

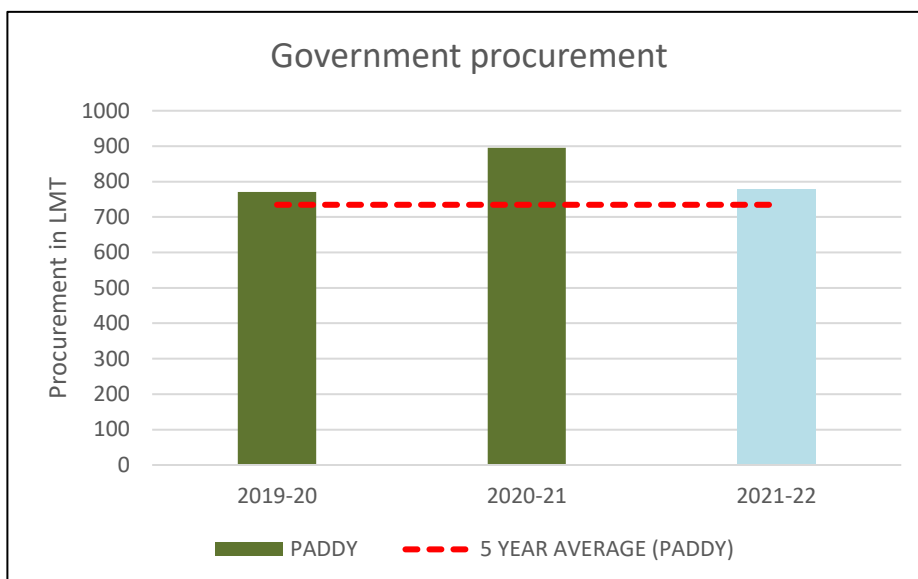
Rice Weekly Research Report

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Outlook and Review:

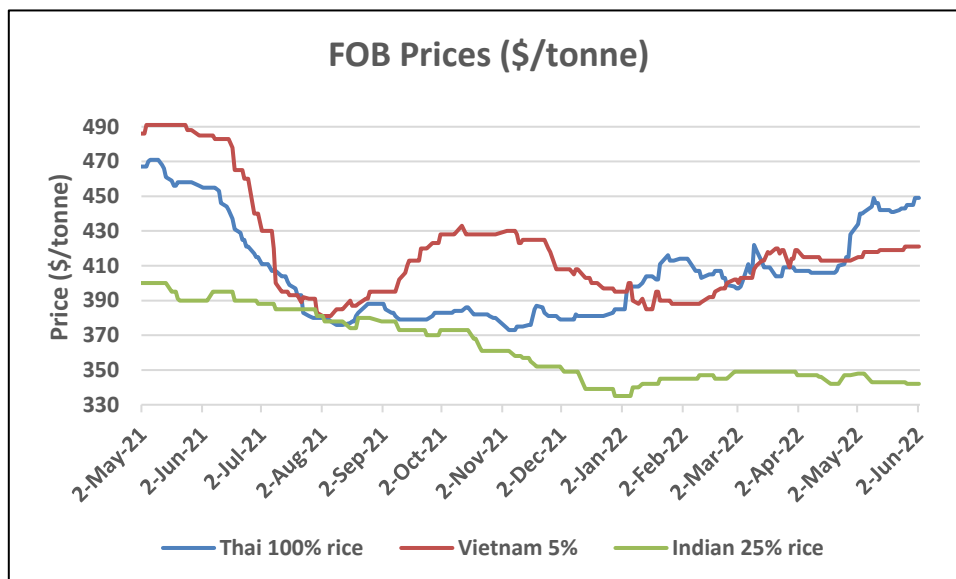
- As of 29th May 2022, a quantity of 810.05 Lakh MT (LMT) of paddy has been procured in KMS 2021-22. Till now about 117.05 Lakh farmers have been benefitted with MSP value of Rs. 1,58,77.60 crores.
- Indian rice markets saw a disruptive tone over the last week. Traders' sentiments were backed by a probable decision by the Government to impose a restrictive measure on rice exports from India. These sentiments have led to sellers backing up contracts with a letter of credit to be issued from the buyer to safeguard the impact against the change of policy. There are multiple views of people with regards to this change in policy as many traders hold the view that such a step would be illogical and incorrect given the availability of stocks in India.



- International Grains Council has estimated Indian Rice production to be 127 Million MTS which will keep availability at 164 Million MTS. The total export quantity for 2021-22 is expected to touch 20 Million MTS which is 12% of the total availability. Consumption of rice in India is forecasted to be 106 Million MTS for the year 2021-22.
- Rice markets in the white rice segment remained quiet. Demand for White rice 25% is estimated to improve in the African market, while 5% markets are expected to be quiet for the South East Asian markets
- 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.
- Vietnam's 5% broken rice were quoted at \$420-\$425 per tonne FOB, which is up from \$415-\$420 a week ago. Traders are increasing their purchases from farmers to prepare for their upcoming contracts. Vietnam

has exported 2.86 MMT of rice valued at \$1.39 billion in the first five months of 2022, up by 10.3% in volume, but down by 1.0% in value from a year earlier.

- India's 5% broken rice was quoted at \$355 to \$360 per tonne FOB, up from \$350 to \$354 per tonne last week. Buyers are moving towards India because prices are more competitive than supplies from Thailand and Vietnam. Government sources had said last week that India does not plan to curb rice exports as it



has sufficient stocks and local rates are lower than state-set support prices.

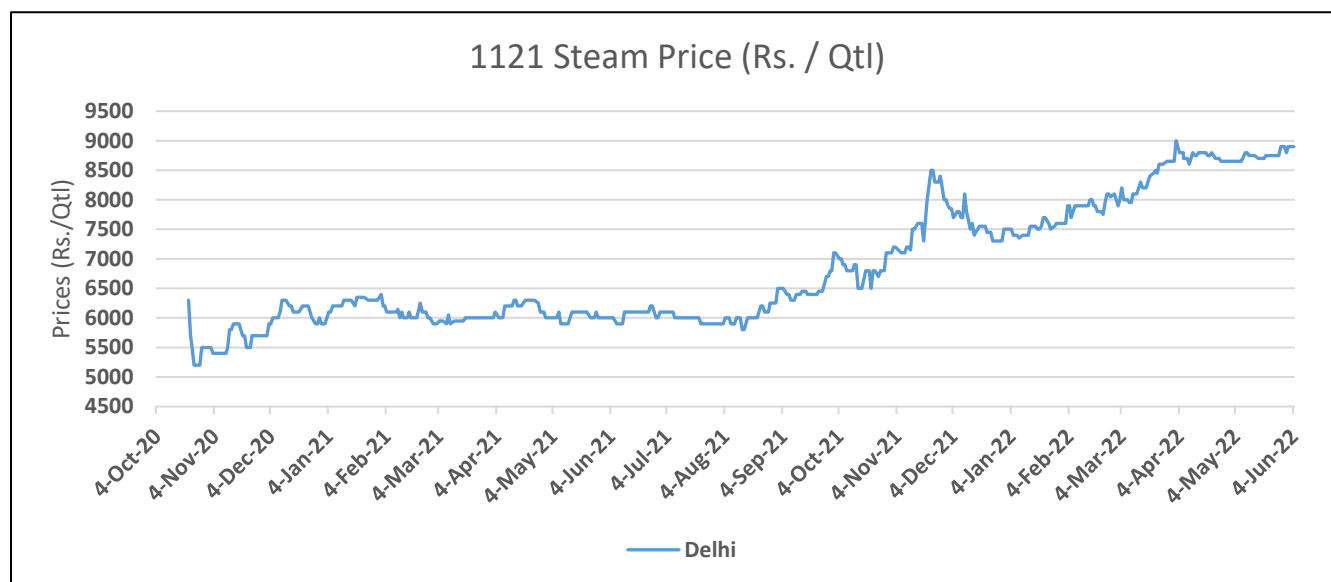
- Thailand's 5% broken rice prices were quoted at \$455-\$460 per tonne FOB, which is up from last week's \$450, which traders attributed to a small pickup in domestic and international demand. There was demand from Iraq, which increased market activity.
- As per Brazilian Rice Industry Association (Abiarroz), Brazilian rice exports (husk base) totaled 4.51 LMT during the first quarter, which is more than double the same period in 2021 when 2.07 LMT were shipped. The rice association expects foreign sales to reach at least 14 LMT in 2022, surpassing the volume of around 12 LMT in 2021. During April the main markets for processed rice were Senegal, Peru, Venezuela, Gambia, and Sierra Leone.
- Currently, retail prices for rice and wheat flour have fallen by 7% and 5% in the last ten days. The wheat export ban has helped the costs of the grain and atta to cool down, while the arrival of the summer rice crop has brought down the prices of the commonly consumed non-basmati rice.
- In Philippines, as of April 1st, the stocks of rice have marginally increased by 2.5 percent to 2.5 MMT from 2.4 MMT a year ago. But month-on-month, the rice stockpile surged by 53.5 percent from 1.6 MMT. Rice supply in commercial warehouses/wholesalers/retailers expanded but those stored by households and the National Food Authority (NFA) dropped.

State wise Wholesale Prices Weekly Analysis for Rice First week June, 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	4235.03	4254.56	4294.09	4400	-0.46	-3.75
Kerala	3649.2	3668	3645.06	3489.48	-0.51	4.58
Odisha	3086.91	2773.21	2559.93	2744.94	11.31	12.46
West Bengal	3048.21	2939.05	2869.79	2677.2	3.71	13.86
Bihar	-	2289.91	2324.49	-	-	-
Karnataka	3833.3	3446.46	3526.35	4537.53	11.22	-15.52
Jharkhand	-	-	-	2424.58	-	-
Maharashtra	3930.58	4397.14	4108.11	3954.55	-10.61	-0.61
Uttar Pradesh	2563.6	2580.13	2564.63	2531.96	-0.64	1.25
NCT of Delhi	-	6000	3690	-	-	-
Tripura	3118.08	3096.86	3042.2	2910.85	0.69	7.12
Average	3433.11	3544.53	3262.46	3296.79	-3.14	4.13

Prices in Rs/Quintal

(source: Agmarknet)



The prices were steady to firm throughout the week for basmati rice. The stocks within the traders are depleting for basmati rice and most of the mills have also stopped operating the function. We are expecting the prices to stay steady to slightly firm in coming days.

Outlook (Narella 1121 Steam): -

Duration	Trend	Average Price Range	Reason
Second Week of June, 2022	Steady bias	Rs.8850-8950/Quintal	Low stocks and good export demand
Third Week of June, 2022	Steady bias	Rs.8850-8950/Quintal	Low stocks and good export demand
Fourth Week of June, 2022	Firm bias	Rs.8950-9050/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
		4-Jun-22	28-May-22	5-May-22	4-Jun-21			
Delhi	1121 Steam	8900	8900	8650	6000	Unch	2.89	48.33
	1121 Sella	8500	8250	7850	5050	3.03	8.28	68.32
	1121 Raw	8900	8900	8700	6000	Unch	2.30	48.33
	Basmati Raw	11800	11200	10300	10400	5.36	14.56	13.46
	1509 Steam Wand New	8500	8400	8400	5500	1.19	1.19	54.55
	Sugandh Steam	7900	7500	7200	5100	5.33	9.72	54.90
	Sharbati Raw	6600	6200	6000	4600	6.45	10.00	43.48
	Pusa Raw Wand	7600	7450	7250	5700	2.01	4.83	33.33
	Parmal Sella	3550	3450	3425	3150	2.90	3.65	12.70

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 Jun-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 below 9,18 DMA and above 50 DMA and 100 DMA indicating steady sentiments. The MACD crossover indicates weak tone. The RSI oscillator value of 49.68 indicates weak buying strength while upward movement indicates firm tone in coming days.

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