

Rice Weekly Research Report

Contents

- ❖ Outlook and Review
- ❖ Weekly Price Change
- ❖ Rabi Sowing Update
- ❖ Progressive Procurement
- ❖ International Rice Market Summary
- ❖ IGC Balance Sheet
- ❖ CBOT Trend

Outlook and Review:

- In KMS 2021-22, a quantity of 351.27 lakh metric tonne of paddy has been procured up to 13th December 2021. Till now about 30.06 lakh farmers have been benefitted with MSP value. Maximum procurement has been done in Punjab 186.85 lakh tonnes followed by Haryana with 55.31 lakh tonnes.
- As of 10th December, rabi paddy sowing was done in 10.81 lakh hectares up by 0.525 lakh hectares from 10.366 lakh hectares the previous year during corresponding period. In Tamil Nadu, around 9.611 lakh hectares up by 1.127 lakh hectares from 8.484 lakh hectares the previous year.
- Fortified rice kernel manufacturers association of Haryana said they will go on hunger strike if the government did not cancel its milling tenders to private firm. As per reports, the government has given tenders to firm which offered Rs. 59.64 + GST per kg of fortified rice to the government, while the Haryana based firm are even ready to give the same quality rice at Rs. 45-50 per kg.
- As per reports, around 10,591 hectares of paddy crop has been lost in the Balasore district of Odisha due to Jawad induced rains. The farmers claim that it will take next 20 days to completely drain out water from the farm lands by then all paddy would be either damaged or germinated.
- As per Thai rice exporter association (TREA) rice importing nations would pay approximately \$579.75 million to shipping line as freight charges by the end of the year. Nigeria would pay \$300 million for 2 million tonnes of rice, Benin pays \$81 million for 540,000 tonnes while Togo pays \$56.25 million for 375,000 tonnes and Ghana pays \$142.5 million for 950,000 tonnes. The shift from containers to bulk shipment have affected the cost of foreign rice importation to West Africa from Thailand and other Asian countries.
- Telangana high court refuses to pass orders on paddy MSP as in many places' reports are coming of low price selling of paddy by the farmers to the millers. The paddy was sold at menial Rs. 1000 by the farmers due to fear of damage of crop due to the rains. The paddy purchasing is going in the state and around 6,439 procurement centers have been established.
- After Telangana, Andhra Pradesh asks farmers to shun paddy cultivation this rabi and shift the area to alternatives like millets. The state has earlier planned to increase paddy area by one lakh hectares to 8.50 lakh hectares from normal area of 7.50 lakh hectares. But the farmers have sown only 50,000 hectares as of now against 94,000 hectares the previous year.
- Rice exporters association of Pakistan (REAP) is urging government to take immediate action to ensure timely availability of containers for the exports of rice. Also shipping companies are charging too high compared to the prevailing rates.
- Chhattisgarh has started depositing custom milled rice to the central pool to FCI godowns in the state. The rice millers in the state have announced a support price of Rs. 120 for milling per quintal of rice. Chhattisgarh has set a target of depositing 61.65 lakh tonnes of rice under central pool.
- India's 5 percent broken rice was quoted at \$351-\$356 per tonne down from \$353-\$358 last week. The price fell as Indian rupee weakened touching two months low. This has made Indian rice highly competitive in international market.

- In Vietnam, 5 percent broken rice fell to \$410-\$414 per tonne from \$415-\$420 per tonne last week. The market is considered to be idle currently except high freight charge and container crunch remains a major problem. Farmers in Mekong Delta are also accelerating the sowing of seeds in order to avoid drought and salinity.
- Thailand's 5 percent broken rice was narrowed to \$385-\$396 per tonne from \$380-\$397 per tonne last week. It is mainly due to strengthening of Thai baht over Us dollars.
- Jharkhand government to take loan of Rs. 1552 crore for the procurement of paddy at MSP from two PSU banks. Normal paddy would be purchased at Rs. 2050 per quintal while grade A paddy will be procured at Rs. 2070 per quintal.

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

State	Prices 09-15 Dec 2021	Prices 01-08 Dec 2021	Prices 24-30 Nov 2021	Prices 09-15 Dec 2020	% Change (Over Previous Week)	% Change (Over Previous Year)
Karnataka	4093.44	4506.43	4262.61	3426.66	-9.16	19.46
Kerala	3656.92	3406.86	3440.1	3471.11	7.34	5.35
Maharashtra	3410.04	4138.54	3611.64	4212.34	-17.6	-19.05
Odisha	3211.83	3261.74	3283.86	3187.37	-1.53	0.77
Tripura	3042.54	2984.43	3065.33	2949	1.95	3.17
West Bengal	2835.45	2774.45	2829.14	2723.41	2.2	4.11
Gujarat	4300.57	4357.33	4300	4294.16	-1.3	0.15
Uttar Pradesh	2495.39	2485.93	2466.13	2347.93	0.38	6.28
Average	3380.77	3489.46	3407.35	3326.5	-3.11	1.63

Prices in Rs/Quintal

The price of rice from December 9 to December 15 was down by 3.11 percent from the previous week. This is mainly due to lower demand of paddy as a result of shutting down of rice mills in Delhi and NCR region.

Outlook (Narella 1121 Paddy):-

Duration	Trend	Average Price Range	Reason
Third Week of Dec, 2021	Stay in the range bound with mix bias	Rs.3500-4000/Quintal	Problem of Air quality issue and shutting of mills has been sorted which can support the market. .

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
		04-Dec-21	27-Nov-21	04-Nov-21	04-Dec-20			
Delhi	1121 Steam	7800	8400	7150	6300	-7.14	9.09	23.81
	1121 Sella	6800	7300	6450	5300	-6.85	5.43	28.30
	1121 Raw	7800	8600	7150	6400	-9.30	9.09	21.88
	Basmati Raw	10000	10000	9700	9900	Unch	3.09	1.01
	1509 Steam Wand New	7100	7700	6500	6000	-7.79	9.23	18.33
	Sugandh Steam	6100	6300	5600	5000	-3.17	8.93	22.00
	Sharbati Raw	5000	5500	4350	4400	-9.09	14.94	13.64
	Pusa Raw Wand	6200	6700	5700	6100	-7.46	8.77	1.64
	Parmal Sella	3300	3500	3050	3300	-5.71	8.20	0.00

Rabi Paddy Sowing Updates as on 10th December, 2021:

State	Normal Area	Area sown reported			Absolute Change
		This Year	% of Normal	Last Year	
Andhra Pradesh	6.89	0.660	9.58	1.240	-0.580
Assam	4.02	0.024	0.60	0.028	-0.004
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	0.080	4.42	0.040	0.040
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	0.008	0.32	0.020	-0.012
Tamil Nadu	1.54	9.611	624.09	8.484	1.127
Telangana	7.33	0.028	0.38	0.007	0.021
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	0.250	34.72	0.187	0.063
All-India	42.51	10.891	25.62	10.366	0.525

Source: Agricoop (As on December 10, 2021)

State wise Ongoing Procurement KMS 2021-22

KMS 2021-22 (Units in LMTs) (as on 13.12.2021)				
S.No.	STATES/ UTs	FCI	State Agency	Total
1	A.P.	0	2.56	2.56
2	Telangana	0	32.31	32.31
3	Assam	0	0	0
4	Bihar	0	2.58	2.58
5	Chandigarh	0.27	0	0.27
6	Chhattisgarh	0	18.78	18.78
7	Gujarat	0	0.39	0.39
8	Haryana	0.60	54.71	55.31
9	H.P.	0.27	0.00	0.27
10	Jharkhand	0	0	0
11	J&K	0.33	0.00	0.33
12	Karnataka	0	0	0.0
13	Kerala	0	1.45	1.45
14	M.P.	0	3.45	3.45
15	Maharashtra	0	1.35	1.35
16	Odisha	0	2.26	2.26
17	Punjab	1.61	185.24	186.85
18	Rajasthan	0.06	0.01	0.07
19	NEF (Tripura)	0	0	0
20	Tamilnadu	0	6.37	6.37
21	U.P.	0.38	24.73	25.11
22	Uttrakhand	0	11.56	11.56
23	West Bengal	0	0	0

Total	3.53	347.74	351.27
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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 351.27 LMT of rice was procured as of December 13th 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 four weeks. As several countries are expecting good production along with lower trade worldwide, we can expect the market to hover in the range of 13.00-13.90 in the coming week.

Price Projection (International-CBOT)

Duration	Trend	Price Range
3rd Week of Dec-2021	Stay in the range bound with mix bias	USD/ Hundred Weight 13.00-13.90

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