

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:

- As of 04th 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 rainfall.
- India's 5% broken parboiled rice fell to a four-week low of \$368 to \$374 per tonne this week, from last week's \$370 to \$376. The Indian rupee slipped to a near two-week low, increasing traders' margin from overseas sales. Demand was weak from all key buyers for white rice as other countries were offering rice at a competitive price specially from Myanmar and Pakistan. In the coming week, we can expect an increase in Indian FoB prices as the markets in the South East Asia is back to trading after a dull new year holidays.
- Vietnam's 5% broken rice was quoted at \$395 per tonne this week, compared with \$395 to \$405 two weeks ago. The Vietnamese market was closed last week for the Lunar New Year. The sales remain slow after the holiday and are unlikely to pick up until the end of the first quarter. And Thailand's 5% broken rice prices were quoted at \$407 to \$415 per tonne this week, slightly lower than the \$408 to \$417 quoted last week, due to the fluctuation in the exchange rate.
- As per Rice Exporters Association, exports of non-Basmati rice are estimated to cross 17 MMT for the current financial year. Exports have already crossed 12.53 MMT for the current season against 13 MMT for the entire 2020-21 season. Non-Basmati rice exports have recorded a 51.8% rise between April and December last year, over the previous year's corresponding period, due to high purchases made by China and Bangladesh. Non-basmati rice shipments crossed 12.53 mt over April-December 2021, compared to 8.25 mt in the same period last year. In value terms, the non-basmati rice shipments were up by 46% at \$4.48 billion compared to \$3.07 billion same time last year.
- As per DGCIS, India's rice exports in 2021 totaled 21.4 MMT, up by 46% over the previous year. Bangladesh was the largest buyer of Indian rice in 2021 at 2.48 MMT, followed by Nepal, Benin and China. India exported 1.97 MMT of rice in December, up by 31% year on year and by 33% month on month. Non-Basmati exports rose by 36% on year to 1.63 MMT, while Basmati exports increased by 3% to 0.34 MMT. This reflects the competitiveness of India's non-Basmati exports throughout December amid kharif crop arrivals, especially for parboiled and broken rice. Nepal was the top importer of non-Basmati rice at 0.21 MMT, with exports to Benin, Sri Lanka, and China also particularly strong. Iran was the largest importer of Basmati rice, followed by Saudi Arabia. December was the only month in 2021 when monthly Basmati exports were higher, year on year. Basmati exports had been hampered by high container freight costs and low container availability, but new crop arrivals and the lifting of Iran's seasonal import ban in November encouraged fresh sales. In the month of January 2022, India's rice exports saw a large decline as very few consignments were received from Middle East countries, though the exports paced up since the late January and early February.
- Sri Lanka government has planned to import 400,000 metric tonnes of rice in a bid to increase supply against rising rice prices. As many as 300,000 metric tons of rice are expected to be imported from India,

and a further 100,000 tonnes from Myanmar. Sri Lanka's food inflation has reached as high as 25 per cent in January due to supply shortfalls as a result of poor weather and a lack of fertilizer, as well as high import prices. On an average, Sri Lanka consumes around 2.1 million metric tonnes of rice per year. We expect more imports of rice from Sri Lanka in coming weeks as the country is facing huge inflation of essential commodities which prompt them to import rice in order to control the prices.

- As per USDA, Global 2021-22 rice supplies are increased by 0.4 MMT to 696.7 MMT, as higher production in Pakistan and Bangladesh is expected. Total trade in 2021-22 increases by 1 MMT to 50.9 MMT, mostly on higher exports by India. Demand for Indian rice remains strong, including increased shipments of broken rice. India's exports are raised 0.8 MMT to 20 MMT, slightly below last year's record. Exports from Pakistan are forecast 0.2 MMT higher to 4.2 MMT because of larger production. World ending stocks are projected up slightly at 186.3 MMT, and just below last year's record, with China holding 61 percent of global stocks.

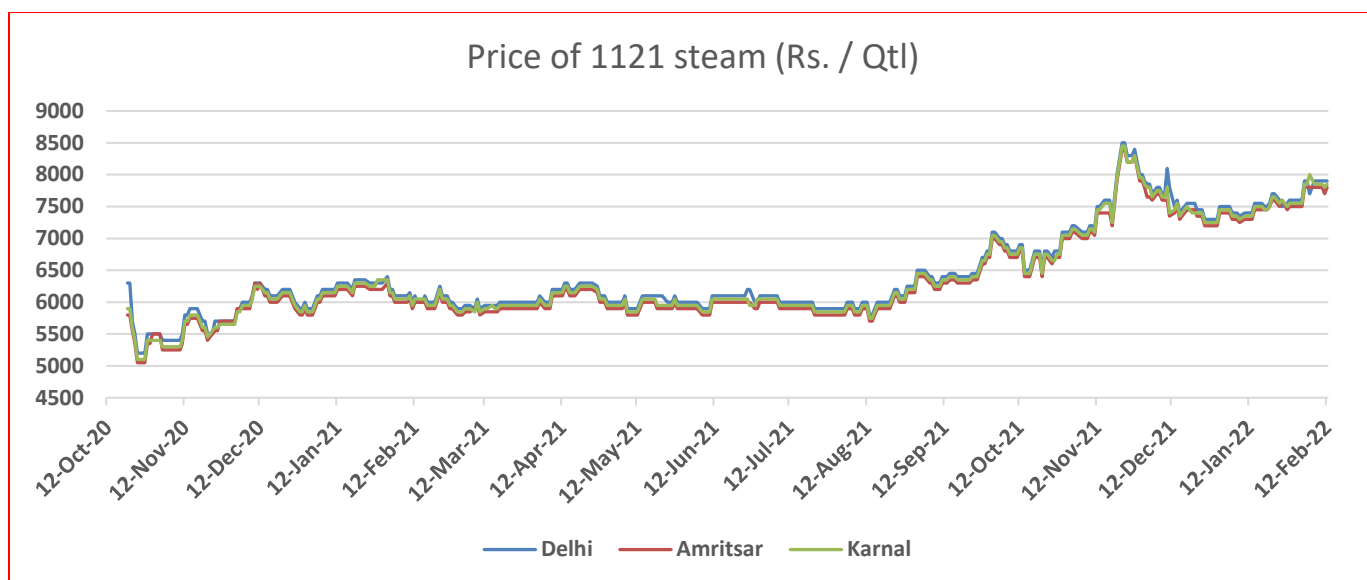
State wise Wholesale Prices Weekly Analysis for Rice second week February, 2022

State	Prices 09-15 Feb 2022	Prices 01-08 Feb 2022	Prices 24-31 Jan 2022	Prices 09-15 Feb 2021	% Change (Over Previous Week)	% Change (Over Previous Year)
Karnataka	3986.6	4011.94	4169.28	3795.6	-0.63	5.03
Kerala	3608.92	3660.99	3629.87	3387.59	-1.42	6.53
Maharashtra	3920.38	4162.31	4131	4085.26	-5.81	-4.04
Uttar Pradesh	2485.26	2508.76	2514.68	2451.26	-0.94	1.39
West Bengal	2876.07	2924.99	2850.36	2854.7	-1.67	0.75
Jharkhand	-	-	-	2394.65	-	-
Manipur	3400	3415.32	3416.42	-	-0.45	-
Tripura	3101.44	3005.07	2996.01	2908.58	3.21	6.63
Bihar	2493.75	-	-	-	-	-
Gujarat	4280.7	4287.25	4252.56	3927.87	-0.15	8.98
Odisha	2729.08	2655	2684.26	3106.77	2.79	-12.16
Average	3288.22	3403.51	3404.94	3212.48	-3.39	2.36

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. 1121 steam is trading at Rs. 7900 per quintal compared to Rs. 7600 per quintal the previous week. Good export demand from Middle east is coming currently as countries stock up for Ramzan and Navroz which is supporting the market requiring shipment before the February end. We expect the firm trend to continue in the coming week as well.



Outlook (Narella 1121 Steam):-

Duration	Trend	Average Price Range	Reason
Third Week of February, 2022	Firm	Rs.7850-8100/Quintal	Good export demand from Middle east due to Ramzan and Navroz festival
Fourth Week of February, 2022	Steady	Rs.7800-8000/Quintal	Good export demand continues
First Week of March, 2022	Steady	Rs.7750-7950/Quintal	Middle East demand may decrease

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
		12-Feb-22	05-Feb-22	12-Jan-22	12-Feb-21			
Delhi	1121 Steam	7900	7700	7400	6100	2.60	6.76	29.51
	1121 Sella	7000	7100	6600	4900	-1.41	6.06	42.86

	1121 Raw	7900	7900	7400	6100	Unch	6.76	29.51
	Basmati Raw	-	-	-	8800	-	-	-
	1509 Steam Wand New	7200	7100	7000	5400	1.41	2.86	33.33
	Sugandh Steam	6350	6000	5900	4800	5.83	7.63	32.29
	Sharbati Raw	5000	4950	5050	4500	1.01	-0.99	11.11
	Pusa Raw Wand	6300	6300	5800	6000	Unch	8.62	5.00
	Parmal Sella	3250	3100	3200	3200	4.84	1.56	1.56

Rabi Paddy Sowing Updates as on 04th February, 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	772.72	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 February 04, 2022)

State wise Ongoing Procurement KMS 2021-22

KMS 2021-22 (Units in LMTs) (as on 10.02.2022)				
S.No.	STATES/ UTs	FCI	State Agency	Total
1	A.P.	0	31.74	31.74
2	Telangana	0	70.22	70.22
3	Assam	0.09	0.09	0.18
4	Bihar	0	34.71	34.71
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	2.34	2.34
11	J&K	0.41	0.00	0.41
12	Karnataka	0	0.14	0.14
13	Kerala	0	2.19	2.19
14	M.P.	0	45.86	45.86
15	Maharashtra	0	13.10	13.10
16	Odisha	0	43.98	43.98
17	Punjab	1.61	185.25	186.86
18	Rajasthan	0.07	0.00	0.07
19	NEF (Tripura)	0	0.29	0.29
20	Tamilnadu	0	12.77	12.77
21	U.P.	1.03	62.01	63.04
22	Uttarakhand	0	11.56	11.56
23	West Bengal	0	5.47	5.47
Total		4.36	669.66	674.02

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 Feb-2022, Rough Rice) (Prices in US\$/hundredweight)



Market Analysis

The CBOT Jan-22 weekly chart for Rough Rice indicated weak tone last week. The CBOT was trading weak largely due to lower trades and dull market worldwide owing to Lunar New Year holidays. USDA has increased the ending stock of rough rice for USA and exports were also lowered which could weaken the market in coming days. In coming week, we expect CBOT to trade in the range of USD 15.40-14.90.

Price Projection (International-CBOT)

Duration	Trend	Price Range
3rd Week of February-2022	Trade weak	USD/ Hundred Weight 15.40-14.90

Disclaimer

The information and opinions contained in the document have been compiled from sources believed to be reliable. The company does not warrant its accuracy, completeness and correctness. Use of data and information contained in this report is at your own risk. This document is not, and should not be construed as, an offer to sell or solicitation to buy any commodities. This document may not be reproduced, distributed or published, in whole or in part, by any recipient hereof for any purpose without prior permission from the Company. IASL and its affiliates and/or their officers, directors and employees may have positions in any commodities mentioned in this document (or in any related investment) and may from time to time add to or dispose of any such commodities (or investment). Please see the detailed disclaimer at <http://www.agriwatch.com/disclaimer.php> © 2022 Indian Agribusiness Systems Limited.