

Rice Weekly Research Report

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Outlook and Review:

- The central government may have to distribute more rice than wheat in the latest extension of the PMGKAY for six months starting April 1 to prevent a drawdown in its wheat stocks at the end of 2022-23. The government plans to allocate 24.4 million tonnes of wheat and rice for PMGKAY for the next six months starting April 1. And it is expected that the breakup for the rice stocks will be on higher side.
- Currently, 5% broken rice of IR 64 variety is trading at FOB \$350 per tonne from Kolkata Port and \$368 per tonne from Nhava Sheva Port. And 5% broken rice of Swarna variety is trading at FOB \$334 per tonne from Kolkata Port. The CIF for 5% broken rice is trading at \$510 for Togo, \$640 per tonne for Algeria, \$512 per tonne for Benin, \$557 per tonne for Siere Leone and \$480 per tonne for Djibouti.
- The Broken rice markets remain flat as the freight charges remain high and container availability is highly volatile which is keeping the prices on competitive side. Demand remains average and is expected to stay quiet for near term.
- With maize and wheat prices soaring on demand from West, South and South-East Asia, buyers shifting to 100 per cent broken rice for animal feed in countries such as Vietnam, Indonesia and China. Broken rice prices are now quoted near maize prices as there is a shortage. Broken rice is commanding ₹2,100 a quintal. 100 per cent broken rice prices were at par with 25 per cent broken white rice. As per IGC data, 25 per cent broken rice price last weekend were \$349 a tonne. Rice prices will begin to fall off once Rabi arrivals begin and this will happen around mid-May.
- The price of 5% broken rice is traded at FOB \$360 per tonne from Mundra Port while 25% broken rice is being traded at FOB \$340 per tonne from Mundra Port. The CIF for 5% broken rice to Singapore is \$425 per tonne while CIF for 25% broken rice to Togo is \$450 per tonne and \$470 per tonne for Guinea.
- The market was steady to slightly bullish for white rice markets and is expected to stay same for near term as demand from South east Asian markets increases. Though the 100% broken rice market remains suspended due to high price viability.
- India's 5% broken rice was quoted at \$367 to \$370 per tonne this week, unchanged from the last week. Since the government has extended subsidized food grain distribution by six months, local supplies will rise and prices will remain under pressure.
- Vietnam's 5% broken rice was offered at \$400-\$415 per tonne, down from \$415-\$420 per tonne a week ago. Domestic supplies are rising, adding that quality has been affected due to prolonged rain during the harvest time. Preliminary shipping data showed 72,000 tonnes of rice were scheduled to be loaded at Ho Chi Minh City port during the first week of April, with most of the grains were heading to the Philippines and Africa. Vietnam's rice exports in the first quarter are estimated to have increased 24% from a year earlier to 1.475 million tonnes, raising revenue by 10.5% to \$715 million.
- Thailand's 5% broken rice prices narrowed to \$408-\$410 per tonne this week, from \$408-\$412 quoted a week ago. Overseas demand for Thai rice has been muted due to insufficient ships and high freight rates.

Prices, however, remained high on domestic demand for broken rice used for animal feed due to logistic problems with imports. The supply situation remains unchanged with the new harvest entering the market this week.

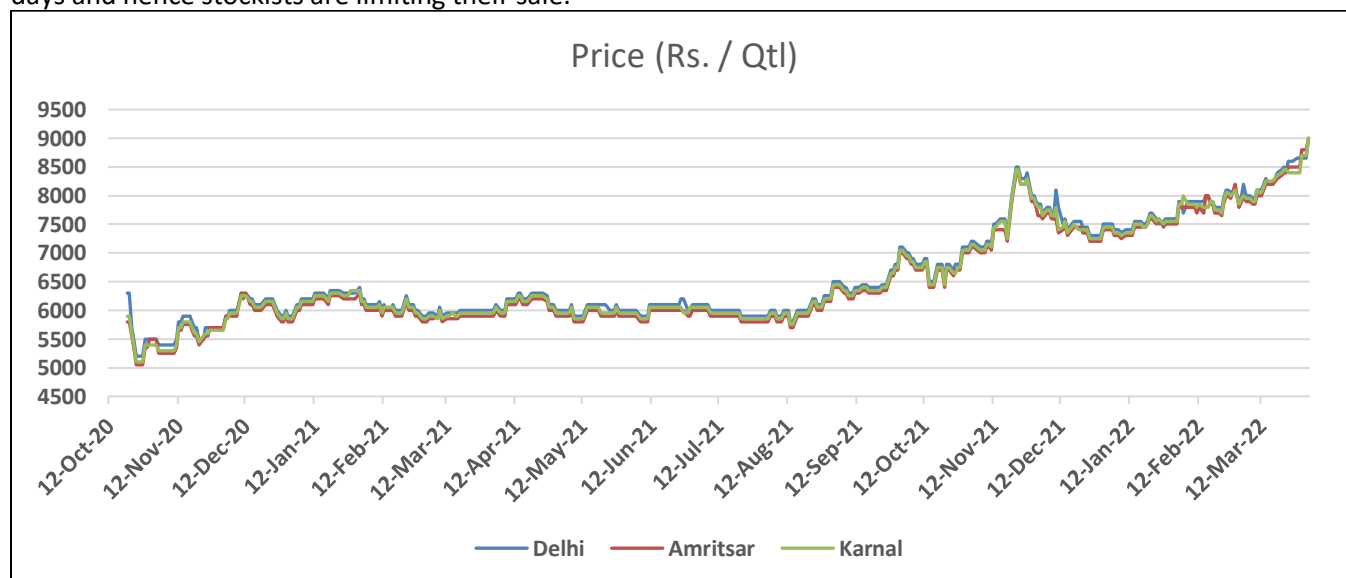
State wise Wholesale Prices Weekly Analysis for Rice Fourth week March, 2022

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 expected to cross Rs. 9000 per quintal. There is a huge increase in the prices and the arrivals of basmati paddy has been almost negligible in the major mandis. There are also no stocks of ready rice available within the millers. It is also expected that the price of basmati rice would increase by Rs. 300 in coming days and hence stockists are limiting their sale.



Outlook (Narella 1121 Steam): -

Duration	Trend	Average Price Range	Reason
Second Week of April, 2022	Firm bias	Rs.8900-9200/Quintal	Lower stocks and good export demand
Third Week of April, 2022	Firm bias	Rs.9100-9300/Quintal	Low stocks
Fourth Week of April, 2022	Mix bias	Rs.8800-9100/Quintal	Due to lower stocks, the exports could be restricted

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
		02-Apr-22	26-Mar-22	02-Mar-22	02-Apr-21			
Delhi	1121 Steam	9000	8400	7900	6000	7.14	13.92	50.00
	1121 Sella	8100	7250	7000	5100	11.72	15.71	58.82
	1121 Raw	9000	8400	8000	6000	7.14	12.50	50.00
	Basmati Raw	10000	10000	8700	9800	Unch	14.94	2.04
	1509 Steam Wand New	8700	8200	7750	5500	6.10	12.26	58.18
	Sugandh Steam	7200	6700	6550	4800	7.46	9.92	50.00
	Sharbati Raw	5800	5800	5700	4600	Unch	1.75	28.26
	Pusa Raw Wand	7100	6750	6700	5600	5.19	5.97	26.79
	Parmal Sella	3300	3300	3250	3200	Unch	1.54	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	Uttarakhand	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	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 weak tone last weeks. The demand for rice has reduced due to uncompetitive prices. 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
2nd Week of April-2022	Firm	USD/ Hundred Weight 16.10-16.50

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