

# Rice Weekly Research Report

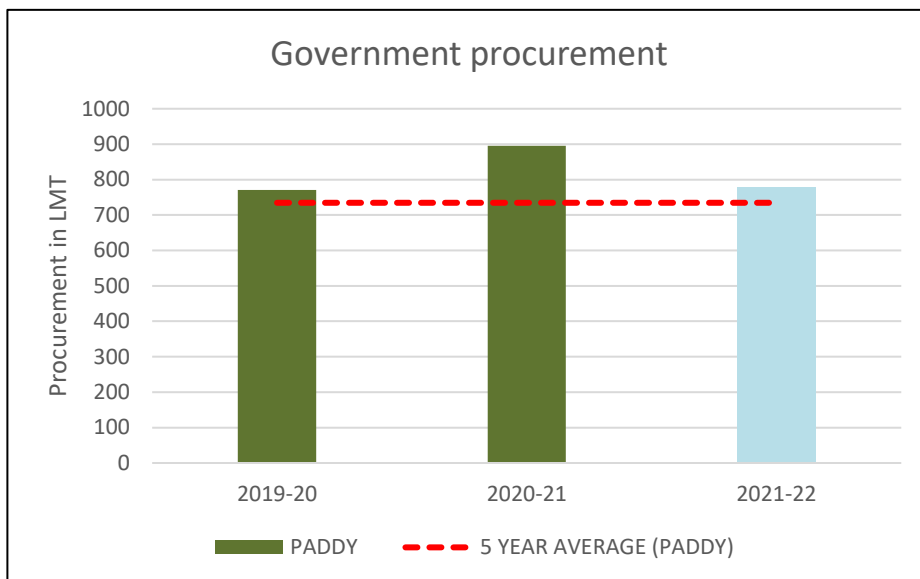
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### Outlook and Review:

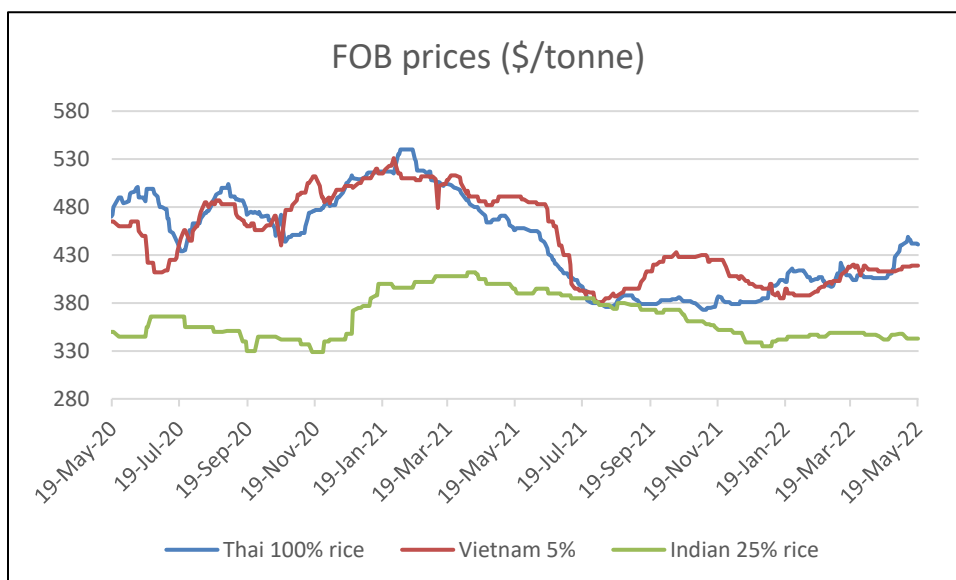
- Like Punjab, Haryana has also decided to provide incentive of Rs. 4000 per acre to the farmers who will cultivate paddy by DSR method. The DSR method is likely to reduce the input cost increasing the farmer's return.
- As of 16th May 2022, a quantity of 777.97 Lakh MT (LMT) of paddy has been procured in KMS 2021-22. Till now about 111.64 Lakh farmers have been benefitted with the MSP value of Rs. 1,52,482.46 crores.



- International rice was trading trading last week with focus on supply demand report from USDA. The rice market's reaction to the May WASDE was favorable. As anticipated, long-grain ending stocks are expected to tighten in the 2022 marketing year.

- Currently rice is trading at two years high globally due to strong demand from Asian markets. Rice prices have risen by 29 percent on a year-on-year basis and they are up 6 percent monthly and 3 percent weekly. The expectation of record production and higher consumption in 2022-2023 is also supporting the prices apart from the shift in focus to rice amid a shortage in wheat.
- Thailand has shipped 6.11 MMT of rice last year, up by 6.68% from 5.73 MMT in 2020, with exports valued at 108 billion baht, down by 7.14% from 116 billion in 2020. The shipments comprised of 2.35 MMT of white rice (up by 18.9%), 1.4 MMT of Thai hom mali rice (down by 1.7%), 1.4 MMT of parboiled rice (up 1.6%), 550,574 mt of aromatic rice (down 4.1%), and 310,878 MT of glutinous rice (up 12.4%).
- India's 5% broken parboiled rice was quoted at \$351 to \$356 per tonne, which is down from last week's \$357- \$361 range, as the rupee hit an all-time low at 77.79 versus the dollar this week. And the government is releasing more and more rice to feed poor people. The release has been putting pressure on the local prices. A weaker rupee increases traders' margins from overseas sales, allowing them to cut export rates.
- Vietnam's 5% broken rice prices were unchanged at \$415-\$420 per tonne. Domestic supplies are running low and trading activity remains weak. As per sources, around 306,870 tonnes of rice is to be loaded at Ho Chi Minh City port from May 1 to May 24, with most of it heading to the Philippines, Africa and Cuba.

- Thailand's 5% broken rice prices fell to \$430-\$445 per tonne from \$450 last week. Markets have largely been muted since last week and the weak baht has made export prices attractive. Thailand has exported 1.74 million tonnes between January and March, up by 48.5% from the same period last year.



- Myanmar has exported more than 144,034 MT of rice and over 106,912 MT of broken rice in April. The country has exported rice to 22 countries including Cameroon, China, Angola, the Philippines and Poland, while it exported the broken rice to eight countries including Belgium, China and Spain. Myanmar has shipped over 244,826 metric tons of those exported rice and broken rice in April via sea routes, while it has exported the rest 6,120 metric tons of those rice and broken rice via land border gates.

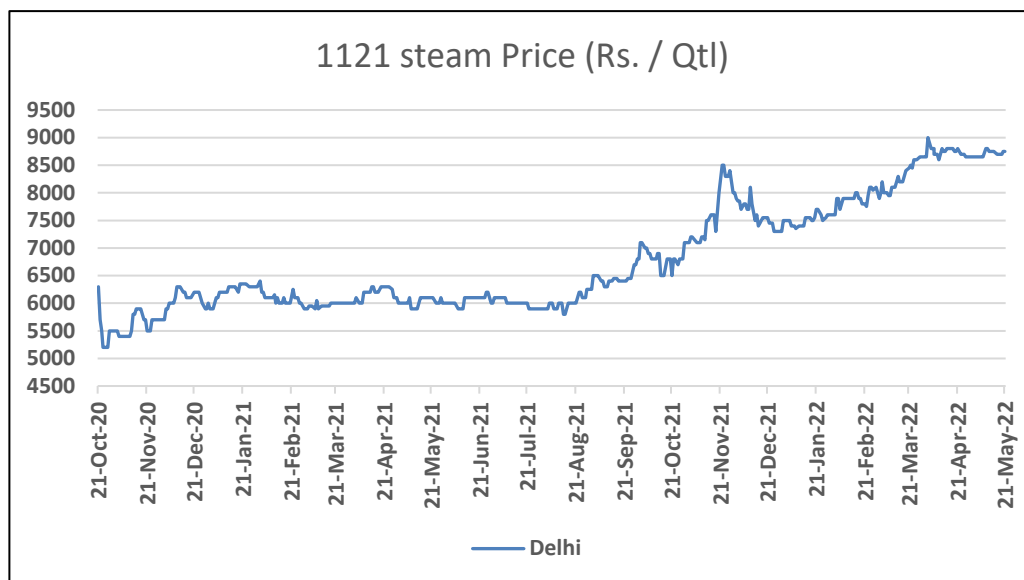
### State wise Wholesale Prices Weekly Analysis for Rice Third week May, 2022

State	Prices 16-23 May 2022	Prices 09-15 May 2022	Prices 01-08 May 2022	Prices 16-23 May 2021	% Change (Over Previous Week)	% Change (Over Previous Year)
Karnataka	3582.45	3622.83	3542.46	4469.71	-1.11	-19.85
Maharashtra	3798.86	3723	3967.53	4081.35	2.04	-6.92
Tripura	3028.42	2989.44	2962.18	2906.23	1.3	4.2
Uttar Pradesh	2564.23	2569.63	2572.9	2500.78	-0.21	2.54
Odisha	2639.99	2655.73	2670.6	3159.01	-0.59	-16.43
West Bengal	2866.92	2950.13	2963.92	2637.92	-2.82	8.68
Gujarat	4300.5	4254.12	4255.31	4437.84	1.09	-3.09
Jharkhand	-	-	-	2459.36	-	-
Bihar	2327.04	2479.26	2598.66	-	-6.14	-
Kerala	3646.76	3644.48	3617.28	3501.01	0.06	4.16
Average	3195.02	3209.85	3238.98	3350.36	-0.46	-4.64

Prices in Rs/Quintal

(source: Agmarknet)

The prices remain steady throughout the week for basmati rice. There is not enough export demand coming from international markets. Though with the export ban of wheat, the export pace of rice will be benefitted from Indian front which may support the market.



#### Outlook (Narella 1121 Steam): -

Duration	Trend	Average Price Range	Reason
Fourth Week of May, 2022	Firm bias	Rs.8700-8800/Quintal	Low stocks and good export demand
First Week of June, 2022	Firm bias	Rs.8750-8850/Quintal	Low stocks and good export demand
Second Week of June, 2022	Firm bias	Rs.8800-8900/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
		21-May-22	14-May-22	21-Apr-22	21-May-21			
Delhi	1121 Steam	8750	8750	8800	6100	Unch	-0.57	43.44
	1121 Sella	8000	7800	8050	5100	2.56	-0.62	56.86
	1121 Raw	8750	8800	8800	6100	-0.57	-0.57	43.44
	Basmati Raw	10600	10300	10300	10400	2.91	2.91	1.92
	1509 Steam Wand New	8400	8450	8600	5600	-0.59	-2.33	50.00

	Sugandh Steam	7200	7150	7400	5000	0.70	-2.70	44.00
	Sharbati Raw	6100	6050	6200	4800	0.83	-1.61	27.08
	Pusa Raw Wand	7250	7250	7750	5600	Unch	-6.45	29.46
	Parmal Sella	3400	3400	3550	3200	Unch	-4.23	6.25

#### Rabi Paddy Sowing Updates as on 04<sup>th</sup> 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 10.05.2022)				
S.No.	STATES/ UTs	FCI	State Agency	Total
1	A.P.	0	49.66	49.66
2	Telangana	0	72.71	72.71
3	Assam	1.28	1.23	2.51
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	5.53	5.53
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	34.25	34.25
21	U.P.	1.08	64.45	65.53
22	Uttarakhand	0	11.56	11.56
23	West Bengal	0	22.01	22.01
<b>Total</b>		<b>5.67</b>	<b>766.49</b>	<b>772.17</b>

### IGC Global Rice Balance Sheet:

Attributes ( Fig in Million Tons)	2019-20	2020-21 Est.	2021-22 (Fore.)	2022-23 (Proj.)	
				21.04.2022	19.05.2022
Production	500	510	514	520	519
Trade	44	51	51	50	51
Consumption	495	510	515	517	518
Carryover stocks	181	182	181	184	181
Y-O-Y change	5	1	0		0
Major Exporters	45	50	51	56	54

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

The outlook for world rice supply and demand in 2021-22 has little-changed month on month. The projection for global production in 2022-23 is cut slightly month on month and, due to an uprated figure for total use – linked to anticipated solid feed demand in China – global carryovers are lowered by 3MMT month on month. Trade in 2023 (Jan-Dec) is placed 1MMT higher, at 51MMT, unchanged year on year.

World rice trade is seen edging up to a high in 2022 on sizeable deliveries to Africa. Tied to acreage gains in Asia, 2022-23 global production is predicted 1% higher year on year at a record. Underpinned by population growth, food demand is seen pushing up consumption to a fresh high, with uptake for feeding also contributing to gains. With increases in major exporters compensating for reductions elsewhere, world carryovers are seen little-changed year on year. Global trade in 2023 is projected steady, at 51MMT, with heavy buying by African importers and China expected to feature.

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



### **Market Analysis**

As depicted from the above chart, the CBOT rough rice futures are moving in range bound. The candlesticks are above 9,18,50 and 100 DMA indicating firm sentiments. The 9 and 18 DMA can be the next support for the candles. The MACD crossover is moving in sideways. The RSI oscillator value of 58.73 indicates average buying strength.

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