

# Rice Weekly Research Report

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

- The latest Rice Kharif sowing data suggests 414.18 lakh hectares of sowing of rice as on September 17th, 2021, higher 0.20% from 413.34 lakh hectares the previous year at the same time. Telangana has sown 21.28 lakh hectares of rice up by 3.30% from 20.60 lakh hectares the previous year. While Odisha has sown 35.13 lakh hectare of rice down by 5.18% from 37.05 lakh hectares last 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 13.09.2021) a quantity of over 889.88 LMT of rice higher by 15.43% 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 contribute to maximum to the central pool with 2.47, 1.79 and 1.22 million tonnes respectively.
- With GI tag for Indian basmati rice by European union more developments are coming in rice commodity. Indian has currently 45 % market share of rice export in the world. This year Bangladesh and China are added as new market for Indian rice. Analyst expect the basmati rice demand is expected to be doubled. Analysts also suggest logistic infrastructure as a major problem haltering rice export.
- India is expected to export global rice trade in 2021 as expanded by port handling capacity allows world's largest rice grower after China to ship record volume to buyers across as much as 22 million tonnes of rice this year. Along with the traditional traders, China, Vietnam and Bangladesh are also making purchase from India.
- With FCI decides not to purchase coarse rice from Telangana, the state government faces a significant challenge in initiating a change in cultivating patterns country's largest producer of coarse grain for two seasons, the state has largest number of farmers benefiting from minimum support price of rice.
- Under Haryana government's 'Mera pani mera virasat' crop diversification scheme around 98,000 acre of paddy land has been shifted to alternative crops like maize, pulses and horticultural and vegetable growing crops. The primary reason for switching from paddy include payment of incentive of Rs7,000 per acre.
- The Kharif marketing season 2021-22 in Punjab would start from 1<sup>st</sup> October 2021 and the operation would continue till 15<sup>th</sup> December 2021. The paddy would be stored in eligible rice mills as per entitlement and agreement between state agencies and rice millers. The rice millers shall deliver rice from the paddy stored upto March 31, 2020 as per policy and agreement.

- For the first time, Department of Food and Public Distribution (DFPD) has issued uniform specification for fortified rice kernel (FRK) for grade A and common rice in case of procurement, of which 1% of FRK (w/w) should be blended with normal rice stock. The department has issued the uniform specification of food grains for Central pool procurement with regard to Kharif marketing season 2020-21.
- Iraq signs first contract in seven years to import Thai rice. Report suggests this as the second lot of rice that Iraq has bought from Thailand this year. The first lot of 44,000 tonnes has been delivered on August 18. Iraq had banned Thai rice 7 years ago owing to quality concerns.

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

| State         | Prices<br>16-23<br>Sep 2021 | Prices<br>09-15<br>Sep 2021 | Prices<br>01-08<br>Sep 2021 | Prices<br>16-23<br>Sep 2020 | %<br>Change(Over<br>Previous<br>Week) | %<br>Change(Over<br>Previous Year) |
|---------------|-----------------------------|-----------------------------|-----------------------------|-----------------------------|---------------------------------------|------------------------------------|
| Gujarat       | 3850                        | 3836.84                     | 3668.56                     | 4324.65                     | 0.34                                  | -10.98                             |
| Karnataka     | 3765.53                     | 3811.08                     | 3981.26                     | 4181.11                     | -1.2                                  | -9.94                              |
| Odisha        | 2946.09                     | 2672.25                     | 3135.3                      | 3058.15                     | 10.25                                 | -3.66                              |
| Kerala        | 3390.74                     | 3401.77                     | 3390.86                     | 3442.55                     | -0.32                                 | -1.5                               |
| Tripura       | 3025.3                      | 2901.08                     | 3008.86                     | 2999.86                     | 4.28                                  | 0.85                               |
| Uttar Pradesh | 2583.24                     | 2548.04                     | 2547.81                     | 2637.93                     | 1.38                                  | -2.07                              |
| Maharashtra   | 3580.15                     | 3541.42                     | 3579.36                     | 4203.39                     | 1.09                                  | -14.83                             |
| West Bengal   | 2724.72                     | 2847.35                     | 2785.47                     | 2772.45                     | -4.31                                 | -1.72                              |
| 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  |
|--------------------------|---------------|----------------------|---|
| Fourth Week of Sep, 2021 | Slightly firm | Rs.3250-3400/Quintal | With arrivals yet to come we can expect high price due to higher demand |

*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 |
|--------|---------------------|-----------|-----------|-----------|-----------|-------------------------|--------------------------|-------------------------|
|        |                     | 17-Sep-21 | 10-Sep-21 | 17-Aug-21 | 17-Sep-20 |                         |                          |                         |
| Delhi  | 1121 Steam          | 6400      | 6300      | 6000      | 6200      | 1.59                    | 6.67                     | 3.23                    |
|        | 1121 Sella          | 5650      | 5450      | 5200      | 4900      | 3.67                    | 8.65                     | 15.31                   |
|        | 1121 Raw            | 6400      | 6300      | 6000      | 6400      | 1.59                    | 6.67                     | Unch                    |
|        | Basmati Raw         | 9600      | 9500      | 9200      | 8800      | 1.05                    | 4.35                     | 9.09                    |
|        | 1509 Steam Wand New | 5800      | 5800      | 5600      | 4500      | Unch                    | 3.57                     | 28.89                   |
|        | Sugandh Steam       | 5250      | 5000      | 5000      | 4300      | 5.00                    | 5.00                     | 22.09                   |
|        | Sharbati Raw        | 4750      | 4600      | 4600      | 3300      | 3.26                    | 3.26                     | 43.94                   |
|        | Pusa Raw Wand       | 5500      | 5400      | 5200      | 5600      | 1.85                    | 5.77                     | -1.79                   |
|        | ParmalSella         | 3200      | 3200      | 3200      | 3500      | Unch                    | Unch                     | -8.57                   |

**Kharif Paddy Sowing Updates as on 17<sup>th</sup> September, 2021:**

| State             | State wise Rainfall Distribution (in mm) |                                   |                     | Rice        |                    |           | % Change from last Year |
|-------------------|--|-----------------------------------|---------------------|-------------|--------------------|-----------|-------------------------|
|                   | Normal Rainfall                          | Cumulative (01-06-21 to 17-09-21) | % Devi. From Normal | Normal Area | Area sown reported |           |                         |
|                   |  |                                   |                     |             | This Year          | Last Year |                         |
| Andhra Pradesh    | 428.60                                   | 520.60                            | 21.47               | 14.97       | 13.86              | 14.02     | -1.14                   |
| Arunachal Pradesh | 1560.70                                  | 1229.90                           | -21.20              | 1.31        | 1.28               | 1.32      | -3.03                   |
| Assam             | 1356.30                                  | 1074.30                           | -20.79              | 20.18       | 19.91              | 19.34     | 2.95                    |
| Bihar             | 920.10                                   | 986.30                            | 7.19                | 31.14       | 32.64              | 33.07     | -1.30                   |
| Chhattisgarh      | 1065.90                                  | 1004.40                           | -5.77               | 37.36       | 37.50              | 39.04     | -3.94                   |
| Goa               | 2836.30                                  | 2974.80                           | 4.88                | 0.27        | 0.25               | 0.25      | Unch                    |
| Gujarat           | 652.60                                   | 524.10                            | -19.69              | 7.97        | 8.13               | 8.39      | -3.10                   |
| Haryana           | 416.20                                   | 506.00                            | 21.58               | 14.11       | 13.64              | 13.28     | 2.71                    |
| Himachal Pradesh  | 718.30                                   | 611.80                            | -14.83              | 0.73        | 0.74               | 0.65      | 13.85                   |
| J&K               | 521.40                                   | 375.40                            | -28.00              | 2.81        | 2.58               | 2.57      | 0.39                    |
| Jharkhand         | 952.20                                   | 909.80                            | -4.45               | 15.83       | 17.62              | 17.48     | 0.80                    |
| Karnataka         | 749.50                                   | 806.70                            | 7.63                | 9.11        | 9.07               | 9.98      | -9.12                   |

|                |         |         |        |        |        |        |        |
|----------------|---------|---------|--------|--------|--------|--------|--------|
| Kerala         | 1915.10 | 1586.00 | -17.18 | 1.46   | 0.61   | 0.67   | -8.96  |
| Madhya Pradesh | 882.60  | 834.20  | -5.48  | 21.32  | 34.07  | 28.71  | 18.67  |
| Maharashtra    | 921.80  | 1047.70 | 13.66  | 14.51  | 15.45  | 15.02  | 2.86   |
| Manipur        | 1268.10 | 503.30  | -60.31 | 0.42   | 1.95   | 1.95   | Unch   |
| Meghalaya      | 2653.60 | 2167.20 | -18.33 | 0.97   | 0.97   | 0.97   | Unch   |
| Mizoram        | 1474.20 | 1165.50 | -20.94 | 0.36   | 0.37   | 0.35   | 5.71   |
| Nagaland       | 1037.80 | 773.10  | -25.51 | 2.05   | 2.21   | 2.57   | -14.01 |
| Odisha         | 1061.60 | 932.50  | -12.16 | 36.23  | 35.13  | 37.05  | -5.18  |
| Punjab         | 438.70  | 375.60  | -14.38 | 29.92  | 30.66  | 31.49  | -2.64  |
| Rajasthan      | 398.10  | 409.00  | 2.74   | 1.98   | 1.94   | 2.18   | -11.01 |
| Sikkim         | 1469.80 | 1711.50 | 16.44  | 0.10   | 0.11   | 0.09   | 18.28  |
| Tamil Nadu     | 269.20  | 323.60  | 20.21  | 16.26  | 4.60   | 4.09   | 12.47  |
| Telangana      | 669.90  | 910.40  | 35.90  | 9.94   | 21.28  | 20.60  | 3.30   |
| Tripura        | 1333.30 | 1116.30 | -16.28 | 2.00   | 1.94   | 1.98   | -2.02  |
| Uttar Pradesh  | 732.10  | 632.50  | -13.60 | 58.04  | 60.26  | 60.01  | 0.42   |
| Uttarakhand    | 1108.40 | 1072.80 | -3.21  | 2.41   | 2.50   | 2.49   | 0.40   |
| West Bengal    | 1262.20 | 1378.60 | 9.22   | 41.47  | 42.51  | 43.38  | -2.01  |
| Puducherry     | 354.10  | 348.70  | -1.52  | 0.13   | -      | -      | -      |
| Others         |         |         |        | 0.27   | 0.40   | 0.35   | 14.29  |
| All-India      | 807.40  | 772.70  | -4.30  | 395.66 | 414.18 | 413.34 | 0.20   |

State wise Progressive Procurement As on 09.09.2021

| KMS 2020-21 (Positions upto 13.09.2021) Units in LMTs |              |      |              |        |
|---|--------------|------|--------------|--------|
| S.No.   | STATES/ UTs  | FCI  | State Agency | Total  |
| 1   | A.P.         | 0    | 83.27        | 83.27  |
| 2   | Telangana    | 0    | 141.11       | 141.11 |
| 3   | Assam        | 1.19 | 0.78         | 1.97   |
| 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         |
| <b>Total</b> |               | <b>8.57</b> | <b>881.31</b> | <b>889.88</b> |

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 13.09.2021) a quantity of over 889.88 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<br>( Fig in Million Tons) | 2018-19 | 2019-20<br>Est. | 2020-21<br>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 weak tone from last week. With increasing production and increasing demand worldwide we expect market to hover in the range of USD 13.60-14.00 hundred weights in coming sessions.

**Price Projection (International-CBOT)**

| Duration                         | Trend                   | Price Range                        |
|----------------------------------|-------------------------|------------------------------------|
| 4 <sup>th</sup> Week of Sep-2021 | Steady to slightly firm | USD/ Hundred Weight<br>13.60-14.00 |

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