

# Rice Weekly Research Report

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***Outlook and Review:***

- As of 04<sup>th</sup> February, Rabi paddy sowing covered 35.190 lakh hectares down by 17.53% from 42.670 lakh hectares the previous year. Tamil Nadu has sown 11.900 lakh hectares of paddy so far up from 10.870 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.
- Rice export prices in India fell for a second straight week as buyers opted for cheaper offers from Pakistan and Myanmar which are offering the rice at competitive price, while activity in other Asian hubs remained relatively quiet, due to the Lunar New Year holidays. India's 5% broken parboiled variety was quoted at \$370 to \$376 per tonne this week, down from last week's range of \$372 to \$379. Freight train availability is still limited, and that has been delaying shipments for deals signed last month.
- In Chhattisgarh as of 4<sup>th</sup> February, the government has procured 97.71 lakh tonnes of paddy from 21.74 lakh farmers at cooperative societies across the state and released Rs 19,000.46 crores to them. The Chhattisgarh government is slowly moving ahead to achieve the set target for procurement of 105 lakh tonnes of paddy from over 24 lakh registered farmers this Kharif season. The procurement is going on at 2,399 cooperative societies and will end on February 7.
- In the coming season, it is expected that more 1509/1121/1718 variety will be sown higher compared to traditional basmati variety. Traditional basmati yield expected to be around 15-16 quintal per acre compared to 20-24 quintal in case of others and also traditional basmati requires more inputs and can only be harvested by hand. Currently, the stock of traditional basmati is negligible and is available with few stockists the prices for traditional basmati could go higher in coming days from the current Rs. 6100-6150 for Sella rice.
- Thailand's 5% broken rice prices were little changed at \$408-\$417 per tonne, compared to \$408-\$415 last week. The market was still dull from the Lunar New Year holidays and most businesses have not resumed. Some orders made before the new year were fulfilled last week and some new deals have been made with buyers from Southeast Asian countries such as the Philippines, Singapore and Malaysia.
- In Bangladesh, farmers are expanding cultivation of hybrid rice to reap benefits of higher yield than inbred varieties. The cultivation of hybrid rice during the current season has reached 12.11 lakh hectares and government has set a target to bring the area to 12.36 lakh hectares. The hybrid rice is expected to produce 20 percent higher than the normal variety and the acreage has increased by 34 percent from 9.04 lakh hectares the previous year.
- Supply chain issues hampered South Korean rice imports in the final quarter of 2021, leading to a 11% decrease in imports from the previous marketing year. The rice import forecast for 2021-22 has been revised upward to 490,000 tonnes, a 19% increase, due to actual delivery of some 2021 tariff rate quota contacts moving to 2022. As per USDA, as in many Asian countries, rice consumption has been declining in South Korea in recent years, having fallen four consecutive years since a recent peak of 4.7 million

tonnes in 2017-18. Per capita rice consumption has declined from 59.2 kilograms in 2018-19 to a projected 55.3 kilograms in 2021-22.

- Thailand became the world's third-largest rice exporter by shipping 6.12MMT of rice last year, up 6.7 per cent year on year. Though the export volume has increased, the total value of exported rice in 2021 dropped 7.1 per cent from the previous year i.e from \$3.7 billion to \$3.4 billion. Meanwhile, India still remained the top rice exporter for four consecutive years with 19.5 MMT of rice exported in 2021, up 33.9 per cent year on year. Vietnam came in second with 6.24 MMT exported last year, dropping 5.2 per cent year on year. Pakistan and the United States, meanwhile, are in fourth and fifth places, with 3.93 MMT and 2.85 MMT of rice exported in 2021.

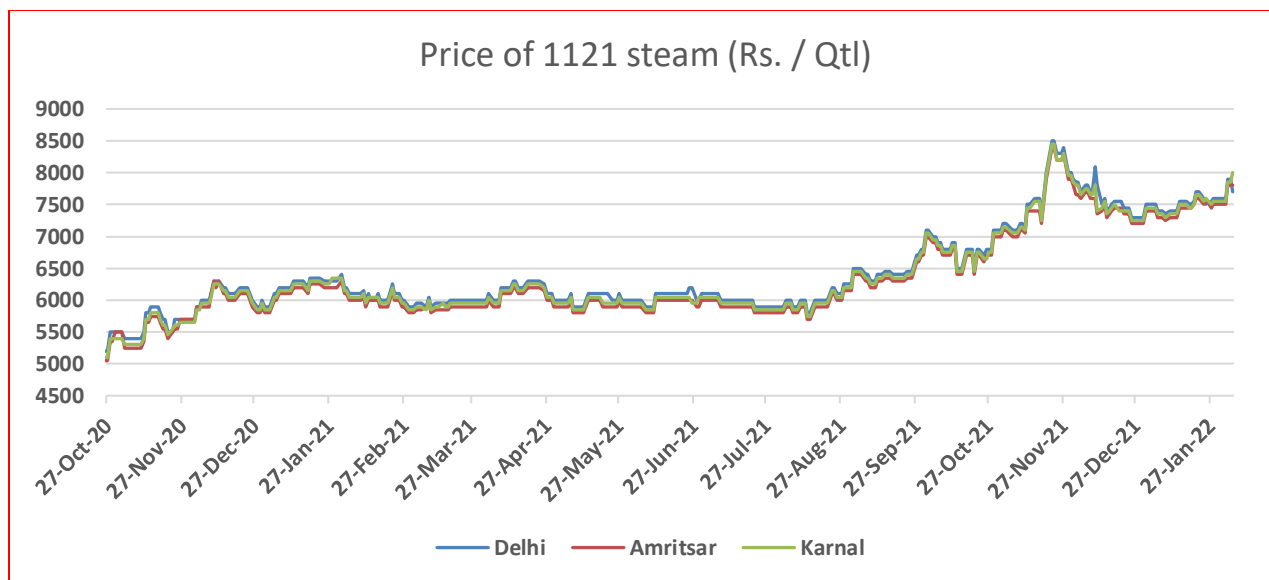
### State wise Wholesale Prices Weekly Analysis for Rice first week February, 2022

State	Prices 01-08 Feb 2022	Prices 24-31 Jan 2022	Prices 16-23 Jan 2022	Prices 01-08 Feb 2022	% Change (Over Previous Week)	% Change (Over Previous Year)
Jharkhand	-	-	-	2342.32	-	-
Maharashtra	3815.34	4131.36	3683.33	3524.61	-7.65	8.25
West Bengal	2970.01	2850.36	2901.23	2794.87	4.2	6.27
Gujarat	4278.85	4252.56	4252.27	4141.38	0.62	3.32
Kerala	3673.92	3629.87	3647.77	3414.3	1.21	7.6
Manipur	3421.44	3416.42	3416.42	-	0.15	-
Uttar Pradesh	2514.38	2514.68	2517.91	2380.5	-0.01	5.62
Karnataka	4004.93	4169.28	3857.22	3777.42	-3.94	6.02
Odisha	2760.1	2684.26	2754.96	2966.97	2.83	-6.97
Tripura	2990.34	2996.01	2905.22	2892.74	-0.19	3.37
Average	3381.03	3404.98	3326.26	3137.23	-0.70	7.77

Prices in Rs/Quintal

(source: Agmarknet)

The price of 1121 steam rice was showing a firm trend in major mandis of Delhi, Karnal and Amritsar. With the Middle East stocking up for the month of Ramzan, which comes in April this year, the export orders are expected to continue to grow until then and support the market.


**Outlook (Narella 1121 Steam):-**

Duration	Trend	Average Price Range	Reason
Second Week of February, 2022	Firm	Rs.7800-8000/Quintal	Good export demand from Middle east
Third Week of February, 2022	Firm	Rs.7900-8100/Quintal	Export demand and orders on higher side
Fourth Week of February, 2022	Steady	Rs.7850-8050/Quintal	Ramzan demand ends

**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
		05-Feb-22	29-Jan-22	05-Jan-22	05-Feb-21			
Delhi	1121 Steam	7700	7600	7400	6100	1.32	4.05	26.23
	1121 Sella	7100	6800	6700	5100	4.41	5.97	39.22
	1121 Raw	7900	7700	7400	6100	2.60	6.76	29.51

Basmati Raw	-	-	-	9000	-	-	-
1509 Steam Wand New	7100	7300	6950	5600	-2.74	2.16	26.79
Sugandh Steam	6000	6100	6000	4900	-1.64	0.00	22.45
Sharbati Raw	4950	4900	4800	4500	1.02	3.13	10.00
Pusa Raw Wand	6300	6200	5800	5800	1.61	8.62	8.62
Parmal Sella	3100	3100	3100	3250	0.00	0.00	-4.62

#### Rabi Paddy Sowing Updates as on 28<sup>th</sup> January, 2022:

State	Normal Area	Area sown reported			Absolute Change
		This Year	% of Normal	Last Year	
Andhra Pradesh	6.89	6.750	97.97	7.150	-0.400
Assam	4.02	1.840	45.77	1.970	-0.130
Bihar	0.71	0.00	0.00	0.00	0.00
Chhattisgarh	-	0.670	-	0.650	0.020
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	0.880	200	0.740	0.140
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	0.790	31.73	1.540	-0.750
Tamil Nadu	1.54	11.900	772.73	10.870	1.030
Telangana	7.33	7.760	105.87	14.790	-7.030
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	3.800	29.66	4.150	-0.350
Others	0.72	0.730	101.39	0.730	0.000
All-India	42.51	35.190	82.78	42.670	-7.480

Source: Agricoop (As on January 28, 2022)

## State wise Ongoing Procurement KMS 2021-22

KMS 2021-22 (Units in LMTs) (as on 31.01.2022)				
S.No.	STATES/ UTs	FCI	State Agency	Total
1	A.P.	0	26.92	26.92
2	Telangana	0	70.22	70.22
3	Assam	0.04	0.03	0.07
4	Bihar	0	27.47	27.47
5	Chandigarh	0.27	0	0.27
6	Chhattisgarh	0	92.01	92.01
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	1.62	1.62
11	J&K	0.41	0.00	0.41
12	Karnataka	0	0	0.0
13	Kerala	0	2.06	2.06
14	M.P.	0	45.45	45.45
15	Maharashtra	0	11.57	11.57
16	Odisha	0	33.90	33.90
17	Punjab	1.61	185.25	186.86
18	Rajasthan	0.07	0.00	0.07
19	NEF (Tripura)	0	0.22	0.22
20	Tamilnadu	0	8.80	8.80
21	U.P.	0.99	59.55	60.54
22	Uttarakhand	0	11.56	11.56
23	West Bengal	0	5.47	5.47
Total		4.26	638.04	642.30

### 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 tenders from Bangladesh and removal of import restrictions by EU for Cambodian and Myanmar rice.

**Price Projection (International-CBOT)**

Duration	Trend	Price Range
2nd Week of February-2022	Trade steady	USD/ Hundred Weight 15.50-14.80



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