

Rice Weekly Research Report

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Outlook and Review:

- Non-basmati rice exporters is aiming to ship 16 million tonnes this fiscal year despite challenges on the price and freight front. This is expected to be 15-23 percent higher compared to previous year's 13 million tonnes. In the first half of the current fiscal year, non-basmati rice exports registered a 60 percent volume growth at 8.19 million tonne compared to 5.11 million tonnes the previous year.
- Telangana government is facing jute gunny bag shortage to pack their paddy. The state currently have only 12 crores of jute bags left against required 25 crore jute bags. Every year the required bags jute bags remains 20 crores but this time it has rose to 25 crores. There is paucity in the availability as there is complete dependency on West Bengal and Andhra Pradesh.
- India's 5% broken parboiled rice variety was quoted at \$354-\$360 per tonne this week, their lowest since mid-August which is down from \$359-\$364 last week. Buyers are postponing purchases since prices are falling and is expected to fall further.
- FCI said a target of 23.60 lakh MT of fortified rice to be procured from Andhra Pradesh. Of this Andhra Pradesh civil supplies would procure 9.02 lakh tonnes of fortified rice and remaining by FCI. As on 18th November, Rabi paddy was sown in around 6.33 lakh hectares down by 0.74 lakh hectares from 7.07 lakh hectares last year.
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- FCI has procured 56.46 lakh metric tonnes of rice from Andhra Pradesh till October 2021 against 55.36 lakh tonnes last year. Also, 0.13 lakh tonnes of rice would be more procured in the remainder of the year.
- Iran imported a total of 665,000 tonnes of rice during the current Iranian's first eight months (March 21-November 21) showing a rise of 24 percent compared to similar period last year.
- Farmers in UP were unsatisfied with the current paddy procurement. As the procurement started from October 1st, only 4.98 lakh tonnes of paddy has been procured till now against n announced target of 70 lakh metric tonnes and instead of announced 4,000 procurement centers, only 1712 were running.
- Vietnam's 5% broken rice edged down to \$425-\$430 per tonne from \$430-\$435 per tonne last week. The prices fell following fall in the prices of other exporting countries like India and Pakistan. But lower domestic supplies would prevent further fall in the prices as next harvest is expected only after February or March.
- Thailand's 5% broken rice prices rose to \$385-\$395 per tonne from \$377-\$383 per tonne last week due to strengthening of baht against US dollars and increase in the demand after the prices fell to level last seen in Oct 2017. Rice sale fell due to high logistic costs.
- As per reports, Brazilian rice export should reach 1.2 million tonnes based on overseas sales between January and October which totalles at 958,000 tonnes. In the same period of 2020, around 1.68 million tonnes of rice was exported.

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

State	Prices 16-23 Nov 2021	Prices 09-15 Nov 2021	Prices 01-08 Oct 2021	Prices 16-23 Nov 2020	% Change (Over Previous Week)	% Change (Over Previous Year)
Maharashtra	4181.62	4146.48	4130.01	3548.11	0.85	17.85
Uttar Pradesh	2516.41	2561.15	2573.31	2404.09	-1.75	4.67
West Bengal	2768.8	2761.86	2786.76	2801.63	0.25	-1.17
Gujarat	4356.39	4261.77	4361.65	4294.27	2.22	1.45
Odisha	2467.89	3070.79	3220.58	2918.7	-19.63	-15.45
Karnataka	4258.63	4279.64	4756.65	3038.98	-0.49	40.13
Kerala	3454.85	3453.65	3445.31	3489.04	0.03	-0.98
Tripura	3044.96	3008.88	3060.1	2976.46	1.2	2.3
Average	3381.19	3443.03	3541.8	3183.91	-1.79	6.20

Prices in Rs/Quintal

The price of rice from Nov 16 to Nov 23 was down by 1.79 percent from the previous week. The fall in the price owe to huge fall in price in the state of Odisha.

Outlook (Narella 1121 Paddy):-

Duration	Trend	Average Price Range	Reason
Fourth Week of Nov, 2021	Stay in the range bound with mix bias	Rs.3300-3600/Quintal	With lower production expected in Basmati rice, the prices seems to be fluctuating and arrivals for all other rice is full fledged.

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
		20-Nov-21	13-Nov-21	20-Oct-21	20-Nov-20			
Delhi	1121 Steam	8000	7500	6800	5700	6.67	17.65	40.35
	1121 Sella	6800	6600	5950	4700	3.03	14.29	44.68
	1121 Raw	8000	7500	6800	5800	6.67	17.65	37.93
	Basmati Raw	9700	9700	9900	8600	Unch	-2.02	12.79
	1509 Steam Wand New	7000	6700	6100	5300	4.48	14.75	32.08
	Sugandh Steam	6000	5800	5400	4500	3.45	11.11	33.33
	Sharbati Raw	4800	4600	4000	3800	4.35	20.00	26.32
	Pusa Raw Wand	6300	5800	5600	5300	8.62	12.50	18.87
	Parmal Sella	3150	3150	3150	3200	Unch	Unch	-1.56

Rabi Paddy Sowing Updates as on 19th November, 2021:

State	Normal Area	Area sown reported			Absolute Change
		This Year	% of Normal	Last Year	
Andhra Pradesh	6.89	0.191	27.720	0.500	-0.309
Assam	4.02	0.000	0.000	0.000	0.00
Bihar	0.71	0.000	0.000	0.000	0.00
Chhattisgarh	-	0.000	0.000	0.000	0.00
Gujarat	0.45	0.000	0.000	0.000	0.00
Karnataka	1.81	0.010	0.550	0.030	-0.020
Kerala	0.44	0.180	40.910	0.360	-0.180
Maharashtra	0.50	0.000	0.000	0.000	0.00
Manipur	1.83	0.000	0.000	0.000	0.00
Odisha	2.49	0.000	0.000	0.000	0.00
Tamil Nadu	1.54	5.826	378.310	6.089	-0.263
Telangana	7.33	0.001	0.014	0.000	0.001
Tripura	0.71	0.000	0.000	0.000	0.00
Uttar Pradesh	0.26	0.000	0.000	0.000	0.00
West Bengal	12.81	0.000	0.000	0.000	0.00

Others	0.72	0.123	17.080	0.089	0.034
All-India	42.51	6.331	14.890	7.068	-0.737

Source: Agricoop (As on November 19, 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	Uttarakhand	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 228.86 LMT of rice was procured as of November 11th 2021. The procurement has started in Southern states and also in Chhattisgarh the procurement will start from December 1. In Punjab, the procurement operations are almost finished.

IGC Balance Sheet:

Attributes (Fig in Million Tons)	2018-19	2019-20 Est.	2020-21 Forecast	2021-22 (Proj.)	
				21.10.2021	18.11.2021
Production	499	500	508	513	513
Trade	43	44	48	48	48
Consumption	488	496	506	510	510
Carryover stocks	175	179	179	182	184
Y-O-Y change	11	4	2		3
Major Exporters	40	45	49	50	52

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

The Council's forecast for global rice trade in 2021 is fractionally higher m/m, at 48.3m t (44.0m), on stronger than anticipated demand from buyers in Asia. While 2021/22 world production is projected little-changed m/m, at a peak of 513m t (+1% y/y), end-season stocks are lifted from before, to 184m (+3m y/y), on an upward revision for India. The outlook for global import demand in 2022 is maintained and would be steady y/y.

Stronger demand from importers in Asia and Africa is seen pushing up world rice trade to a peak of 48.3m t (44.0m) in 2021. Linked to another record outturn in India, global production in 2021/22 is forecast at a fresh high, while inventories are seen expanding on accumulation in the major exporters. Despite a likely contraction in feed uptake in China, consumption is predicted at a record on continued population growth. Trade is projected little-changed y/y in 2022 as a potential reduction in deliveries to Asia is countered by firmer demand in Africa.

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 ending stocks has been increased from previous month's estimate, we expect market to hover in the range of USD 14.00-15.00 hundred weights in coming sessions.

Price Projection (International-CBOT)

Duration	Trend	Price Range
4 th Week of Nov-2021	Stay in the range bound with mix bias	USD/ Hundred Weight 14.00-15.00

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