Rice Weekly Research Report

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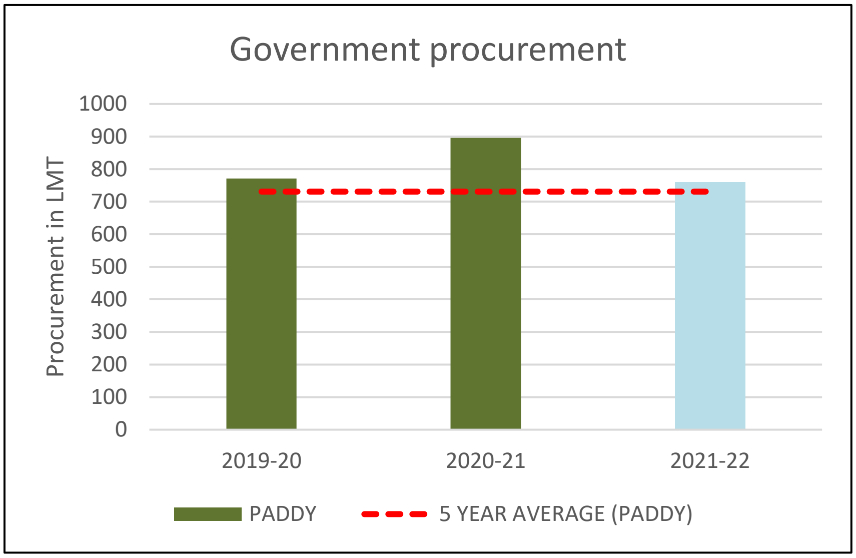
Outlook and Review:

- Government has decided to allocate additional 55 LMT of rice instead of wheat for the PMGKAY which is extended till September. The decrease in production and procurement of wheat has led to change in allocation norms. As stocks of rice in central pool is already on higher side, additional allocation of rice would help in better utilization of rice stocks and controling the depleting stocks of wheat.

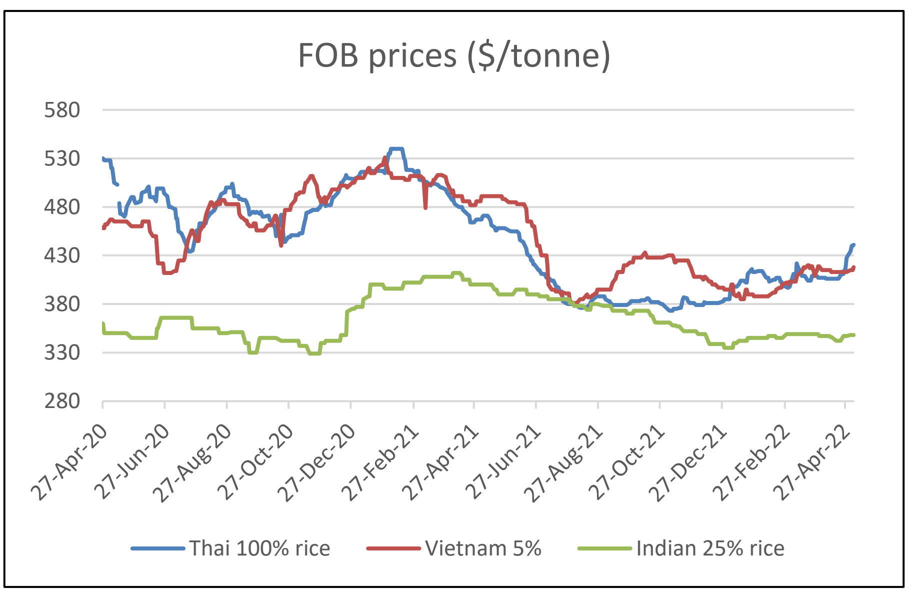
- As of 28th April 2022, a quantity of 760.03 Lakh MT (LMT) of paddy has been procured in KMS 2021-22. Till now about 109.45 Lakh farmers have been benefitted. Telangana government is asking centre to increase export potential in order to export the parboiled rice which the centre is not purchasing from the state government. Centre has extended KMS 2021-22 till May 31st. The extension was done for seventh time with earlier extended till April 30th.



- The Union Ministry has suggested imposing a 5 per cent GST on de-oiled rice bran in order to discourage using product for feed purpose. Due to increased dependence on edible oil imports, domestic production of rice bran oil needs to be increased as only 60% of the capacity is being used.

- India's 5% broken rice was quoted at $363-$367 per tonne, up from last week's $361-$365, with prices also being supported by an appreciation in the rupee. And demand for all types of rice is robust from Asia and Africa.

- Vietnam's 5% broken rice was quoted at $420 per tonne, up from $415 a week ago. Prices are edging up on tight supplies as the winter-spring harvest has come to an end, though supplies would increase after the summer-autumn harvest in late-May. Vietnam's rice exports in the first four months of the year likely rose 4.4% from a year earlier to 2.05 million tonnes, while revenue from rice exports in the period fell 6% from a year earlier.



- Thailand's 5% broken rice prices were quoted at $435-$445 per tonne, which is an increase from $432-$435 last week. There has been more demand from Iraq, with many freighters sent to buy rice and this drove up prices. Ships made available by Middle Eastern clients have eased the burden of high freight costs that were a concern for exporters earlier. The amount of rice in the market will begin to decrease as Thailand move towards the rainy season.

- Vietnam's rice exports is growing in ASEAN countries. The Philippines was Vietnam's largest rice buyer in 2021, with a purchase volume of 2.45 MMT and a turnover of US$1.25 billion. On an average, Vietnamese rice to the Philippines fetched $509 per tonne, a 10.7 per cent increase in volume and 7.1 per cent in price from the previous year. Apart from Vietnam, Malaysia, Singapore, Indonesia and Brunei were also the top buyers of Vietnamese rice. Currently Vietnam is producing high quality rice, keeping the prices on higher side and getting stiff competition from highly competitive brands of India, Pakistan and Myanmar

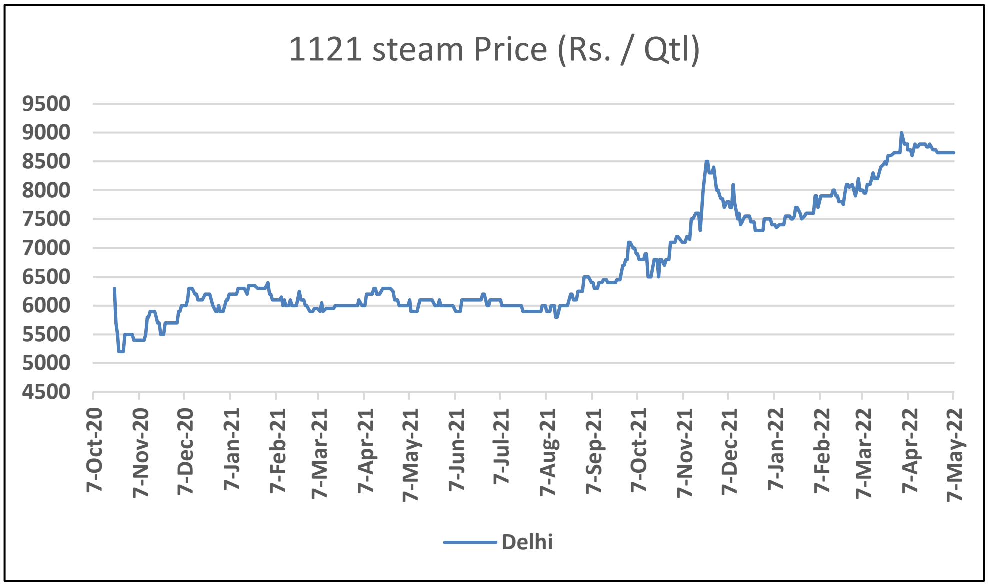
- In coming days bearish sentiments is expected in domestic market. Rice markets remained dull as traders are anticipating that there will be drop in local prices for the new crop arrivals across major markets. Demand from west African regions remain good though container volatility continues due to lockdown in China keeping the domestic market quiet.

State wise Wholesale Prices Weekly Analysis for Rice first week May, 2022

State	Prices 01-08 May 2022	Prices 24-30 Apr 2022	Prices 16-23 Apr 2022	Prices 01-08 May 2021	% Change (Over Previous Week)	% Change (Over Previous Year)
Manipur	-	3464.06	3455.91	-	-	-
West Bengal	2957.91	2917.77	2894.55	2779.15	1.38	6.43
Jharkhand	-	-	-	2469.35	-	-
Kerala	3644.28	3626.74	3642.35	3492.39	0.48	4.35
Uttrakhand		2554.64	2784.29	-	-	-
Gujarat	4255.31	4330.11	4326.58	-	-1.73	-
Karnataka	3522.69	3675.76	3930.1	4257.89	-4.16	-17.27
Maharashtra	3738.85	3744.6	3874.89	4229.67	-0.15	-11.6
Tripura	2950.06	2979.19	2998.8	2917.28	-0.98	1.12
Uttar Pradesh	2573.31	2558.8	2538.56	2469.82	0.57	4.19
Odisha	3057.37	2954.65	3035.27	3049.8	3.48	0.25
Bihar	2582.16	2589.74	2752.89	-	-0.29	-
NCT of Delhi	-	-	4325	-	-	-
Average	3253.55	3217.82	3379.93	3208.17	**1.11**	**1.41**

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

The supply of rice exports has been disrupted due to shifting rakes to coal supply and higher exports of wheat as a result most exporters are busy in exporting wheat instead of rice. The 1121 steam price remain steady and is expected to trade firm in coming week due to good export demand from international market and better domestic consumption due to wedding season.



Outlook (Narella 1121 Steam): -

Duration	Trend	Average Price Range	Reason
Second Week of May, 2022	Firm bias	Rs.8600-8750/Quintal	Low stocks and good export demand
Third Week of May, 2022	Firm bias	Rs.8700-8850/Quintal	Low stocks and good export demand
Fourth 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
		7-May-22	30-Apr-22	7-Apr-22	7-May-21			
Delhi	**1121 Steam**	8650	8650	8700	6100	Unch	-0.57	41.80
	1121 Sella	7850	7900	7900	5350	-0.63	-0.63	46.73
	1121 Raw	8650	8700	8900	6100	-0.57	-2.81	41.80
	Basmati Raw	10300	10300	10000	9900	Unch	3.00	4.04
	1509 Steam Wand New	8450	8450	8500	5800	Unch	-0.59	45.69
	Sugandh Steam	7200	7200	7450	5100	Unch	-3.36	41.18
	Sharbati Raw	6000	6050	6300	4900	-0.83	-4.76	22.45
	Pusa Raw Wand	7250	7400	7700	6000	-2.03	-5.84	20.83
	Parmal Sella	3425	3400	3550	3350	0.74	-3.52	2.24

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	2019-20	2020-21 Est.	2021-22 (Fore.)		2022-23 (Proj.)
(Fig in Million Tons)			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)