

# Rice Weekly Research Report

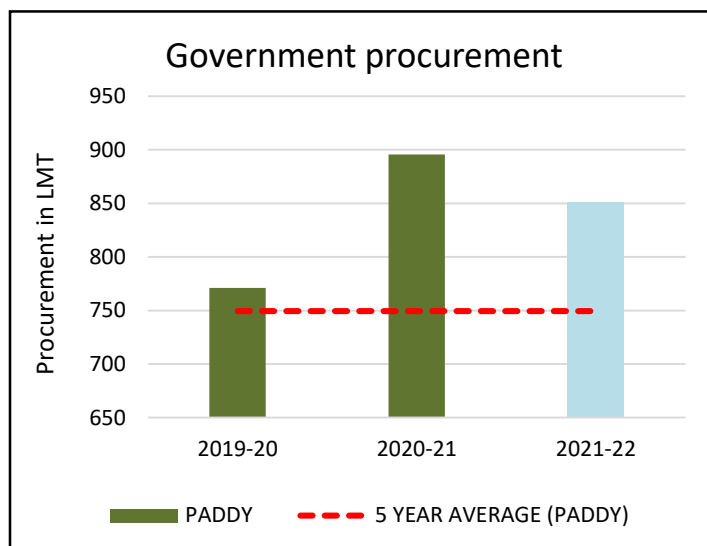
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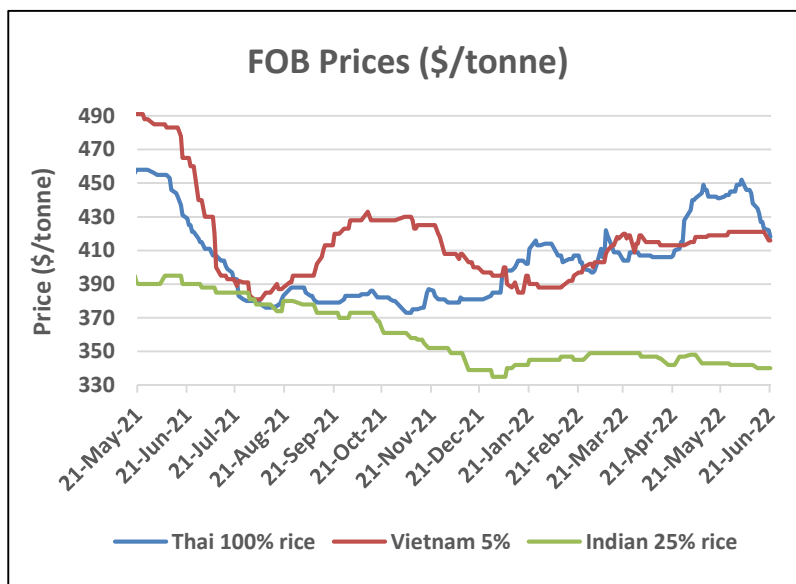
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### Outlook and Review:

- As on 19th June, the Centre has procured 851.47 lakh tonne (LMT) of paddy in the ongoing 2021-22 marketing year at the minimum support price (MSP). Till now, about 122.99 lakh farmers have been benefited with the MSP value. Due to early paddy sowing in Tamil Nadu, farmers are expecting early crop this season, which would be ready for harvest by the last week of August. Looking at the early planting, state government has requested the Centre to procure paddy a month early, i.e. from the first week of Sept 2022 in the state.
- According to official sources, around 19.59 lakh hectare rice has been sown till 25th June 2022 in India against 36.03 lakh hectare same time last year.
- Sources suggest that demand of Indian White Broken Rice is maintaining an upper hand over its competitor exporting countries due to feasible export prices when compared with others. Although export price of 5% Broken Parboiled Rice variety fell to \$355-\$360 per tonne from \$357-\$365 per tonne last week, as Rupee value against dollar trumbled during past week.
- Due to early paddy sowing in Tamil Nadu, farmers are expecting early crop this season, which would be ready for harvest by last week of August. Looking at the early planting, reportedly state government has requested the Centre to procure paddy a month early in the state by 1st week of Sept 2022.
- According to sources there are reports that Rice millers in Telangana have around 90 lakh MT of Paddy stocks piled up in the various yards and warehouses. Millers have issued a statement saying that there are possibilities of complete halting of milling Paddy into Rice if, FCI does not resume its Rice procurement from the states.
- 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. There are chances of increasing export demand of Indian Rice on account of consumers opting Rice as staple food over Wheat due to persisting high prices of Wheat around the world. Under current scenario in upcoming season export of Indian Rice is expected to jump by 1.0 million and there are chances of India to emerge as leading Rice exporter, accounting for around forty percent of total world Rice supply.



- Indian rice markets saw a bearish tone over the weekend. Prices came under pressure due to depreciation of rupee against the dollar.
- As per the sources, in order to control the ongoing instability in domestic Rice market, Bangladesh government has reduced import duty for Rice import from 62.5 percent to 25 percent. This norm, as of now, is supposed to continue till 31st October 2022.
- As per the sources Thailand's 5% broken rice prices saw a decline for the consecutive week and fell to \$420-\$425 per tonne from \$430-\$440 last week, following lower demand along with dropped prices of Bhatt. Also surge in the oil prices has led to increased transportation cost making delivery prices not-so-feasible for the buyers.
- Sources state that Vietnam's 5% broken rice prices were down to \$418-\$423 per tonne from 420-\$425 in past week due to supply exceeding demand persisting in the market.
- Reportedly, export prices of Cambodian Rice have escalated over past few days due to persisting international food insecurity due to prolonged Russia-Ukraine conflict. Having analyzed current scenario we can expect a further rise in export prices at source locations like Cambodia, Thailand and Vietnam. Wheat export ban by various source countries is also acting as the catalyst for souring Rice export prices at various locations.

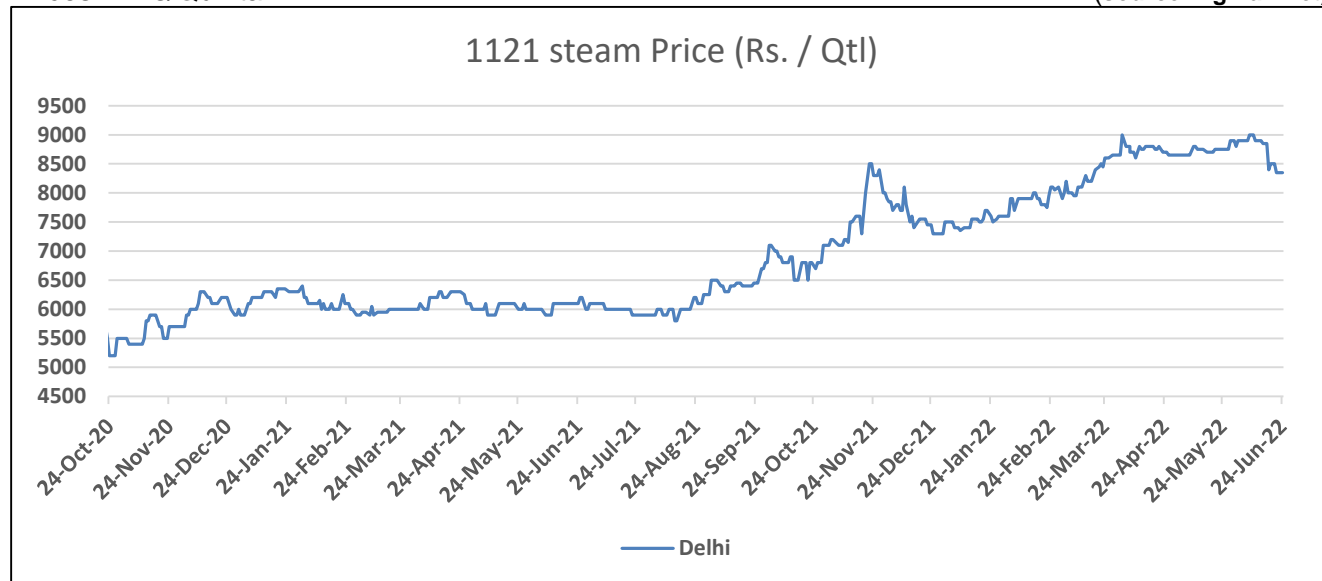


### State wise Wholesale Prices Weekly Analysis for Rice Third week June, 2022

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)
Gujarat	4163.42	4105.65	4161.45	4400	1.41	-5.38
Jharkhand				2515.91	—	—
Kerala	3648	3705.72	3670.17	3481.66	-1.56	4.78
Uttar Pradesh	2545.46	2557.18	2567.13	2553.99	-0.46	-0.33
Uttarakhand	2009.34	2700			-25.58	—
West Bengal	2934.54	2894.5	2971.42	2710.72	1.38	8.26
Odisha	3044.52	2968.6	3041.38	3045.18	2.56	-0.02
Karnataka	3558.53	3548.15	3851.2	4774.22	0.29	-25.46
Maharashtra	3684.75	3794.83	3746.09	3127.24	-2.9	17.83
Tripura	3124.75	3138.37	3114.13	2966.64	-0.43	5.33
NCT of Delhi			4056.1		—	—
Average	3190.37	3268.11	3464.34	3286.17		

Prices in Rs/Quintal

(source: Agmarknet)



The prices were weak throughout the week for basmati rice. The prices are expected to stay range bound with weak bias as sowing is in progress and domestic demand happens to remain sluggish. Also, exporters are still showing disinterest in buying any major quantity of stocks at this point of time

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

Duration	Trend	Average Price Range	Reason
Fourth Week of June, 2022	Steady bias	Rs.8000-8400/Quintal	Low exporters demand and sluggish domestic demand
First Week of July, 2022	Steady bias	Rs. 7800-8200/Quintal	Low exporters demand and sluggish domestic demand
Second Week of July, 2022	Steady bias	Rs. 7800-8300/Quintal	Low exporters demand and sluggish domestic 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
		24-Jun-22	17-Jun-22	25-May-22	24-Jun-21			
Delhi	1121 Steam	8800	8850	8750	6100	-0.56	0.57	44.26
	1121 Sella	8350	8400	8150	5100	-0.60	2.45	63.73
	1121 Raw	8800	8850	8800	6100	-0.56	0.00	44.26
	Basmati Raw	13000	13000	10900	10500	0.00	19.27	23.81
	1509 Steam Wand New	8400	8400	8450	5600	0.00	-0.59	50.00
	Sugandh Steam	7500	7550	7350	5000	-0.66	2.04	50.00
	Sharbati Raw	6500	6500	6200	4800	0.00	4.84	35.42
	Pusa Raw Wand	7500	7600	7350	5600	-1.32	2.04	33.93
	Parmal Sella	3475	3500	3400	3100	-0.71	2.21	12.10

### Ongoing Kharif Paddy Sowing Updates as on 25<sup>th</sup> June, 2022:

Sr.No.	State	Normal Area	Area Covered		Difference in Area coverage	
		(DES)	(Lakh Ha)		with Current Week	
			2022	2021	2021	2020
1	Andhra.Pradesh	-	0.27	0.65	-0.38	-0.62
2	Arunachal.Pradesh	-	1.347	1.26	0.087	0.182
3	Assam	-	1.489	1.711	-0.222	0.799
4	Bihar	-	0.19	0.34	-0.15	-0.8
5	Chhattisgarh	-	0.23	2.86	-2.63	-3.43
6	Goa	-	-	-	-	-
7	Gujarat	-	0.003	0.063	-0.06	-0.012
8	Haryana	-	0.74	0.52	0.22	0.61
9	Himachal.Pradesh	-	-	-	-	-
10	Jammu..Kashmir.	-	0.157	0.308	-0.151	-0.084
11	Jharkhand	-	0.195	0.229	-0.034	0.015
12	Karnataka	-	0.563	0.78	-0.217	-0.277

13	Kerala	-	0.31	0.36	-0.05	-0.03
14	Laddakh	-	-	-	-	-
15	Madhya.Pradesh	-	-	-	-	-
16	Maharashtra	-	0.457	0.78	-0.323	-0.908
17	Manipur	-	1.546	1.245	0.301	-
18	Meghalaya	-	0.47	0.442	0.028	-0.165
19	Mizoram	-	0.295	0.32	-0.025	-0.05
20	Nagaland	-	0.885	1.07	-0.185	-0.335
21	Odisha	-	0.655	1.429	-0.775	-0.058
22	Punjab	-	4.34	15.74	-11.4	-10.06
23	Rajasthan	-	0.05	0.03	0.02	-0.106
24	Sikkim	-	0.062	0.061	0.001	-0.023
25	Tamil.Nadu	-	0.492	0.397	0.095	-0.073
26	Telangana.	-	0.103	0.099	0.003	-0.138
27	Tripura	-	0.23	0.434	-0.204	-0.14
28	Uttar.Pradesh	-	2.614	2.95	-0.336	-1.266
29	Uttarakhand	-	1.28	1.26	0.02	-0.07
30	West.Bengal	-	0.605	0.69	-0.085	-0.345
31	Others	-	0.014	-	-	-
	Total	-	19.591	36.028	-16.437	-15.845

Source: NFSM (As on June 25, 2022)

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

KMS 2021-22 (Units in LMTs) (as on 19.06.2022)				
S.No.	STATES/ UTs	FCI	State Agency	Total
1	A.P.	0	62.42	62.42
2	TELANGANA	0	115.04	115.04
3	ASSAM	1.87	1.9	3.77
4	BIHAR	0	44.9	44.9
5	CHANDIGARH	0.27	0	0.27
6	CHHATISGARH	0	92.01	92.01
7	GUJARAT	0	1.22	1.22
8	HARYANA	0.6	54.72	55.32
9	H. P.	0.28	0	0.28
10	JHARKHAND	0	7.53	7.53
11	J&K	0.4	0	0.41
12	KARNATAKA	0	2.19	2.19
13	KERALA	0	7.43	7.43
14	M. P	0	45.83	45.83
15	MAHARASHTRA	0	15.68	15.68

16	ODISHA	0	69.62	69.62
17	PUNJAB	1.69	185.6	187.29
18	RAJASTHAN	0.07	0	0.07
19	NEF (Tripura)	0	0.33	0.33
20	TAMIL NADU	0	38.25	38.25
21	UTTAR PRADESH	1.08	64.45	65.53
22	UTTRAKHAND	0	11.55	11.55
23	WEST BENGAL	0	24.53	24.53
Total		6.26	845.2	851.47

### 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 and Vietnam.

The outlook for world rice supply and demand in 2021-22 has little-changed month on month basis. The projection for global production in 2022-23 is cut slightly month on month basis 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 basis. 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-27 (Prices in US\$/hundredweight)**

#### **Market Analysis**

As depicted from the above chart, the long-term uptrend line is breached and also there is neckline breakout of H&S pattern on the above chart. The pattern objective seems of be near 15,625 level. Currently, prices taking the intermediate support of 16,034 level where the recent bounce is seen. Meanwhile, the momentum indicator MACD and oscillator RSI points for some further upside in prices. So, it is likely that in short term prices may remain in a ranged manner between 16,034 - 16,600 level. However, overall the trend is now weak / down so, it is likely that prices may come down to test the pattern objective as aforementioned

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