Rice Weekly Research Report

Contents

Outlook and Review:

- In Telangana, the government has planned to cut down the paddy farming in the state by 10 lakh acres in the coming season. The government is focusing on five alternative crops of green gram, groundnut, sunflower, sesame and Bengal gram. The plan is to reduce the paddy cultivation by 20% and three zones are identified to press with alternative crops.

- The harvest of Parmal variety is on peak. As per government figure around 5.84 lakh hectares of total 13.64 lakh hectares of paddy is under Parmal varieties which is about 40% of the area. The demand for immediate procurement by farmers and agents is taking place as most of the space in the mandis is full due to bumper arrivals.

- As per traders and exporters, Basmati rice output is expected to drop by 10% to 8.08 million tonnes during 2021-22. The drop in basmati output is largely due to estimated 11% fall to 2.3 million tonnes in crops in Haryana which is the largest producer of aromatic rice varieties. The sowing area under basmati has reduced with estimated 3.5% to 7.9 lakh hectares.

- . As per the officials, the paddy has been cultivated on around 2.57 lakh hectares in Ludhiana and around 17.53 lakh MT paddy is expected to reach the grain market this year. The previous season 17.28 lakh MT of paddy was procured. Apart from 108 regular grain markets, 94 temporary yards and 203 mandi yards are marked to decongest the market in the district.

- FCI to start age test on grain to check mixing of old rice with new stock in Punjab. The system is expected to be operational in December when Punjab's procurement agencies will start handing over rice to the FCI. This system is introduce due to the fact that in last 4-5 years rice purchased from outside states at cheaper prices are mixed with newly shelled grains in Punjab and was sold to central procurement agencies to earn high profits.

- Thailand is targeting to export 6 million tonnes of rice this year amid higher output, weaker baht and increased demand which improved the exports. As per reports, the exports during August and September were 831,260 tonnes and 631,363 tonnes. In January to September, 3.7 million tonnes have been exported and is forecasted to export 700,000 tonnes per month in last three months of the year.

- Paddy procurement in Haryana and Punjab to start from October 3rd amid protest after the postponement of paddy procurement to 11th October. The postponement was earlier done due to high moisture content in the paddy produce. The moisture is ranging from 18% to 22% in Punjab and 18.2% to 22.7% in Haryana against permissible limit of 17%.

- Centre has reduced procurement target for this year to 50 million tonnes from last year's 60 million tonnes, highest ever procurement. In 2020-21 crop marketing year the procurement at MSP was 49.3% of annual production. In 2019-20, it was 43.7% while in 2018-19 it was 38.1%. In Punjab and Telangana the procurement %age is higher than annual production indicating recycling of grains and possibly selling by farmers of other states.

- Centre has asked Chhattisgarh, Telangana and Andhra Pradesh not to transfer parboiled rice this year as central pool stock is enough for next 3-4 years. The states and agencies are advised to process the parboiled rice before handing over to FCI in order to save high processing cost of parboiled rice.

- As per sources, the estimated FCI rice stock is hovering around 36 million tonnes, against 27.8 million tonnes last year at the same time. The FCI rice stock as on October 1 is higher than total offtake of rice (35.2 MT) from central pool under mid-day meal, NFSA and open market sale scheme.

State wise Wholesale Prices Weekly Analysis for Rice first week October, 2021

State	Prices 01-08 Oct 2021	Prices 24-30 Sep 2021	Prices 16-23 Sep 2021	Prices 01-08 Oct 2020	% Change (Over Previous Week)	% Change (Over Previous Year)
Gujarat	3800	3847.78	3848.09	4257.22	-1.24	-10.74
Karnataka	3833.44	4287.82	3901.8	3543.11	-10.6	8.19
Odisha	2800	3043.68	3002.88	2472.33	-8.01	13.25
Uttar Pradesh	2594.63	2549.55	2556.6	2654.87	1.77	-2.27
Maharashtra	3640.75	3758.86	3642.09	3598.96	-3.14	1.16
Tripura	3095.35	3020.88	2990.48	3027.96	2.47	2.23
West Bengal	2907.66	2887.96	2782.88	2803.11	0.68	3.73
Kerala	3481.13	3425.19	3418.99	3491.86	1.63	-0.31
Average	3269.12	3352.72	3267.98	3231.18	-2.49	1.17

Prices in Rs/Quintal

Outlook (Narella 1121 Paddy):-

Duration	Trend	Average Price Range	Reason
Second Week of Oct, 2021	Slightly firm	Rs.3400-3550/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	Week Ago	Month Ago	Year ago	% Change From last week	% Change from last Month	% Change from last Year
		01-Oct-21	24-Sep-21	31-Aug-21	01-Oct-20			
Delhi	1121 Steam	7100	6450	6250	6200	10.08	13.60	14.52
	1121 Sella	6050	5750	5400	4700	5.22	12.04	28.72
	1121 Raw	7100	6450	6250	6200	10.08	13.60	14.52
	Basmati Raw	9600	9600	9600	8800	0.00	0.00	9.09
	1509 Steam Wand New	6500	5900	5900	4500	10.17	10.17	44.44
	Sugandh Steam	5400	5350	5100	4000	0.93	5.88	35.00
	Sharbati Raw	4000	3900	4800	3600	2.56	-16.67	11.11
	Pusa Raw Wand	5600	5550	5400	5500	0.90	3.70	1.82
	ParmalSella	3150	3200	3200	3100	-1.56	-1.56	1.61

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 27.09.2021

KMS 2020-21 (Positions upto 27.09.2021) Units in LMTs				
S.No.	**STATES/ UTs**	**FCI**	**State Agency**	**Total**
1	A.P.	0	84.29	84.29
2	Telangana	0	141.11	141.11
3	Assam	1.25	0.83	2.08
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		8.63	882.38	891.01

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 27.09.2021) a quantity of over 891.01 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:

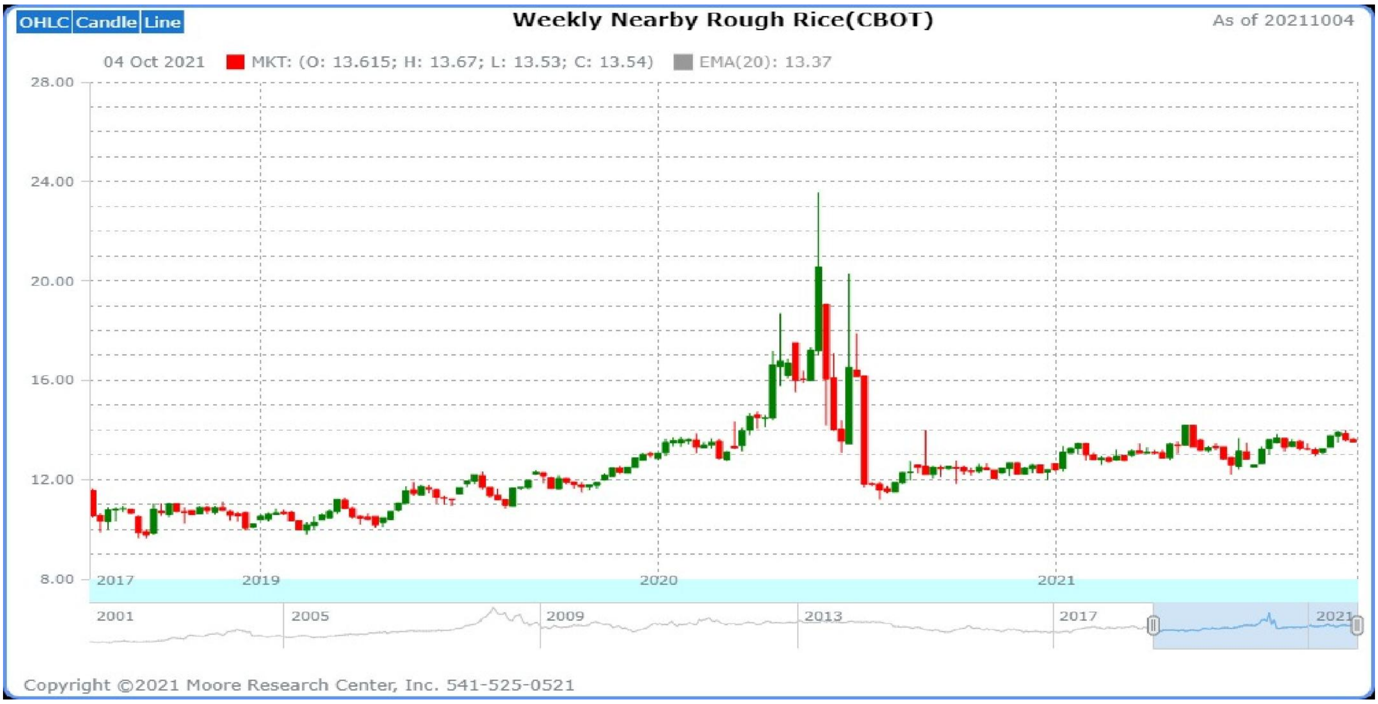
Attributes	2018-19	2019-20	2020-21	2021-22 (Proj.)	
(Fig in Million Tons)		Est.	Forecast	26.08.2021	23.09.2021
Production	498	499	507	512	512
Trade	43	44	47	47	48
Consumption	488	496	506	511	509
Carryover stocks	175	179	179	172	182
Y-O-Y change	10	4	1		3
Major Exporters	39	43	47	39	50

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 weak tone from last week. With good supply and production worldwide we expect market to hover in the range of USD 13.50-14.00 hundred weights in coming sessions.

Price Projection (International-CBOT)

Duration	Trend	Price Range
2nd Week of Oct-2021	Steady to slightly Firm	USD/ Hundred Weight 13.50-14.00