

# Rice Weekly Research Report

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### ***Outlook and Review:***

- According to the latest RiceKharif sowing data, sowing in India reached 349.24 lakh hectares on August 13<sup>th</sup> 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.
- As per Farmers, approx. 16000 hectares of land sown with high quality variety of basmati in Kasganj district of Uttar Pradesh has been adversely affected by the seed borne fungal disease, Bakanae, on account of continuous rainfall and poor sunshine over past few weeks. It is expected that 25 percent of the crop is infected by the disease.
- 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 18.08.2021) a quantity of over 873.48 LMT of rice. About 128.80 lakh farmers have already been benefitted with MSP value of Rs.1, 68,621.62 crore.
- On 1 August, FCI had a stock of 29.10 million tonnes of rice in central pool while buffer norms of 7.6 million tonnes. To reduce the stock, the government approved the purchase of rice for ethanol but distillers retreated due to the current prices. It was believed that about 100 lakh tonnes of rice stock would be reduced from the central pool. The ethanol manufacturers were given a purchase price of Rs 2000 per quintal by the centre. The cost price of rice purchased in 2020-21 has been 2727 rupees, which FCI wanted to sell on Rs. 2000. FCI is not willing to sell below 2000 price but this price seems to be high to distiller.
- 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.
- Due to sluggish demand, Vietnam's 5% broken rice prices are hovering at \$ 390 per tonne. After India and Thailand, Vietnam is the world's third-largest exporter of the item. Vietnam lowered its rice-growing area by 5.4 percent this year, to 3.5 million hectares (8.6 million acres), with the goal of reducing it to 3.5 million hectares (8.6 million acres) by 2030. Farmers are having difficulty selling their newly harvested crop due to a lack of dealers. As Vietnam suffers its largest epidemic to date, farmers are finding it difficult to sell their newly harvested grain since traders are unable to make deals owing to COVID-19 mobility restrictions.

Export activity was poor, due to weak demand and tough competition from Thailand and India. Rice exports from Vietnam plummeted 12.7 percent in the first seven months of this year.

- 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.
- Pakistan's rice export to China is expected to cross one million in the coming year. When compared to the previous year's Pakistan will see exponential growth in the export due to increased demand from Chinese market. Last year Vietnam, Thailand and Pakistan dominated Chinese markets with an export of 911,231 tons, 787,538 tons and 324,642 tons respectively.

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

State	Prices 16-23 Aug 2021	Prices 09-15 Aug 2021	Prices 01-08 Aug 2021	Prices 16-23 Aug 2020	% Change(Over Previous Week)	% Change(Over Previous Year)
Kerala	3405.45	3395.27	3398.04	3472.45	0.3	-1.93
Maharashtra	4251.68	4403.74	4439.85	5079.05	-3.45	-16.29
Odisha	3063.44	3036.52	3009.75	2836.3	0.89	8.01
West Bengal	2847.03	2809.04	2783.66	2856.73	1.35	-0.34
Gujarat	3800	3764	3800	4200.18	0.96	-9.53
Karnataka	4298.85	4223.52	4001.9	3808.65	1.78	12.87
Tripura	3022.6	3028.68	3037.98	2989.4	-0.2	1.11
Uttar Pradesh	2558.47	2567.42	2584.9	2699.01	-0.35	-5.21
Average	3284	3403.52	3382.01	3492.72	-3.51	-5.98

Prices in Rs/Quintal

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

Duration	Trend	Average Price Range	Reason
Fourth Week of Aug, 2021	Steady to weak	Rs.2800-2900/Quintal	In lower local demand, the prices may trade steady to weak 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
		20-Aug-21	13-Aug-21	20-Jul-21	20-Aug-20			
Delhi	1121 Steam	6000	5800	6000	6500	3.45	Unch	-7.69
	1121 Sella	5200	5200	5000	5500	Unch	4.00	-5.45
	1121 Raw	6000	6000	6000	6500	Unch	Unch	-7.69
	Basmati Raw	9400	9100	10100	8500	3.30	-6.93	10.59
	1509 Steam Wand New	5600	5600	5500	5400	Unch	1.82	3.70
	Sugandh Steam	5000	5000	4800	4800	Unch	4.17	4.17
	Sharbati Raw	4600	4600	4500	4100	Unch	2.22	12.20
	Pusa Raw Wand	5200	5300	5600	5700	-1.89	-7.14	-8.77
	ParmalSella	3000	3000	3100	3400	Unch	-3.23	-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	Last Year
					This 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 18.08.2021

KMS 2020-21 (Positions upto 18.08.2021) 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	1.10	1.10
8	Haryana	0.59	55.96	56.55
9	H.P.	0	0	0
10	Jharkhand	1.68	4.60	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	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	40.82	40.82
21	U.P.	1.10	65.74	66.84
22	Uttarakhand	0	10.72	10.72
23	West Bengal	0.65	22.64	23.29
Total		8.51	864.97	873.48

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 18.08.2021) a quantity of over 873.48 LMT of rice. About 128.81 lakh farmers have already been benefitted with MSP value of Rs.1, 68,621.70crore.

#### 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 firm tone from last week. We expect market to hover in the range of USD 12.80-13.20 hundred weights in coming sessions.

**Price Projection (International-CBOT)**

Duration	Trend	Price Range
4 <sup>th</sup> Week of Aug-2021	Steady to weak	USD/ Hundred Weight 12.80-13.20

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