# Rice Weekly Research Report

Contents

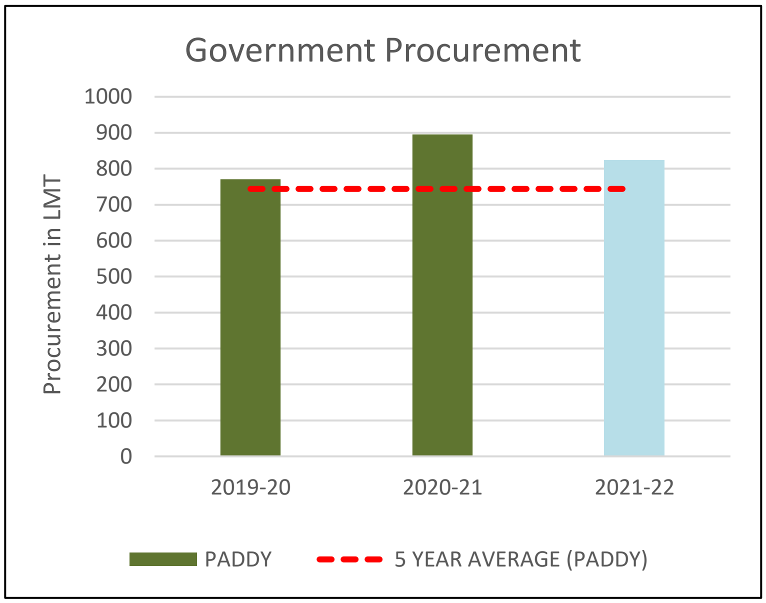
## Outlook and Review:

- As of 18th 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. According to sources state government of A.P has released its intentions regarding upcoming Kharif crop sowing, which says state government plans to achieve paddy sowing in around 50 Lakh acres of area in the state.

- As per the official sources, since April 22 till date under Phase II of PDS government around 90 LMT of fortified rice has been produced successfully. Also,government plans to cover 291 districts by March 23 under this programme.

- Rice production in India for 2021-22 is raised by 0.7 MMT to 129.7 MMT revised estimates from the Government of India. India's domestic consumption is raised by 3.5 MMT in 2021-22 to 107 MMT on higher-than-expected use in food assistance programs.

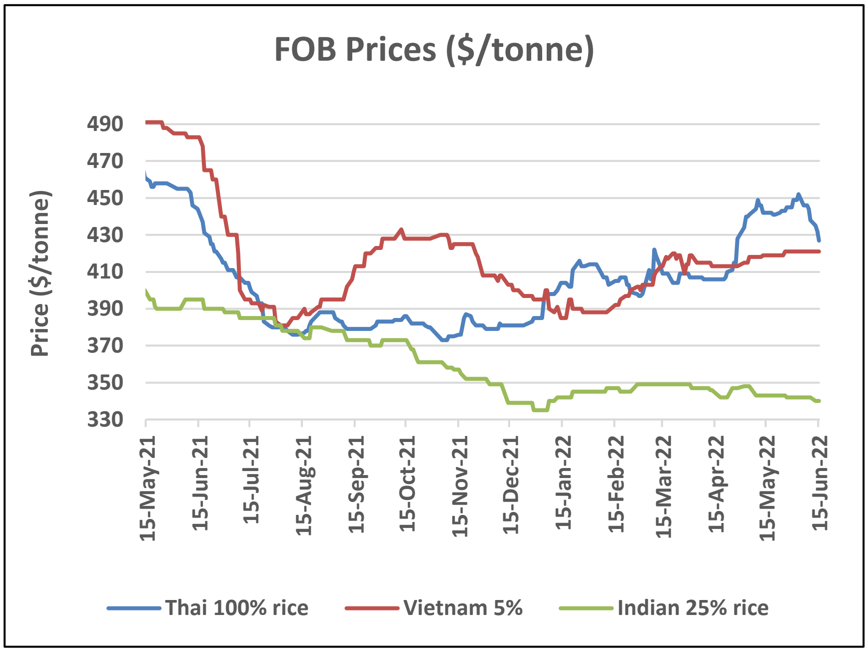



- There was a good rise in the export of Indian Rice observed over past week. Broken parboiled rice (5%) was exported at an average of Fob between $357 to $362 per tonne this week as compared with $355 to $360 in the previous week.

- Overall Indian Rice exports during fiscal year 2021-22 was around 212.10 LMT as compared to total exports of 177.79 LMT during fiscal year 2020-21, comprising of 172.62 LMT of Non-Basmati Rice exports against 131.49 LMT Non-Basmati Rice exports during previous fiscal year. Total amount of Basmati Rice exported by India during 2021-22 was 39.47 LMT valued at Rs 26,415.16 as compared to total exports of around 46.31 LMT valued at Rs 29,849.39 crore during fiscal year 2020-21. There was a good rise in the export of Indian 100% and 5% broken 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.

- Indian rice markets saw a bullish tone over the weekend. But the prices came under pressure due to depreciation of rupee against the dollar.

- Traders feel that container availability to African destinations is likely to improve over the next fortnight and freights may be favorable which would allow exporters to be better placed in terms of performance. Vessel fixtures are reported to be low due to the incoming monsoon in India.




- Sri Lanka has decided to 50,000 MT of rice under Indian loan program. There is an economic crisis which is going in Sri Lanka as a result their dependency on rice has increased. India is a major source of rice for Sri Lanka.

- Thailand's 5% broken rice prices fell to $430-$440 per tonne from $450-$460 last week. The prices have dropped because the baht was weaker, and will fluctuate along with the exchange rate as demand dropped. The baht hit a more than five-year trough this week, translating into weaker export prices in U.S. dollar terms.

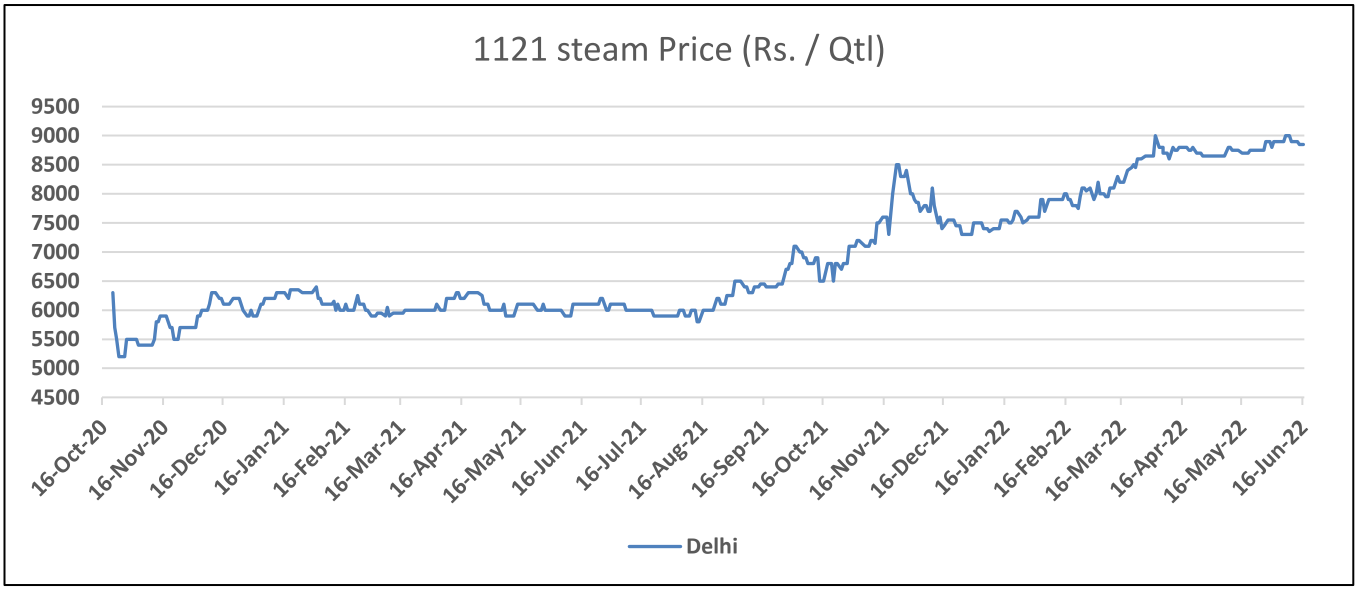
- Vietnam's 5% broken rice prices were also unchanged at $420-$425 per tonne. Demand is picking up as countries are increasing purchases amid concerns about further increase in global food prices. Domestic paddy prices are edging up slightly from a week ago, and could put upward pressure on rice export prices over coming weeks.

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

| State | Prices 16-23 Jun 2022 | Prices 09-15 Jun 2022 | Prices 01-08 Jun 2022 | Prices 16-23 Jun 2021 | % Change (Over Previous Week) | % Change (Over Previous Year) |
|---|---|---|---|---|---|---|
| Uttar Pradesh | 2546.06 | 2557.18 | 2567.13 | 2553.99 | -0.43 | -0.31 |
| Karnataka | 3657.16 | 3548.15 | 3851.2 | 4774.22 | 3.07 | -23.4 |
| Maharashtra | 3649.69 | 3835.69 | 3853.51 | 3127.24 | -4.85 | 16.71 |
| Odisha | 2983.86 | 2969.14 | 3041.38 | 3045.18 | 0.5 | -2.01 |
| Tripura | 3179.07 | 3138.37 | 3114.13 | 2966.64 | 1.3 | 7.16 |
| West Bengal | 2941.8 | 2894.55 | 2971.42 | 2710.72 | 1.63 | 8.52 |
| Gujarat | 4044.89 | 4105.65 | 4161.45 | 4400 | -1.48 | -8.07 |

| | | | | | | |
|---|---|---|---|---|---|---|
| Kerala | 3591.88 | 3705.72 | 3670.17 | 3481.66 | -3.07 | 3.17 |
| Jharkhand | | | | 2515.91 | __ | __ |
| NCT of Delhi | | | 4056.1 | | __ | __ |
| Average | 3324.3 | 3344.31 | 3476.28 | 3286.17 | | |

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 |
|---|---|---|---|---|---|---|---|---|
| | | 17-Jun-22 | 10-Jun-22 | 18-May-22 | 17-Jun-21 | | | |
| Delhi | **1121 Steam** | 8850 | 8900 | 8700 | 6100 | **-0.56** | **1.72** | **45.08** |
| | **1121 Sella** | 8400 | 8450 | 7750 | 5100 | **-0.59** | **8.39** | **64.71** |
| | **1121 Raw** | 8850 | 8900 | 8700 | 6100 | **-0.56** | **1.72** | **45.08** |
| | **Basmati Raw** | 13000 | 12300 | 10600 | 10500 | **5.69** | **22.64** | **23.81** |
| | **1509 Steam Wand New** | 8400 | 8400 | 8300 | 5600 | **0.00** | **1.20** | **50.00** |
| | **Sugandh Steam** | 7550 | 7750 | 7150 | 5100 | **-2.58** | **5.59** | **48.04** |
| | **Sharbati Raw** | 6500 | 6550 | 6000 | 4800 | **-0.76** | **8.33** | **35.42** |
| | **Pusa Raw Wand** | 7600 | 7600 | 7250 | 5700 | **0.00** | **4.83** | **33.33** |
| | **Parmal Sella** | 3500 | 3500 | 3250 | 3100 | **0.00** | **7.69** | **12.90** |

**Ongoing Kharif Paddy Sowing Updates as on 17th June, 2022:**

| Sr.No. | State | Normal Area (DES) | Area Covered (Lakh Ha) | | Difference in Area coverage with Current Week | |
|---|---|---|---|---|---|---|
| | | | 2022 | 2021 | 2021 | 2020 |
| 1 | Andhra Pradesh | - | 0.19 | 0.29 | -0.10 | -0.42 |
| 2 | Arunachal Pradesh | - | 1.35 | 1.26 | 0.09 | - |
| 3 | Assam | - | 1.28 | 1.28 | -0.01 | 0.59 |
| 4 | Bihar | - | - | 0.07 | - | - |
| 5 | Chhattisgarh | - | 0.03 | 0.07 | -0.04 | -0.51 |
| 6 | Goa | - | - | - | - | - |
| 7 | Gujarat | - | 0 | 0 | 0 | -0.00 |
| 8 | Haryana | - | - | - | - | - |
| 9 | Himachal Pradesh | - | - | - | - | - |
| 10 | Jammu Kashmir | - | 0.10 | 0.15 | -0.04 | -0.15 |
| 11 | Jharkhand | - | - | 0.09 | - | - |
| 12 | Karnataka | - | 0.32 | 0.54 | -0.22 | -0.28 |
| 13 | Kerala | - | 0.17 | 0.34 | -0.17 | -0.09 |
| 14 | Ladakh | - | - | - | - | - |

| | | | | | | |
|---|---|---|---|---|---|---|
| **15** | Madhya Pradesh | - | - | 0.06 | - | - |
| **16** | Maharashtra | - | 0.12 | 0.35 | -0.23 | -0.68 |
| **17** | Manipur | - | 0.45 | - | - | - |
| **18** | Meghalaya | - | 0.47 | 0.44 | 0.03 | -0.17 |
| **19** | Mizoram | - | 0.30 | 0.32 | -0.03 | -0.05 |
| **20** | Nagaland | - | 0.89 | 1.05 | -0.17 | -0.18 |
| **21** | Odisha | - | 0.21 | 0.51 | -0.30 | -0.50 |
| **22** | Punjab | - | 0.71 | 2.01 | -1.3 | - |
| **23** | Rajasthan | - | - | 0.01 | - | - |
| **24** | Sikkim | - | 0.06 | 0.06 | 0.00 | -0.02 |
| **25** | Tamil Nadu | - | 0.25 | 0.20 | 0.05 | -0.16 |
| **26** | Telangana. | - | - | 0.04 | - | - |
| **27** | Tripura | - | - | 1.98 | - | - |
| **28** | Uttar Pradesh | - | 1.07 | 0.63 | 0.44 | 0.65 |
| **29** | Uttarakhand | - | 0.32 | 0.28 | 0.04 | 0.06 |
| **30** | West Bengal | - | 0.44 | 0.48 | -0.04 | 0.18 |
| **31** | **Others** | - | 0.01 | - | - | - |
| | **Total** | **-** | **8.73** | **12.52** | **-3.80** | **-0.002** |

**Source: NFSM (As on June 17, 2022)**

### *State wise Ongoing Procurement KMS 2021-22*

| KMS 2021-22 (Units in LMTs) (as on 13.06.2022) | | | | |
|---|---|---|---|---|
| **S.No.** | **STATES/ UTs** | **FCI** | **State Agency** | **Total** |
| **1** | A.P. | **0** | **62.42** | **62.42** |
| **2** | Telangana | **0** | **111.88** | **111.88** |
| **3** | Assam | **1.79** | **1.81** | **3.60** |
| **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** | **7.40** | **7.40** |
| **14** | M.P. | **0** | **45.83** | **45.83** |
| **15** | Maharashtra | **0** | **15.48** | **15.48** |
| **16** | Odisha | **0** | **67.89** | **67.89** |

| | | | | |
|---|---|---|---|---|
| **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** | **37.92** | **37.92** |
| **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** | | **6.18** | **839.64** | **845.83** |

***IGC Global Rice Balance Sheet:***

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