

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

Outlook and Review:

- The latest Rice Kharif sowing data suggests 409.55 lakh hectares of sowing of rice on September 10th, 2021, higher 0.39% from 407.97 lakh hectares the previous year at the same time. Telangana sown 20.18 lakh hectares of rice down by 0.64% from 20.31 lakh hectares the previous year. While Odisha has sown 34.59 lakh hectare of rice down by 6.56% from 37.02 lakh hectares last year. In Rajasthan the sowing area has been 1.98 lakh hectare down by 11% from 2.18 lakh hectares the previous year and in Gujarat the area sown is 8.11 lakh hectares down by 2.99% from 8.36 lakh hectares 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 09.09.2021) a quantity of over 889.74 LMT of rice higher by 15.41% against last year 770.93 LMT. About 130.47 lakh farmers have already been benefitted with MSP value of Rs. 1,67,960.77 crore.
- On 1 September, FCI had a stock of 26.83 million tonnes of rice in central pool while buffer norms of 7.6 million tonnes. Punjab, Madhya Pradesh and Haryana contributes to maximum to the central pool with 2.47, 1.79 and 1.22 million tonnes respectively.
- Punjab government has asked RBI and other consortium of banks to provide cash credit limit (CCL) of Rs.42000 crore for the upcoming paddy procurement which is expected to start from 1st October. This time a total of 191 lakh tonnes is expected to arrive down from 203 lakh tonnes last year with an expenditure of Rs.46000 crores.
- A cash credit limit amount of Rs. 42000 crore was asked by Punjab government to RBI and other consortium of banks for the upcoming procurement of paddy which is expected to begin from 1st October. A total of 191 lakh tonnes is expected to arrive this time down 203 lakh tonnes last year.
- The centre has mandated Punjab and other paddy growing states to link procurement to farmer's land and to the yield to check bogus billing and malpractice of adding previous season's procurement with current year's procurement. According to the officials, the paddy yield varies between 27 quintals per acre to 35 quintals per acre in Punjab. The season to season variation is around 2-3%. According to state remote sensing centre, the paddy is sown over 72.5 lakh acre of which 12.5 acre is contributed by basmati rice.
- Acute scarcity of Diammonium phosphate (DAP) fertilizers is likely to have an impact on paddy production in Andhra Pradesh. According to report, few days ago, DAP was offered for Rs. 50 to Rs. 70 more than MRP of Rs. 1200 due to demand supply disruption. The scarcity of DAP is anticipated to impair paddy cultivation, causing issues for farmers.
- According to meteorological department, a total of 1360 hectares out of 2.09 lakh hectares in Sundargarh district of Odisha have been affected by rain deficiency. Sources suggest that the district received 32

percent deficit rainfall in July and 65 percent in August. In last 10 days of September, the average rainfall in the district is 20mm against the month's normal of 211mm.

- India will likely to walk away with the sole right to Geographical tag (GI) tag for basmati rice in the European Union (EU) after the deadline for settle the issue with Pakistan has expired. This will allow India to market fragrance rice in the EU as "basmati" rice and can prevent other countries like Pakistan from selling foodgrain as "Basmati".
- The export price of rice in Vietnam has rose this week from their lowest level after government topped up its reserves and buyers held off on importing rice from India in the hope that surging freight cost would ease. Vietnam's 5% broken rice rose to \$400 per tonne from \$385 two weeks earlier. India's 5% broken rice remain unchanged this week at \$385 to \$363 per tonne.
- In Philippines, tariff collected from shipment for rice decreased by more than 4% to P11.69 billion in eight months to August from P12.22 billion a year ago, as the volume of imports shrank over 7%. The volume of imported rice has fallen to 1.74 million metric tons (MT) in first eight months from 1.88 MT a year earlier.

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

State	Prices 09-15 Sep 2021	Prices 01-08 Sep 2021	Prices 24-31 Aug 2021	Prices 09-15 Sep 2020	% Change(Over Previous Week)	% Change(Over Previous Year)
Gujarat	3849.29	3668.56	3800	4305.85	4.93	-10.6
Karnataka	3762.35	3965.63	3723.92	2769.11	-5.13	35.87
Odisha	2697.16	3135.3	3007.29	2889.73	-13.97	-6.66
Telangana	-	-	2300	-	-	-
Tripura	2878.64	3009.13	2988.17	2996.9	-4.34	-3.95
Uttar Pradesh	2572.71	2547.81	2527.03	2656.74	0.98	-3.16
Maharashtra	3561	3717.8	3617.17	3625.15	-4.22	-1.77
West Bengal	2849.71	2785.47	2791.7	2783.59	2.31	2.38
Average	3193.12	3277.57	3130.68	3409.05	-2.57	-6.33

Prices in Rs/Quintal

Outlook (Narella 1121 Paddy):-

Duration	Trend	Average Price Range	Reason
Third Week of Sep, 2021	Slightly weak	Rs.3000-3150/Quintal	With regard to higher arrivals the prices may trade slightly weak .

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
		10-Sep-21	03-Sep-21	10-Aug-21	10-Sep-20			
Delhi	1121 Steam	6300	6500	6000	6300	-3.08	5.00	Unch
	1121 Sella	5450	5600	5200	5100	-2.68	4.81	6.86
	1121 Raw	6300	6500	6000	6200	-3.08	5.00	1.61
	Basmati Raw	9500	9600	10000	8800	-1.04	-5.00	7.95
	1509 Steam Wand New	5800	6100	5600	4900	-4.92	3.57	18.37
	Sugandh Steam	5000	5200	5000	4500	-3.85	Unch	11.11
	Sharbati Raw	4600	4800	4600	3500	-4.17	Unch	31.43
	Pusa Raw Wand	5400	5500	5400	5800	-1.82	Unch	-6.90
	ParmalSella	3200	3250	3100	3400	-1.54	3.23	-5.88

Kharif Paddy Sowing Updates as on 10th September, 2021:

State	State wise Rainfall Distribution (in mm)			Rice			% Change from last Year
	Normal Rainfall	Cumulative (01-06-21 to 10-09-21)	% Devi. From Normal	Normal Area	Area sown reported		
					This Year	Last Year	
Andhra Pradesh	396.6	508.1	28.11397	14.97	12.77	13.28	-3.84
Arunachal Pradesh	1461.1	1213	-16.9804	1.31	1.28	1.17	9.40
Assam	1288.7	1063.5	-17.475	20.18	19.44	18.76	3.62
Bihar	864.3	960.2	11.09568	31.14	32.64	33.07	-1.30
Chhattisgarh	1008.2	875.8	-13.1323	37.36	37.35	37.83	-1.27
Goa	2777.4	2821.1	1.573414	0.27	0.25	0.25	Unch
Gujarat	624.8	374.5	-40.0608	7.97	8.11	8.36	-2.99
Haryana	390	459.9	17.92308	14.11	13.64	13.28	2.71
Himachal Pradesh	682.9	549	-19.6076	0.73	0.74	0.65	13.85
J&K	493.9	337	-31.7676	2.81	2.58	2.57	0.39

Jharkhand	892.7	815.8	-8.61432	15.83	17.61	17.31	1.73
Karnataka	717.2	770.2	7.389849	9.11	8.88	9.27	-4.21
Kerala	1857.1	1501.8	-19.132	1.46	0.54	0.67	-19.40
Madhya Pradesh	834.5	763.2	-8.54404	21.32	34.07	28.71	18.67
Maharashtra	884	971.8	9.932127	14.51	15.21	14.98	1.54
Manipur	1213.4	493	-59.3704	0.42	1.95	1.95	Unch
Meghalaya	2535.5	2147	-15.3224	0.97	0.97	0.97	Unch
Mizoram	1387.4	1087.3	-21.6304	0.36	0.37	0.35	5.71
Nagaland	985.8	757.2	-23.1893	2.05	2.21	2.57	-14.01
Odisha	999.4	733.5	-26.606	36.23	34.59	37.02	-6.56
Punjab	416.8	314.3	-24.5921	29.92	30.66	31.49	-2.64
Rajasthan	382.4	351.1	-8.18515	1.98	1.94	2.18	-11.01
Sikkim	1391.6	1651	18.64041	0.10	0.11	0.09	18.28
Tamil Nadu	242.9	318.2	31.00041	16.26	4.30	3.34	28.74
Telangana	636.6	892.6	40.21363	9.94	20.18	20.31	-0.64
Tripura	1271.3	1092.1	-14.0958	2.00	1.62	1.42	14.08
Uttar Pradesh	680.2	605.6	-10.9674	58.04	60.25	60.01	0.40
Uttarakhand	1055.2	999.8	-5.25019	2.41	2.50	2.49	0.40
West Bengal	1185.3	1240	4.614865	41.47	42.39	43.27	-2.03
Puducherry	322.5	343.3	6.449612	0.13	-	-	-
Others	-	-	-	0.27	0.40	0.35	14.86
All-India	764.5	707.2	-7.49509	395.66	409.55	407.97	0.39

State wise Progressive Procurement As on 09.09.2021

KMS 2020-21 (Positions upto 09.09.2021) Units in LMTs				
S.No.	STATES/ UTs	FCI	State Agency	Total
1	A.P.	0	83.15	83.15
2	Telangana	0	141.11	141.11
3	Assam	1.18	0.76	1.94
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	1.69	4.60	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	2.69	200.14	202.83
18	Rajasthan	0	0	0
19	NEF (Tripura)	0	0.24	0.24
20	Tamilnadu	0	41.98	41.98
21	U.P.	1.1	65.74	66.84
22	Uttarakhand	0	10.72	10.72
23	West Bengal	0.65	27.14	27.79
Total		8.56	881.18	889.74

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 09.09.2021) a quantity of over 889.74 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 rice trade 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. Global rice trade in 2021 is seen up by 7% y/y, to 47m t, with Indian exports rising sharply to a peak of 18.5m. Tied to bigger harvests in Asia's key producers, world output in 2021/22 is forecast to increase by 1% y/y, to a peak of 512m t, with consumption and stocks predicted to edge up.

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. With increasing production and increasing demand worldwide we expect market to hover in the range of USD 13.30-13.70 hundred weights in coming sessions.

Price Projection (International-CBOT)

Duration	Trend	Price Range
3 rd Week of Sep-2021	Steady to firm	USD/ Hundred Weight 13.30-13.70

Disclaimer

The information and opinions contained in the document have been compiled from sources believed to be reliable. The company does not warrant its accuracy, completeness and correctness. Use of data and information contained in this report is at your own risk. This document is not, and should not be construed as, an offer to sell or solicitation to buy any commodities. This document may not be reproduced, distributed or published, in whole or in part, by any recipient hereof for any purpose without prior permission from the Company. IASL and its affiliates and/or their officers, directors and employees may have positions in any commodities mentioned in this document (or in any related investment) and may from time to time add to or dispose of any such commodities (or investment). Please see the detailed disclaimer at <http://www.agriwatch.com/disclaimer.php> © 2021 Indian Agribusiness Systems Ltd.