Rice Weekly Research Report

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Outlook and Review:

- Many traders from the neighboring states like Kerala, Tamil Nadu and Karnataka had procured paddy from Telangana in Kharif. The reason is that because of high-quality paddy grown in irrigated areas of Telangana, there has been good demand for Telangana paddy in neighboring states. It is believed that even in the present Rabi season, a similar trend would prevail and ultimately the farmers' produce will be procured in the open market. It is estimated that Grade-A variety may fetch anywhere between Rs 1,600 and Rs 1,800 per quintal while the common variety would fetch Rs 1,300 to Rs 1,500 per quintal in March.

- Indonesia has set its 2023 production target for unhusked rice at 56.08 million tonnes Vs 57.5 million tonnes target in 2022. In the January-April period of 2022, it is estimated that unhusked rice output is 25.40 million tonnes, up by 7.7% from the same period a year earlier.

- There was suspension of exports for 100 % broken rice as the rice exporter association has issued a notice regarding benchmark pricing on 17th March 2022. Huge demand from South East Asian market is seen for the near term. For most of the other destinations, the demand remains average.

- The World Trade Organization (WTO) has questioned India's surge of rice exports at 21.3 million tonnes and further accused India of violating the WTO's 'Bali interim peace clause' by exceeding subsidy limitations without separately reporting its public stockholding (PSH) programs.

- India's 5% broken rice was quoted at $367 to $370 per tonne, down from last week's $371 to $378, due to depreciation in the rupee amid steady demand. Wheat, corn and other grains prices have rallied in the last few weeks. Rice is stable currently in the market and buyers are making decent purchases. A weaker rupee increases traders' margin from overseas sales.

- Thailand's 5% broken rice prices fell to $408-$412 per tonne, from $410-$428 a week ago as the Thai baht declined against the dollar. The weak baht is leading to competitive prices and boosting sales, with more than 7 million tonnes of rice this year to be exported, overtaking the export target. However, logistics remained a challenge with insufficient ships and high freight rates. New crop arrivals are expected to enter the market later this month.

- Vietnam's 5% broken rice was offered at $415-$420 per tonne, unchanged from a week ago. While supplies are building up amid harvest in the Mekong Delta, traders were buying from farmers to push domestic prices down. As per sources, 2,32,000 tonnes of rice to be loaded at Ho Chi Minh City port in March, most of it heading to the Philippines and Africa.

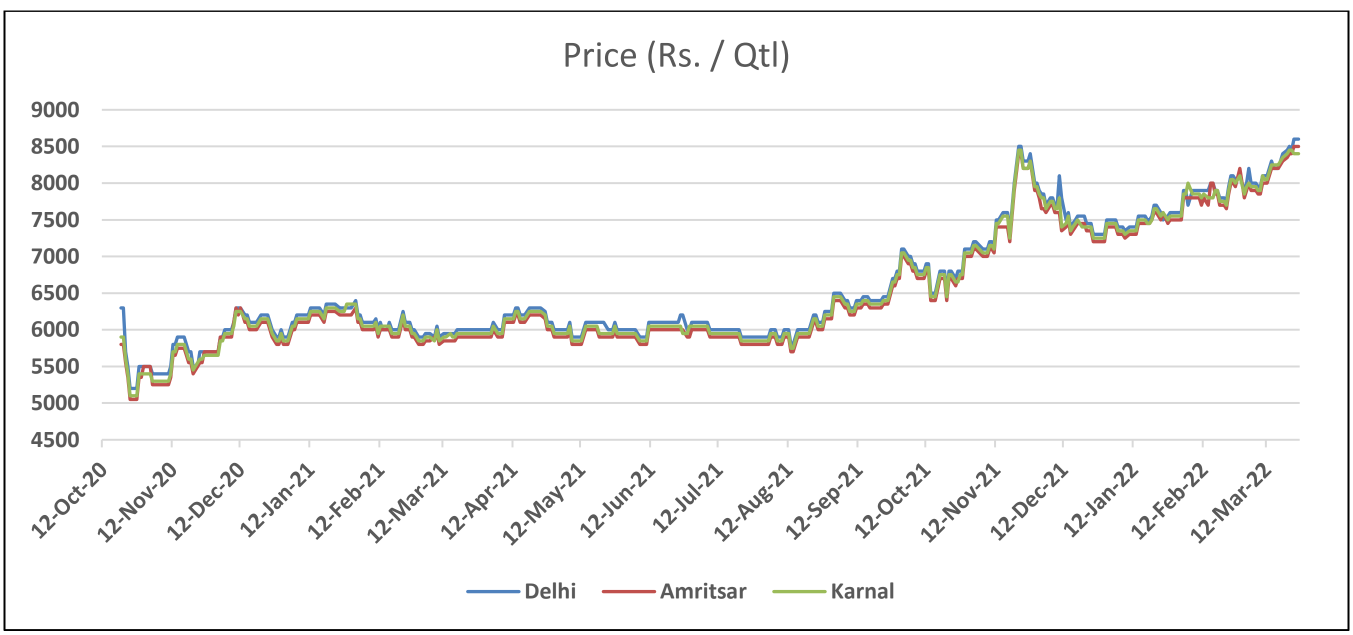
- Jharkhand government will request the Centre to extend the deadline for paddy procurement upto April 30th this year, in case if it fails to achieve the target by March 31st. The target for 2021-22 is 80-lakh tonne, and the deadline for procurement is expiring on March 31. The state has achieved over 71 per cent of its paddy procurement target till March 23.

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

State	Prices 24-31 Mar 2022	Prices 16-23 Mar 2022	Prices 09-15 Mar 2022	Prices 24-31 Mar 2021	% Change (Over Previous Week)	% Change (Over Previous Year)
Bihar	2380	2396.13	2903.73	-	-0.67	-
Maharashtra	3631.61	3629.78	4395.41	3495.93	0.05	3.88
Manipur	3437.62	3412.5	3373.18	-	0.74	-
Uttar Pradesh	2540.6	2555.34	2559.86	2438.73	-0.58	4.18
Gujarat	4274.83	4257.24	4257.69	4324.09	0.41	-1.14
Tripura	2970.32	3006.99	3010.28	3063.49	-1.22	-3.04
Jharkhand	-	-	-	2400	-	-
Karnataka	3660.37	3980.83	3783.56	4022.29	-8.05	-9
Odisha	2840.41	2880.48	2953.77	2766.88	-1.39	2.66
Kerala	3783.39	3635.01	3644.42	3476.24	4.08	8.84
West Bengal	3053.98	2856.67	2937.33	2824.62	6.91	8.12
NCT of Delhi	-	-	2825	-	-	-
Average	3257.31	3261.1	3331.29	3201.36	**-0.12**	**1.75**

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

The price of 1121 steam is showing steady to firm trend in major markets. It is expected that the basmati rice prices can take a firm bias in coming days with prices to move up by Rs. 500 a quintal in coming days as export & domestic demand is good in the market and export demand is likely to be good in coming month as well. In UP, the millers are having 15-20% of rice stock left which is creating pressure in the market. It is expected that the millers in Punjab, Haryana and Delhi is unable to fulfill the demand for 4-5 months. Arrivals of paddy is limited to only 10-12 mandis. This is expected to support the market in coming days.



Outlook (Narella 1121 Steam): -

Duration	Trend	Average Price Range	Reason
First Week of April, 2022	Firm bias	Rs.8600-8800/Quintal	Lower stocks and good export demand
Second Week of April, 2022	Firm bias	Rs.8800-8900/Quintal	Low arrivals and stock availability
Third Week of April, 2022	Mix bias	Rs.8700-8950/Quintal	Highly uncompetitive prices preventing exports

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
		26-Mar-22	19-Mar-22	26-Feb-22	26-Mar-21			
Delhi	**1121 Steam**	8600	8400	8050	6000	2.38	6.83	43.33
	1121 Sella	7600	7250	7150	5100	4.83	6.29	49.02
	1121 Raw	8500	8400	8150	6000	1.19	4.29	41.67
	Basmati Raw	10000	10000	-	9600	Unch	-	4.17
	1509 Steam Wand New	8300	8200	7650	5500	1.22	8.50	50.91
	Sugandh Steam	7200	6700	6800	4800	7.46	5.88	50.00
	Sharbati Raw	5900	5800	5700	4600	1.72	3.51	28.26
	Pusa Raw Wand	7100	6750	6800	5600	5.19	4.41	26.79
	Parmal Sella	3300	3300	3300	3200	Unch	Unch	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 20.03.2022)				
S.No.	**STATES/ UTs**	**FCI**	**State Agency**	**Total**
1	A.P.	**0**	**38.20**	**38.20**
2	Telangana	**0**	**70.22**	**70.22**
3	Assam	**0.54**	**0.52**	**1.06**
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**	**5.34**	**5.34**
11	J&K	**0.40**	**0.00**	**0.40**
12	Karnataka	**0**	**1.90**	**1.90**

13	Kerala	0	2.98	2.98
14	M.P.	0	45.83	45.83
15	Maharashtra	0	13.36	13.36
16	Odisha	0	56.65	56.65
17	Punjab	1.69	185.59	187.28
18	Rajasthan	0.07	0.00	0.07
19	NEF (Tripura)	0	0.31	0.31
20	Tamilnadu	0	26.40	26.40
21	U.P.	1.08	64.45	65.53
22	Uttrakhand	0	11.56	11.56
23	West Bengal	0	16.03	16.03
Total		**4.92**	**732.19**	**737.11**

IGC Global Rice Balance Sheet:

Attributes (Fig in Million Tons)	2018-19	2019-20	2020-21 Est.	2021-22 (Fore.) 17.02.2022	2021-22 (Fore.) 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 Mar-22 weekly chart for Rough Rice indicated firm tone last weeks. Most of the demand from wheat and corn is diverted to Rice and huge trade is happening for the rice 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 16.10-16.50.

Price Projection (International-CBOT)

Duration	Trend	Price Range
1st Week of April-2022	Firm	USD/ Hundred Weight 16.10-16.50