

Rice Weekly Research Report

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Outlook and Review:

- As per trade sources, during the month of February, around 16.82 lakh MT of Rice was exported from India at an average FOB of \$838.34 per tonnes. China emerged as the largest buyer of Rice from India with 2.48 Lakh MT of imports followed by Iran with 1.50 Lakh MT and Benin with 1.20 Lakh MT. The exports are higher compared to January month with 16.63 Lakh MT. There was huge demand from South East Asia, Middle East and African countries for Indian Rice.
- In Asia, Rice prices have jumped since last couple of weeks reflecting global inflation. However, since then, prices have stabilized in Thailand and Vietnam. Though, in Pakistan a small price correction is going as demand for whole kernel weakens. The slowing of head Rice demand is being partially stabilized by the growing needs for broken rice in China.
- India's 5% broken Rice was quoted at \$371 to \$378 per tonnes, unchanged from the last week, as demand remained strong for broken grades for feed purposes. Feed makers are replacing corn with 25% and 100% broken Rice.
- The 5% broken Rice of IR 64 variety is being traded at FOB \$350 per tonnes from Kolkata Port and \$368 per tonnes from Nhava Sheva port. For 5% broken Rice of Swarna variety, the price is \$334 per tonnes from Vizag Port. The CIF price for 5% broken rice include \$498 per tonnes for Togo, \$515 per tonnes for Gambia, \$455 per tonnes for Djibouti and \$505 per tonnes for Benin.
- The non-basmati Rice prices remain bullish as the increase in freight charges to African destination has supported the market. Also, many traders find it difficult to get the containers which haven't eased till now and is taking longer period of time to complete the contracts. There is a huge demand coming from African markets.
- Currently 5% broken Rice is trading at FOB \$355 per tonnes from Mundra Port and 25% broken rice is trading at FOB \$335 per tonnes from Mundra Port. And 100% broken Rice is trading at FOB \$315 per tonnes from Vizag Port and \$305 per tonnes from JNPT port. The CIF for 100% broken Rice traded at \$400 per tonnes to Djibouti and \$340 per tonnes to Vietnam. For 5% broken rice it is \$ 425 per tonnes to Singapore.
- There is a huge demand for broken Rice from the South east Asian markets. Currently trade enquiries are low though there is a huge demand going in international markets. Prices likely to remain steady to slightly firm in near term.
- In Pakistan, 5% broken Rice is being traded at FOB \$348 per tonnes, for 25% broken Rice, it is being traded at FOB \$340 per tonnes and 100% broken Rice is being traded at FOB \$330 per tonnes. The market remains steady for near term and there was good demand from Asian markets.
- Export prices of Rice from Vietnam rose to a three-and-a-half-month high this week on steady demand and elevated shipping costs, which made many traders to opt out of new contracts. Vietnam's 5% broken Rice were offered at \$415-\$420 per tonnes compared to \$410-\$415 per tonnes a week ago. The demand is

stable, but traders are hesitant to sign new contracts due to high shipping costs. It is also expected that Philippines may soon lift its limit on Rice imports from Vietnam.

- Thailand's 5% broken Rice prices fell slightly to \$410-\$428 per tonnes from \$415-\$428 per tonnes a week ago, highest since late June 2021. Thai baht has weakened and domestic prices are seen weakening in the coming weeks due to new supply. There is still strong demand for low-quality Rice from domestic feed mills, which are looking to use more Rice in their animal feed mix as prices of Wheat and Corn rose. Foreign demand remained low, except for exporting activities to Iraq.

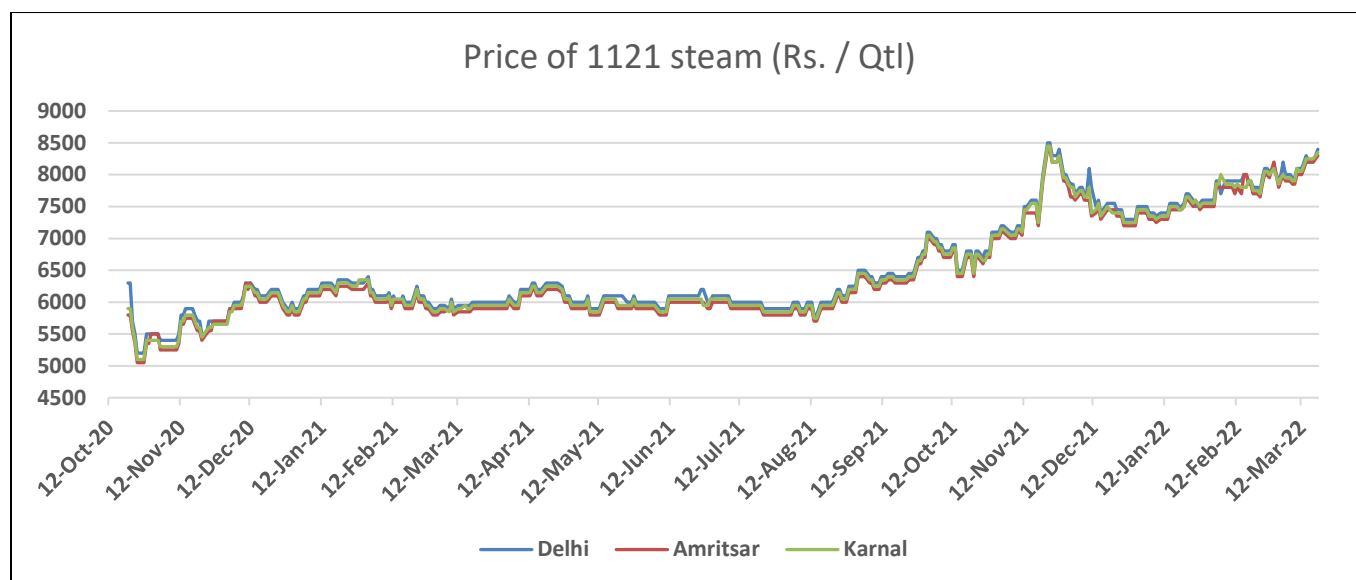
State wise Wholesale Prices Weekly Analysis for Rice Third week March, 2022

State	Prices 16-23 Mar 2022	Prices 09-15 Mar 2022	Prices 24-28 Feb 2022	Prices 09-15 Mar 2021	% Change (Over Previous Week)	% Change (Over Previous Year)
Gujarat	4269.12	4257.69	4266.41	4301.83	0.27	-1.76
Karnataka	4104.32	3784.87	3821.02	3575.86	8.44	4.89
Kerala	3696.1	3644.42	3627.54	3470.31	1.42	7.18
Odisha	3024.22	2953.77	2803.21	2678.84	2.39	3.23
West Bengal	2809.22	2937.33	2865.26	2823.52	-4.36	6.56
Jharkhand				2400	—	-
Maharashtra	3682.37	4395.41	4266.43	4175.82	-16.22	-
Tripura	3015.12	3010.28	2994.96	2976.28	0.16	-0.16
Bihar	2443.67	2903.73	2852.73		-15.84	-
Manipur	3400	3373.18	3412.69		0.8	-
NCT of Delhi		2825	3520		—	-6.48
Uttar Pradesh	2548.83	2559.86	2553.22	2448.59	-0.43	2.62
Average	3299.3	3331.41	3362.13	3205.67	-0.96	2.92

Prices in Rs/Quintal

(source: Agmarknet)

The price of 1121 steam is showing steady to firm trend in major markets as good export demand from Iran is supporting the market after the removal of sanctions by USA on Iran. The prices are trading in the range of Rs. 8200-8300 per quintal and it is unlikely to cross this mark as it will be uncompetitive for the overseas markets to prefer Indian basmati rice. We expect the market to remain steady as lower availability and production will support the market.


Outlook (Narella 1121 Steam): -

Duration	Trend	Average Price Range	Reason
Fourth Week of March, 2022	Mix bias	Rs.8000-8150/Quintal	Prices already on higher side making it little on uncompetitive side
First Week of April, 2022	Mix bias	Rs.7950-8100/Quintal	Good export demand
Second Week of April, 2022	Mix bias	Rs.7900-8050/Quintal	Demand from Middle east 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
		19-Mar-22	12-Mar-22	19-Feb-22	19-Mar-21			
Delhi	1121 Steam	8400	8100	7800	6000	3.70	7.69	40.00
	1121 Sella	7250	7100	6950	5100	2.11	4.32	42.16
	1121 Raw	8400	8100	7900	6000	3.70	6.33	40.00

	Basmati Raw	10000	9700	-	9600	3.09	-	4.17
	1509 Steam Wand New	8200	7850	7400	5500	4.46	10.81	49.09
	Sugandh Steam	6700	6500	6400	4800	3.08	4.69	39.58
	Sharbati Raw	5800	5700	5500	4600	1.75	5.45	26.09
	Pusa Raw Wand	6750	6700	6500	5600	0.75	3.85	20.54
	Parmal Sella	3300	3200	3200	3200	3.13	3.13	3.13

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 09.03.2022)				
S.No.	STATES/ UTs	FCI	State Agency	Total
1	A.P.	0	37.27	37.27
2	Telangana	0	70.22	70.22
3	Assam	0.41	0.38	0.79
4	Bihar	0	44.90	44.90
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	4.73	4.73
11	J&K	0.40	0.00	0.40
12	Karnataka	0	1.64	1.64
13	Kerala	0	2.70	2.70
14	M.P.	0	45.83	45.83
15	Maharashtra	0	13.36	13.36
16	Odisha	0	55.43	55.43
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	22.95	22.95
21	U.P.	1.08	64.45	65.53
22	Uttarakhand	0	11.56	11.56
23	West Bengal	0	16.03	16.03
Total		4.72	724.95	729.67

IGC Global Rice Balance Sheet:

Attributes (Fig in Million Tons)	2018-19	2019-20	2020-21 Est.	2021-22 (Fore.)	
				17.02.2022	17.03.2022
Production	499	500	509	511	514
Trade	43	44	51	49	51
Consumption	488	496	509	509	514
Carryover stocks	175	179	180	181	181
Y-O-Y change	11	4	1	1	0
Major Exporters	40	45	49	51	52

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

The large production of Rice in India is reflected in the IGC's 2021-22 rice output estimate which is lifted by 4 MMT to a peak of 514 MMT, there is an increase in China's imports and 2022 trade outlook is lifted up by 1 MMT and would be steady.

On the basis of bigger and record crops in Asia, world rice output is placed at a peak of 514 MMT, an increase by 1 percent year on year. Tied to expanded food use, coupled with increased feed sector uptake given high prices for traditional ingredients, such as maize, consumption is forecast at a record. Aggregate inventories are predicted little-changed year on year as gains in major exporters offset reductions elsewhere. World import demand is seen at an above-average 51 MMT, nearly unchanged year on year.

Rice Price Trend @ CBOT Mar-2022, Rough Rice) (Prices in US\$/hundredweight)



Market Analysis

The CBOT Feb-22 weekly chart for Rough Rice indicated firm tone last weeks. The firm tone is mainly due to increase rice demand globally after shifting of grain requirements from wheat and corn to rice for feed purpose. The IGC has also increased the overall global trade and consumption in its new report which is supporting the market. In coming week, the CBOT is expected to trade firm and take resistance at \$16.50 and reversing back. The CBOT is expected to trade in the range of USD 15.50-16.50.

Price Projection (International-CBOT)

Duration	Trend	Price Range
4 th Week of March-2022	Firm	USD/ Hundred Weight 15.50-16.50

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