

# 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 22nd February 2022, around 701.41 lakh tonnes of paddy have been procured by state agencies and FCI benefitting 95.128 lakh farmers. In terms of rice, the aim for this Kharif season is 528.26 LMT (paddy equivalent 788.45 LMT). In terms of rice, the current procurement is 470.73 LMT. The procurement has already been completed in important states like Bihar, Telangana, Chhattisgarh, Punjab, Haryana, and Madhya Pradesh, it will be completed in Andhra Pradesh, Odisha, and Tamil Nadu by March 31. The formal purchase in Uttar Pradesh, will be concluded this month, while it will continue in West Bengal until June 30. Purchases in Telangana, which started late due to issues between the state and the centre over parboiled rice, exceeded the target by 1.56 LMT at 70.22 lakh tonnes (LMT), while in Chhattisgarh, purchases were suspended after attaining the target of 92.01 LMT. Telangana and Chhattisgarh have emerged as major rice providers to the Central Pool, and they may replace Punjab and Haryana as alternate supplies if the government decides to abandon the northern states due to groundwater depletion.
- Currently, 5% broken white rice of IR 64 variety is being sold at FOB \$355 per tonne from Mundra Port and the price is similar for 25% broken rice as well. While 5% broken white rice of Swarna variety is being sold at FOB \$348 per tonne from Kolkata Port. Also, 100% broken rice is being sold at FOB \$305 per tonne from Vizag Port and \$298 per tonne from JNPT Port. The CIF for 25% broken rice to Benin is at \$ 460 per tonne and to Togo is \$455 per tonne. And CIF for 100% broken rice include \$388 per tonne for Djibouti and \$520 per tonne for Sierra Leone. There is good demand for Indian broken rice from South East Asian market like Indonesia and Singapore. The availability for 100% broken rice is limited in the domestic market which is keeping the rice market bullish.
- And 5% broken rice of IR 64 variety is being quoted at \$350 per tonne FOB from Kolkata port while from JNPT port it is being quoted at \$368 per tonne FOB. The 5% broken rice for Swarna variety is being quoted at \$334 per tonne FOB from Vizag port. The CIF of 5% broken rice from India for various location includes \$475 per tonne for Togo, \$498 per tonne for Gambia, \$462 per tonne for Djibouti and \$480 per tonne for Benin. The domestic rice market is showing a steady tone currently as the container and logistic challenges still prevails in the market. And there is a positive sign for the availability of containers to East Africa which would support the vessel market towards the firm side in near future. Demand from East African countries is good and is expected to be same in near future.
- Thailand's 5% broken rice prices were quoted at \$400 per tonne this week, down from \$410-\$420 a week ago. The baht weakened to 32.68 against the U.S. dollar on 24<sup>th</sup> February and by nearly 1.6% from a week ago and 1.3% from 23<sup>rd</sup> February, following Russia's invasion of Ukraine.
- Vietnam's 5% broken were offered at \$395-\$400 per tonne compared with \$400 per tonne a week ago. Importers are buying moderately, waiting for prices to fall when the winter-spring harvest peaks. Exports will increase from next month, with the key markets being the Philippines and Africa. Preliminary shipping data showed 219,000 tonnes of rice was loaded at Ho Chi Minh City port in February, with most of the rice heading to the Philippines.
- India's 5% broken parboiled variety was quoted at \$370 to \$376 per tonne this week, up from the last week's \$368 to \$374. Despite the depreciation in rupee, exports prices are moving higher. Demand is good from African and Asian buyers.

- In Bangladesh, despite good stocks of rice available, the prices are increasing. The food stock has reached a record 20 LMT and all the warehouses are full with rice and wheat. As of 9<sup>th</sup> February, the stocks of rice available with the government is 16.94 LMT and 0.49 LMT of paddy. The food stock buffer requirement of the country is 10 LMT but the food stocks have already crossed 20 LMT mark. Last year, the rice stocks available was 5.37 LMT way below the secure stocks which has led to huge price inflation. Despite satisfactory number of stocks and good yield of rabi and record production during kharif, the prices have seen rising. The government is strengthening the OMS activity to stabilize the price in the market.
- In Pakistan, during July-January 2021-22, over 2.179 million tonnes (MMT) of rice valuing \$1.286 billion were exported. Exports of Basmati rice also increased by 28.58 percent. A total 414,190 metric tonnes (MT) of Basmati rice valuing \$362.183 million were exported in the period against exports of 293,761 metric tonnes (MT) worth \$281.675 million. On year-on-year basis, rice exports witnessed growth of 13.30 percent as 434,382 metric tonnes (MT) of rice valuing \$220.078 million was exported in January as compared to the exports of 329,999 metric tonnes (MT) worth \$194.245 million during same period last year.

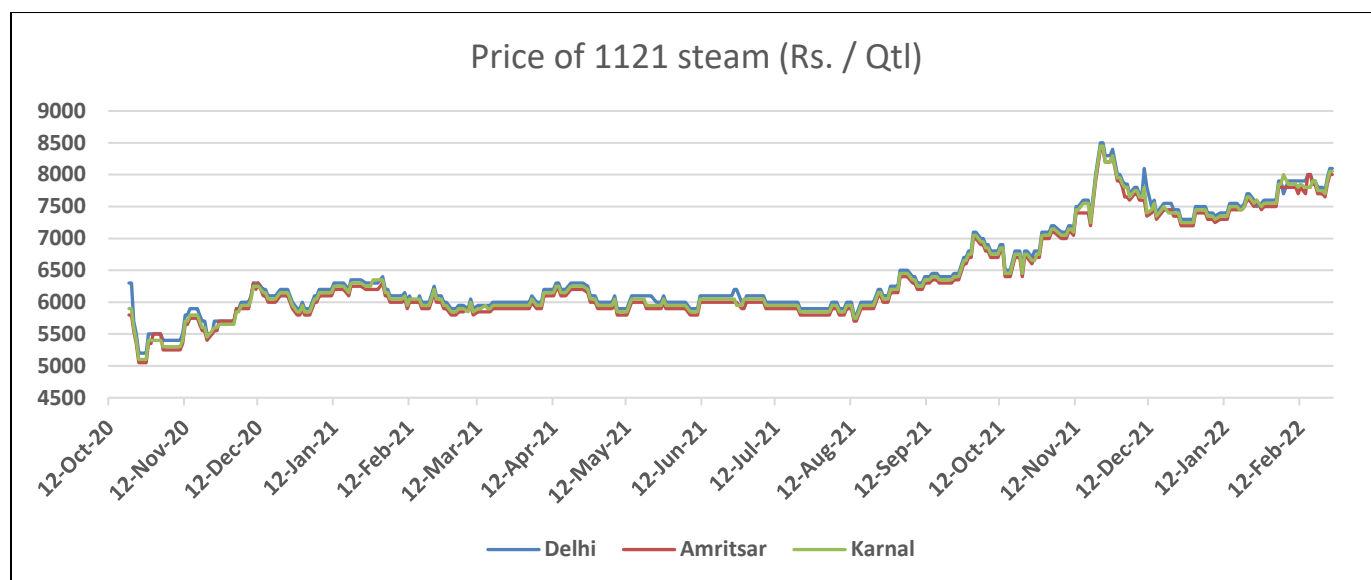
### State wise Wholesale Prices Weekly Analysis for Rice Fourth week February, 2022

State	Prices 24-28 Feb 2022	Prices 16-23 Feb 2022	Prices 09-15 Feb 2022	Prices 24-28 Feb 2021	% Change (Over Previous Week)	% Change (Over Previous Year)
Gujarat	4256.21	4223.36	4256.94	4233.79	0.78	0.53
Karnataka	3918.33	4292.33	4126.93	3752.36	-8.71	4.42
Maharashtra	3793.16	4013.26	3756.81	3301.25	-5.48	14.9
West Bengal	2941.85	2894.48	2875.81	2852.78	1.64	3.12
Kerala	3752.48	3661.55	3652.39	3485.61	2.48	7.66
Manipur	3400	3414.45	3419.95	4469.14	-0.42	-23.92
Odisha	3096.27	2939.47	2706.42	3116.24	5.33	-0.64
Uttar Pradesh	2529.41	2529.86	2507.01	2401.27	-0.02	5.34
Bihar	2300	2400	2480.36	-	-4.17	-
Jharkhand	-	-	-	2400	-	-
Tripura	2938.12	2762.84	3033.78	2939.99	6.34	-0.06
Average	3292.58	3313.16	3281.64	3295.24	-0.62	-0.08

Prices in Rs/Quintal

(source: Agmarknet)

The price of 1121 steam rice was showing firm trend in major mandis of Delhi, Karnal and Amritsar. There were reports of order received from Saudi Arabia for 50,000 MT of basmati white sella rice at FOB price of \$1050 per tonne. Also, the demand for 1121 white sella and steam rice was good and is sold at an FOB price of \$1150 per tonne to middle east countries. The stocks of basmati rice are also limited within the traders. We expect the market to trade steady to firm in the coming week as higher demand and lower availability would support the market.


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

Duration	Trend	Average Price Range	Reason
First Week of March, 2022	Steady to Firm	Rs.7840-7900/Quintal	Middle East Exports support the market
Second Week of March, 2022	Steady to Firm	Rs.7850-7910/Quintal	Lower availability and higher export demand
Third Week of March, 2022	Steady	Rs.7800-7900/Quintal	Export demand reduces from 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
		25-Feb-22	19-Feb-22	25-Jan-22	25-Feb-21			
Delhi	1121 Steam	8100	7900	7500	6100	2.53	8.00	32.79
	1121 Sella	7200	7000	6800	5150	2.86	5.88	39.81
	1121 Raw	8200	7900	7600	6100	3.80	7.89	34.43

	Basmati Raw	-	-	-	8800	-	-	-
	1509 Steam Wand New	7700	7200	7000	5600	6.94	10.00	37.50
	Sugandh Steam	6800	6350	5700	4800	7.09	19.30	41.67
	Sharbati Raw	5700	5000	4700	4500	14.00	21.28	26.67
	Pusa Raw Wand	6800	6300	5850	5900	7.94	16.24	15.25
	Parmal Sella	3300	3250	3100	3200	1.54	6.45	3.13

#### Rabi Paddy Sowing Updates as on 04<sup>th</sup> 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 22.02.2022)				
S.No.	STATES/ UTs	FCI	State Agency	Total
1	A.P.	0	35.23	35.23
2	Telangana	0	70.22	70.22
3	Assam	0.23	0.19	0.42
4	Bihar	0	43.72	43.72
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	3.46	3.46
11	J&K	0.40	0.01	0.41
12	Karnataka	0	0.91	0.91
13	Kerala	0	2.34	2.34
14	M.P.	0	45.83	45.83
15	Maharashtra	0	13.33	13.33
16	Odisha	0	50.77	50.77
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	17.16	17.16
21	U.P.	1.06	63.19	64.25
22	Uttarakhand	0	11.56	11.56
23	West Bengal	0	5.47	5.47
Total		4.52	696.89	701.41

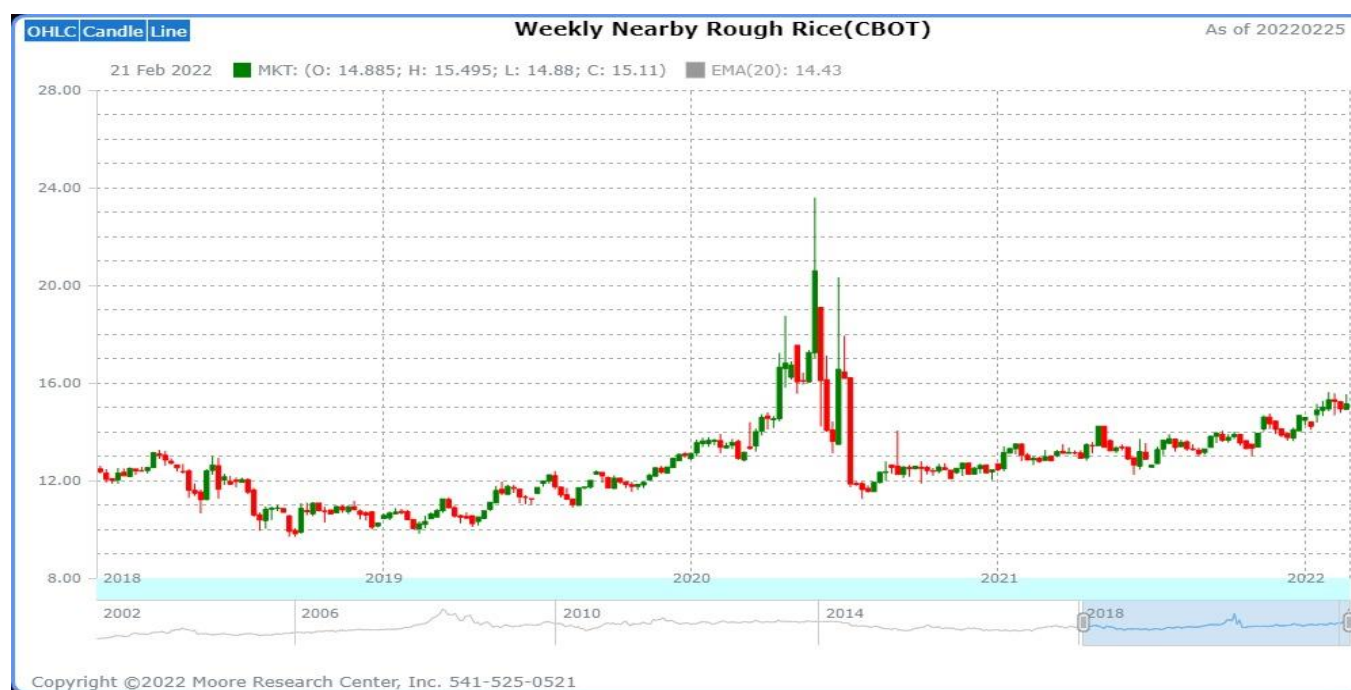
### IGC Balance Sheet:

Attributes ( Fig in Million Tons)	2018-19	2019-20	2020-21 Est.	2021-22 (Fore.)	
				13.01.2022	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 Feb-22** weekly chart for Rough Rice indicated firm tone last week due to IGC's lower global production estimate and increase in global trade estimate. In coming week, we can expect the CBOT to trade firm due to higher exports and trade to happen in the coming week prior to Ramzan and Navroz demands. The CBOT is expected to trade in the range of USD 15.60-14.70.

**Price Projection (International-CBOT)**

Duration	Trend	Price Range
1 <sup>st</sup> Week of March-2022	Firm	USD/ Hundred Weight 15.30-14.65

**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.