

Rice Weekly Research Report

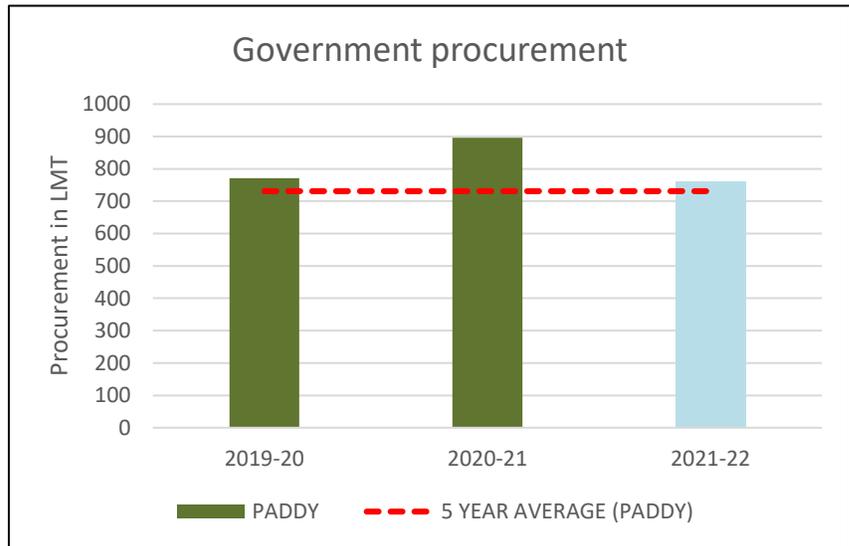
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Outlook and Review:

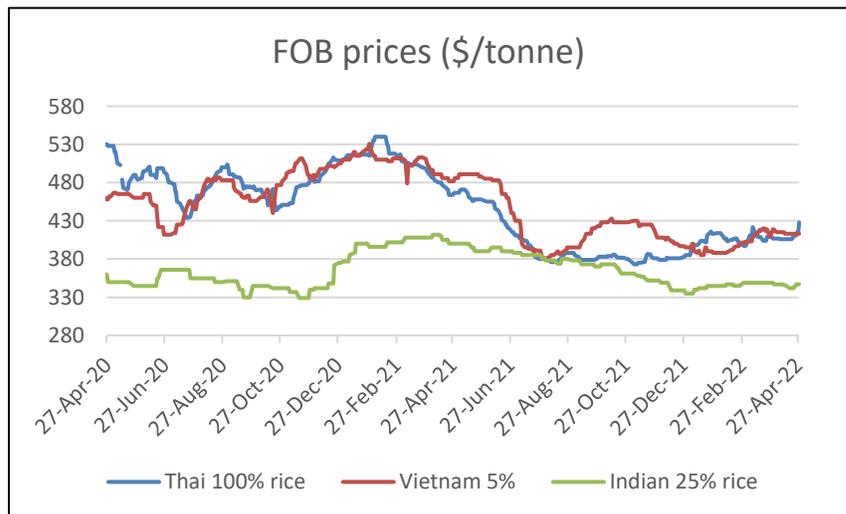
- Punjab government is promoting direct seeding of rice instead of transplanting method for the upcoming Kharif season. They have promised to provide Rs. 1500 per acre incentive to the farmers who use DSR method. As per sources, DSR method require only 12 irrigation against 25 irrigations needed in traslanting menthond. The input cost is also estimated to be low for DSR method. It is likely that despite the ground water level issue in Punjab, the acreage is expected to be good for rice in upcoming kharif season.

- As of 28th April 2022, a quantity of 760.03 Lakh MT (LMT) of paddy has been procured in KMS 2021-22. Till now about 109.45 Lakh farmers have been benefitted. Telangana government is asking centre to increase export potential in order to export the parboiled rice which the centre is not purchasing from the state government.



- Though ocean freight rates may have taken a temporary dip, but lockdown delays in China is increasing transit times on intra-Asia trade lines. Freight rates from China had reduced over the last month but the transit time have steadily increased over the past eight weeks. Average transit time from China to Nhava-Sheva and Mundra Port was between three or four weeks, but now the same service is above five or six weeks. China is also one of the major importers for India’s broken rice. The transit time is impacting India’s trade with many Asian and South East Asian countries.

- Thailand's 5% broken rice prices were quoted at \$432-\$435 per tonnes FOB, which is up from \$410-\$414 last week. There has been an increase in demand from markets like Iraq and Iran and also due to improved relations with Saudi Arabia. The demand can increase once Ramzan is over. Freightner costs has not become an issue for Thai rice exports because Middle Eastern buyers have sent their own freight for rice purchases.



- India's 5% broken parboiled rice was quoted at \$361 to \$365 per tonne FOB, unchanged from the last week. Domestic supplies are improving as government is distributing a lot of rice to poor people at free of cost or at nominal rate.
- Vietnam's 5% broken rice were quoted at \$415 per tonne FOB, unchanged from last week. However, prices are expected to rise in the coming weeks as supplies were running low with the winter-spring harvest almost over. Traders are also hesitant to sign new export contracts, waiting for prices to go up higher. Shipping data showed approx. 300,990 MT of rice is to be loaded at Ho Chi Minh City port in April, and 40,000 MT during the first week of May, with most of the rice heading to the Philippines, Africa and Cuba.
- Bangladesh has raised the price it will pay to farmers for the current season's rice to 40 taka (\$0.48) per kilogram, which is up from 36 taka a year ago. The government will buy a total of 1.8 MMT of summer variety of rice and paddy from local farmers starting from May 7. The move is crucial as the country is undergoing increase in the price of rice and it will help keep domestic prices stable.
- Senegal's rice production is expected to rise by 9% for the 2022-23 MY. The production rose largely due to increase in access to certified seeds, fertilizers and agricultural equipment. In 2021-2022, production is estimated to fall by 4% to 1.25 MMT compared with the prior year due to delays in the rehabilitation of areas that became unsuitable for rice growing, Senegal is also one of the major rice importing countries from India. Production increase may lower their dependence on India for rice in coming year.
- Non-Basmati Rice markets remains quiet as it is expected that there will be bearish sentiments to be seen in near term which is bringing limited offers. The demand remains average for most markets. In coming days flat to bearish sentiments is expected.

State wise Wholesale Prices Weekly Analysis for Rice fourth week April, 2022

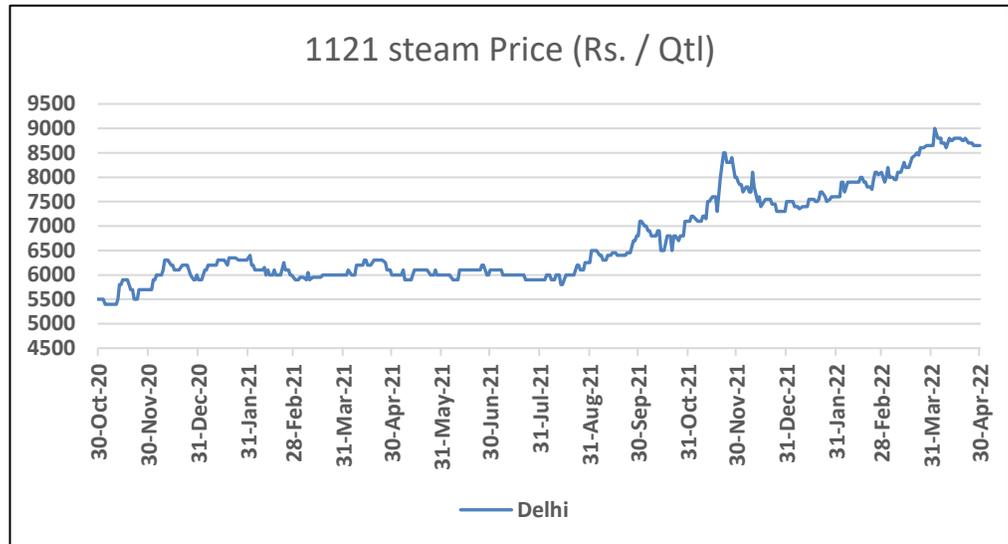
State	Prices 24-30 Apr 2022	Prices 16-23 Apr 2022	Prices 09-15 Apr 2022	Prices 24-30 Apr 2021	% Change (Over Previous Week)	% Change (Over Previous Year)
Maharashtra	3754.28	3874.89	3876.72	3652.87	-3.11	2.78
Manipur	3453.07	3455.91	3465.17	-	-0.08	-
Odisha	2948.18	3035.27	2846.42	2877.47	-2.87	2.46
Karnataka	3636.18	3930.1	4592.7	4534.32	-7.48	-19.81
Uttar Pradesh	2558.99	2538.56	2545.39	2461.68	0.8	3.95
Bihar	2601.95	2752.89	2593.66	-	-5.48	-
NCT of Delhi	-	4325	-	-	-	-
Tripura	2977.99	2998.8	3008.7	2932.86	-0.69	1.54

Gujarat	4330.11	4326.58	4345.74	-	0.08	-
Kerala	3626.74	3642.35	3591.24	3483.74	-0.43	4.1
Uttrakhand	2554.64	2784.29	2849.96	-	-8.25	-
West Bengal	2906.5	2894.55	2815.25	2788.92	0.41	4.22
Jharkhand	-	-	-	2466.67	-	-
Average	3213.51	3379.93	3321	3149.82	-4.92	2.02

Prices in Rs/Quintal

(source: Agmarknet)

Due to increased exports of wheat, the export demand for rice has been affected and that is weakening the basmati rice market. Though the stocks available within the mills of northern India is low which prevent the prices from a major fall. The prices are expected to trade firm once the Ramzan festival gets finished as we can expect demand from domestic and international markets.



Outlook (Narella 1121 Steam): -

Duration	Trend	Average Price Range	Reason
First Week of May, 2022	Firm bias	Rs.8600-8700/Quintal	Increase in domestic demand
Second Week of May, 2022	Firm bias	Rs.8700-8800/Quintal	Low stocks and good export demand
Third Week of May, 2022	Firm bias	Rs.8800-9000/Quintal	Low stocks and good export demand

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
		28-Apr-22	21-Apr-22	31-Mar-22	30-Apr-21			
Delhi	1121 Steam	8650	8800	8650	6000	-1.70	Unch	44.17
	1121 Sella	7900	8050	7650	5250	-1.86	3.27	50.48
	1121 Raw	8650	8800	8550	6000	-1.70	1.17	44.17
	Basmati Raw	10300	10300	10000	9800	Unch	3.00	5.10
	1509 Steam Wand New	8500	8600	8300	5700	-1.16	2.41	49.12
	Sugandh Steam	7200	7400	7200	5000	-2.70	Unch	44.00
	Sharbati Raw	6050	6200	5800	4700	-2.42	4.31	28.72
	Pusa Raw Wand	7500	7750	7100	5700	-3.23	5.63	31.58
	Parmal Sella	3425	3550	3300	3300	-3.52	3.79	3.79

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 28.04.2022)				
S.No.	STATES/ UTs	FCI	State Agency	Total
1	A.P.	0	43.64	43.64
2	Telangana	0	69.05	69.05
3	Assam	1.09	1.05	2.14
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	7.53	7.53
11	J&K	0.41	0.00	0.41
12	Karnataka	0	2.19	2.19
13	Kerala	0	4.64	4.64
14	M.P.	0	45.83	45.83
15	Maharashtra	0	13.38	13.38
16	Odisha	0	57.24	57.24
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	33.24	33.24
21	U.P.	1.08	64.45	65.53
22	Uttrakhand	0	11.56	11.56
23	West Bengal	0	22.01	22.01
Total		5.30	754.54	760.03

IGC Global Rice Balance Sheet:

Attributes (Fig in Million Tons)	2019-20	2020-21 Est.	2021-22 (Fore.)		2022-23 (Proj.)
			17.03.2022	21.04.2022	21.04.2022
Production	500	510	514	515	520
Trade	44	51	51	51	50
Consumption	495	509	514	514	517
Carryover stocks	180	181	181	181	184
Y-O-Y change	4	1		1	3
Major Exporters	45	50	52	52	56

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

World rice output in 2021-22 is lifted by 1 MMT, to a record of 515 MMT (+1%), with outlooks for consumption, stocks and trade also pegged fractionally higher month on month. World rice production in 2022-23 is tentatively seen establishing a new high, including gains in key exporters. Further growth in uptake and inventories is predicted, but global import demand may edge lower in 2023 on softer Asian buying interest.

Including a record outturn in India, world rice output is projected 1% higher year on year, at a peak of 515 MMT. With China in particular utilizing larger quantities of rice for feeding, global uptake is forecast at a new high, with inventories set to accumulate – largely reflecting gains in India. Trade is seen at a record of 51 MMT, broadly steady year on year. The 2022-23 global rice outturn is projected 1% larger year on year on potentially bigger harvests in key exporters. Population growth should underpin expanded uptake, while stocks could build further on gains in India. Trade in 2023 is seen remaining historically high.

Rice Price Trend @ Rough Rice May-22 (Prices in US\$/hundredweight)



Market Analysis

As depicted from the above chart, the candles are moving in upward trend. The MACD indicates bullish trend and RSI oscillator indicates overbought condition. It is likely that in coming sessions the prices may fall due to profit booking as it is close to resistance level of 17.576.

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