Rice Weekly Research Report

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Outlook and Review:

- The latest Rice Kharif sowing data suggests 401.15 lakh hectares of sowing of rice on September 2nd, 2021, higher 0.15% from 400.54 lakh hectares the previous year at the same time. As of September 2nd, 2021, Telangana has a total area of 18.87 lakh hectares, lower from 19.49 lakh hectares the previous year at the same time. It is 1.94 lakh hectares in Rajasthan lower from 2.18 lakh hectares the previous year, and 8.09 lakh hectares in Gujarat lower from 8.16 hectares the year before. Paddy sowing in Odisha has reduced by 8.07% from the previous year, reaching 33.13 lakh hectares down from 36.04 lakh hectare the previous year.

- The agriculture ministry's fourth advance estimate suggests rice output to reach a new high of 122.27 million tonnes in 2020-21, 9.83 million tonnes higher than the average production estimates of 112.44 million tonnes over the previous five years. India's food grain 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.

- 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 05.09.2021) a quantity of over 889.62 LMT of rice higher by 15.39% against last year. About 130.47 lakh farmers have already been benefitted with MSP value of Rs. 1,67,960.77 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.

- Paddy procurement in Uttar Pradesh will start from October 1 under the Minimum support Price scheme for the year 2021-22. The procurement will continue till January 31, 2022 in western UP and Bundelkhand region while in eastern UP the purchase will start from November 1 to February 28, 2022.

- Punjab has set to bring the acreage of rice below 2 million marks which includes both basmati and non basmati rice. The decision came up due to water table that has come up to dark zone in 85% of the agricultural blocks. The area has been diverted to cotton and maize in order to stop overexploitation of ground water.

- Due to high demand of long grained rice in international market the traders are showing immense interest in buying early sown basmati varieties like Pusa basmati 1509 at the rate of Rs 2500 to Rs 2600 per quintal. For the farmers, the prices have improved compared to last year but still lower than Rs 3000 per quintal in 2019.

- The central government has decided new quality specification for the procurement of paddy. According to the specification, the broken rice percentage has reduced from 25% to 20%, the moisture content in rice has reduced from 15% to 14% and the damaged grain percentage has reduced from 3% to 2%. In case of rice unloaded at grain market, the moisture content has reduced from 17% to 16%, the permissible limit of foreign matter has been reduced from 2% to 1%.

- Despite having 1.7 million tons of rice and wheat reserves Bangladesh is importing rice from India which are available for Tk40-42 per kg compared to homegrown rice of price Tk50 per kg. The increase in imports is due to reduced import duty from 62.5 % to 25 %. Last fiscal year Bangadesh has imported 0.78 million tons of rice while this fiscal year within 2 months the government has approved import of 1.2 million from private players.

- 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.

- Thailand's 5% broken rice was quoted at $390-$400 per tonne down from $390-$403 per tonne last week. The decrease in the price has attracted buyers from Middle East but the scarcity of ships at Thai ports remains a challenge. The export of rice during January to July this year was 2.59 million tonnes down by 22% from last year.

- Nepal has imported rice worth Rs 50.48 billion in the last fiscal year up by 51.4% than the previous year. The import expense on rice has increased by Rs 17 billion during the fiscal year 2020/21 and this amount to 3.3% of total expense on imports. Nepal imports rice mainly from India, China, Japan and Thailand.

State wise Wholesale Prices Weekly Analysis for Rice First week September, 2021

State	Prices 01-08 Sep 2021	Prices 24-31 Aug 2021	Prices 16-23 Aug 2021	Prices 01-08 Sep 2020	% Change(Over Previous Week)	% Change(Over Previous Year)
Gujarat	3654.27	3800	3800	4303.1	-3.84	-15.08
Karnataka	3889.54	3839.95	4310.01	4010.81	1.29	-3.02
Odisha	3206.56	3007.29	3045.04	2722.79	6.63	17.77
Telangana	-	2300	2308.47	-	-	-
Tripura	3026.93	2988.17	3010.31	2993.48	1.3	1.12
Uttar Pradesh	2553.35	2527.03	2574.38	2661.17	1.04	-4.05
Maharashtra	3686.28	3617.17	3906.73	3832.91	1.91	-3.83
West Bengal	2759.44	2791.7	2836.85	2855.59	-1.16	-3.37
Average	3273.85	3143.57	3244.67	3348.74	4.14	-2.23

Prices in Rs/Quintal

Outlook (Narella 1121 Paddy):-

Duration	Trend	Average Price Range	Reason
Second Week of Sep, 2021	Slightly weak	Rs.2900-3200/Quintal	In expectation of good arrivals, with higher stocks the prices may trade slightly weak 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
		03-Sep-21	27-Aug-21	03-Aug-21	03-Sep-20			
Delhi	1121 Steam	6500	6100	5900	6400	6.56	10.17	1.56
	1121 Sella	5600	5300	5100	5100	5.66	9.80	9.80
	1121 Raw	6500	6100	5900	6500	6.56	10.17	0.00
	Basmati Raw	9600	9600	10000	8800	0.00	-4.00	9.09
	1509 Steam Wand New	6100	5700	5400	4600	7.02	12.96	32.61
	Sugandh Steam	5200	5000	4800	4500	4.00	8.33	15.56
	Sharbati Raw	4800	4800	4700	3800	0.00	2.13	26.32
	Pusa Raw Wand	5500	5300	5300	5800	3.77	3.77	-5.17
	ParmalSella	3250	3100	3100	3700	4.84	4.84	-12.16

Kharif Paddy Sowing Updates as on 02nd September, 2021:

State	State wise Rainfall Distribution (in mm)			Rice			% Change from last Year
	Normal Rainfall	Cumulative (01-06-21 to 01-09-21)	% Devi. From Normal	Normal Area	Area sown reported		
					This Year	Last Year	
Andhra Pradesh	365.8	441.1	21	14.97	12.07	12.20	-1.06
Arunachal Pradesh	1383.1	1171.0	-15	1.31	1.26	1.17	7.69
Assam	1222.3	988.8	-19	20.18	19.19	18.27	5.03
Bihar	808.6	942.4	17	31.14	32.60	32.80	-0.60
Chhattisgarh	942.8	803.3	-15	37.36	37.13	39.04	-4.89
Goa	2683.1	2586.6	-4	0.27	0.25	0.25	Unch
Gujarat	589.1	311.8	-47	7.97	8.09	8.16	-0.85
Haryana	363.7	412.8	14	14.11	13.64	13.28	2.71
Himachal Pradesh	641.2	523.5	-18	0.73	0.74	0.65	13.84
J&K	465.5	324.8	-30	2.81	1.17	1.14	2.63
Jharkhand	829.0	789.9	-5	15.83	17.58	17.21	2.14
Karnataka	684.5	706.8	3	9.11	8.28	8.33	-0.60

Kerala	1799.2	1407.0	-22	1.46	0.54	0.67	-19.40
Madhya Pradesh	772.4	718.2	-7	21.32	33.51	28.62	17.08
Maharashtra	832.4	860.4	3	14.51	14.97	14.20	5.42
Manipur	1157.2	477.8	-59	0.42	1.95	1.95	Unch
Meghalaya	2399.7	2085.0	-13	0.97	0.97	0.97	Unch
Mizoram	1297.8	1042.7	-20	0.36	0.37	0.35	5.71
Nagaland	930.8	706.4	-24	2.05	2.21	2.57	-14.00
Odisha	935.8	666.1	-29	36.23	33.13	36.04	-8.07
Punjab	390.0	296.2	-24	29.92	30.66	31.49	-2.63
Rajasthan	355.0	319.7	-10	1.98	1.94	2.18	-11.01
Sikkim	1305.2	1544.0	18	0.10	0.11	0.11	Unch
Tamil Nadu	221.5	278.6	26	16.26	3.45	2.51	37.45
Telangana	594.2	762.8	28	9.94	18.87	19.49	-3.18
Tripura	1212.0	1033.8	-15	2.00	1.58	1.37	15.32
Uttar Pradesh	628.9	580.9	-8	58.04	60.25	60.01	0.39
Uttarakhand	991.5	945.0	-5	2.41	2.50	2.49	0.40
West Bengal	1108.3	1183.1	7	41.47	41.82	42.73	-2.12
Puducherry	293.6	296.8	1	0.13	0.00	0.00	Unch
Others				0.27	0.32	0.29	10.34
All-India	716.9	652.5	-9	**395.66**	**401.15**	**400.54**	**0.15**

State wise Progressive Procurement As on 05.09.2021

KMS 2020-21 (Positions upto 05.09.2021) Units in LMTs				
S.No.	**STATES/ UTs**	**FCI**	**State Agency**	**Total**
1	A.P.	*0*	*82.94*	*82.94*
2	Telangana	*0*	*141.13*	*141.13*
3	Assam	*1.17*	*0.75*	*1.92*
4	Bihar	*0*	*35.59*	*35.59*
5	Chandigarh	*0.28*	*0*	*0.28*
6	Chhattisgarh	*0*	*69.74*	*69.74*
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*	*4.61*	*6.29*
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	42.07	42.07
21	U.P.	1.1	65.74	66.84
22	Uttrakhand	0	10.72	10.72
23	West Bengal	0.65	27.14	27.79
Total		8.54	881.08	889.62

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 05.09.2021) a quantity of over 889.62 LMT of rice. About 130.47 lakh farmers have already been benefitted with MSP value of Rs.1, 67,960.77 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.

Global trade of rice in 2021 is marginally higher m/m, at around 47m t (+3m y/y), on an upgrade for shipments to Asia, including to Bangladesh. Reflecting higher figures for carry-ins and production, the outlook for world supplies in 2021/22 is lifted slightly m/m, feeding through to a 1m t increase for inventories, to 172m (+1m y/y). Global trade in 2022 is little-changed m/m and unchanged y/y.

Rice Price Trend @ CBOT Sep- 2021, Rough Rice) (Prices in US$/hundredweight)

Market Analysis

The CBOT Sep-21 weekly rough chart for rice indicates weaktone from last week. With increasing production worldwide we expect market to hover in the range of USD 12.70-13.10 hundred weights in coming sessions.

Price Projection (International-CBOT)

Duration	Trend	Price Range
2nd Week of Sep-2021	Steady to weak	USD/ Hundred Weight 12.70-13.10