

Rice Weekly Research Report

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Outlook and Review:

- According to the latest Rice Kharif sowing data, sowing of rice in India reached 388.56 lakh hectares on August 27th 2021, lower 1.23% from 393.41 lakh hectares the previous year at the same time. As of Aug 27, 2021, Telangana has a total area of 17.61 lakh hectares, lower from 18.79 lakh hectares the previous year at the same time. It is 1.94 lakh hectares in Rajasthan lower from 2.14 lakh hectares the previous year, and 8.02 lakh hectares in Gujarat up from 7.71 hectares the year before. Paddy sowing in Odisha has reduced by 13.29% from the previous year, reaching 31.25 lakh hectares down from 36.04 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 26.08.2021) a quantity of over 873.99 LMT of rice higher by 13.36% against last year. About 129.03 lakh farmers have already been benefitted with MSP value of Rs. 1,64,951.77 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.
- Haryana government has decided to start the procurement of paddy from 25th September and the procurement will continue till 15th November. This year around 200 procurement centres have been set up for paddy procurement by the Haryana government.
- The Telangana government has started efforts to convince FCI to lift the rice grown this season in order to extent the ongoing cultivation of paddy so as to increase the area of cultivation from planned area of 42 lakh acres to 55 lakh acres. The production is expected to be about 1.48 crore tons at the rate of 27 quintal per acre.
- India's rice export this week has improved from four and half a year low which is benefitted by improved overseas demand, though high shipping cost still remains a challenge. This week India's 5% broken parboiled variety was quoted in the range \$355 to \$360 per tonne up from \$352 to \$356 last week.
- In Thailand, freight charges remained a hurdle as the ships were not readily available. However, prices of Thailand's 5% broken parboiled rice moved up slightly to \$390-\$403 from \$387-\$400 per tonne due to strengthening of Thai baht.
- Bangladesh, the third largest producer of rice in the world has allowed private traders to import 400,000 tonnes of rice in order to break rising grain prices. Depleted stocks and ravaged floods has made Bangladesh to import rice and emerging as a big importer. Vietnam's 5% broken rice price was unchanged at \$385 per ton and exports of rice this year is estimated at 6 million ton, down 4 percent.

- 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.
- 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.

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

State	Prices 24-31 Aug 2021	Prices 16-23 Aug 2021	Prices 09-15 Aug 2021	Prices 24-31 Aug 2020	% Change(Over Previous Week)	% Change(Over Previous Year)
Gujarat	3800	3800	3764	4300	-	-11.63
Karnataka	3765.43	4309.94	4223.52	3252.78	-12.63	15.76
Odisha	3074.08	3045.04	3036.52	2506.61	0.95	22.64
Telangana	2300	2308.47	-	-	-0.37	-
Tripura	3052.23	3010.31	3028.68	2998.32	1.39	1.8
Uttar Pradesh	2527.7	2574.38	2567.42	2651.75	-1.81	-4.68
Maharashtra	3593.34	3906.73	4357.13	6513.39	-8.02	-44.83
West Bengal	2809.65	2836.85	2809.04	2871.33	-0.96	-2.15
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
First Week of Sep, 2021	Steady to firm	Rs.2950-3100/Quintal	In expectation of good overseas 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
		27-Aug-21	20-Aug-21	27-Jul-21	27-Aug-20			
Delhi	1121 Steam	6100	6000	5900	6500	1.67	3.39	-6.15
	1121 Sella	5300	5200	5100	5350	1.92	3.92	-0.93
	1121 Raw	6100	6000	5900	7100	1.67	3.39	-14.08
	Basmati Raw	9600	9400	10000	8800	2.13	-4.00	9.09
	1509 Steam Wand New	5700	5600	5400	5500	1.79	5.56	3.64
	Sugandh Steam	5000	5000	4900	4800	Unch	2.04	4.17
	Sharbati Raw	4800	4600	4700	3800	4.35	2.13	26.32
	Pusa Raw Wand	5300	5200	5600	6100	1.92	-5.36	-13.11
	ParmalSella	3100	3000	3100	3750	3.33	Unch	-17.33

Kharif Paddy Sowing Updates as on 27th August, 2021:

State	State wise Rainfall Distribution (in mm)			Rice			% Change from last Year
	Normal Rainfall	Cumulative (01-06-21 to 25-08-21)	% Devi. From Normal	Normal Area	Area sown reported		
					This Year	Last Year	
Andhra Pradesh	335.4	393.4	17	14.97	10.27	11.06	-7.14
Arunachal Pradesh	1315.2	1003.0	-24	1.31	1.26	1.17	7.69
Assam	1148.5	918.2	-20	20.18	16.71	17.06	2.05
Bihar	753.5	859.1	14	31.14	32.34	32.73	-1.19
Chhattisgarh	875.0	753.5	-14	37.36	36.67	39.04	-6.07
Goa	2585.4	2526.5	-2	0.27	0.25	0.25	Unch
Gujarat	543.9	285.1	-48	7.97	8.02	7.71	4.02
Haryana	336.3	386.0	15	14.11	13.64	13.28	2.71
Himachal Pradesh	599.0	435.5	-27	0.73	0.74	0.65	13.84
J&K	435.4	310.2	-29	2.81	1.17	1.14	2.63
Jharkhand	770.7	745.9	-3	15.83	17.46	17.02	2.58
Karnataka	648.8	653.1	1	9.11	6.14	7.06	-13.03

Kerala	1731.7	1242.9	-28	1.46	0.54	0.67	-19.40
Madhya Pradesh	708.7	682.9	-4	21.32	32.89	28.43	15.68
Maharashtra	778.6	813.3	4	14.51	14.56	13.66	6.58
Manipur	1091.2	452.9	-58	0.42	1.95	1.95	Unch
Meghalaya	2276.8	1933.6	-15	0.97	0.97	0.97	Unch
Mizoram	1214.7	879.7	-28	0.36	0.37	0.35	5.71
Nagaland	867.4	654.3	-25	2.05	2.21	2.57	-14.00
Odisha	861.7	592.0	-31	36.23	31.25	36.04	-13.29
Punjab	365.4	287.8	-21	29.92	30.66	31.49	-2.63
Rajasthan	329.6	304.7	-8	1.98	1.94	2.14	-9.34
Sikkim	1213.6	1435.1	18	0.10	0.11	0.11	Unch
Tamil Nadu	197.5	252.8	28	16.26	3.45	2.51	37.45
Telangana	551.9	666.1	21	9.94	17.61	18.79	-6.27
Tripura	1139.4	958.5	-16	2.00	1.58	1.37	15.32
Uttar Pradesh	579.1	551.9	-5	58.04	60.12	60.01	0.18
Uttarakhand	918.3	859.1	-6	2.41	2.50	2.49	0.40
West Bengal	1029.2	1089.4	6	41.47	40.86	41.40	-1.30
Puducherry	262.5	269.1	3	0.13	0.00	0.00	Unch
Others				0.27	0.32	0.29	10.34
All-India	667.7	603.1	-10	395.66	388.56	393.41	-1.23

State wise Progressive Procurement As on 26.08.2021

KMS 2020-21 (Positions upto 26.08.2021) Units in LMTs				
S.No.	STATES/ UTs	FCI	State Agency	Total
1	A.P.	0	82.88	82.88
2	Telangana	0	141.13	141.13
3	Assam	1.15	0.75	1.9
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	18.85	18.85
16	Odisha	0	77.38	77.38
17	Punjab	0	0	0
18	Rajasthan	2.69	200.14	202.83
19	NEF (Tripura)	0	0.24	0.24
20	Tamilnadu	0	41.42	41.42
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		8.52	865.47	873.99

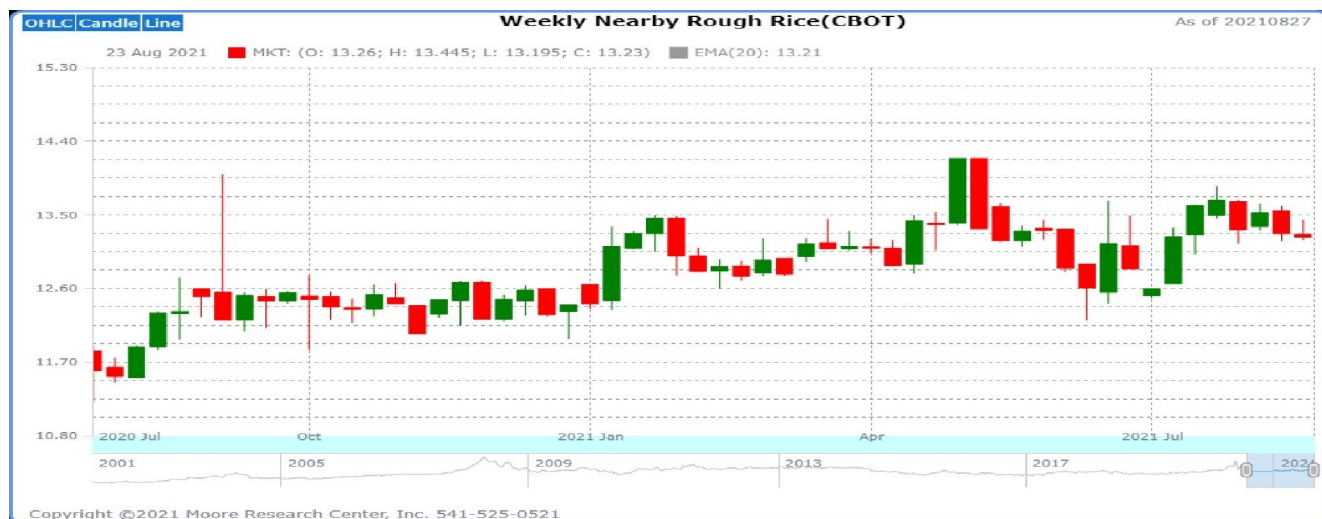
Procurement of paddy in ongoing KMS 2021-22 is continuing smoothly in the procuring States of India at MSP, as was done in previous seasons, and till now (up-to 26.08.2021) a quantity of over 873.99 LMT of rice. About 129.03 lakh farmers have already been benefitted with MSP value of Rs.1, 64,951.77 crore.

IGC Balance Sheet:

Attributes (Fig in Million Tons)	2018-19	2019-20 Est.	2020-21 Forecast	2021-22 (Proj.)	
				29.07.2021	26.08.2021
Production	498	499	506	511	512
Trade	43	44	47	47	47
Consumption	488	500	509	510	511
Carryover stocks	175	173	171	171	172
Y-O-Y change	10	-2	-2		1
Major Exporters	39	38	38	38	39

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

Due to demand from buyers in Africa and Asia, global rice trade in 2021 is seen up by 7% y/y to 47 m t, with Indian exports rising sharply to a peak of 18.5 m. Due to bigger harvest in Asia, World output in 2021/22 is forecasted to increase by 1% y/y to a peak of 512m t. While trade in 2022 is likely to be little changed y/y, India's sales is expected to contract as shipment by Thailand recover amid competitively priced supplies.

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 12.50-13.00 hundred weights in coming sessions.

Price Projection (International-CBOT)

Duration	Trend	Price Range
1 th Week of Sep-2021	Steady to weak	USD/ Hundred Weight 12.50-13.00

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