Rice Weekly Research Report

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Outlook and Review:

- As on 11th November 2021, FCI and state agencies have procured 231.46 lakh tonnes of paddy in India. Punjab is the top state with 165.18 lakh tonnes of procurement followed by Haryana with 53.38 lakh tonnes. Also 155.05 lakh tonnes of rice are procured all over India.

- Chhattisgarh government has urged center to procure around 23 lakh tonnes of parboiled rice from the state. The state has 461 rice mills producing parboiled rice having a capacity of 5.93 lakh tonnes. If the procurement is not done it would impact the rice millers and the workers there.

- Increase in the paddy MSP has prompted West Bengal to increase bank guarantee amount for rice mills by almost 10 percent. It is expected that the increase would put pressure on the working capital of the rice mills.

- From December the exports from India are expected to slow down as the arrivals of kharif paddy would peak and most of the buyers would be adopting "wait and watch" attitude which would ultimately pick up in January. Most of the exports from India are moving towards Red sea mainly to Djibouti.

- As per APEDA, non-basmati rice exports during the first half of the fiscal year increased by 75 percent to 8.91 million tonnes valued at Rs. 21,852 crores from 5.08 million tonnes valued at Rs. 11,765 crores during the same period a year ago. Bangladesh is the top importer buying 1.25 million tonnes during the same period followed by Benin and China importing 0.685 million tonnes and 0.675 million tonnes.

- Basmati rice exports to Iran to pickup again as Iran has lifted seasonal ban on rice imports. Basmati rice exports is expected to increase in the coming month even though high freight charges and container shortages remains a challenge.

- FCI has made it clear to Telangana government that it will not purchase parboiled rice from the state as FCI has enough stocks for next four years. They further added that they will be purchasing white rice from Telangana.

- As of 12th November, Rabi paddy sowing was done in 6.059 lakh hectares down by 11.9% from 6.878 lakh hectares the previous year. Tamil Nadu has sown 5.826 lakh hectares of paddy so far down by 4.32% from 6.089 lakh hectares. In most of the southern states, the sowing of rice has started.

- Thailand rice export prices fell to four and half year low this week. The 5% broken rice prices fell to $377-$383 per tonne down from $382-$384 per tonne. Low exports during most of the 2021 has led to abundant domestic supply and also the harvesting continues till the end of December. It is expected that the export demand would increase as interest from old buyers can be seen along with good export figures due to expensive Vietnam rice.

- Vietnam's 5% broken rice was unchanged from previous week at $430-$435 per tonne. Domestic supply of fresh paddy is running low and is creating an upward price trend in export prices. It is expected to follow the same trend until next harvest.

- In Bangladesh, farmers said production cost could rise in case of rice by 30 percent due to the increase in the price of diesel and petrol. The government has increased the price of kerosene by 23 percent which is expected to increase the transportation cost by 27 percent.

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

State	Prices 09-15 Nov 2021	Prices 01-08 Nov 2021	Prices 24-31 Oct 2021	Prices 09-15 Nov 2020	% Change (Over Previous Week)	% Change (Over Previous Year)
Kerala	3453.65	3445.31	3459.86	3502.06	0.24	-1.38
Odisha	3073.49	3220.58	3114.73	3027.47	-4.57	1.52
Gujarat	4261.77	4361.65	4319.04	4300	-2.29	-0.89
Uttar Pradesh	2560.43	2573.31	2559.68	2431.75	-0.50	5.29
Chattisgarh	-	-	-	2500	-	-
Karnataka	4144.74	4756.65	4496.63	3529.86	-12.86	17.42
Maharashtra	4145.9	4130.01	3992.33	3557.48	0.38	16.54
West Bengal	2761.66	2786.76	2814.69	2779.89	-0.9	-0.66
Average	3426.42	3541.8	3473.57	3178.82	-3.26	7.79

Prices in Rs/Quintal

The price of rice from Nov 09 to Nov 15 was down by 3.26 percent from the previous week. The fall in the price owe to huge rise in the price of rice the previous week ending on 08th November as festive season was going and there was huge demand from hotel and food industry during that time.

Outlook (Narella 1121 Paddy):-

Duration	Trend	Average Price Range	Reason
Third Week of Nov, 2021	Stay in the range bound with mix bias	Rs.3650-3950/Quintal	Arrivals have peaked, chances of supply shortage is minimum

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
		13-Nov-21	06-Nov-21	13-Oct-21	13-Nov-20			
Delhi	**1121 Steam**	7500	7100	6900	5800	Unch	8.70	29.31
	1121 Sella	6600	6100	6000	4700	Unch	10.00	40.43
	1121 Raw	7500	7100	6900	5800	Unch	8.70	29.31
	Basmati Raw	9700	9700	9600	8800	Unch	1.04	10.23
	1509 Steam Wand New	6700	6400	6500	5200	Unch	3.07	28.85
	Sugandh Steam	5800	5400	5400	4200	Unch	7.41	38.10
	Sharbati Raw	4600	4400	4100	3800	Unch	12.20	21.05
	Pusa Raw Wand	5800	5600	5700	5300	Unch	1.75	9.43
	Parmal Sella	3150	3100	3150	3200	Unch	0.00	-1.56

Rabi Paddy Sowing Updates as on 12th November, 2021:

State	Normal Area	Area sown reported			Absolute Change
		This Year	% of Normal	Last Year	
Andhra Pradesh	**6.89**	0.095	1.38	0.380	-0.285
Assam	**4.02**	0.000	0.00	0.000	0.00
Bihar	**0.71**	0.000	0.00	0.000	0.00
Chhattisgarh	**-**	0.000	0.00	0.000	0.00
Gujarat	**0.45**	0.000	0.00	0.000	0.00
Karnataka	**1.81**	0.010	0.55	0.024	-0.014
Kerala	**0.44**	0.120	27.27	0.360	-0.240
Maharashtra	**0.50**	0.000	0.00	0.000	0.00
Manipur	**1.83**	0.000	0.00	0.000	0.00
Odisha	**2.49**	0.000	0.00	0.000	0.00
Tamil Nadu	**1.54**	5.826	378.31	6.089	-0.263
Telangana	**7.33**	0.001	0.00	0.000	0.00
Tripura	**0.71**	0.000	0.00	0.000	0.00
Uttar Pradesh	**0.26**	0.000	0.00	0.000	0.00
West Bengal	**12.81**	0.000	0.00	0.000	0.00

Others	**0.72**	0.007	0.93	0.025	-0.018
All-India	**42.51**	**6.059**	**14.25**	**6.878**	**-0.819**

Source: Agricoop **(As on November 12, 2021)**

State wise Ongoing Procurement KMS 2021-22

KMS 2021-22 (Units in LMTs) (as on 11.11.2021)				
S.No.	**STATES/ UTs**	**FCI**	**State Agency**	**Total**
1	A.P.	*0*	*0*	*0*
2	Telangana	*0*	*0.35*	*0.35*
3	Assam	*0*	*0*	*0*
4	Bihar	*0*	*0.04*	*0.04*
5	Chandigarh	*0.26*	*0*	*0.26*
6	Chhattisgarh	*0*	*0*	*0*
7	Gujarat	*0*	*0.02*	*0.02*
8	Haryana	*0.50*	*52.88*	*53.38*
9	H.P.	*0.13*	*0*	*0.13*
10	Jharkhand	*0*	*0*	*0*
11	J&K	*0.14*	*0*	*0.14*
12	Karnataka	*0*	*0*	*0*
13	Kerala	*0*	*0.18*	*0.18*
14	M.P.	*0*	*0*	*0*
15	Maharashtra	*0*	*0*	*0*
16	Odisha	*0*	*0*	*0*
17	Punjab	*1.37*	*163.81*	*165.18*
18	Rajasthan	*0.04*	*0*	*0.04*
19	NEF (Tripura)	*0*	*0*	*0*
20	Tamilnadu	*0*	*3.70*	*3.70*
21	U.P.	*0.06*	*2.52*	*2.58*
22	Uttrakhand	*0*	*5.36*	*5.36*
23	West Bengal	*0*	*0*	*0*
Total		*2.50*	*228.86*	*231.36*

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 231.36 LMT of paddy was procured as of November 11th 2021. The procurement has started in Telangana and also in Chhattisgarh the procurement will start from December 1. In Punjab, operation of procurement has ended in most of the places and so in the case of Haryana.

IGC Balance Sheet:

Attributes (Fig in Million Tons)	2018-19	2019-20 Est.	2020-21 Forecast	2021-22 (Proj.) 23.09.2021	2021-22 (Proj.) 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 firm 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 13.50-14.50 hundred weights in coming sessions.

Price Projection (International-CBOT)

Duration	Trend	Price Range
3rd Week of Nov-2021	Stay in the range bound with mix bias	USD/ Hundred Weight 13.50-14.50