Rice Weekly Research Report

Contents

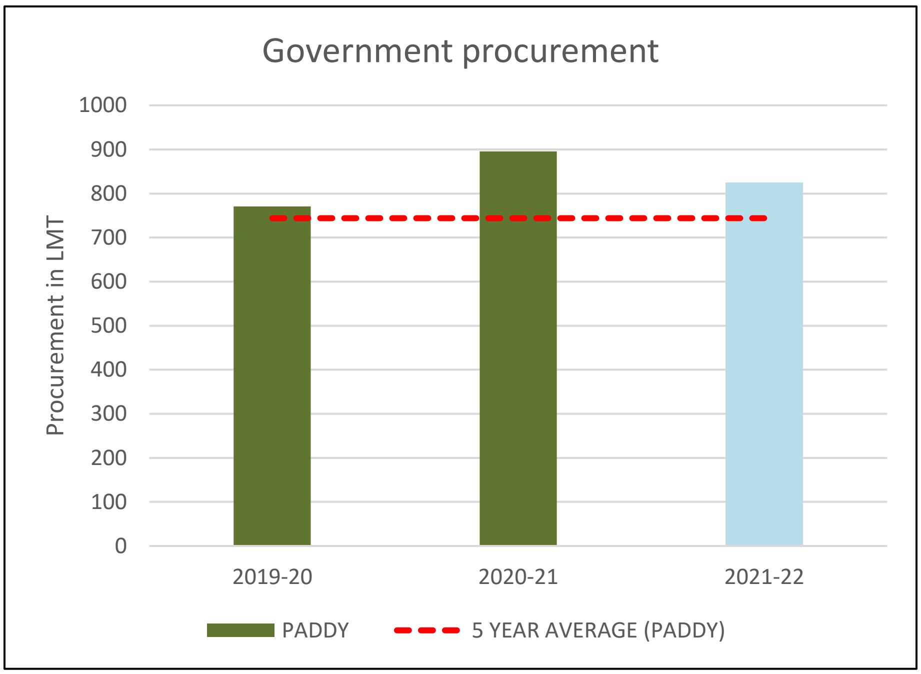
Outlook and Review:

- As of 05th June 2022, a quantity of 824.10 Lakh MT (LMT) of paddy has been procured in KMS 2021-22. Till now about 119.38 Lakh farmers have been benefitted with MSP value.

- Odisha has emerged as the fourth largest rice supplier to the central pool with the 22 LMT to the Government of India, along with fulfilling the state's requirement for different schemes, which comes around 30 LMT.

- Centre has hiked the MSP of paddy by Rs. 100 per quintal. The MSP of common grade variety of paddy was increased from Rs. 1940 per quintal to Rs. 2040 per quintal while for grade 'A' variety of paddy the MSP was increased from Rs. 1960 per quintal to Rs. 2060 per quintal.

- As per TREA, Thailand has exported 2,291,916 MT of rice worth Thai baht 39.44 billion in the past four months (January-April), up by 52.7 per cent and 36.4 per cent year on year. However, in April alone, Thailand exported 548,636 MT of rice worth Thai baht 9.97 billion, down by 15.3 per cent and 10.0 per cent month on month.



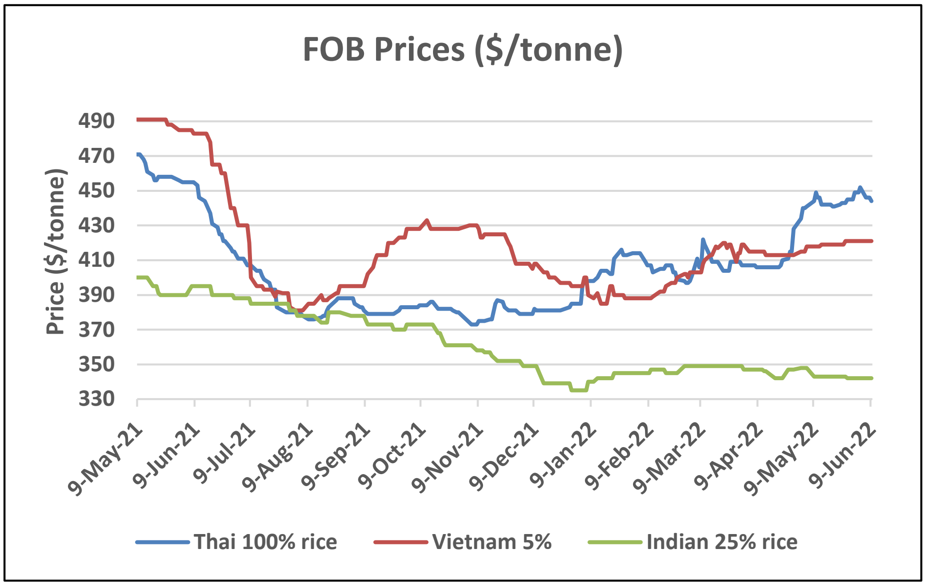
- Over the concerns related to the presence of high number of agrochemicals in the Rice being imported from Vietnam, European buyers have increased milled-Rice import contracts with Cambodia and Thailand.

- Indian rice markets remained steady as inquiries were limited for the previous week. And markets continued to be hampered by logistical challenges which have impacted the overall time which is followed by congestion at major ports on the West Coast.

- As per the sources Sri Lankan government has instructed for the implementation of programme aimed avoiding any shortage of quality seeds of paddy in the upcoming 2022/23 (Maha) season. Sri Lanka may have to import about 800,000 MT of rice amid a crop shortfall created by a chemical fertilizer ban in the 2022 main season and under cultivation in the current season. Already Sri Lanka had imported 339,000 MT of rice up to the end of the year. In a good year, Sri Lanka can produce about 3 MMT of paddy which turns out to be about 3.0 MMT of milled rice

- There was a good rise in the export of Indian Rice observed over past week. Broken parboiled rice (5%) was exported at an average of Fob between $357 to $362 per tonne this week as compared with $355 to $360 in the previous week.

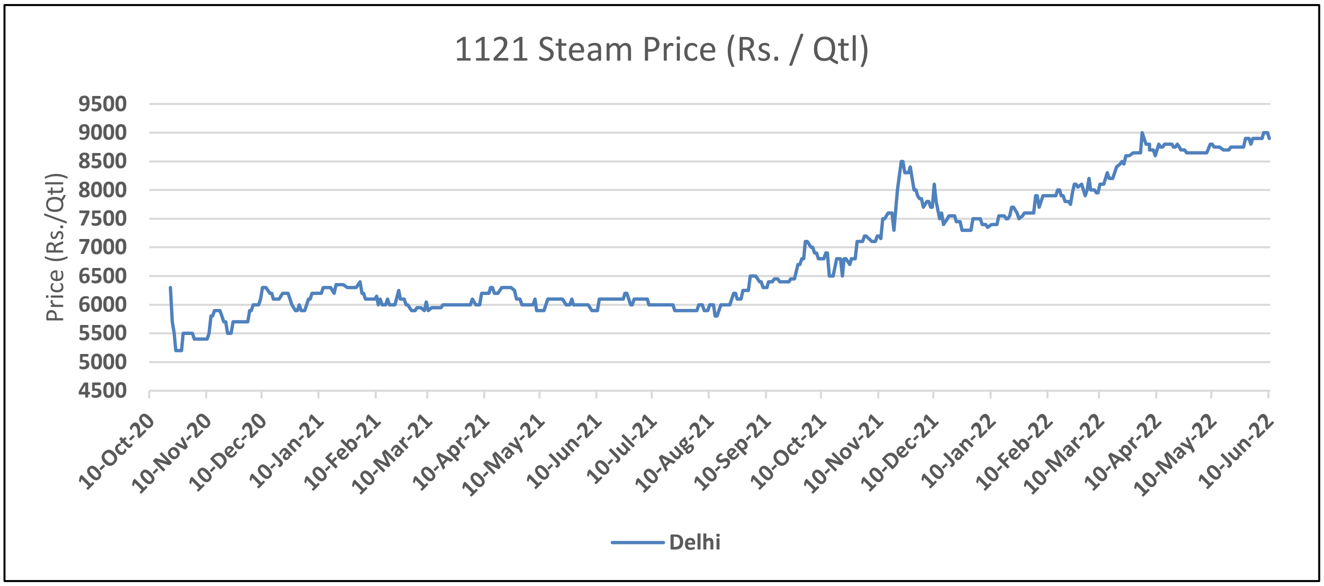
- Thailand has shipped exported it's 5% broken rice during current week at the Fob of $450 to $460 per tonne compared to the Fob prices between $455 to $460 per tonne last week. Also, Vietnam's exported 5% broken rice prices at the steady Fob of $420-$425 per tonne.



State wise Wholesale Prices Weekly Analysis for Rice second week June, 2022

State	Prices 09-15 June 2022	Prices 01-08 June 2022	Prices 23-31 May 2022	Prices 09-15 June 2021	% Change (Over Previous Week)	% Change (Over Previous Year)
Gujarat	4101.55	4161.45	4254.56	4400	-1.44	-6.78
Karnataka	3342.05	3851.2	3446.46	4646.1	-13.22	-28.07
Kerala	3659.6	3670.17	3668	3483.65	-0.29	5.05
Jharkhand	-	-	-	2458.33	-	-
Odisha	2916.34	3041.38	2773.21	2763.08	-4.11	5.55
Tripura	3178.3	3114.13	3096.86	2906.34	2.06	9.36
Maharashtra	3736.77	3853.01	4397.14	3295.55	-3.02	13.39
Uttar Pradesh	2545.4	2567.1	2580.13	2545.62	-0.85	-0.01
West Bengal	2864.02	2971.42	2938.85	2715.16	-3.61	5.48
NCT of Delhi	-	4056.1	6000	-	-	-
Bihar	-	-	2289.91	-	-	-
Average	3293	3476.22	3544.51	3245.98	-5.18	1.45

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



The prices were steady to slightly weak throughout the week for basmati rice. The prices are expected to stay in the same range only and as the sowing of the crops have started in Punjab and Haryana. Low stock availability will prevent any major fall in the prices.

Outlook (Narella 1121 Steam): -

Duration	Trend	Average Price Range	Reason
Third Week of June, 2022	Steady bias	Rs.8850-8950/Quintal	Low stocks and good export demand
Fourth Week of June, 2022	Steady bias	Rs.8850-8950/Quintal	Low stocks and good export demand
First Week of July, 2022	Steady bias	Rs.8850-8950/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
		10-Jun-22	3-Jun-22	11-May-22	10-Jun-21			
Delhi	**1121 Steam**	8900	8900	8750	5900	Unch	1.71	50.85
	1121 Sella	8450	8500	7800	5100	-0.59	8.33	65.69
	1121 Raw	8900	8900	8800	6100	Unch	1.14	45.90
	Basmati Raw	12300	11800	10300	10500	4.24	19.42	17.14
	1509 Steam Wand New	8400	8500	8450	5600	-1.18	-0.59	50.00
	Sugandh Steam	7750	7900	7150	5000	-1.90	8.39	55.00
	Sharbati Raw	6550	6600	6050	4800	-0.76	8.26	36.46
	Pusa Raw Wand	7600	7600	7250	5600	Unch	4.83	35.71
	Parmal Sella	3500	3550	3400	3200	-1.41	2.94	9.38

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 05.06.2022)				
S.No.	**STATES/ UTs**	**FCI**	**State Agency**	**Total**
1	A.P.	**0**	**57.18**	**57.18**
2	Telangana	**0**	**102.89**	**102.89**
3	Assam	**1.65**	**1.66**	**3.31**
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**	**54.72**	**55.32**
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**	**7.31**	**7.31**
14	M.P.	**0**	**45.83**	**45.83**
15	Maharashtra	**0**	**13.65**	**13.65**
16	Odisha	**0**	**63.56**	**63.56**
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**	**36.97**	**36.97**
21	U.P.	**1.08**	**64.45**	**65.53**
22	Uttrakhand	**0**	**11.55**	**11.55**
23	West Bengal	**0**	**24.53**	**24.53**
Total		**6.04**	**818.05**	**824.10**

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 downward trend. There is also breakdown of the trend. The candlesticks are below 9,18 and 50 DMA while above 100 DMA. The MACD crossover indicates weak tone. The RSI oscillator value of 39.15 indicates weak buying strength and moving in downward side indicates weak momentum.