

Rice Weekly Research Report

Contents

- ❖ Outlook and Review
- ❖ Weekly Price Change
- ❖ Weekly Rice Export
- ❖ Progressive Procurement
- ❖ FOB-1121 Steam
- ❖ International Rice Market Summary
- ❖ IGC Balance Sheet
- ❖ CBOT Trend

26th-Jul-2021**Outlook and Review:**

- According to the latest Rice Kharif sowing data, sowing in India reached 207.65 lakh hectares on July 23rd 2021, lower 6.83 percent from 222.88 lakh hectares the previous year at the same time. As of Jul 23, 2021, Telangana has a total area of 5.57 lakh hectares, higher from 4.14 lakh hectares the previous year at the same time. It is 0.81 lakh hectares in Rajasthan lower from 1.59 lakh hectares the previous year, and 2.37 lakh hectares in Gujarat up from 1.91 hectares the year before. Paddy sowing in Odisha has reduced by 3.94% from the previous year, reaching 12.81 lakh hectares down from 16.75 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 22.07.2021) a quantity of over 869.80 LMT of rice higher by 12.82% against previous year. About 128.38 lakh farmers have already been benefitted with MSP value of Rs.1, 64,217.43 crore.
- Widespread rainfall with isolated heavy to very heavy falls likely to continue over East Rajasthan and West Madhya Pradesh during next 24 hours and reduce thereafter. It is likely to increase from 30 July.
- 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.
- 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

26th-Jul-2021

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 16-23 Jul 2021 | Prices 09-15 Jul 2021 | Prices 01-08 Jul 2021 | Prices 16-23 Jul 2020 | % Change(Over Previous Week) | % Change(Over Previous to Previous Week) | % Change(Over Previous Year) |
|---------------|-----------------------|-----------------------|-----------------------|-----------------------|------------------------------|--|------------------------------|
| Karnataka | 1634.18 | 1680.71 | 1628.38 | 1764.63 | -2.77 | 0.36 | -7.39 |
| Maharashtra | 2809.33 | 6014.46 | 5654.29 | 2892.34 | -53.29 | -50.32 | -2.87 |
| Odisha | 1810.25 | 1769.34 | 1776.15 | 1736.96 | 2.31 | 1.92 | 4.22 |
| Tripura | 1673.69 | 1677.51 | 1702.1 | 1900.9 | -0.23 | -1.67 | -11.95 |
| Uttar Pradesh | 1848.21 | 1810.91 | 1782.66 | 1709.3 | 2.06 | 3.68 | 8.13 |
| West Bengal | - | 2170 | 2270 | 2442.31 | — | — | — |
| Gujarat | 2297.15 | 2619.89 | 2537.81 | 2274.22 | -12.32 | -9.48 | 1.01 |
| Jharkhand | 1802.43 | 1836.55 | 1792.63 | 2007.49 | -1.86 | 0.55 | -10.21 |
| Kerala | 1849.97 | 1863.9 | 1841.11 | 1858.66 | -0.75 | 0.48 | -0.47 |
| Average | 2125 | 2250 | - | - | -5.56 | — | — |

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)

26th-Jul-2021

| Market | Variety | Today | Week Ago | Month Ago | Year ago | % Change From last week | % Change from last Month | % Change from last Year |
|--------|---------------------|-----------|-----------|-----------|-----------|-------------------------|--------------------------|-------------------------|
| | | 23-Jul-21 | 16-Jul-21 | 23-Jun-21 | 23-Jul-20 | | | |
| Delhi | 1121 Steam | 5800 | 6000 | 6100 | 6200 | -3.33 | -4.92 | -6.45 |
| | 1121 Sella | 5050 | 5100 | 5100 | 5200 | -0.98 | -0.98 | -2.88 |
| | 1121 Raw | 5800 | 6000 | 6100 | 6200 | -3.33 | -4.92 | -6.45 |
| | Basmati Raw | 10100 | 10100 | 10500 | 10600 | unch | -3.81 | -4.72 |
| | 1509 Steam Wand New | 5400 | 4600 | 4600 | 5700 | 17.39 | 17.39 | -5.26 |
| | Sugandh Steam | 4800 | 5000 | 5000 | 5100 | -4.00 | -4.00 | -5.88 |
| | Sharbati Raw | 4600 | 4600 | 4800 | 4900 | unch | -4.17 | -6.12 |
| | Pusa Raw Wand | 5500 | 5600 | 5600 | 5700 | -1.79 | -1.79 | -3.51 |
| | Parmal Sella | 3250 | 3200 | 3100 | 3200 | 1.56 | 4.84 | 1.56 |

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

| State | Normal Area | Area sown reported | | % Change from Last Year |
|-------------------|-------------|--------------------|---------|-------------------------|
| | | Kharif | Kharif | |
| | | 2021-22 | 2020-21 | |
| Andhra Pradesh | 14.97 | 3.7 | 4.09 | -9.54 |
| Arunachal Pradesh | 1.31 | 1.26 | 1.26 | Unch |
| Assam | 20.18 | 7.49 | 5.43 | 37.94 |
| Bihar | 31.14 | 15.47 | 22.84 | -32.27 |
| Chhattisgarh | 37.36 | 24.25 | 28.75 | -15.65 |
| Goa | 0.27 | 0.15 | 0.18 | -16.67 |
| Gujarat | 7.97 | 2.37 | 1.91 | 24.08 |
| Haryana | 14.11 | 10.6 | 11.2 | -5.36 |
| Himachal Pradesh | 0.73 | 0.42 | 0.44 | -4.55 |
| J&K | 2.81 | 0.8 | 0.88 | -9.09 |
| Jharkhand | 15.83 | 4.66 | 6.75 | -30.96 |
| Karnataka | 9.11 | 1.6 | 1.98 | -19.19 |
| Kerala | 1.46 | 0.49 | 0.52 | -5.77 |

26th-Jul-2021

| | | | | |
|----------------|--------|--------|--------|--------|
| Madhya Pradesh | 21.32 | 16.76 | 11.66 | 43.74 |
| Maharashtra | 14.51 | 4.43 | 5.49 | -19.31 |
| Manipur | 0.42 | 0.97 | 1.19 | -18.49 |
| Meghalaya | 0.97 | 0.97 | 0.97 | Unch |
| Mizoram | 0.36 | 0.35 | 0.35 | Unch |
| Nagaland | 2.05 | 1.35 | 1.57 | -14.01 |
| Odisha | 36.23 | 12.81 | 16.75 | -23.52 |
| Punjab | 29.92 | 29.9 | 31.49 | -5.05 |
| Rajasthan | 1.98 | 0.81 | 1.58 | -49.02 |
| Sikkim | 0.10 | 0.08 | 0.09 | -15.79 |
| Tamil Nadu | 16.26 | 2.06 | 1.48 | 39.19 |
| Telangana | 9.94 | 5.57 | 4.14 | 34.54 |
| Tripura | 2.00 | 1.98 | 0.41 | 373.90 |
| Uttar Pradesh | 58.04 | 43.92 | 46.5 | -5.55 |
| Uttarakhand | 2.41 | 2.37 | 2.34 | 1.28 |
| West Bengal | 41.47 | 9.88 | 10.47 | -5.64 |
| Puducherry | 0.13 | - | - | - |
| Others | 0.27 | 0.18 | 0.15 | 20.00 |
| All-India | 395.66 | 207.65 | 222.88 | -6.83 |

State wise Progressive Procurement As on 22.07.2021

| KMS 2020-21 (Positions upto 22.07.2021) Units in LMTs | | | | |
|---|--------------|------|--------------|--------|
| S.No. | STATES/ UTs | FCI | State Agency | Total |
| 1 | A.P. | 0 | 82.6 | 82.6 |
| 2 | Telangana | 0 | 141.08 | 141.08 |
| 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 |

26th-Jul-2021

| | | | | |
|-------|---------------|------|--------|--------|
| 15 | Maharashtra | 0 | 18.46 | 18.46 |
| 16 | Odisha | 0 | 77.38 | 77.38 |
| 17 | Punjab | 2.69 | 200.13 | 202.82 |
| 18 | Rajasthan | 0 | 0 | 0 |
| 19 | NEF (Tripura) | 0 | 0.24 | 0.24 |
| 20 | Tamilnadu | 0 | 37.94 | 37.94 |
| 21 | U.P. | 1.1 | 65.74 | 66.84 |
| 22 | Uttarakhand | 0 | 10.72 | 10.72 |
| 23 | West Bengal | 0.65 | 22.64 | 23.29 |
| Total | | 8.51 | 861.25 | 869.76 |

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 22.07.2021) a quantity of over 869.76 LMT of rice. About 124.59 lakh farmers have already been benefitted with MSP value of Rs.1, 64,271.43 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 Sep- 2021, Rough Rice)

(Prices in US\$/hundredweight)

26th-Jul-2021


Market Analysis

The **CBOT Jul-21** weekly rough chart for rice indicates firm tone from last week. We expect market to hover in the range of USD 12.95 -13.90 hundred weights in coming sessions.

Price Projection (International-CBOT)

| Duration | Trend | Price Range |
|----------------------------------|----------------|------------------------------------|
| 4 th Week of Jul-2021 | Steady to firm | USD/ Hundred Weight 12.95-13.90 |

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