

# Rice Weekly Research Report

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

- Unexpected heavy rainfall in October has ended the hopes of paddy farmers in northeastern Bihar's seemanchal and kosi districts of getting good harvest this year. As per assessment of agricultural department, around 6.6 lakh hectares were impacted due to floods, excessive rains and waterlogging conditions.
- In West Bengal, traditional crop of west Bengal was projected to produce more despite the current rains. During kharif, the state produces around 11 million tonnes of paddy accounting for 70% of entire output which is expected to be 15-16 million tonnes this year. The premium variety Gobindbhog is expected to be impacted by the rains as the crops are becoming larger and quality is suffering.
- Around 440 paddy procurement center is expected to set up in Khammam for KMS 2021-22. As per reports, about 6.50 lakh tonnes of paddy is expected to be procured in Khammam and kothagudem districts of Telangana. In Khammam district, paddy was cultivated in about 2.64 lakh acres in 21 mandals and 5.48 lakh metric tonnes yield was expected.
- As per USDA's GAIN report on China's rice prices said Indian rice made up to 23 percent of total imports by Beijing during January-August this year. The reason for such huge increase in imports is due to competitive price of Indian rice which averaged at \$345 per tonne while the world average stood at \$454 per tonne. As per sources, during January – August China imported 7.3 lakh tonnes from India, 7.1 lakh tonnes from Vietnam and 6.4 lakh tonnes from Pakistan.
- The recovery of huge quantity of PR variety of rice from two godowns of the Karnal district has put the authority on high alert. The district administration suspects that rice meant for public distribution system from UP, Bihar and other neighboring states could be delivered as the custom milled rice (CMR).
- Rice export prices in India rose to their highest level in nearly three months this week as the rupee appreciated amid a shortfall in supply, while higher shipping costs and a weaker baht dragged Thai rates lower. India's 5% broken parboiled variety was quoted at \$362 to \$365 per tonne up from last week's \$360 to \$363.
- The Government of India has stated that there is no possibility of genetically modified (GM) substances mixing with the rice exported because their production is prohibited. As France and other European countries have detected the content of genetically modified rice in the 500 MT of broken rice imported from India.
- Paddy harvesting in Malwa, Majha and Doaba regions of Punjab is expected to be delayed due to heavy rainfall coupled with high velocities of wind and flattened the crop thus reducing the harvest. As per government figures, around 70 lakh tonnes of paddy have reached grain market which is roughly one third of total yield expected this season.
- In Amritsar, agriculture officials have reported 30% loss to the standing crop. In Rupnagar, 10% of the standing crop has been flattened. The rains have expected to delay the pace of the current harvesting season. The harvesting is expected to resume in most parts of Bathinda and Mansa districts from next week.

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

State	Prices 24-31 Oct 2021	Prices 16-23 Oct 2021	Prices 09-15 Oct 2021	Prices 24-31 Oct 2020	% Change (Over Previous Week)	% Change (Over Previous Year)
Karnataka	4538.96	4615.82	4485.47	3251.64	-1.67	39.59
Kerala	3452.82	3464.2	3437.35	3486.2	-0.33	-0.96
Uttar Pradesh	2656.66	2560.34	2564.68	2469.05	3.76	7.6
Tripura	2893.13	3091.01	3070.16	2999.74	-6.4	-3.55
West Bengal	2775.12	2781.86	2847.47	2764.25	-0.24	0.39
Odisha	3148.56	2936.71	2918.86	3380.42	7.21	-6.86
Gujarat	4300	4029.98	3800	4300	6.7	Unch
Maharashtra	3538.71	3672.9	3417.96	3560.9	-3.65	-0.62
Average	3413	3394.1	3317.74	3276.52	0.56	4.17

Prices in Rs/Quintal

**Outlook (Narella 1121 Paddy):-**

Duration	Trend	Average Price Range	Reason
First Week of Nov, 2021	Stay in the range bound	Rs.3400-3600/Quintal	With delay in harvesting and arrivals is yet to reach its full-fledged pace the price is expected to stay in range bound with mix bias.

**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
		22-Oct-21	16-Oct-21	22-Sep-21	22-Oct-20			
Delhi	1121 Steam	6800	6500	6400	5700	4.62	6.25	19.30
	1121 Sella	5900	5800	5700	4800	1.72	3.51	22.92
	1121 Raw	6800	6500	6400	5700	4.62	6.25	19.30

	Basmati Raw	9700	9600	9600	8800	1.04	1.04	10.23
	1509 Steam Wand New	6100	6200	5900	4500	-1.61	3.39	35.56
	Sugandh Steam	5400	5400	5300	3600	Unch	1.89	50.00
	Sharbati Raw	4500	4000	4700	3500	12.50	-4.26	28.57
	Pusa Raw Wand	5700	5700	5500	5700	Unch	3.64	Unch
	Parmal Sella	3100	3000	3200	2900	3.33	-3.13	6.90

**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 Ongoing Procurement KMS 2021-22**

KMS 2021-22 (Units in LMTs) (as on 07.10.2021)				
S.No.	STATES/ UTs	FCI	State Agency	Total
1	A.P.	0	0	0
2	Telangana	0	0	0
3	Assam	0	0	0
4	Bihar	0	0	0
5	Chandigarh	0.01	0	0.01
6	Chhattisgarh	0	0	0
7	Gujarat	0	0	0
8	Haryana	0.02	4.84	4.86
9	H.P.	0	0	0
10	Jharkhand	0	0	0
11	J&K	0	0	0
12	Karnataka	0	0	0
13	Kerala	0	0	0
14	M.P.	0	0	0
15	Maharashtra	0	0	0
16	Odisha	0	0	0
17	Punjab	0.03	3.63	3.66
18	Rajasthan	0	0	0
19	NEF (Tripura)	0	0	0
20	Tamilnadu	0	0	0
21	U.P.	0	0	0
22	Uttrakhand	0	0	0
23	West Bengal	0	0	0
Total		0.06	8.47	8.53

Procurement of paddy in ongoing KMS 2021-22 is going in India at MSP, as was done in previous seasons, and a quantity of over 8.53 LMT of rice was procured as of October 7<sup>th</sup> 2021.

*IGC Balance Sheet:*

Attributes ( Fig in Million Tons)	2018-19	2019-20 Est.	2020-21 Forecast	2021-22 (Proj.)	
				23.09.2021	21.10.2021
Production	498	499	507	512	513
Trade	43	44	48	48	48
Consumption	488	496	506	509	510
Carryover stocks	175	179	179	182	182
Y-O-Y change	10	4	1		3
Major Exporters	39	43	47	50	50

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

With increase in shipment to Asia, the forecast for world rice trade in 2021 is lifted to a new high of 48m t (+4m y/y). Reflecting an upgrade for India, the projection for global production in 2021/22 is raised by 1m t, to a peak of 513m (507m), with the net increase in supplies channelled to an increased figure for utilisation, leaving carryovers steady m/m, at 182m (+3m). Trade in 2022 is predicted to be little-changed y/y, at close to a new peak.

With increase in freight costs and logistics difficulties in some exporters, world rice import demand in 2020/21 is forecast to expand to a record of 48m t (+4m y/y) on firmer demand from buyers in Africa and Asia. Tied to acreage gains and improved yields, 2021/22 production is predicted at a new peak, including a sizeable main crop in India. While population growth will boost consumption, inventories are seen rising to a high of 182m t (+3m), with major exporters' reserves at a record of 50m. Trade in 2022 is seen remaining high, mostly on African demand.

**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. The rice is expected to have a good production worldwide and the ending stocks are expected to be lower, we expect market to hover in the range of USD 13.00-14.00 hundred weights in coming sessions.

**Price Projection (International-CBOT)**

Duration	Trend	Price Range
1 <sup>st</sup> Week of Nov-2021	Stay in the range bound with mix bias	USD/ Hundred Weight 13.00-14.00

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