

Rice Weekly Research Report

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Outlook and Review:

- Paddy procurement has started in Telangana at 1033 paddy purchasing centers in the state at a brisk pace without any hitch.
- AP government has directed authorities to bring a strict policy for paddy procurement and ensure it through Rythu Bharosa Kendras (RBK). The official expects a yield of 87 lakh tonnes from 15.66 lakh hectares from which 50 lakh tonnes will be procured from 6884 RBKs.
- Paddy procurement center was inaugurated at Siddipet district of Telangana. A total of 396 procurement centers are established and 7.5 lakh tonnes of paddy is expected from 3.03 lakh acres cultivated in the district.
- The central government has introduced 'mixed indicator' test for determining the age of milled rice. The test will be used by FCI now in Punjab as they start receiving custom milled rice. The FCI has given Punjab the target of producing 40 lakh MT of fortified rice out of 113 lakh MT expected as CMR.
- Chhattisgarh government has decided to check the illegal entry of paddy in the state which is going to begin the procurement from December 1. The procurement will take place in 2,311 cooperative society centers across the state and 105 lakh tonnes of paddy is expected to be procured.
- India's rice export prices hit 4-month high last week due to limited supplies and a strong rupee. India's 5 % broken parboiled rice variety was quoted at \$364 to \$369 per tonne highest since July 8 up from last week's \$363 to \$367 per tonne.
- In Karnataka, farmers are anxious about fall in the price of paddy with bumper yield expected in the state due to good rains. The farmers are demanding government to establish procurement centers announcing the support prices.
- After procuring over 80 percent of the expected paddy which includes non-basmati arrivals in Punjab's grain market this season, the government has decided to shut all the mandis/purchase centers by November 10 owing to lower arrivals seen in the mandi.
- As of 5th November, Rabi paddy sowing was done in 5.62 lakh hectares down by 2.8 lakh hectares from 8.42 lakh hectares the previous year.
- In Amritsar, paddy arrival has crossed 4.74 lakh MT up from 4.56 lakh MT last year. The crop arrivals are also higher than 2019-20. There is ambiguity in the arrivals as the area has not been increased while increase in the yield is yet to be confirmed. The other reason may be due to illegal selling of paddy from nearby state of UP.
- Rice imports from India through Benapole ports in Bangladesh were suspended on 31st October and will progress after further notice. Due to the situation, Importers were seen rushing to complete the imports of rice on 30th October. This has led to long waiting period for trucks to enter through Benapole port.

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

State	Prices 01-08 Nov 2021	Prices 24-31 Oct 2021	Prices 16-23 Oct 2021	Prices 01-08 Nov 2020	% Change (Over Previous Week)	% Change (Over Previous Year)
Kerala	3447.54	3459.86	3464.2	3495.63	-0.36	-1.38
Maharashtra	4154.06	3993.29	3706.77	3596.43	4.03	15.51
Gujarat	4381.13	4319.04	4029.98	4300	1.44	1.89
Karnataka	4756.41	4496.63	4610.08	3541.72	5.78	34.3
Tripura	3080.39	3031.57	3091.01	3026.38	1.61	1.78
Odisha	3249.35	3114.73	2936.71	3083.47	4.32	5.38
West Bengal	2797.44	2814.69	2779.38	2800.35	-0.61	-0.10
Uttar Pradesh	2558.12	2559.68	2560.3	2471.02	-0.06	3.52
Average	2834.84	3475.65	3395.02	3289.38	-18.44	-13.82

Prices in Rs/Quintal

The price of rice from Nov 01 to Nov 08 was down by 18 percent. The fall in the price owe to huge rise in the price of rice the previous week due to the mid October unseasonal rains which damaged the crop production and quality.

Outlook (Narella 1121 Paddy):-

Duration	Trend	Average Price Range	Reason
Second Week of Nov, 2021	Stay in the range bound with mix bias	Rs.3550-3800/Quintal	With arrivals already started in the market, chances of supply shortage is less.

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
		06-Nov-21	29-Oct-21	07-Oct-21	06-Nov-20			
Delhi	1121 Steam	7100	7100	6900	5400	Unch	2.90	31.48
	1121 Sella	6100	6100	5400	4600	Unch	12.96	32.61
	1121 Raw	7100	7100	6900	5400	Unch	2.90	31.48
	Basmati Raw	9700	9700	9600	8800	Unch	1.04	10.23
	1509 Steam Wand New	6400	6400	6400	5000	Unch	0.00	28.00
	Sugandh Steam	5400	5400	5400	3800	Unch	0.00	42.11
	Sharbati Raw	4400	4400	4100	3500	Unch	7.32	25.71
	Pusa Raw Wand	5600	5600	5700	5200	Unch	-1.75	7.69
	Parmal Sella	3100	3100	3150	3000	Unch	-1.59	3.33

Rabi Paddy Sowing Updates as on 29th October, 2021:

State	Normal Area	Area sown reported			Absolute Change
		This Year	% of Normal	Last Year	
Andhra Pradesh	6.89	0.02	0.30	0.14	-0.12
Assam	4.02	0.00	0.00	0.00	0.00
Bihar	0.71	0.00	0.00	0.00	0.00
Chhattisgarh	-	0.00	0.00	0.00	0.00
Gujarat	0.45	0.00	0.00	0.00	0.00
Karnataka	1.81	0.13	7.18	0.00	0.13
Kerala	0.44	0.00	0.00	0.00	0.00
Maharashtra	0.50	0.00	0.00	0.00	0.00
Manipur	1.83	0.00	0.00	0.00	0.00
Odisha	2.49	0.00	0.00	0.00	0.00
Tamil Nadu	1.54	3.28	212.99	4.20	-0.92
Telangana	7.33	0.29	3.96	0.00	0.29
Tripura	0.71	0.00	0.00	0.00	0.00
Uttar Pradesh	0.26	0.00	0.00	0.00	0.00
West Bengal	12.81	0.00	0.00	0.00	0.00

Others	0.72	0.00	0.00	0.00	0.00
All-India	42.51	3.71	8.73	4.34	-0.63

Source: Agricoop (As on October 29, 2021)

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 7th 2021. The procurement has started in Telangana and also in Chhattisgarh the procurement will start from December 1. In Punjab, around 80 percent of paddy has arrived in the mandis.

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 channeled to an increased figure for utilization, 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 higher, we expect market to hover in the range of USD 12.70-14.00 hundred weights in coming sessions.

Price Projection (International-CBOT)

Duration	Trend	Price Range
2 nd Week of Nov-2021	Stay in the range bound with mix bias	USD/ Hundred Weight 12.70-14.00

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