Rice Weekly Research Report

Contents

Outlook and Review:

- According to the latest Rice Kharif sowing data, sowing in India reached 349.24 lakh hectares on August 13th 2021, lower 0.65 percent from 351.52 lakh hectares the previous year at the same time. As of Aug 13, 2021, Telangana has a total area of 13.20 lakh hectares, lower from 16.84 lakh hectares the previous year at the same time. It is 1.57 lakh hectares in Rajasthan lower from 2.08 lakh hectares the previous year, and 7.43 lakh hectares in Gujarat up from 6.23 hectares the year before. Paddy sowing in Odisha has reduced by 16.51% from the previous year, reaching 24.68 lakh hectares down from 29.56 lakh hectare the previous year.

- Rice output is expected to reach a new high of 122.27 million tonnes in 2020-21, according to the agriculture ministry's fourth advance estimate. It is 9.83 million tonnes higher than the average production estimates of 112.44 million tonnes over the previous five years. Due to higher output of rice, wheat, and pulses, India's foodgrain production is expected to rise by 3.74 percent to a new record of 308.65 million tonnes in the crop year 2020-21 compared to 297.5 million tonnes in 2019-20 due to good monsoon rains last year. From its third estimate of 305.43 million tonnes for the same year, the estimate has been revised higher by 3.22 million tonnes.

- Procurement of paddy in ongoing KMS 2020-21 is continuing smoothly in the procuring States of India at MSP, as was done in previous seasons, and till now (up-to 12.08.2021) a quantity of over 872.92 LMT of rice. About 128.80 lakh farmers have already been benefitted with MSP value of Rs.1, 68,621.62 crore.

- India's rice stock in the central pool as on Aug 1, 2021 stood at 29.10 million tons- down by 1.99% from 29.68 million tons recorded during the corresponding period last year, according to data from Food Corporation of India (FCI).

- Strong demand for non-basmati Indian rice in Bangladesh boosted domestic prices, while the neighboring country reduced its rice import levy from 25% to 15%. Bangladesh's decision will mostly benefit the eastern states of West Bengal, Bihar, and Odisha, which will be able to export more rice due to lower transportation costs via land routes than other states. However, the higher prices will most likely benefit rice producers in other states as well.

- As per DGCIS report, Basmati rice exports were 7.29 lakh tonnes in the current fiscal year Apr to May 2021. In the fiscal year 2020-21, Basmati rice was exported total 46.30 lakh tonnes.

- Iraq is expected to import more rice from the United States, according to sources. Iraq has agreed to buy 200,000 tons of rice from the United States per year under a memorandum of understanding. It has previously purchased a total of 350,000 metric tonnes for $ 180 million, with delivery scheduled in October and November.

- PMGKAY-4 has been approved by the Center. From July to November, it is continued from July 2021. This program is distributing 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: 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.

- 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.

- Vietnam's rice exports closed lower 10.6% so far this year due to corona virus restrictions. In Thailand, rice export prices dropped at its lowest level in two years this week on less demand. Depreciation in Thailand baht currency against U.S dollar is also weighing at export prices. Vietnam's 5% broken rice > prices slipped to $390 per tonne on 29th July 2021 their lowest since February 2020 - from a range of $395-$400 a week earlier. Rice shipment in Vietnam is estimated lower by 10.6 % to 3.6 million tonnes in the first seven months of this year compared to last year. Shipments in July totalled 500,000 tonnes, worth $289 million.

- Vietnam can stockpile rice from domestic farmers who have been afflicted by the coronavirus. It will also improve their motivation to grow rice in the next years. In the summer-autumn harvest, the country's rice crop size is expected to increase by 1.35 percent to 9.04 million tonnes. Rice shipments in the first seven months of this year were anticipated to be down 10.6% from a year ago, at 3.6 million tons.

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

State	Prices 09-15 Aug 2021	Prices 01-08 Aug 2021	Prices 24-31 Jul 2021	Prices 09-15 Aug 2020	% Change(Over Previous Week)	% Change(Over Previous Year)
Gujarat	3764	3800	3800	4200	-0.95	-10.38
Karnataka	4223.52	4001.9	3814.46	3603.73	5.54	17.2
Kerala	3395.27	3398.04	3453.05	3481.08	-0.08	-2.47
Uttar Pradesh	2567.57	2584.9	2542.12	2707.12	-0.67	-5.15
Maharashtra	4409.59	4439.85	3664.74	4228.09	-0.68	4.29
Odisha	3036.52	3009.75	2892.75	2792.63	0.89	8.73
Tripura	3028.68	3037.98	3049.56	2978.77	-0.31	1.68
West Bengal	2809.06	2783.66	2827.54	2843.1	0.91	-1.2
Average	3404.28	3382.01	3255.53	3354.32	0.65	1.489

Prices in Rs/Quintal

Outlook (Narella 1121 Paddy):-

Duration	Trend	Average Price Range	Reason
Third Week of Aug, 2021	Steady to firm	Rs.2900-3150/Quintal	In expectation of good export demand, the prices may trade steady to firm tone.

Comparative Rice Varity 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
		13-Aug-21	6-Aug-21	13-Jul-21	13-Aug-20			
Delhi	1121 Steam	5800	6000	6000	6700	-3.33	-3.33	-13.43
	1121 Sella	5200	5150	5000	5400	0.97	4.00	-3.70
	1121 Raw	6000	6000	6000	6500	Unch	Unch	-7.69
	Basmati Raw	9200	10000	10100	8500	-8.00	-8.91	8.24
	1509 Steam Wand New	5600	5500	5500	6000	1.82	1.82	-6.67
	Sugandh Steam	5000	4900	5000	5100	2.04	Unch	-1.96
	Sharbati Raw	4600	4500	4600	4100	2.22	Unch	12.20
	Pusa Raw Wand	5300	5400	5600	5700	-1.85	-5.36	-7.02
	Parmal Sella	3000	3100	3150	3700	-3.23	-4.76	-18.92

Kharif Paddy Sowing Updates as on 13th August, 2021:

State	State wise Rainfall Distribution (in mm)			Rice		
	Normal Rainfall	Cumulative (01-06-21 to 11-08-21)	% Devi. From Normal	Normal Area	Area sown reported	
					This Year	Last Year
Andhra Pradesh	270.3	321.8	19.05	14.972	8.01	8.31
Arunachal Pradesh	1129.7	730.6	-35.33	1.313	1.26	1.17
Assam	983.1	777.8	-20.88	20.1832	13.68	9.77
Bihar	609.4	719.6	18.08	31.1418	31.06	32.14
Chhattisgarh	709.5	634.5	-10.57	37.3582	33.68	39.04
Goa	2306.2	2419	4.89	0.2657	0.24	0.24
Gujarat	467.1	253.2	-45.79	7.9699	7.43	6.23
Haryana	264.8	346.5	30.85	14.112	13.21	13.23
Himachal Pradesh	482.8	418.5	-13.32	0.7284	0.65	0.55
J&K	355.3	285.6	-19.62	2.8081	1.16	1.07
Jharkhand	634.5	679.1	7.03	15.8318	15.25	15.48
Karnataka	552.7	583.7	5.61	9.1143	4.21	4.76

Kerala	**1543.9**	**1136.2**	**-26.41**	1.464	0.53	0.67
Madhya Pradesh	**559.1**	**611.2**	**9.32**	21.324	29.94	23.12
Maharashtra	**657.3**	**701.9**	**6.79**	14.5144	12.95	11.26
Manipur	**934.9**	**386.5**	**-58.66**	0.4206	1.1	1.19
Meghalaya	**1978**	**1476**	**-25.38**	0.9729	0.97	0.97
Mizoram	**1017.3**	**798.2**	**-21.54**	0.3572	0.35	0.35
Nagaland	**720.7**	**549.1**	**-23.81**	2.0507	1.5	1.95
Odisha	**698.9**	**494**	**-29.32**	36.2317	24.68	29.56
Punjab	**297.8**	**258.8**	**-13.10**	29.922	30.5	31.49
Rajasthan	**261.4**	**288.9**	**10.52**	1.9772	1.57	2.08
Sikkim	**1025.6**	**1134.6**	**10.63**	0.0975	0.1	0.1
Tamil Nadu	**150.7**	**207.4**	**37.62**	16.2575	4.1	3.06
Telangana	**449.3**	**575.3**	**28.04**	9.94	13.2	16.84
Tripura	**992.6**	**808.3**	**-18.57**	2.0046	0.73	0.73
Uttar Pradesh	**452.7**	**452.1**	**-0.13**	58.042	59.4	58.92
Uttarakhand	**736.3**	**739.5**	**0.43**	2.4086	2.49	2.48
West Bengal	**865.1**	**944.3**	**9.16**	41.4702	35.08	34.6
Puducherry	**204.5**	**161.8**	**-20.88**	0.1294	0	0
Others				0.2748	0.21	0.16
All-India	**550.8**	**519.8**	**-5.63**	395.6577	349.24	351.52

State wise Progressive Procurement As on 12.08.2021

KMS 2020-21 (Positions upto 12.08.2021) Units in LMTs				
S.No.	**STATES/ UTs**	**FCI**	**State Agency**	**Total**
1	A.P.	*0*	***82.92***	***82.92***
2	Telangana	*0*	***141.15***	***141.15***
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	37.26	37.26
15	Maharashtra	0	18.85	18.85
16	Odisha	0	77.38	77.38
17	Punjab	2.69	200.14	202.83
18	Rajasthan	0	0	0
19	NEF (Tripura)	0	0.24	0.24
20	Tamilnadu	0	40.32	40.32
21	U.P.	1.1	65.74	66.84
22	Uttrakhand	0	10.72	10.72
23	West Bengal	0.65	22.64	23.29
Total		8.51	864.41	872.92

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 12.08.2021) a quantity of over 872.92 LMT of rice. About 128.81 lakh farmers have already been benefitted with MSP value of Rs.1, 68,621.70 crore.

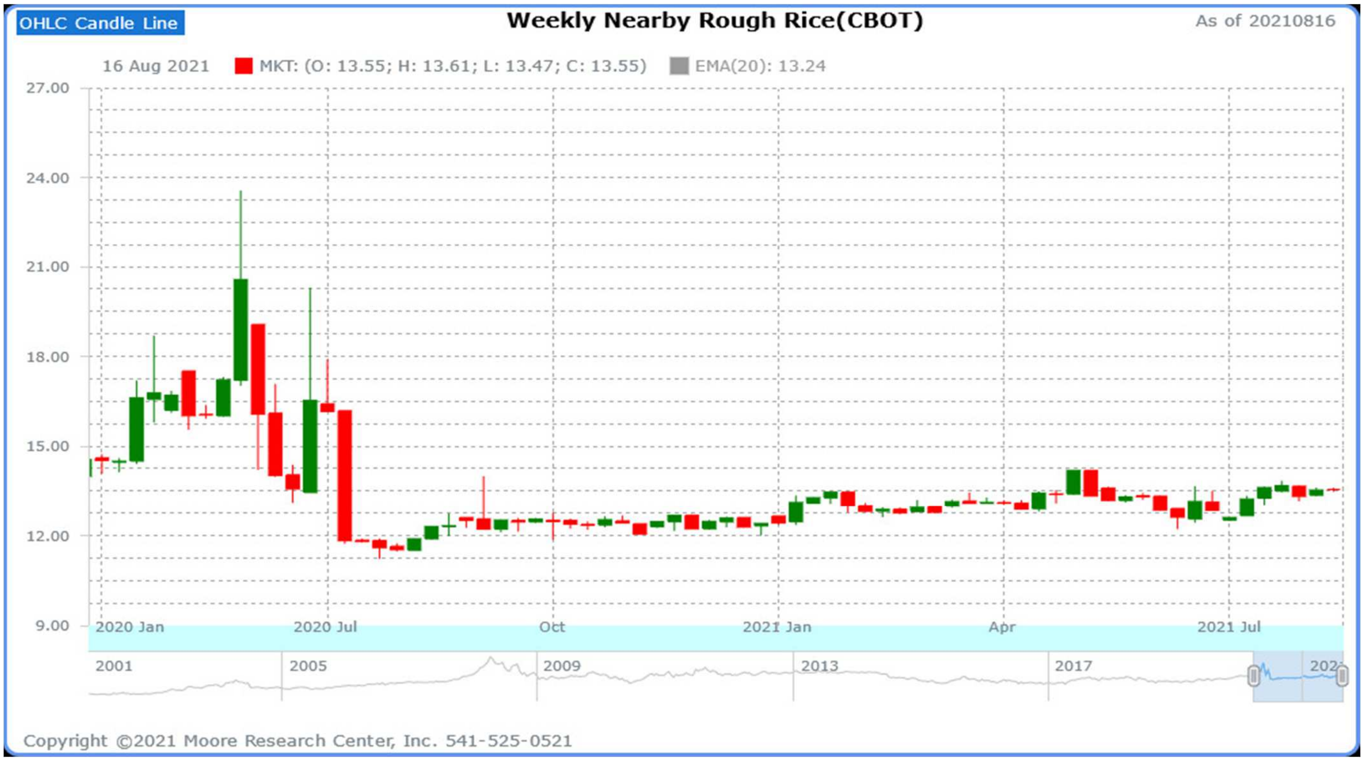
IGC Balance Sheet:

Attributes (Fig in Million Tons)	2018-19	2019-20 Est.	2020-21 Forecast	2021-22 (Proj.)	
				27.05.2020	29.07.2021
Production	498	499	505	512	511
Trade	43	44	46	47	47
Consumption	488	500	508	510	510
Carryover stocks	175	173	170	171	171
Y-O-Y change	10	-2	-3		1
Major Exporters	39	38	38	37	38

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)***



Market Analysis

The CBOT Sep-21 weekly rough chart for rice indicates weak tone from last week. We expect market to hover in the range of USD 13.30 -14.00 hundred weights in coming sessions.

Price Projection (International-CBOT)

Duration	Trend	Price Range
3rd Week of Aug-2021	Steady to weak	USD/ Hundred Weight 13.30-14.00