Previous to Previous Week)	% Change(Over Previous Year)
Karnataka	3867.83	3797.96	4042.93	3239.13	1.84	-4.33	19.41
Maharashtra	3743.55	3651.2	3582.51	4611.71	2.53	4.5	-18.83
Odisha	2958.53	3192.09	2621.34	2570.41	-7.32	12.86	15.1
Tripura	2999.6	3035.63	3019.09	2940.9	-1.19	-0.65	2
Uttar Pradesh	2539.68	2561.28	2550.89	2543.8	-0.84	-0.44	-0.16
West Bengal	2751.88	2886.29	2678.54	2916.8	-4.66	2.74	-5.65
Gujarat	3800	3800	4152.09	4200	0	-8.48	-9.52
Jharkhand	2533.33	2538.64	2533.33	2533.33	-0.21	0	0
Kerala	3469.85	3444.11	3483.78	3360.79	0.75	-0.4	3.25
Average	3184.92	3211.91	3184.94	3212.99			

Prices in Rs/Quintal

#### Outlook (Narella 1121 Paddy):-

Duration	Trend	Average Price Range	Reason
Third Week of Jul, 2021	Steady to firm	Rs.2800-3000/Quintal	In expectation of good export demand, the prices may trade steady to firm tone.

**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
		16-Jul-21	9-Jul-21	16-Jun-21	16-Jul-20			
Delhi	1121 Steam	6000	6000	6100	6600	Unch	-1.64	-9.09
	1121 Sella	5100	5000	5100	5300	2	Unch	-3.77
	1121 Raw	6000	6000	6100	6700	Unch	-1.64	-10.45
	Basmati Raw	10100	10100	10500	8400	Unch	-3.81	20.24
	1509 Steam Wand New	4600	5500	5600	4600	-16.36	-17.86	Unch
	Sugandh Steam	5000	5000	5100	4700	Unch	-1.96	6.38
	Sharbati Raw	4600	4600	4800	4100	Unch	-4.17	12.20
	Pusa Raw Wand	5600	5600	5700	6000	Unch	-1.75	-6.67
	Parmal Sella	3200	3150	3300	2900	1.59	-3.03	10.34

**Kharif Paddy Sowing Updates as on 16th July,2021:**

State	Normal Area	Area sown reported		Absolute Change	% Change from Last Year
		Kharif	Kharif		
		2021-22	2020-21		
Andhra Pradesh	14.97	2.34	2.8	-0.46	-16.43%
Arunachal Pradesh	1.31	1.03	1.17	-0.14	-11.97%
Assam	20.18	5.59	5.43	0.16	2.95%
Bihar	31.14	8.78	13.77	-4.99	-36.24%
Chhattisgarh	37.36	19.69	25.7	-6.01	-23.39%
Goa	0.27	0.13	0.18	-0.05	-27.78%
Gujarat	7.97	1.1	0.86	0.24	27.91%
Haryana	14.11	7.94	9.03	-1.09	-12.07%
Himachal Pradesh	0.73	0.4	0.44	-0.04	-9.09%

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J&K	2.81	0.74	0.64	0.1	15.63%
Jharkhand	15.83	2.93	3.66	-0.73	-19.95%
Karnataka	9.11	1.28	1.65	-0.37	-22.42%
Kerala	1.46	0.46	0.38	0.08	21.05%
Madhya Pradesh	21.32	14.72	8.12	6.6	81.28%
Maharashtra	14.51	3.2	2.96	0.24	8.11%
Manipur	0.42	0.45	1.19	-0.74	-62.18%
Meghalaya	0.97	0.97	0.97	0	0.00%
Mizoram	0.36	0.29	0.35	-0.06	-17.14%
Nagaland	2.05	1.28	1.59	-0.31	-19.50%
Odisha	36.23	9.06	12.96	-3.9	-30.09%
Punjab	29.92	29.9	30.1	-0.2	-0.66%
Rajasthan	1.98	0.36	0.97	-0.61	-62.89%
Sikkim	0.1	0.07	0.1	-0.03	-30.00%
Tamil Nadu	16.26	1.79	1.19	0.6	50.42%
Telangana	9.94	3.49	1.69	1.8	106.51%
Tripura	2	1.98	0.42	1.56	371.43%
Uttar Pradesh	58.04	35.29	38.75	-3.46	-8.93%
Uttarakhand	2.41	2.23	2.21	0.02	0.90%
West Bengal	41.47	4.67	4.53	0.14	3.09%
Others	0.42	0.05	0.05	0	0
All-India	395.65	161.97	174.44	-12.47	-7.15%

### State wise Progressive Procurement As on 15.07.2021

KMS 2020-21 (Positions upto 15.07.2021) Units in LMTs				
S.No.	STATES/ UTs	FCI	State Agency	Total
1	A.P.	0	82.48	82.48
2	Telangana	0	140.82	140.82
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

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15	Maharashtra	0	17.92	17.92
16	Odisha	0	77.38	77.38
17	Punjab	2.69	200.13	202.82
18	Rajasthan	0	0	0
19	NEF (Tripura)	0	0.22	0.22
20	Tamilnadu	0	37.66	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>859.93</b>	<b>868.44</b>

Procurement of paddy in ongoing KMS 2021-22 is continuing smoothly in the procuring States of India at MSP, as was done in previous seasons, and till now (up-to 15.07.2021) a quantity of over 868.44 LMT of rice. About 128.13 lakh farmers have already been benefitted with MSP value of Rs.1, 63,961.84 crore.

#### IGC Balance Sheet:

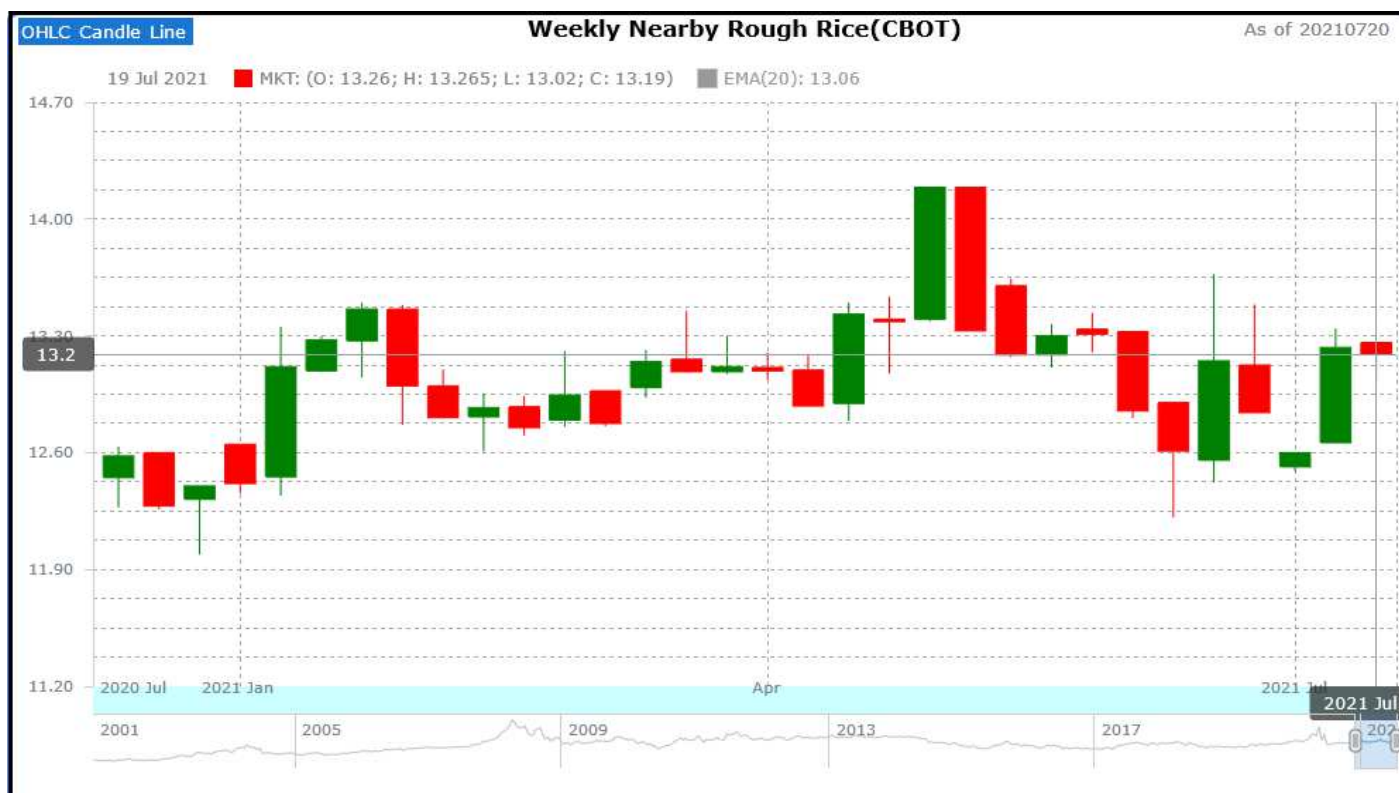
Attributes ( Fig in Million Tons)	2018-19	2019-20 Est.	2020-21 Forecast	2021-22 (Proj.)	
				27.05.2020	24.06.2021
Production	498	499	504	511	512
Trade	43	44	47	47	47
Consumption	488	500	509	509	510
Carryover stocks	175	174	169	171	171
Y-O-Y change	11	-2	-5		2
Major Exporters	39	39	37	38	37

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.

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

(Prices in US\$/hundredweight)


**Market Analysis**

The **CBOT Jul-21** weekly rough chart for rice indicates weak tone from last week. We expect market to hover in the range of USD 12.50 -12.80 hundred weights in coming sessions.

**Price Projection (International-CBOT)**

Duration	Trend	Price Range
3 <sup>rd</sup> Week of Jul-2021	Steady to weak	USD/ Hundred Weight 12.50 -12.80

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