Rice Weekly Research Report

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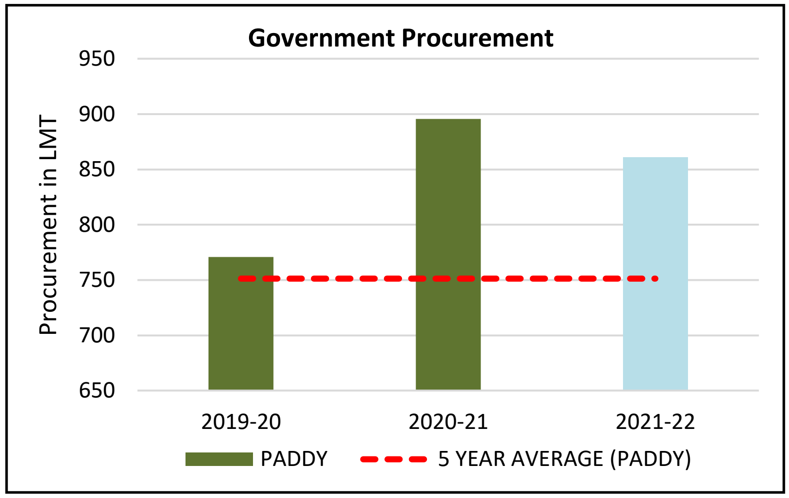
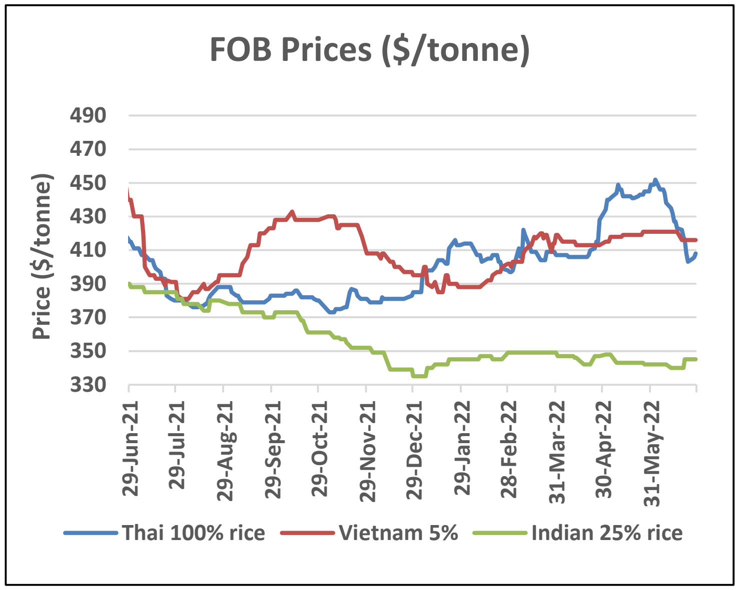
Outlook and Review:



- As of 26th June, the Centre has procured 860.82 lakh tonne (LMT) of paddy in the ongoing 2021-22 Marketing year so far at the Minimum Support Price (MSP). Till now, about 125.82 lakh farmers have been benefited with the MSP value. As per the sources, around 93.5 lakh tonne of Paddy's milling has stopped in Telangana after FCI's denial of lifting up milled stocks.
- As per the latest update of Agriculture department, GoI, India marked a decline in Rice area coverage till 1st July 22 as compared to same period last year due to deficit and uneven distribution of monsoon rains over key states. Till last week Rice has been sown in 43.44 lakh Ha. compared to 59.55 lakh Ha. same period last year, which is approximately 27.04 % less. As per the report, largest area coverage under paddy was in Punjab at around 15.75 Lakh hectares as compared to 23.77 Lakh hectares during same period last year, followed by U.P with area coverage of around 5.47 Lakh hectares under paddy against total area coverage of around 4.82 Lakh hectares in 2021 for corresponding period last year.
- As per the current monsoon progress, it is likely that in Bihar Paddy transplanting would be completed by 15th July 2022.
- Export price of 5% Broken Parboiled Indian Rice were reported at $355 -$360 per tonne which is at par with the last week. The FOB prices for India is still very lucrative from other competitors like Thailand and Vietnam due to which reportedly some foreign demand is there for Indian rice. Overall according to the sources, a good export demand for 25% and 100% broken white Rice variety was noticed, reason being lower prices of Indian Rice due to weak Rupee value against Dollar.
- As per the sources All India Rice Exporters' Association has stated that around 9,14,000 tonne of Rice has been exported till now under ongoing 2021-22 season from India to Bangladesh against the exports of 4,91,000 tonne during last 2020-2021 for the corresponding time period. This demand was mainly after Bangladesh reduced import duty on Rice due to floods hitting the country.

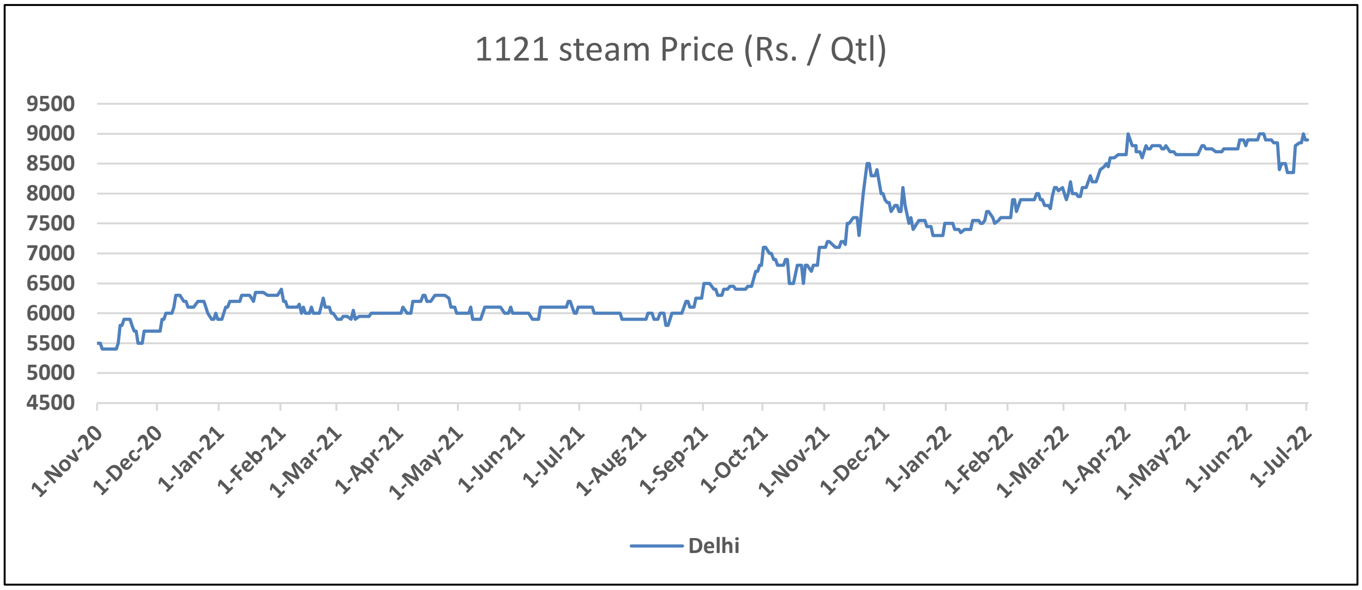
- Thailand's 5% broken rice prices saw a decline for the consecutive week and fell to $412-$415 per tonne from $420-$425 last week on good crop prospect.
- Sources state that Vietnam's 5% broken rice prices were noted at$415-$420 per tonne compared to $418-$423 in past week due to supply pressure being created by harvesting of summer-autumn crop.
- Sources point towards 3.5 million tonne of Rice exports from Vietnam during the span of January to June 2022, which happens to be 16.2% more than that of last year for same time period, with the estimated increase of around 4.6 % in Value of the exports compared to that of last year for same time period.
- Sources say that around 14,700 MT of Rice as the part of humanitarian aid has been received at Colombo from the side of India.
- As per the sources government of Vietnam (department of Crop Production at the Ministry of Agriculture and Rural Development) stated that just in case India bans Rice exports, Vietnam would be ready for the export of around 7 million tons of Rice.



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

State	Prices 24-30 Jun 2022	Prices 16-23 Jun 2022	Prices 09-15 Jun 2022	Prices 24-30 Jun 2021	% Change (Over Previous Week)	% Change (Over Previous Year)
Kerala	3613.22	3647.03	3648	3443.94	-0.93	-0.95
Maharashtra	3810.21	3544.31	3677.76	3651.2	7.5	3.6
Tripura	2930.87	3002.9	3124.75	3035.63	-2.4	-6.2
West Bengal	3041.18	3013.74	2934.57	2885.19	0.91	3.63
Karnataka	3610.43	3747.51	3545.16	3854.19	-3.66	1.84
Uttar Pradesh	2575	2560.18	2545.62	2561.27	0.58	1.15
Odisha	2918.7	3034.2	3020.59	3192.09	-3.81	-3.37
NCT of Delhi		5000			—	—
Gujarat	4189.1	4177.09	4163.42	3800	0.29	0.62
Uttrakhand		2162.91	2009.34		—	—
Jharkhand				2538.64	—	—
Average	3336.09	3388.99	3185.47	3218.02		-0.95

Prices in Rs/Quintal (source: Agmarknet)



Basmati Rice prices mostly traded steady to slightly firm during period under review, as observed at bench mark market of Narella in Delhi prices of Basmati Rice variety 1121 steam traded between Rs. 8,800 – Rs. 9000 per quintal. However, average prices for same during week under review were Rs. 8,900 per quintal. The main reason for this was reduction of import duty on Rice by Bangladesh, which lead to more demand from the exporters end.

Outlook (Narella 1121 Steam): -

Duration	Trend	Average Price Range	Reason
First Week of July, 2022	Steady bias	Rs.8600-9000/Quintal	Increased exporters demand and declining arrivals
Second Week of July, 2022	Steady bias	Rs. 8600-9000/Quintal	Increased exporters demand and declining arrivals
Third Week of July, 2022	Steady bias	Rs. 8000-8500/Quintal	Increased exporters demand and declining arrivals

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
		6-Jul-22	29-Jun-22	6-Jun-22	6-Jul-21			
Delhi	**1121 Steam**	8850	9000	8900	6100	-1.67	-0.56	45.08
	1121 Sella	8550	8450	8500	5100	1.18	0.59	67.65
	1121 Raw	8850	9200	8900	6100	-3.80	-0.56	45.08
	Basmati Raw	13000	13000	12000	10100	0.00	8.33	28.71
	1509 Steam Wand New	8400	8500	8500	5600	-1.18	-1.18	50.00
	Sugandh Steam	7700	7700	7900	5000	0.00	-2.53	54.00
	Sharbati Raw	6600	6750	6600	4900	-2.22	0.00	34.69
	Pusa Raw Wand	7500	7600	7600	5600	-1.32	-1.32	33.93
	ParmalSella	3500	3550	3550	3200	-1.41	-1.41	9.38

Ongoing Kharif Paddy Sowing Updates as on 25th 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	-	0.27	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 29.06.2022)				
S.No.	**STATES/ UTs**	**FCI**	**State Agency**	**Total**
1	**A.P.**	0.00	66.91	66.91
2	**TELANGANA**	0.00	118.82	118.82
3	**ASSAM**	2.03	2.18	4.21
4	**BIHAR**	0.00	44.90	44.90
5	**CHANDIGARH**	0.27	0.00	0.27
6	**CHHATISGARH**	0.00	92.01	92.01
7	**GUJARAT**	0.00	1.22	1.22
8	**HARYANA**	0.60	54.72	55.32
9	**H. P.**	0.28	0.00	0.28
10	**JHARKHAND**	0.00	7.53	7.53
11	**J&K**	0.40	0.00	0.41
12	**KARNATAKA**	0.00	2.19	2.19
13	**KERALA**	0.00	7.46	7.46
14	**M. P**	0.00	45.83	45.83
15	**MAHARASHTRA**	0.00	16.05	16.05

16	**ODISHA**	0.00	71.02	71.02
17	**PUNJAB**	1.69	185.60	187.29
18	**RAJASTHAN**	0.07	0.00	0.07
19	**NEF (Tripura)**	0.00	0.39	0.39
20	**TAMIL NADU**	0.00	39.27	39.27
21	**UTTAR PRADESH**	1.08	64.45	65.53
22	**UTTRAKHAND**	0.00	11.55	11.55
23	**WEST BENGAL**	0.00	24.53	24.53
Total	**TOTAL**	**6.42**	**856.63**	**863.06**

IGC Global Rice Balance Sheet:

Attributes (Fig in Million Tons)	2019-20	2020-21 Est.	2021-22 (Fore.)	2022-23 (Proj.) 21.04.2022	2022-23 (Proj.) 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 July-4 (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, as per the momentum indicator MACD and oscillator RSI, it is likely that prices to remain in a ranged manner between 16.03 to 16.56 level. Any breakout of either side of the mentioned level may give prices new direction. However, overall the trend is now weak / down so, it is likely that prices may come down to test the pattern objective as aforementioned