Rice Weekly Research Report

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Outlook and Review:

- As per Ministry of Agriculture's Second Advance Estimate, the kharif rice production of 2021 is at 109.54 MMT, higher compared to 107.04 during the previous estimate for MY 2021-22. The rabi estimate stands at 18.39 MMT. The overall production has been MoA estimate is at 127.93 MMT. AgriWatch has estimated the kharif production at 107.83 MMT while preliminary estimate for rabi rice stands at 15.02 MMT.

- As per trade source estimates, India's rice exports for January month were around 16.63 LMT down from 18.04 LMT during December month. The decrease in exports is due to low export demand from Bangladesh. China has emerged as the largest importer of Indian rice with 2.34 LMT followed by Iran with 1.78 LMT and Nepal with 1.40 LMT.

- The opening stock in the central pool for the month of February stood at 263.36 LMT. During the previous month, the opening stock was 221.54 LMT. The stock is higher than previous year's stock of 243.62 LMT. The wholesale price index of rice for the month of January has reached 164.6 up from previous month's 164.1. The cereals whole sale price index increased from 162.8 in December to 163.6 in January.

- As of 16th February 2022, around 688.37 lakh tonnes of paddy have been procured by state agencies and FCI. In Punjab, around 186.86 lakh tonnes of paddy have been procured while from Haryana around 55.31 lakh tonnes of paddy has been procured.

- 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.

- In Punjab, 1509 steam was trading at Rs. 7500 per quintal compared to Rs. 7400 the previous week. The basmati rice prices showed steady to slightly firm trend in the market which is supported by order of 50,000 MT received from Saudi Arabia. The order was received for FOB USD 1018-1020 per tonne for Sella rice. The paddy stocks in Haryana, Punjab, Madhya Pradesh and Rajasthan seem to have been exhausted. Rice millers may have stock available till March end and some stocks may be available with stockists who are waiting the market to rise further.

- FOB price for 5% parboiled rice was USD 350 per tonne from Kolkata and USD 368 per tonne from JNPT. And CIF offered is USD 475 per tonne for Togo, USD 445 for Djibouti and USD 498 for Gambia. The India's parboiled rice prices remain unchanged and showed a flat tone. Limited availability of containers was still a problem for many traders, which has kept the market slow.

- 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 the new year holidays.

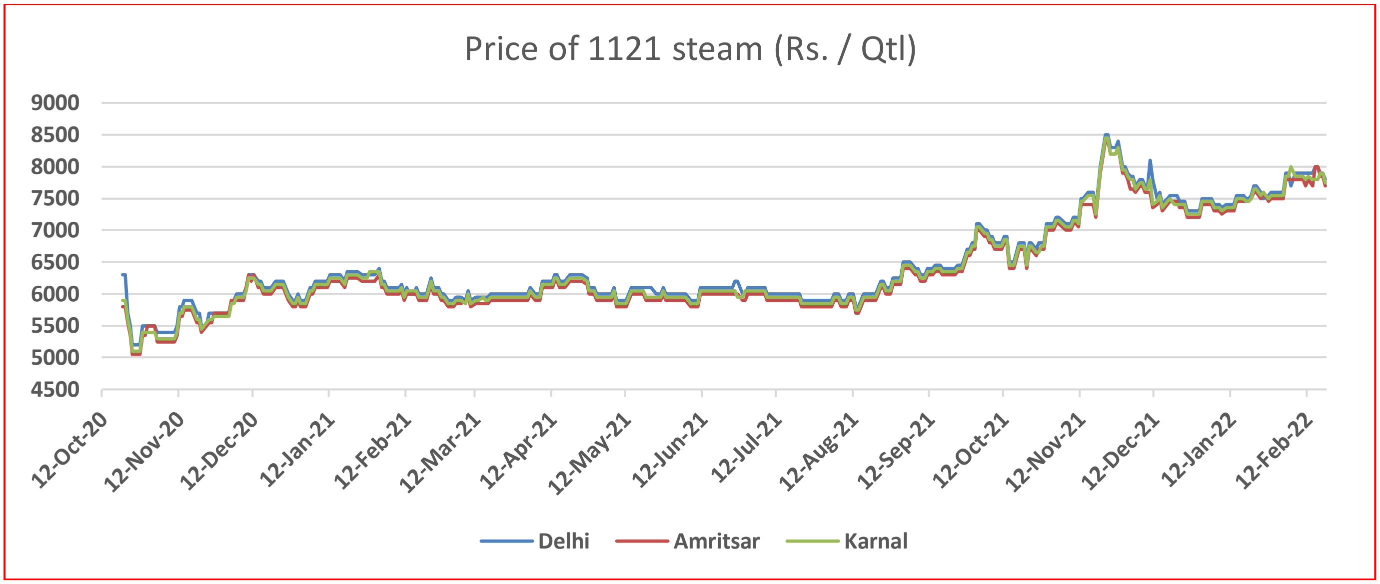
- Vietnam's 5% broken rice was quoted at $400 per tonne, the highest since mid-December and up from $395 a week ago. Prices have increased slightly as trading activity is resuming following the Lunar New Year Holiday and demand is seen picking up. The traders were buying moderate amounts from farmers ahead of the upcoming winter-spring harvest. Thailand's 5% broken rice prices were quoted at $410-$420 per tonne, up from $407-$415 last week, mainly due to a change in the exchange rate. But the prices could soon weaken as the off-season harvest begins.

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

State	Prices 16-23 Feb 2022	Prices 09-15 Feb 2022	Prices 01-08 Feb 2022	Prices 16-23 Feb 2021	% Change (Over Previous Week)	% Change (Over Previous Year)
Kerala	3679.92	3652.39	3660.99	3486.25	0.75	5.56
Manipur	3421.95	3419.95	3415.32	-	0.06	-
Tripura	3002.65	3033.78	3005.07	2930.12	-1.03	2.48
West Bengal	2824.67	2875.81	2924.99	2847.6	-1.78	-0.81
Bihar	2400	2480.36	3200	-	-3.24	-
Karnataka	4205.09	4126.93	4011.94	3978.75	1.89	5.69
Gujarat	4171.59	4256.94	4287.25	4200	-2	-0.68
Maharashtra	4253.34	3756.81	4162.31	3334.1	13.22	27.57
Odisha	2977.76	2706.42	2655	2904.83	10.03	2.51
Uttar Pradesh	2533.09	2507.01	2508.97	2473.54	1.04	2.41
Jharkhand	-	-	-	2411.52	-	-
Average	3347.01	3281.64	3383.18	3174.08	**1.99**	**5.45**

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

The price of 1121 steam rice was showing steady to slightly firm trend in major mandis of Delhi, Karnal and Amritsar. During the last week, the prices have crossed the 8000 marks largely due to good export demand from Middle East countries. The paddy stocks in the market are also limited. We expect the market to remain steady in the coming, as the prices are already on a higher side and further increase in price would make Indian rice highly uncompetitive.



Outlook (Narella 1121 Steam): -

Duration	Trend	Average Price Range	Reason
Fourth Week of February, 2022	Steady	Rs.7850-7900/Quintal	Good export demand though container shortage may hamper the trade
First Week of March, 2022	Steady	Rs.7800-7900/Quintal	Demand from Middle East countries may reduce
Second Week of March, 2022	Steady	Rs.7750-7950/Quintal	Low demand from the Middle East

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
		19-Feb-22	12-Feb-22	19-Jan-22	19-Feb-21			
Delhi	**1121 Steam**	7800	7900	7500	6000	-1.27	4.00	30.00
	1121 Sella	6950	7000	6650	4900	-0.71	4.51	41.84
	1121 Raw	7900	7900	7650	6000	Unch	3.27	31.67

	Basmati Raw	-	-	-	8800	-	-	-
	1509 Steam Wand New	7400	7200	7150	5500	2.78	3.50	34.55
	Sugandh Steam	6400	6350	6100	4800	0.79	4.92	33.33
	Sharbati Raw	5550	5000	4900	4300	11.00	13.27	29.07
	Pusa Raw Wand	6500	6300	5900	5800	3.17	10.17	12.07
	Parmal Sella	3200	3250	3100	3150	-1.54	3.23	1.59

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 16.02.2022)				
S.No.	**STATES/ UTs**	**FCI**	**State Agency**	**Total**
1	A.P.	0	33.92	33.92
2	Telangana	0	70.22	70.22
3	Assam	0.16	0.13	0.29
4	Bihar	0	39.36	39.36
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	2.89	2.89
11	J&K	0.41	0.00	0.41
12	Karnataka	0	0.45	0.45
13	Kerala	0	2.26	2.26
14	M.P.	0	45.83	45.83
15	Maharashtra	0	13.26	13.26
16	Odisha	0	47.87	47.87
17	Punjab	1.61	185.25	186.86
18	Rajasthan	0.07	0.00	0.07
19	NEF (Tripura)	0	0.31	0.31
20	Tamilnadu	0	14.69	14.69
21	U.P.	1.04	62.51	63.55
22	Uttrakhand	0	11.56	11.56
23	West Bengal	0	5.47	5.47
Total		4.44	683.93	688.37

IGC Balance Sheet:

Attributes (Fig in Million Tons)	2018-19	2019-20	2020-21 Est.	2021-22 (Fore.) 13.01.2022	2021-22 (Fore.) 17.02.2022
Production	499	500	508	511	510
Trade	43	44	50	48	49
Consumption	488	496	507	509	509
Carryover stocks	175	179	180	183	181
Y-O-Y change	11	4	1		1
Major Exporters	40	45	49	51	51

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

The global rice production in 2021-22 have been trimmed by 1 MMT month-on-month, to 510 MMT, still higher year on year and a new peak. With uptake maintained from previously, the figure for global stocks is cut by 2 MMT, to 181m higher by 1 MMT compared to previous year, including a modest reduction in the major exporters, principally India. The forecast for trade in 2022 is raised slightly, to about 49 MMT still lower by 1 MMT compared to previous year, well above average. With increases likely in leading producers, including India, world harvested area is predicted to expand by 1% year on year in 2022-23.

Tied to gains in India and Thailand, world rice output in 2021-22 is forecast to establish a peak of 510 MMT, a marginal year on year increase. Amid population-driven gains in food demand, as well as increased use for feeding in China, global uptake is seen at a high, while accumulation in India could underpin record stocks of 181 MMT. Trade in 2022 is predicted to contract slightly from the prior year's peak, to 49 MMT. However, the figure must be put in context – being 3 MMT above the five-year average.

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 due to USDA's increase in the ending stock of rough rice for USA and exports were also lowered. In coming week, we expect CBOT to trade with firm bias as IGC has reduced the global production estimate in its new report and also the global trade estimate has been increased. The CBOT is expected to trade in the range of USD 15.60-14.70.

Price Projection (International-CBOT)

Duration	Trend	Price Range
4th Week of February-2022	Firm	USD/ Hundred Weight 15.60-14.70