Rice Weekly Research Report

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Outlook and Review:

- In KMS 2021-22, a quantity of 290.98 lakh metric tonne of paddy has been procured upto 30th November 2021 which is down by 67.46 percent against 894.19 lakh metric tonnes procured in KMS 2020-21 during the corresponding period. Till now about 18.17 lakh farmers have been benefitted with MSP value of Rs. 57,032.03 crores. Maximum procurement has been done in Punjab 186.86 lakh tonnes followed by Haryana with 55.31 lakh tonnes.

- As of 03rd December, rabi paddy sowing was done in 9.74 lakh hectares up by 0.36 lakh hectares from 9.37 lakh hectares the previous year during corresponding period. In Tamil Nadu, around 8.74 lakh hectares up by 0.85 lakh hectares from 7.88 lakh hectares the previous year.

- With deteriorating air quality in Delhi and nearby NCR region, the officials have suspended all the industrial operations and processes in NCR not running on PNG or cleaner fuels beyond 8 hours a day from Monday to Friday. Also not allowed to operate anytime during Sunday and Saturday. The rice mills with parboiling activity are going to impacted by the decision as the rice parboiling is a continuous procedure which takes at least 20 hours for one batch of rice. This will affect the export commitments made by rice traders. As a result, paddy prices can go down due to lower demand by the millers.

- Centre is planning to supply fortified rice through fair price shops in future, the union minister has suggested Maharashtra government to set up fortified rice manufacturing plants and rice bran oil processing unit around the paddy belt of Bhandara, Gondia and Chandrapur in Vidarbha.

- Indian rice exports could reach 20 million tonnes the current season as India is expected to produce more than 100 million tonne during kharif 2021-22. Till October around 9 million tonnes of rice has been exported though the basmati rice exports remain low due to high prices.

- Pakistan has achieved bumper rice crop of 9 million tonnes this year with an exportable surplus of 8.03 million tonnes worth $4.85 billion. Currently the shipping line is easing and if the current level is achieved it will earn $2.74 billion more than the previous year. It is expected to be the highest growth in the entire export sector of Pakistan this year.

- RBI allowed an enhanced cash credit limit of Rs. 43,297.88 crore to Punjab for the purchase of paddy. Earlier, the state was allowed a cash credit limit of Rs. 35,000 crores which was enhanced later to Rs. 42,000 crores.

- Even after decline in sowing area and delayed harvesting, West Bengal is expected to harvest bumper production this year. The harvesting has been in good pace as of now and will be completed with early December. West Bengal produces close to 10.5-11 million tonnes of paddy during kharif which accounts for 70 percent of the total production and is estimated to be around 15-16 million tonnes a year and close to 14 percent of total paddy production.

- Latin American markets has opened doors for Indian Basmati rice for the first time. The consignments will leave Indian ports on December. This has come as a relief as Indian exporters have lost Iran market due to payment issues. Earlier Latin American countries depends on US for the rice but has turned to India now.

- Basmati rice prices shot up this year due to unseasonal rains during September and October months. Prices are already up by 20-40 percent this year as the supply of quality basmati rice is almost down by 15-20 percent.

- In Telangana, the rice millers are in dilemma as the migrant labors required for the mills have not returned from their native Bihar due to concerns looming over covid. In Warangal, out of required 12,000 labor forces for the rice mills, only 2,000 have returned. The current scenario along with procurement issue is creating a havoc for millers in Telangana.

- In Himachal Pradesh, the paddy procurement will continue till December 15th. Earlier procurement was to be done till November 30th. The procurement target has also increased from 54,000 tonnes to 56,000 tonnes.

- Pakistan's rice exports surge by 19.04 percent to $594.53 million during the July to October 2021 compared to export worth $499.44 million during the corresponding period last year. Among the rice commodities, the exports of Basmati rice have increased by 27.44 percent surging from $161.65 million to $206.01 million during the current year.

- India's 5% broken rice was quoted at $353 to $358 per tonne down from last week price of $354 to $360 per tonne. Summer crop supplies are rising in India but the rainfall in southern and eastern parts might delay the processing in coming days.

- In Bangladesh, the price of rise increased again despite hefty imports and good crops. Bangladesh has emerged as the major buyer of rice specially from India through land ports. Since July, Bangladesh has brought nearly 800,000 tonnes of rice from India.

- Thailand's 5% broken rice was quoted at $380-$397 per tonne down from $390-$403 per tonne last week. The Thai baht weekend 1.5 percent against dollars last week translating into lower export rates. Thailand is expecting ample amount of new harvest but high freight charges and scarcity of ships pose a major challenge.

- Vietnam's 5% broken price was quoted at $415-$420 per tonne down from $425-$430 a week ago. Prices were lower as the largest importer of Vietnam's rice Philippines limit the imports of rice. The total export of rice in Vietnam could reach 6-6.5 million tonnes in current year.

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

State	Prices 01-08 Dec 2021	Prices 24-30 Nov 2021	Prices 16-23 Oct 2021	Prices 01-08 Dec 2020	% Change (Over Previous Week)	% Change (Over Previous Year)
Gujarat	4351.41	4300	4347.81	4309.91	1.2	0.96
Karnataka	4396.31	4262.61	4092.38	3656.23	3.14	20.24
Tripura	2984.87	3065.33	3047.07	2957.86	-2.62	0.91
Kerala	3406.18	3440.1	3447.62	3489.7	-0.99	-2.39
Maharashtra	4243.69	3611.64	3967.95	3680.67	17.5	15.3
Odisha	3330.74	3283.86	2501.29	3010.87	1.43	10.62
West Bengal	2769.87	2829.14	2779.99	2754.64	-2.09	0.55
Uttar Pradesh	2497.98	2466.13	2516.77	2385.64	1.29	4.71
Average	3497.63	3407.35	3337.61	3280.69	2.65	6.61

Prices in Rs/Quintal

The price of rice from December 1 to December 08 was up by 2.65 percent from the previous week. The rise in the price was mainly due to huge demand experienced in steam rice due to wedding season along with good export demand from Nepal and other neighbouring countries.

Outlook (Narella 1121 Paddy):-

Duration	Trend	Average Price Range	Reason
Second Week of Dec, 2021	Stay in the range bound with mix bias	Rs.3600-4000/Quintal	With the ongoing issue of air quality, the demand for paddy from millers is expected to be impacted.

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
		04-Dec-21	27-Nov-21	04-Nov-21	04-Dec-20			
Delhi	**1121 Steam**	7700	8400	Closed	5700	-8.33	-	35.09
	1121 Sella	6900	7300	Closed	4800	-5.48	-	43.75
	1121 Raw	7700	8600	Closed	5800	-10.47	-	32.76
	Basmati Raw	10000	10000	Closed	8500	Unch	-	17.65
	1509 Steam Wand New	7100	7700	Closed	5300	-7.79	-	33.96
	Sugandh Steam	6000	6300	Closed	4500	-4.76	-	33.33
	Sharbati Raw	4900	5500	Closed	4100	-10.91	-	19.51
	Pusa Raw Wand	6100	6700	Closed	5400	-8.96	-	12.96
	Parmal Sella	3250	3500	Closed	3300	-7.14	-	-1.52

Rabi Paddy Sowing Updates as on 03rd December, 2021:

State	Normal Area	Area sown reported			Absolute Change
		This Year	% of Normal	Last Year	
Andhra Pradesh	**6.89**	0.510	7.40	0.970	-0.460
Assam	**4.02**	0.003	0.07	0.002	0.001
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**	0.060	3.31	0.030	0.030
Kerala	**0.44**	0.230	52.27	0.360	-0.130
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**	0.007	0.28	0.010	-0.003
Tamil Nadu	**1.54**	8.736	567.27	7.883	0.853
Telangana	**7.33**	0.004	0.05	0.001	0.003
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**	0.190	26.39	0.120	0.070
All-India	**42.51**	**9.740**	**22.91**	**9.376**	**0.364**

Source: Agricoop **(As on December 03, 2021)**

State wise Ongoing Procurement KMS 2021-22

KMS 2021-22 (Units in LMTs) (as on 30.11.2021)				
S.No.	**STATES/ UTs**	**FCI**	**State Agency**	**Total**
1	A.P.	*0*	*0.62*	*0.62*
2	Telangana	*0*	*16.14*	*16.14*
3	Assam	*0*	*0*	*0*
4	Bihar	*0*	*0.59*	*0.59*
5	Chandigarh	*0.27*	*0*	*0.27*
6	Chhattisgarh	*0*	*0*	*0*
7	Gujarat	*0*	*0.22*	*0.22*
8	Haryana	*0.60*	*54.70*	*55.30*

9	H.P.	0.22	0.02	0.24
10	Jharkhand	0	0	0
11	J&K	0.25	0.04	0.29
12	Karnataka	0	0	0.0
13	Kerala	0	0.91	0.91
14	M.P.	0	0	0
15	Maharashtra	0	0.17	0.17
16	Odisha	0	0.03	0.03
17	Punjab	1.59	185.27	186.86
18	Rajasthan	0.06	0.01	0.07
19	NEF (Tripura)	0	0	0
20	Tamilnadu	0	5.28	5.28
21	U.P.	0.16	12.27	12.43
22	Uttrakhand	0	11.55	11.55
23	West Bengal	0	0	0
Total		3.15	287.82	290.97

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 290.97 LMT of rice was procured as of November 30th 2021. In Punjab, the procurement operations are almost finished. The procurement has been done majorly in Punjab and Haryana. The procurement in southern and eastern part of the country have started. With time the procurement is about to increase specially in southern and eastern part of the country.

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 Jan-22 weekly rough chart for rice indicates weak tone last week. The trade is continuing with weak tone since last three weeks. As several countries is expecting good production along with lower trade worldwide, we can expect the market to hover in the range of 13.75-14.25 in the coming week.

Price Projection (International-CBOT)

Duration	Trend	Price Range
2nd Week of Dec-2021	Stay in the range bound with mix bias	USD/ Hundred Weight 13.75-14.25