Rice Weekly Research Report

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Outlook and Review:

- As of 21st January, Rabi paddy sowing was done in 23.606 lakh hectares down by 21.86% from 30.21 lakh hectares the previous year. Tamil Nadu has sown 11.30 lakh hectares of paddy so far up from 10.19 lakh hectares. The decrease in the acreage is mainly due to Telangana and Andhra Pradesh farmers opting out sowing of paddy due to the procurement issues with the Centre and government's crop diversification policies. Also, in West Bengal and Odisha, the sowing has been delayed due to unseasonal rainfalls.

- As per trade sources, during the month of December, around 18.04 lakh MT of rice was exported from India. Iran was the largest buyer of rice in the month of December with 2.14 lakh MT followed by Sri Lanka with 1.68 lakh MT. Nepal has imported 1.89 lakh MT of rice and China with 1.26 lakh MT. The exports are 4.3 lakh MT higher than the November month export of 13.74 lakh MT. The increase in exports is mainly due to higher demand received from Middle East countries who are stocking up for the Ramzan festival in the month of March. Also, China had imported India's broken rice due to its competitive price compared to other competitors.

- Rice prices in India reached a seven-month high this week due to a railway wagon scarcity. India's 5% broken parboiled rice was quoted at $375-$382 per tonne, its highest since June, up from last week's $367-$375 per tonne. Railway wagons are not available and moving rice by trucks twice as expensive. Slowing exports could force the Indian government to increase procurement from farmers. Shipments of more than 500,000 tonnes of non-basmati rice that need to be transported to Kakinada port from Chhattisgarh have been stuck due to the shortage of freight trains. Railways have diverted wagons to ship fertilizers and to serve thermal coal power plants to ensure adequate power supply this winter after power plants ran out of coal a few months ago. The shortage has created longer waiting period for vessels and containers in the port which made the container suppliers to increase the cost of containers.
- Despite the increase in prices, it is still highly competitive compared to other major countries like Thailand and Vietnam.

- Thailand's 5% broken rice prices rose to $407-$410 per tonne, the highest since last mid-July, from $404-$405 per tonne last week after theBaht appreciated against the U.S. dollar. Vietnam's 5% broken rice was offered at $395-$405 per tonne, unchanged from a week ago. The market is quiet, and we expect it to remain so until after the Lunar New Year holiday and domestic supplies will remain low until the harvest beginning next month.

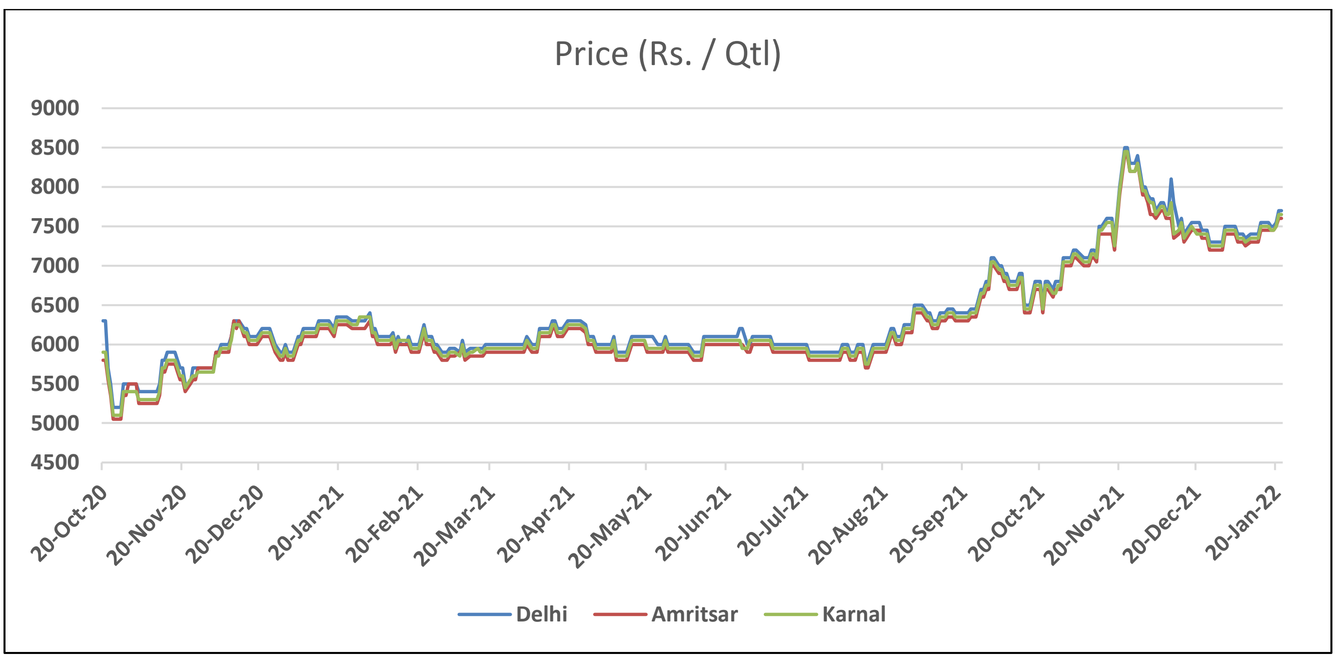
- The Philippines' paddy rice production in 2021 is likely to exceed 20 million tonnes, marking a new record high for the annual harvest despite crop losses reported from a powerful typhoon last month. This indicates that the country will be having enough stocks of rice and once the largest importer of rice, wouldn't be purchasing much rice this year. Vietnam used to be the major exporter of rice to Philippines. Philippines is not a major market for Indian rice and hence the higher production and stocks are not going to impact India's rice exports to large extent.

State wise Wholesale Prices Weekly Analysis for Rice third week January, 2022

State	Prices 16-23 Jan 2022	Prices 09-15 Jan 2022	Prices 01-08 Jan 2022	Prices 16-23 Jan 2021	% Change (Over Previous Week)	% Change (Over Previous Year)
Odisha	2891.52	3071.16	-	2837.12	-5.85	1.92
Uttar Pradesh	2516.58	2496.93	-	2398.92	0.79	4.9
Kerala	3665.78	3768.1	-	3482.56	-2.72	5.26
Tripura	2891.08	2994.73	-	2911.31	-3.46	-0.69
Gujarat	4252.27	4251.67	-	3734.39	0.01	13.87
Jharkhand	-	-	-	2344.31	-	-
Manipur	3400	3400	-	-	-	-
Maharashtra	3561.31	4062.66	-	3616.71	-12.34	-1.53
West Bengal	2890.29	2841.12	-	2698.41	1.73	7.11
Karnataka	3800.74	3618.24	-	3448.11	5.04	10.23
Average	3318.84	3389.4	-	3052.43	2.08	8.73

Prices in Rs/Quintal **(source: Agmarknet)**

The price of 1121 steam rice saw an increase by Rs 150 in major mandis of Delhi, Karnal and Amritsar. There is now lower stocks available with the rice millers and small export deals are moving forward at a good pace which is supporting the prices even as the fear of rapid spread of corona is preventing major export deals from foreign markets.



Outlook (Narella 1121 Steam):-

Duration	Trend	Average Price Range	Reason
Fourth Week of January, 2022	Slight weak bias	Rs.7400-7500/Quintal	Rake unavailability and container shortage is about to impact the export operations in coming week.
First Week of February, 2022	Steady bias	Rs.7350-7400/Quintal	Due to Chinese New Year, availability of containers can be limited impacting the exports
Second Week of February, 2022	Firm bias	Rs.7500-7600/Quintal	backlog of demand building up from blank sailings over the holiday period

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
		23-Jan-22	15-Jan-22	23-Dec-21	23-Jan-21			
Delhi	**1121 Steam**	7700	7550	7450	6350	1.99	3.36	21.26
	1121 Sella	6900	6650	6750	5400	3.76	2.22	27.78
	1121 Raw	7700	7600	7450	6300	1.32	3.36	22.22
	Basmati Raw	–	–	–	9200	–	–	–
	1509 Steam Wand New	7100	7200	7050	5800	-1.39	0.71	22.41
	Sugandh Steam	6100	6000	6200	5200	1.67	-1.61	17.31
	Sharbati Raw	4950	4900	4900	4700	1.02	1.02	5.32
	Pusa Raw Wand	5900	5900	6200	6000	0.00	-4.84	-1.67
	Parmal Sella	3100	3150	3150	3300	-1.59	-1.59	-6.06

Rabi Paddy Sowing Updates as on 21st January, 2022:

State	Normal Area	Area sown reported			Absolute Change
		This Year	% of Normal	Last Year	
Andhra Pradesh	**6.89**	5.380	78.08	6.030	-0.650
Assam	**4.02**	0.660	16.42	1.079	-0.419
Bihar	**0.71**	0.00	0.00	0.00	0.00
Chhattisgarh	**-**	0.318	-	0.652	-0.181
Gujarat	**0.45**	0.00	0.00	0.00	0.00
Karnataka	**1.81**	0.070	3.87	0.080	-0.010
Kerala	**0.44**	0.840	190.91	0.740	0.100
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**	0.268	10.76	0.529	-0.261
Tamil Nadu	**1.54**	11.301	733.83	10.192	1.109
Telangana	**7.33**	3.093	42.20	9.035	-5.942
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**	1.020	7.96	1.250	-0.230
Others	**0.72**	0.656	91.11	0.621	0.035
All-India	**42.51**	**23.606**	**55.53**	30.208	-6.602

Source: Agricoop (As on January 21, 2022)

State wise Ongoing Procurement KMS 2021-22

KMS 2021-22 (Units in LMTs) (as on 20.01.2022)				
S.No.	**STATES/ UTs**	**FCI**	**State Agency**	**Total**
1	A.P.	*0*	*21.04*	*21.04*
2	Telangana	*0*	*69.08*	*69.08*
3	Assam	*0.01*	*0*	*0.01*
4	Bihar	*0*	*21.12*	*21.12*
5	Chandigarh	*0.27*	*0*	*0.27*
6	Chhattisgarh	*0*	*76.95*	*76.95*
7	Gujarat	*0*	*1.22*	*1.22*
8	Haryana	*0.60*	*54.71*	*55.31*
9	H.P.	*0.28*	*0.00*	*0.28*
10	Jharkhand	*0*	*1.13*	*1.13*
11	J&K	*0.41*	*0.00*	*0.41*
12	Karnataka	*0*	*0*	*0.0*

13	Kerala	0	1.94	1.94
14	M.P.	0	45.22	45.22
15	Maharashtra	0	8.44	8.44
16	Odisha	0	26.08	26.08
17	Punjab	1.61	185.25	186.86
18	Rajasthan	0.07	0.00	0.07
19	NEF (Tripura)	0	0.15	0.15
20	Tamilnadu	0	7.27	7.27
21	U.P.	0.88	53.66	54.54
22	Uttrakhand	0	11.56	11.56
23	West Bengal	0	3.95	3.95
Total		4.13	588.77	592.90

IGC Balance Sheet:

Attributes (Fig in Million Tons)	2018-19	2019-20	2020-21 Est.	2021-22 (Fore.)	
				18.11.2021	13.01.2022
Production	499	500	508	513	511
Trade	43	44	50	48	48
Consumption	488	496	507	510	509
Carryover stocks	175	179	181	184	183
Y-O-Y change	11	4	1		2
Major Exporters	40	45	49	52	51

Note: Major exporters are India, Pakistan, Thailand, Vietnam.

On the basis of reduced figures for Asian producers, the Council's outlook for 2021-22 global rice output is cut by 2 MMT, to 511 MMT, down by 1 percent. With consumption trimmed slightly – albeit still seen at a fresh peak – the forecast for world stocks is lowered by 1 MMT, to 183 MMT. Global import demand in 2022 from January to December is projected little-changed from before, representing a marginal y/y contraction from the prior year's record.

World rice trade in 2021 is pegged at a record of 50 MMT up by 13 percent, stemming from a heavy expansion of deliveries to Asia, including Bangladesh, China and Vietnam, and Africa. Global output in 2021-22 is forecast at 511 MMT, marginally higher y/y and a new peak on bigger harvests in Asian producers. Tied to population-driven gains in food use, consumption is predicted at a peak, while inventories are seen at a new high, including accumulation in key exporters, principally India. After the prior year's solid y/y rise, trade may edge lower in 2022.

Rice Price Trend @ CBOT Jan-2022, Rough Rice) (Prices in US$/hundredweight)

Market Analysis

The CBOT Jan-22 weekly chart for Rough Rice indicated firm tone last week. The trade was firm mainly due to higher demand and trades that happened prior to Chinese New Year, we expect the CBOT to trade weak in coming week due to lower trade expected in coming days for short term.

Price Projection (International-CBOT)

Duration	Trend	Price Range
4th Week of January-2022	Trade slightly weak	USD/ Hundred Weight 14.80-14.30