

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:

- Paddy procurement for KMS 2020-21 has almost concluded with purchase of 894.24 lakh MT of paddy upto 05.10.2021 which includes 718.09 lakh MT of kharif crop and 176.15 lakh MT of rabi crop. About 131.14 lakh farmers have been benefitted from KMS 2020-21 procurement with MSP value of Rs. 1,68,832.78 Crore.
- FCI will start procurement of paddy in Himachal Pradesh from October 15th. The farmers will have to register themselves on the procurement portal from October 7th. Dry run of the procurement for selected farmers will take place from October 11.
- As per Union Ministry of Environment, Forest and Climate Change, the total paddy area of Haryana, Punjab and eight NCR districts UP have come down by 7.72% this year compared to last year. Total paddy straw production from non-basmati is reduced by 12.42% compared to last year in these area. The total straw generated during 2020 was 28.4 million tonnes which is now expected to be 26.21 million tonnes in 2021.
- In many districts of Haryana, procurement of paddy below the MSP was reported. The moisture content in the paddy remains above 20% due to the erratic rains last month, while the government norms is upto 17% moisture content. Due to these farmers are left with no options other than selling the product with private players.
- West Bengal is targeting to procure 49 lakh MT of paddy this year with the procurement starting from November 1. The number of CPSs and DPCs were 400 last year and is expected to be 500 the coming season. About 25 lakh MT of kharif and 8 lakh MT of rabi paddy will be procured through state and central pools while remaining 16 lakh MT will be procured by different CMR agencies like WBECSC, Benfed, Confed etc.
- Government agencies procured 1.76 lakh MT of paddy on 10th October in Punjab for the ongoing KMS 2021-22. Government agencies have procured 1.75 lakh MT of paddy while private millers purchased 0.99 lakh MT of paddy. So far 9.33 lakh MT paddy has arrived out of which 8.63 lakh MT has been procured.
- In Odisha during KMS 2020-21, around 14 lakh farmers have sold 77.33 lakh MT of paddy to the state government which include 52.35 lakh MT of rice. During 2021-22, an estimated 52 lakh tonnes of rice is expected to be procured. Out of which 24 lakh MT goes for state's own requirements. And 4 lakh MT include raw rice and remaining 24 lakh MT of parboiled rice are for evacuation by FCI. But since DFPD has already restricted procurement of parboiled rice, it is expected to affect 10 lakh farmers in Odisha.
- Cambodia exported 130,248 tonnes of milled rice in July-September valued at more than \$81 million, representing a 42.95 % rise in volume from 91,115 tonnes in the same period last year.
- Vietnam's export prices for rice gains to a fifth week high on Thursday as the domestic demand rises along with limited supplies. Vietnam's 5% broken rice rose to three month high of \$430-\$435 per tonne from \$425-\$430 a week ago.
- In Thailand, price for 5% broken rice variety rose to \$385-\$420 per tonne from \$385-\$386 last week due to strengthened baht. A stronger baht means higher export prices in US dollars.

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

| State | Prices 09-15 Oct 2021 | Prices 01-08 Oct 2021 | Prices 24-30 Sep 2021 | Prices 09-15 Oct 2020 | % Change (Over Previous Week) | % Change (Over Previous Year) |
|---------------|-----------------------------|-----------------------------|-----------------------------|-----------------------------|--|-------------------------------------|
| Karnataka | 4580 | 4113 | 4287.82 | 3186.29 | 11.35 | 43.74 |
| Odisha | 3012.76 | 2990.3 | 3043.68 | 2567.75 | 0.75 | 17.33 |
| Gujarat | 3800 | 3800 | 3847.78 | 4261.06 | 0 | -10.82 |
| Maharashtra | 3506.62 | 3623.4 | 3758.86 | 3580.34 | -3.22 | -2.06 |
| Tripura | 3074.81 | 3091.07 | 3020.88 | 2958.9 | -0.53 | 3.92 |
| Uttar Pradesh | 2552.66 | 2547.89 | 2549.55 | 2608.57 | 0.19 | -2.14 |
| West Bengal | 2816.79 | 2870.41 | 2887.96 | 2809.84 | -1.87 | 0.25 |
| Kerala | 3445.88 | 3416.86 | 3425.19 | 3486.87 | 0.85 | -1.18 |
| Average | 3348.69 | 3306.62 | 3352.71 | 3182.45 | 1.27 | 5.22 |

Prices in Rs/Quintal

Outlook (Narella 1121 Paddy):-

| Duration | Trend | Average Price Range | Reason |
|-------------------------|--------------------------------|----------------------|---|
| Third Week of Oct, 2021 | In range bound of Rs.50-100 | Rs.3300-3500/Quintal | Arrivals is expected to come by the end of month until then the price is expected to stay in the range bound. |

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 |
|--------|-------------|---------------|---------------|---------------|---------------|-------------------------------|--------------------------------|-------------------------------|
| | | 08-Oct- 21 | 01-Oct- 21 | 07-Sep- 21 | 08-Oct- 20 | | | |
| Delhi | 1121 Steam | 6800 | 7100 | 6400 | 5700 | -4.23 | 6.25 | 19.30 |
| | 1121 Sella | 5800 | 6050 | 5500 | 4800 | -4.13 | 5.45 | 20.83 |
| | 1121 Raw | 6800 | 7100 | 6400 | 5800 | -4.23 | 6.25 | 17.24 |
| | Basmati Raw | 9600 | 9600 | 9600 | 8800 | Unch | Unch | 9.09 |

| | | | | | | | | |
|--|---------------------|------|------|------|------|-------|--------|-------|
| | 1509 Steam Wand New | 6000 | 6500 | 6100 | 4500 | -7.69 | -1.64 | 33.33 |
| | Sugandh Steam | 5400 | 5400 | 5100 | 4500 | Unch | 5.88 | 20.00 |
| | Sharbati Raw | 4100 | 4000 | 4800 | 3600 | 2.50 | -14.58 | 13.89 |
| | Pusa Raw Wand | 5600 | 5600 | 5500 | 5700 | Unch | 1.82 | -1.75 |
| | Parmal Sella | 3100 | 3150 | 3300 | 3200 | -1.59 | -6.06 | -3.13 |

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 Concluded Procurement KMS 2020-21

| KMS 2020-21 (Units in LMTs) | | | | |
|-----------------------------|---------------|------|--------------|--------|
| S.No. | STATES/ UTs | FCI | State Agency | Total |
| 1 | A.P. | 0 | 84.57 | 84.57 |
| 2 | Telangana | 0 | 141.11 | 141.11 |
| 3 | Assam | 1.27 | 0.84 | 2.11 |
| 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 | 44.90 | 44.90 |
| 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 | 894.24 |

Procurement of paddy in ongoing KMS 2021-22 is concluded in India at MSP, as was done in previous seasons, and a quantity of over 894.24 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 good supply and production worldwide, we expect market to hover in the range of USD 13.70-14.20 hundred weights in coming sessions.

Price Projection (International-CBOT)

| Duration | Trend | Price Range |
|----------------------------------|-------------------------|------------------------------------|
| 3 rd Week of Oct-2021 | Steady to slightly Firm | USD/ Hundred Weight 13.70-14.20 |

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