Rice Weekly Research Report
27th Sep-2021

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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 first advance estimate suggests kharif rice output to reach a new high of 107.04 million tonnes in 2021-22, 6.61 million tonnes higher than the average kharif production estimates of 100.43 million tonnes over the previous five years. India's kharif food grain production is expected to rise by 0.63 percent to a new record of 150.50 million tonnes in the crop year 2021-22 compared to 149.56 million tonnes in 2010-21.

- 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 23.09.2021) a quantity of over 890.66 LMT of rice higher by 15.53% 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.

- In Japan's compound feed mix, the demand for rice increases as the price of corn and sorghum surge according to USDA. They project Japan's consumption in 2021-22 to increase slightly to 8.3 million tonnes as feed consumption is expected to be more than the decline in the table rice consumption. The decrease in table rice consumption is due to decreased consumption in food services, tourism, events and inability of increased household demand.

- Thailand is forecasted to export 13% less rice in the 2021-22 marketing year, as per USDA. The year-on-year decline to 5.8 million tonnes from 6.2 million tonnes is due to shipment container shortage and higher transportation costs. The freight cost to USA is five times higher than the pre covid times. The export of Thai rice to Singapore declined by 52% compared to previous years.

- In Telangana the harvest of paddy is expected to start from 15th October and is set to reach the market by November. Paddy output in this kharif season is expected to be 43% more than previous year. While FCI has announced only 60 lakh tonnes of rice to be procured and a yield of 1.38 crore tonnes is projected.

- Due to depreciation of Baht, the price of rice in Thailand eased to $380-$386 per tonne on 23rd September, the lowest in 18 months. The baht was weakened by 3% since August end. Thailand expects new supply in November.

- Vietnam's 5% broken rice price were at $415-$420 per tonne compared to $410-$420 last week. Vietnam is easing its coronavirus related restrictions gradually, so its expected that trading related activity will revive over coming week.

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

State	Prices 24-30 Sep 2021	Prices 16-23 Sep 2021	Prices 09-15 Sep 2021	Prices 24-30 Sep 2020	% Change (Over Previous Week)	% Change (Over Previous Year)
Gujarat	3844.06	3848.09	3836.84	4368.98	-0.1	-12.01
Karnataka	3891.37	3901.8	3811.08	3367.55	-0.27	15.55
Odisha	3189.4	3002.88	2672.25	2905.26	6.21	9.78
Kerala	3466.57	3418.99	3401.77	3484.7	1.39	-0.52
Tripura	3019.11	2990.48	2901.08	3048.36	0.96	-0.96
Uttar Pradesh	2593.73	2556.6	2548.04	2633.11	1.45	-1.5
Maharashtra	3756.85	3642.09	3541.42	4948.24	3.15	-24.08
West Bengal	2854.56	2781.97	2847.35	2781.62	2.61	2.62
Average	3326.96	3267.86	3194.98	3634.1	1.81	-8.45

Prices in Rs/Quintal

Outlook (Narella 1121 Paddy):-

Duration	Trend	Average Price Range	Reason
First Week of Oct, 2021	Slightly firm	Rs.3400-3500/Quintal	With arrivals yet to come we can expect high price due to higher demand

Comparative Rice Varity Prices of Delhi (Naya Bazaar) in Rs./Quintal)

Market	Variety	Today 24-Sep-21	Week Ago 17-Sep-21	Month Ago 24-Aug-21	Year ago 24-Sep-20	% Change From last week	% Change from last Month	% Change from last Year
Delhi	1121 Steam	6450	6400	6200	6300	0.78	4.03	2.38
	1121 Sella	5750	5650	5300	4800	1.77	8.49	19.79
	1121 Raw	6450	6400	6100	6300	0.78	5.74	2.38
	Basmati Raw	9600	9600	9600	8800	0.00	0.00	9.09

	1509 Steam Wand New	5900	5800	5800	4600	1.72	1.72	28.26
	Sugandh Steam	5350	5250	5000	4500	1.90	7.00	18.89
	Sharbati Raw	3900	4750	4800	3200	-17.89	-18.75	21.88
	Pusa Raw Wand	5550	5500	5200	5700	0.91	6.73	-2.63
	ParmalSella	3200	3200	3100	3400	0.00	3.23	-5.88

Kharif Paddy Sowing Updates as on 17th 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 23.09.2021

KMS 2020-21 (Positions upto 23.09.2021) Units in LMTs				
S.No.	STATES/ UTs	FCI	State Agency	Total
1	A.P.	0	84.01	84.01
2	Telangana	0	141.11	141.11
3	Assam	1.21	0.80	2.01
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	200.13	202.82
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	Uttrakhand	0	10.72	10.72
23	West Bengal	0.65	27.14	27.79
Total		8.59	882.07	890.66

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 23.09.2021) a quantity of over 890.66 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.)	
				26.08.2021	23.09.2021
Production	498	499	507	512	512
Trade	43	44	47	47	48
Consumption	488	496	506	511	509
Carryover stocks	175	179	179	172	182
Y-O-Y change	10	4	1		3
Major Exporters	39	43	47	39	50

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

Global rice consumption in 2020/21 is placed 3m t lower m/m despite upgrade in Chinese feed demand to reflect a downgrade for India, linked to historic data revisions. Taking account of a higher figure for carry-ins, the forecast for stocks is lifted by 8m t m/m. This feeds through to an increased projection of world reserves in 2021/22, raised by 10m t m/m, to a peak of 182m (+3m y/y). Trade in 2022 is predicted 1m t higher m/m, at 48m (+1m).

Huge demand from buyers in Asia and Africa is expected to boost rice trade to a peak of 47m t in 2021, with India potentially taking a 40% share of exports. Global output in 2021/22 is seen rising by 1% y/y, to a record of 512m t, principally on bigger harvests in Asia. Consumption is set to expand on population gains, albeit as uptake in China likely retreats on lower feed use, while stocks are seen increasing by 3m t y/y, mostly on accumulation in India. Global trade in 2022 is predicted to edge up, with Thailand potentially reclaiming market share from India.

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

Market Analysis

The CBOT Nov-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 13.90-14.40 hundred weights in coming sessions.

Price Projection (International-CBOT)

Duration	Trend	Price Range
1st Week of Oct-2021	Steady to Firm	USD/ Hundred Weight 13.90-14.40