Rice Weekly Research Report

Contents

Outlook and Review:

- As of 21st January, Rabi paddy sowing covered 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 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.

- India's rice export prices eased off the more than seven-month high this week as the rupee weakened, while activity in other hubs remained quiet ahead of key harvest and festival seasons. But still, new deals are not picking up due to railway wagon scarcity. India's 5% broken rice was quoted at $372 to $379 per tonne this week, down from the last week's 7-month peak of $375 to $382.

- According to sources in the Agriculture Department, In the district of Trichy in Tamil Nadu, paddy has been raised on about 52,000 hectares during the current season. The coverage was 7,000 hectares more than the rabi season in 2020-21. The abundant storage in Mettur dam and the extended spells of rain during the northeast monsoon helped farmers to bring as many acres as possible under paddy cultivation. Approximately 10% of the area has been harvested so far.

- Thailand's 5% broken rice prices edged higher to $408-$415 per tonne, from $407-$410 last week. Thailand exported 6.1 million tonnes of rice in 2021, up 6.7% from a year earlier, according to data from the country's commerce ministry. Overseas demand for Thai rice was largely muted.

- Vietnam's 5% broken rice was offered at $395-$405 per tonne, unchanged from a week ago. Trading activity is slow as the Lunar New Year holiday is approaching. The main winter-spring harvest will begin over the next week, but won't peak until mid-March. Winter-spring productivity will likely fall 10%-20% from the same harvest a year earlier as many farmers had cut down on fertilization, which has become more expensive due to the pandemic.

- As per reports, Pakistan exported rice worth $1066.769 million during July-December 2021 against the exports of $963.379 million during July-December 2020, showing growth of 10.73 percent. The exports of Basmati rice increased by 33.14 percent as this surge from $228.370 million last year to $304.043 million during the current year. The exports have been higher mainly because Iran and Iraq started purchasing basmati from Pakistan instead of India.

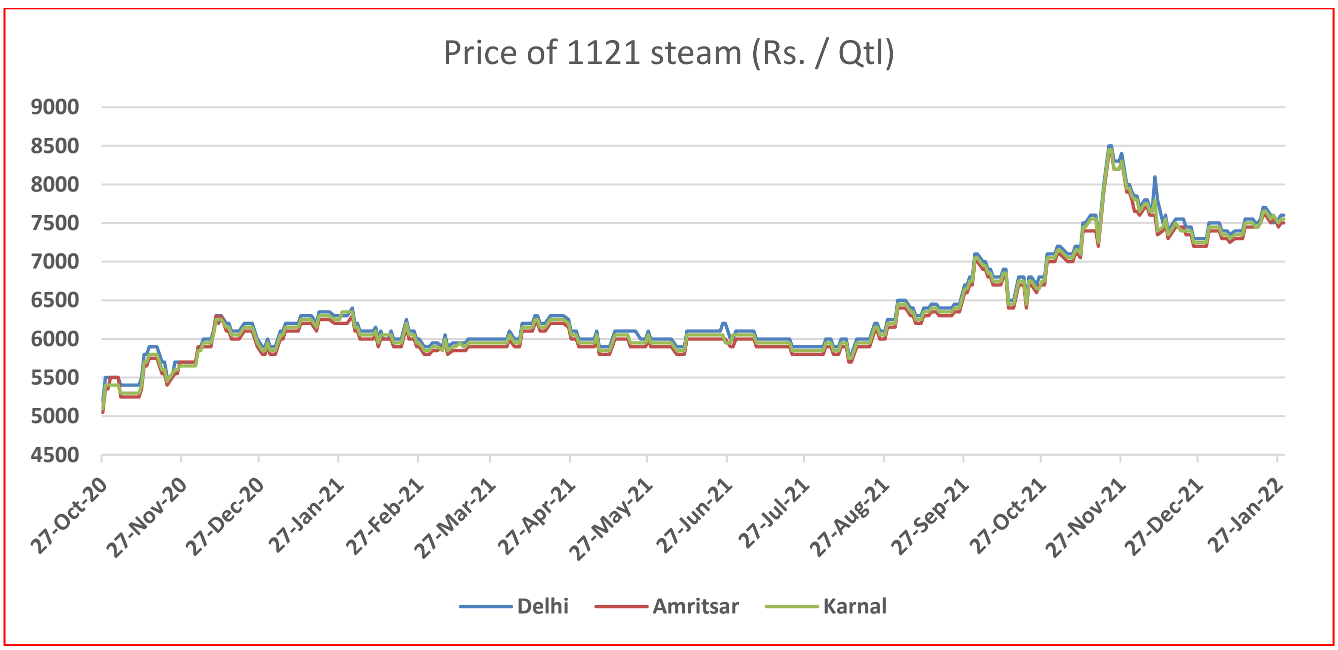
- Cambodia Rice Federation (CRF) is set for some serious promotion of Cambodia's fragrant rice in Europe as the three-year import tariffs on Cambodia and Myanmar ends. The EU market accounted for more than 50 percent of Cambodia's total milled rice export in 2016 and this amount dropped sharply to around 20 percent last year. Now they are hoping for at least 200,000 tons of rice exports to the EU this year.

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

State	Prices 24-31 Jan 2022	Prices 16-23 Jan 2022	Prices 09-15 Jan 2022	Prices 24-31 Jan 2021	% Change (Over Previous Week)	% Change (Over Previous Year)
Karnataka	4047.65	3860.64	-	3682.46	4.84	9.92
Gujarat	4244.43	4252.27	-	3837.99	-0.18	10.59
Uttar Pradesh	2512.77	2517.91	-	2393.67	-0.2	4.98
West Bengal	2850.73	2901.23	-	2730.58	-1.74	4.4
Kerala	3625.01	3647.77	-	3481.56	-0.62	4.12
Maharashtra	4137.68	3625.95	-	4466.69	14.11	-7.37
Tripura	3023.35	2905.22	-	2907.4	4.07	3.99
Manipur	3400	3416.42	-	-	-0.48	-
Odisha	2668.44	2754.96	-	2725.72	-3.14	-2.1
Jharkhand	-	-	-	2333.33	-	-
Average	3390.01	3320.26	-	3173.27	2.10	6.83

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

The price of 1121 steam rice was steady in major mandis of Delhi, Karnal and Amritsar. The rice mills in NCR are still operating 5 days a week which is affecting the rice milling process as the parboiling process is a continuous procedure. As per rice industrialists, due to the curbs they are facing 40 per cent production loss. We expect that only once the mills start operating full fledgedly, we will see any major movement in the prices. Until then the market is expected to stay steady.



Outlook (Narella 1121 Steam):-

Duration	Trend	Average Price Range	Reason
First Week of January, 2022	Steady	Rs.7500-7700/Quintal	Rice mills unable to perform with full potential
Second Week of February, 2022	Slight firm	Rs.7600-7700/Quintal	Container shortage issues will be sorted out
Third Week of February, 2022	Firm bias	Rs.7650-7750/Quintal	Good export demand

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
		29-Jan-22	23-Jan-22	29-Dec-21	29-Jan-21			
Delhi	**1121 Steam**	7600	7700	7300	6300	-1.30	4.11	20.63
	1121 Sella	6800	6900	6600	5400	-1.45	3.03	25.93
	1121 Raw	7700	7700	7300	6300	0.00	5.48	22.22
	Basmati Raw	_	_	_	9200	_	_	_
	1509 Steam Wand New	7300	7100	6850	5900	2.82	6.57	23.73
	Sugandh Steam	6100	6100	6150	5000	0.00	-0.81	22.00
	Sharbati Raw	4900	4950	4800	4700	-1.01	2.08	4.26
	Pusa Raw Wand	6200	5900	5700	6000	5.08	8.77	3.33
	Parmal Sella	3100	3100	3100	3200	0.00	0.00	-3.13

Rabi Paddy Sowing Updates as on 28th January, 2022:

State	Normal Area	Area sown reported			Absolute Change
		This Year	% of Normal	Last Year	
Andhra Pradesh	**6.89**	6.250	90.71	6.740	-0.490
Assam	**4.02**	1.060	26.37	1.430	-0.370
Bihar	**0.71**	0.00	0.00	0.00	0.00
Chhattisgarh	**-**	0.510	-	0.840	-0.330
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**	0.490	19.68	1.000	-0.510
Tamil Nadu	**1.54**	11.380	738.96	10.510	0.870
Telangana	**7.33**	5.650	77.08	11.310	-5.660
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**	1.220	9.52	1.620	-0.400
Others	**0.72**	0.690	95.83	0.630	0.060
All-India	**42.51**	**28.160**	**66.24**	34.900	-6.740

Source: Agricoop (As on January 28, 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:

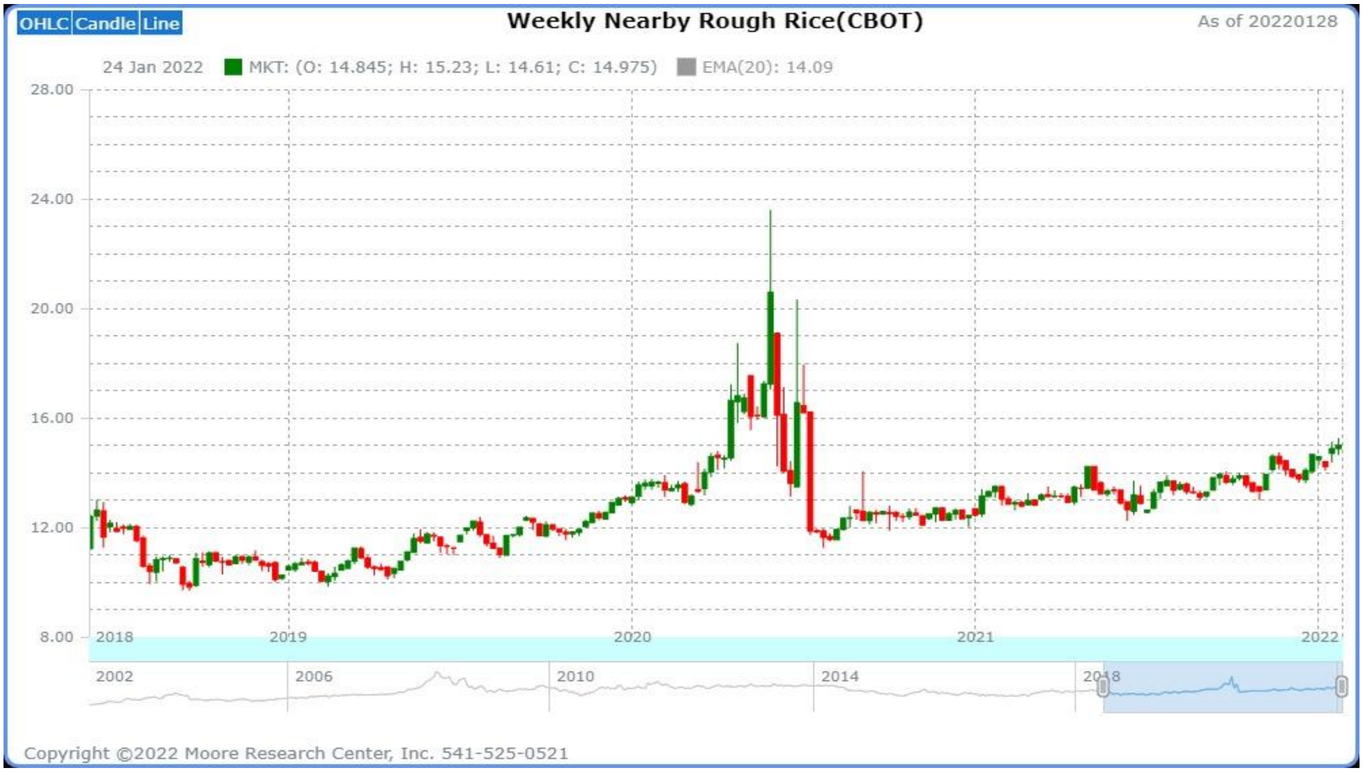
Attributes (Fig in Million Tons)	2018-19	2019-20	2020-21 Est.	2021-22 (Fore.)	
				18.11.2021	13.01.2022
Production	499	500	508	513	511
Trade	43	44	50	48	48
Consumption	488	496	507	510	509
Carryover stocks	175	179	181	184	183
Y-O-Y change	11	4	1		2
Major Exporters	40	45	49	52	51

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 as container shortage is expected which could halt the exports.

Price Projection (International-CBOT)

Duration	Trend	Price Range
1st Week of February-2022	Trade slightly weak	USD/ Hundred Weight 15.20-14.50