Rice Weekly Research Report

Contents

Outlook and Review:

- As of 26th November, around 7.78 lakh hectares of rabi paddy has been sown against 7.89 lakh hectares the previous year. It is down by 0.12 lakh hectares. In Tamil Nadu, Paddy sowing has been done in 6.92 lakh hectares against 6.59 lakh hectares the previous year which is up by 0.33 lakh hectares.

- As per trade sources, 9.50 lakh tonnes of rice were exported from India during the month of October 2021. It is 3.73 percent lower compared to September with export of 9.87 lakh tonnes. Bangladesh continues to be the largest importer of Indian wheat with 0.84 lakh tonnes 61.82 percent lower compared to previous month export of 2.20 lakh tonnes. China is the second largest importer with 0.75 lakh tonnes of imports and Benin being the third largest importer with 0.42 lakh tonnes.

- As of 25th November, around 277.16 lakh tonnes of paddy have been procured by state agencies and FCI. In Punjab, around 186.08 lakh tonnes of paddy have been procured while from Haryana around 55.31 lakh tonnes of paddy have been procured. FCI has procured around 3.15 lakh tonnes and remaining 274.01 lakh tonnes by various state agencies. Also, approximately 165,078,9 farmers have been benefitted by the paddy procurement.

- Cabinet ministry has announced extension of PMGKAY for another four months till March 2022. The food grain under Phase V would include an estimated food subsidy at Rs. 53,344.52 crores. The total outgo of food grains in Phase V is expected to be 163 LMT.

- Prices of India's 5% broken rice were unchanged at $354 to $360 per tonne due to increase in supply from summer sown crop. New season supplies have already started and consistent purchases are made from China, Bangladesh and Indonesia.

- Thailand's 5% broken rice prices rose to $390-$403 per tonne, the highest since October 14, from $385-$395 per tonne last week. Higher prices have prompted many local traders to buy and store the stocks to inflate the rates along with strengthening of baht.

- In Vietnam, 5% broken rice prices were unchanged at $425-$430 per tonne. Philippines, the largest importer of Vietnam's rice export has temporarily limit imports from Vietnam as high domestic harvest is expected.

- Bangladesh's domestic rice price remains elevated despite good harvest and hefty import duty. Bangladesh has imported 800,000 tonnes of rice since July mainly from India through land ports.

- Philippines is taking step to limit imports of the grain from Vietnam amid big harvest at Philippines. They have suspended issuing sanitary and phytosanitary import clearance for rice shipments from Vietnam. Vietnam's rice shipment to Philippines in the first 10 months of the year rose 12.3 percent from previous year to 2.09 million tonnes.

- Sri Lankan government has decided to partially lift the ban on chemical fertilizer and permit the private players to import fertilizer from other countries and to allow farmers to purchase it from open market. The ban was made in order to make Sri Lanka 100 percent organic nation.

- China's imports of rice and paddy from Pakistan rose 3.9 times that of the same period last year. Pakistan is the third largest supplier of rice to China. Pakistan was the largest supplier of rice to China during the first five months. As China and Pakistan advances agricultural cooperation, Pakistan's rice exports to China may increase in coming months.

- Thailand's monthly rice exports grew for fifth consecutive month in October. As per reports, October exports totaled 773,823 MT up by 74 percent on the year and the highest monthly since January 2019. Thai exports in January-October 2021 to 4.59 million MT marginally higher than this time last year.

- Punjab province of Pakistan produced a record rice production of 5.766 million tonnes which include both basmati and non-basmati for the year 2021-22 against a target of 4.480 million tonnes as well as registering an increase in the yield of 1.9 percent in per acre yield compared to previous year.

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

State	Prices 24-30 Nov 2021	Prices 16-23 Nov 2021	Prices 09-15 Oct 2021	Prices 24-30 Nov 2020	% Change (Over Previous Week)	% Change (Over Previous Year)
Kerala	3450.28	3447.62	3453.65	3486.98	0.08	-1.05
Maharashtra	3751.95	4132.76	4146.48	3585.03	-9.21	4.66
Odisha	3547.43	2501.29	3070.79	3018.37	41.82	17.53
Uttar Pradesh	2486.39	2516.77	2561.15	2392.81	-1.21	3.91
West Bengal	2835.51	2779.99	2761.86	2859.66	2	-0.84
Gujarat	4300	4347.81	4261.77	4300	-1.1	0
Tripura	3065.11	3047.07	3008.88	2988.53	0.59	2.56
Karnataka	4315.86	4092.38	4279.64	2959.72	5.46	45.82
Average	3469.07	3358.21	3443.03	3065.68	3.30	13.16

Prices in Rs/Quintal

The price of rice from Nov 24 to Nov 30 was up by 3.30 percent from the previous week. The rise in the price was mainly due to huge rise of basmati rice prices owing to good export demand and lower expected production.

Outlook (Narella 1121 Paddy):-

Duration	Trend	Average Price Range	Reason
First Week of Dec, 2021	Stay in the range bound with mix bias	Rs.3600-4100/Quintal	With 1121 paady production on lower level, the price remains in range bound

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
		27-Nov-21	13-Nov-21	27-Oct-21	27-Nov-20			
Delhi	1121 Steam	8400	8000	6800	5700	5.00	23.53	47.37
	1121 Sella	7300	6800	6000	4800	7.35	21.67	52.08
	1121 Raw	8600	8000	6800	5800	7.50	26.47	48.28
	Basmati Raw	10000	9700	9700	8500	3.09	3.09	17.65
	1509 Steam Wand New	7700	7000	6200	5300	10.00	24.19	45.28
	Sugandh Steam	6300	6000	5400	4500	5.00	16.67	40.00
	Sharbati Raw	5500	4800	4400	4100	14.58	25.00	34.15
	Pusa Raw Wand	6700	6300	5400	5400	6.35	24.07	24.07
	Parmal Sella	3500	3150	3100	3300	11.11	12.90	6.06

Rabi Paddy Sowing Updates as on 26th November, 2021:

State	Normal Area	Area sown reported			Absolute Change
		This Year	% of Normal	Last Year	
Andhra Pradesh	**6.89**	0.419	6.081	0.820	-0.401
Assam	**4.02**	0.003	0.075	0.002	0.001
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**	0.050	2.762	0.020	0.030
Kerala	**0.44**	0.230	52.27	0.360	-0.130
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**	6.917	449.156	6.592	0.325
Telangana	**7.33**	0.003	0.041	0.000	0.003
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**	0.154	21.389	0.098	0.056
All-India	**42.51**	**7.776**	**18.292**	**7.892**	**-1.145**

Source: Agricoop **(As on November 26, 2021)**

State wise Ongoing Procurement KMS 2021-22

KMS 2021-22 (Units in LMTs) (as on 25.11.2021)				
S.No.	**STATES/ UTs**	**FCI**	**State Agency**	**Total**
1	A.P.	*0*	*0.47*	*0.47*
2	Telangana	*0*	*9.71*	*9.71*
3	Assam	*0*	*0*	*0*
4	Bihar	*0*	*0.83*	*0.83*
5	Chandigarh	*0.27*	*0*	*0.27*
6	Chhattisgarh	*0*	*0*	*0*
7	Gujarat	*0*	*0.15*	*0.15*
8	Haryana	*0.60*	*54.71*	*55.31*
9	H.P.	*0.22*	*0*	*0.22*
10	Jharkhand	*0*	*0*	*0*
11	J&K	*0.25*	*0*	*0.25*
12	Karnataka	*0*	*0*	*0.0*
13	Kerala	*0*	*0.65*	*0.65*
14	M.P.	*0*	*0*	*0*
15	Maharashtra	*0*	*0.03*	*0.03*
16	Odisha	*0*	*0*	*0*
17	Punjab	*1.59*	*184.49*	*186.08*
18	Rajasthan	*0.06*	*0*	*0.06*
19	NEF (Tripura)	*0*	*0*	*0*
20	Tamilnadu	*0*	*4.65*	*4.65*
21	U.P.	*0.16*	*8.89*	*9.05*
22	Uttrakhand	*0*	*9.43*	*9.43*
23	West Bengal	*0*	*0*	*0*
Total		*3.15*	*274.01*	*277.16*

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 277.16 LMT of rice was procured as of November 25th 2021. 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 Jan-2022, Rough Rice) (Prices in US$/hundredweight)

Market Analysis

The CBOT Nov-21 weekly rough chart for rice indicates weak tone last week. The ending stocks has been increased from previous month's estimate, we expect market to hover in the range of USD 14.00-14.60 hundred weights in coming sessions.

Price Projection (International-CBOT)

Duration	Trend	Price Range
1st Week of Dec-2021	Stay in the range bound with mix bias	USD/ Hundred Weight 14.00-14.60