Rice Weekly Research Report

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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 17th December, rabi paddy sowing was done in 11.922 lakh hectares up by 0.479 lakh hectares from 11.443 lakh hectares the previous year during corresponding period. In Tamil Nadu, around 9.807 lakh hectares up by 1.116 lakh hectares from 8.691 lakh hectares the previous year.

- Export prices for rice from Vietnam hit their lowest level in more than three months due to weak demand, while rates in other Asian hubs held steady this week. Rates for Vietnam's 5% broken rice slipped to $400-$410 per tonne, the lowest since Sept. 9, from $410-$414 per tonne last week. Demand is weaker and this year's total rice exports maybe just around six million tonnes, down from a previous forecast of 6.2-6.5 million tonnes. The country's November rice exports were down 8.4% from the previous month at 566,358 tonnes, official customs data showed. Exports in the first 11 months of this year rose 0.8% year-on-year to 5.7 million tonnes.

- Thailand's 5% broken rice export prices were unchanged at $385-$396 per tonne, tracking muted moves in the baht versus the U.S. dollar. he overseas market remained quiet towards the end of the year, as expected.Prices of the staple from top exporter India held at their lowest since December 2016, pressured by a depreciating rupee amid thin demand.

- India's 5% broken parboiled variety was quoted at $351 to $356 per tonne, unchanged from last week. Buyers are expecting further fall in prices as new season supplies have started.

- Bangladesh has been importing mostly from India through land ports. However, the country's rice output could fall to 35.5 million tonnes in the 2021-22 marketing year, down 0.8 million tonnes from the previous year, as per USDA.

- Thailand has set a target of rice exports of 7-7.5 million tonnes next year, up from an estimated 6 million tonnes this year, helped by sufficient water supply and a weak baht, making Thai grains more competitive.

- In the first seven months of the current financial year (2021-22), India's rice exports rose by more than 33 per cent to 11.79 MT from 8.91 MT achieved during April-October, 2020-21. It is expected that India's rice exports in 2021-22 would likely surpass the record feet of 17.72 MT achieved in 2020-21.

- In 2020-21, India shipped non-basmati rice to nine countries – Timor-Leste, Puerto Rico, Brazil, Papua New Guinea, Zimbabwe, Burundi, Eswatini, Myanmar and Nicaragua, where exports were carried out for the first time or earlier the shipment was smaller in volume. India’s Non-Basmati rice exports was valued at USD 4796 million (Rs 35448 crore) in 2020- 21, with Basmati Rice exports a close second at USD 4018 million (Rs 29,849 crore).

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

State	Prices 16-23 Dec 2021	Prices 09-15 Dec 2021	Prices 01-08 Dec 2021	Prices 16-23 Dec 2020	% Change (Over Previous Week)	% Change (Over Previous Year)
Maharashtra	4107.7	3584.68	4142.5	3581.73	14.59	14.68
Odisha	3239.48	3163.85	3261.74	2944.01	2.39	10.04
Tripura	3047.97	3041.02	2984.43	2915.32	0.23	4.55
Gujarat	4200	4300.57	4357.33	4312.91	-2.34	-2.62
Kerala	3648.41	3652.44	3406.86	3490.31	-0.11	4.53
Uttar Pradesh	2499.22	2491.93	2485.88	2360.71	0.29	5.87
West Bengal	2765.64	2830.77	2774.45	2688.85	-2.3	2.86
Karnataka	3598.61	4051.93	4505.09	3484.22	-11.19	3.28
Average	3388.38	3389.65	3489.79	3222.26	-0.04	5.14

Prices in Rs/Quintal

The price of rice from December 16 to December 23 was down by 0.04 percent from the previous week.

Outlook (Narella 1121 Paddy):-

Duration	Trend	Average Price Range	Reason
Fourth Week of Dec, 2021	Stay in the range bound with mix bias	Rs.3500-4000/Quintal	The overseas market remains slow due to year end. .

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
		18-Dec-21	11-Dec-21	18-Nov-21	18-Dec-20			
Delhi	1121 Steam	7550	7800	7300	6100	-3.21	3.42	23.77
	1121 Sella	6750	6800	6200	5500	-0.74	8.87	22.73
	1121 Raw	7500	7800	7300	6100	-3.85	2.74	22.95
	Basmati Raw	10000	10000	9700	9400	Unch	3.09	6.38
	1509 Steam Wand New	7100	7100	6300	5500	Unch	12.70	29.09
	Sugandh Steam	6300	6100	5800	4600	3.28	8.62	36.96
	Sharbati Raw	5000	5000	4600	4300	Unch	8.70	16.28
	Pusa Raw Wand	6200	6200	5800	5800	Unch	6.90	6.90
	Parmal Sella	3300	3300	3100	3250	Unch	6.45	1.54

Rabi Paddy Sowing Updates as on 17th December, 2021:

State	Normal Area	Area sown reported			Absolute Change
		This Year	% of Normal	Last Year	
Andhra Pradesh	**6.89**	0.900	13.06	1.510	-0.610
Assam	**4.02**	0.048	1.19	0.110	-0.062
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**	0.110	6.08	0.050	0.060
Kerala	**0.44**	0.670	152.27	0.620	0.050
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**	0.013	0.52	0.066	-0.053
Tamil Nadu	**1.54**	9.807	636.82	8.691	1.116
Telangana	**7.33**	0.053	0.72	0.151	-0.098
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**	0.321	44.58	0.245	0.076
All-India	**42.51**	**11.922**	**28.05**	**11.443**	**0.479**

Source: Agricoop (As on December 17, 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

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 five weeks. As several countries is expecting good production along with lower trade worldwide, we can expect the market to hover in the range of 13.00-13.90 in the coming week.

Price Projection (International-CBOT)

Duration	Trend	Price Range
4th Week of Dec-2021	Stay in the range bound with mix bias	USD/ Hundred Weight 13.00-13.90