

Rice Weekly Research Report

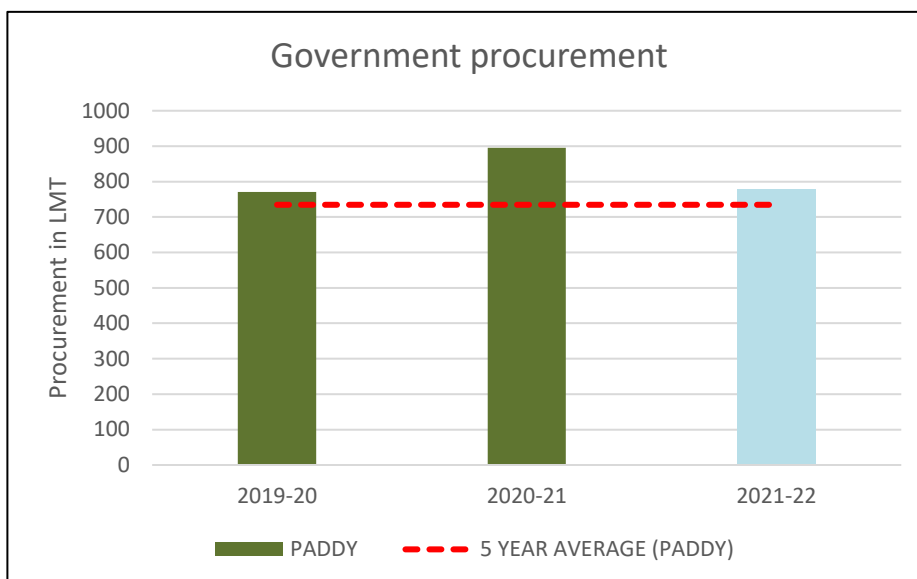
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Outlook and Review:

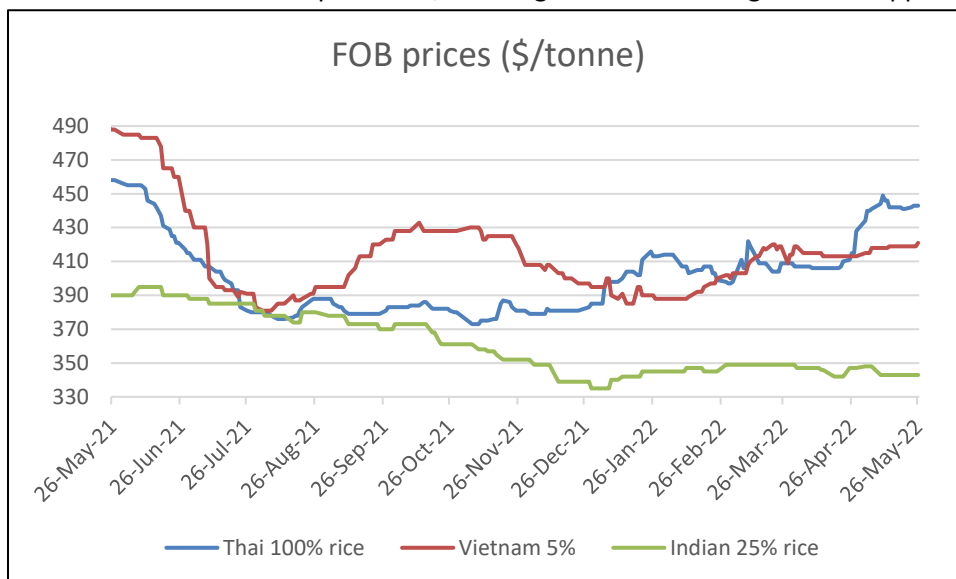
- As of 18th May 2022, a quantity of 786.51 Lakh MT (LMT) of paddy has been procured in KMS 2021-22. Till now about 112.79 Lakh farmers have been benefitted.

- In Telangana, the procurement of paddy has slowed down due to lack of space availability in mills. The government proposed to open 6,808 paddy procurement centres (PPC) across the State out of which only 6,512 were opened as on May 20, while 345 were already closed as the procurement was over in some places.



- Currently Indian basmati rice is getting a premium of \$20-30 (₹1,550-2,330) per tonne from the Middle East countries. There are also rumors in the market that India may put a ban on exports to cool local inflation. Exporters have received communication from buyers to urgently ship the aromatic, long-grain rice. A firm price trend in global markets has pushed up domestic basmati prices by up to 15% in the last two weeks. The export price of basmati rice, which was \$1200 in the beginning of November rose to \$1350 since last two weeks
- Currently non-basmati market is seeing a bullish tone in trade where traders felt a 2% increase in FOB prices in the near term. There is a bullish sentiment which is backed by the availability of logistics (railway rakes) followed by improvement in vessel availability at Kakinada and Kandla for major destinations. AMIS has reported global production at 520 MMT and overall supply at 711 MMT.
- Indian rice export prices continue to lose to their lowest in more than five years this week, which is due to depreciation in rupee and supply continue to be abundant. India's 5% broken rice price was quoted at \$350 to \$354 per tonne, down from last week's \$351 to \$356 per tonne. Demand is there but supplies are also ample. Many buyers are looking for 100% broken rice to replace expensive corn in animal feed.
- Thailand's 5% broken rice prices were quoted at \$450 per tonne, which is up from \$430-\$445 last week, due to strengthening of Thai baht and rising cost of production. Supply remains good, but rice prices have gone up due to higher prices of fertilizers. Demand has been muted in the past several weeks as higher prices have deterred potential buyers.

- Vietnam's 5% broken rice was offered at \$415-\$420 per tonne, unchanged from a week ago. The Philippines will continue to be Vietnam's largest export market, but shipments to the European Union are expected to witness the fastest growth backed by the EU-Vietnam free trade agreement.
- Due to increased inflation in Mexico, the government is trying to suspend the import tariff for paddy and other food materials. USA will see some increased competition for paddy sales to Mexico specially from Uruguay rice. Brazil has also reduced their tariffs by an additional 10 percent through the end of 2023, thus bringing the tariff for milled rice down to 9.6 percent and rough rice down to 8 percent.

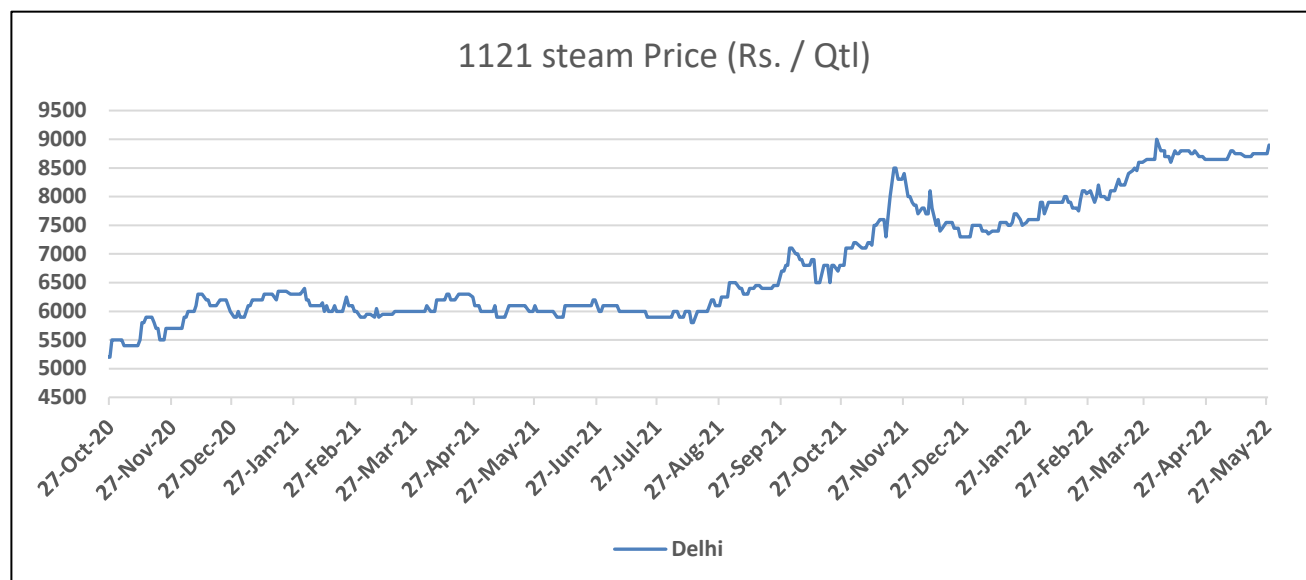


State wise Wholesale Prices Weekly Analysis for Rice Fourth week May, 2022

State	Prices 24-31 May 2022	Prices 16-23 May 2022	Prices 09-15 May 2022	Prices 24-31 May 2021	% Change (Over Previous Week)	% Change (Over Previous Year)
Gujarat	4257.69	4294.09	4254.12	4500	-0.85	-5.38
Kerala	3652.27	3645.06	3644.48	3501.92	0.2	4.29
Odisha	2646.69	2559.93	2655.73	2936.08	3.39	-9.86
Bihar	2286.87	2324.49	2479.26	-	-1.62	-
Maharashtra	3849.47	4401.14	3716.26	3189.82	-12.53	20.68
Tripura	3080.85	3042.2	2989.44	2958.77	1.27	4.13
West Bengal	2923.77	2869.79	2950.13	2652.15	1.88	10.24
Karnataka	3611.59	3498.65	3622.83	4445.62	3.23	-18.76
Uttar Pradesh	2566.55	2564.63	2569.63	2514.54	0.07	2.07
Jharkhand	-	-	-	2412.7	-	-
NCT of Delhi	6000	3690	-	-	62.6	-
Average	3487.58	3289	3209.1	3234.62	6.04	7.82

Prices in Rs/Quintal

(source: Agmarknet)



The prices were steady to firm throughout the week for basmati rice. The basmati rice stocks are depleting with over 70% of the rice mills already stopped operating. The new stocks will come in the month of October till which the prices are expected to stay steady to firm.

Outlook (Narella 1121 Steam): -

Duration	Trend	Average Price Range	Reason
First Week of June, 2022	Steady bias	Rs.8850-8950/Quintal	Low stocks and good export demand
Second Week of June, 2022	Steady bias	Rs.8850-8950/Quintal	Low stocks and good export demand
Third Week of June, 2022	Firm bias	Rs.8900-9000/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-May-22	21-May-22	28-Apr-22	28-May-21			
Delhi	1121 Steam	8900	8750	8650	6000	1.71	2.89	48.33
	1121 Sella	8250	8000	7900	5000	3.13	4.43	65.00
	1121 Raw	8900	8750	8650	6000	1.71	2.89	48.33
	Basmati Raw	11200	10600	10300	10400	5.66	8.74	7.69
	1509 Steam Wand New	8400	8400	8500	5500	Unch	-1.18	52.73
	Sugandh Steam	7500	7200	7200	5100	4.17	4.17	47.06
	Sharbati Raw	6200	6100	6050	4800	1.64	2.48	29.17
	Pusa Raw Wand	7450	7250	7500	5600	2.76	-0.67	33.04
	Parmal Sella	3450	3400	3425	3200	1.47	0.73	7.81

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 18.05.2022)				
S.No.	STATES/ UTs	FCI	State Agency	Total
1	A.P.	0	54.09	54.09
2	Telangana	0	81.16	81.16
3	Assam	1.38	1.36	2.74
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	6.12	6.12
14	M.P.	0	45.83	45.83
15	Maharashtra	0	13.38	13.38
16	Odisha	0	57.22	57.22
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	35.10	35.10
21	U.P.	1.08	64.45	65.53
22	Uttarakhand	0	11.55	11.55
23	West Bengal	0	22.01	22.01
Total		5.77	780.73	786.51

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 upward trend. The candlesticks are above 9, 18, 50 and 100 DMA indicating firm sentiments. The 18 DMA can be the next support for the candles. The MACD crossover is moving in sideways. The RSI oscillator value of 58.80 indicates average to good buying strength.

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