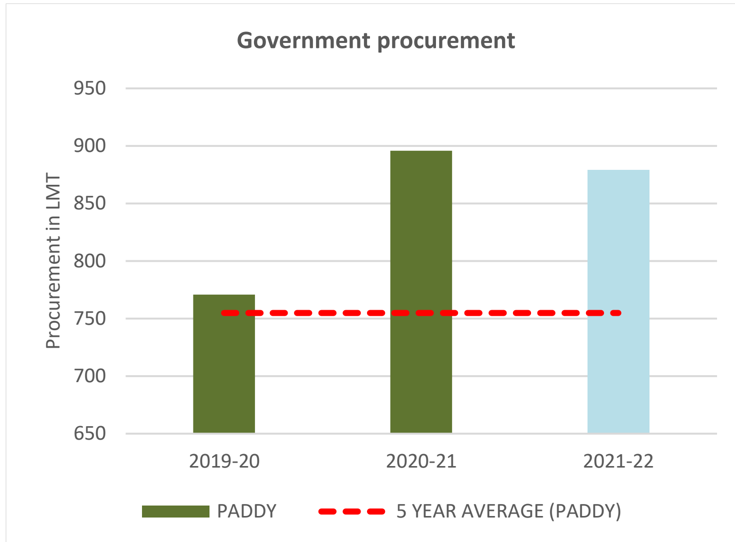
Rice Weekly Research Report

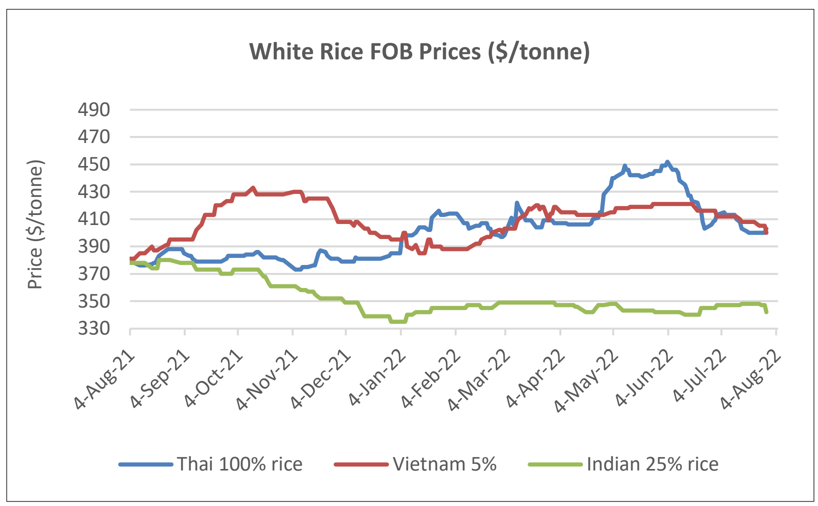
Contents

Outlook and Review:

- According to the latest data of FCI as of 31st July 22, the Centre has procured 878.96 lakh tonne (LMT) of paddy in the ongoing 2021-22 Marketing year so far at the Minimum Support Price (MSP). Till now, about 130.25 lakh farmers have been benefited with the MSP value.



- According latest data India marked a decline in Rice area coverage. Till July 29th, Rice has been sown in 231.59 lakh Ha. of area compared to 267.05 lakh Ha, down by approximately 13% compared to same period last year. The reason attributed for lag in paddy sowing is highly deficit rains over West Bengal, Jharkhand, Bihar, Chhattisgarh and Uttar Pradesh. As per the sources there is a suspicion regarding decline in the production output of Rice during upcoming season by around 1.5 million tonnes in upcoming season as the result of deficient and delayed rainfall.
- Export price of 5% Broken Parboiled Indian Rice were reported at $364 to $370 per Tonne as compared to prices of $362 to $368 per Tonne during past week due to appreciation in the rate of Indian Rupees.



- According to sources Exporters Association of Haryana has filed a plea to government requesting for the reduction in mandi fees along with other assorted fees. Current fees sustains at 6.5 percent.

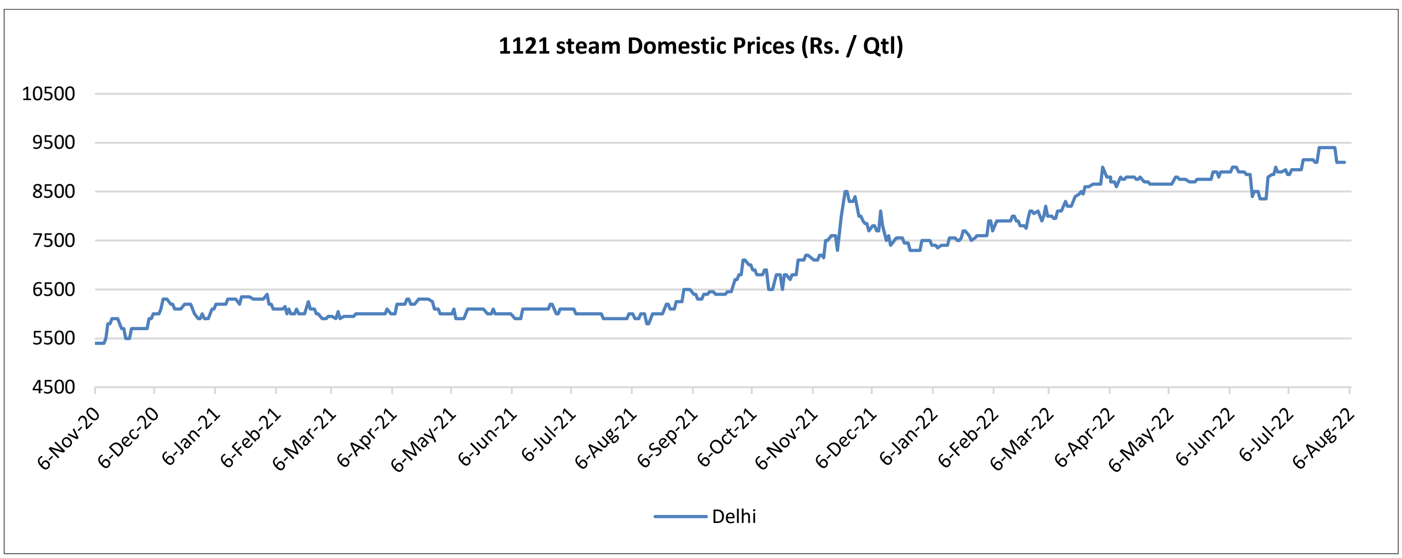
- Sources state that Vietnam's 5% broken rice prices dropped at $395-$400 per tonne which were reported at $395-$413 per tonne past week due to sluggish exports and arrival pressure of summer-autumn crop.
- As per the sources Thailand's 5% broken rice prices were noted at $412-$425 per tonne as compared to $400 per tonne than last week's prices due to demand sudden emergence of demand.
- According to sources Vietnam's Rice exports for the time frame between Jan-July rose by 20% to 4.16 million tonnes as compared to last year. Also Rice export revenue generation rose by around 8.5% to 2.6 billion when compared to previous year.
- As per the sources Pakistan's Rice export for fiscal year 2021-2022 have surged by around 32 % to 4.877 million tonnes as compared to the exports of 3.684 million tonnes for the fiscal year 2020-2021. Main

reason behind this rise was hike of around 6 % in the area sown under Paddy in Pakistan as compared to previous year. Rice production in Pakistan also saw an increase of around 10.7 % during 2021-22 as compared to previous year.

State wise Wholesale Prices Weekly Analysis for Rice first week August, 2022

State	Prices 01-08 Aug 2022	Prices 24-31 Jul 2022	Prices 16-23 Jul 2022	Prices 01-08 Aug 2021	% Change (Over Previous Week)	% Change (Over Previous Year)
Karnataka	3914.97	3466.94	3370.09	4001.9	12.92	-2.17
Maharashtra	3407.27	3650.5	3696.91	4439.85	-6.66	-23.26
NCT of Delhi	4400	3200			37.5	__
Odisha	3055.4	3059.97	3029.1	3009.75	-0.15	1.52
Tripura	3007.36	2989.78	3033.47	3037.98	0.59	-1.01
West Bengal	3260.61	3070.57	3057.43	2783.3	6.19	17.15
Uttar Pradesh	2650.01	2591.95	2621.82	2584.9	2.24	2.52
Gujarat	4066.36	4141.3	4174.84	3800	-1.81	7.01
Uttrakhand	2307.71	2162.73	2008.76		6.7	__
Kerala	3646.49	3648.53	3646.56	3398.04	-0.06	7.31
Bihar	2662.5	2429.41	2411.9		9.59	__
Average	3307.15	3128.33	3105.09	3381.96		

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



- Basmati Rice prices mostly traded weak during period under review as compared to previous week, as observed at bench mark market of Narella in Delhi prices of Basmati Rice variety 1121 steam traded between Rs. 9,000 – Rs. 9,200 per quintal. However, average prices for during week under review were Rs. 9,100 per quintal.

Outlook (Narella 1121 Steam): -

Duration	Trend	Average Price Range	Reason
Second Week of August, 2022	Firm bias	Rs.8,900-9,400/Quintal	Moderate demand and declining arrivals
Third Week of August, 2022	Firm bias	Rs.9,000-9,300 /Quintal	Moderate demand and declining arrivals
Fourth Week of August, 2022	Firm bias	Rs.9,000-9,300 /Quintal	Moderate 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-Aug-22	30-Jul-22	7-Jul-22	6-Aug-21			
Delhi	1121 Steam	9200	9100	8950	6000	1.10	2.79	53.33
	1121 Sella	8500	8600	8550	5150	-1.16	-0.58	65.05
	1121 Raw	9500	9100	8950	6000	4.40	6.15	58.33
	Basmati Raw	13000	13000	13000	10000	0.00	0.00	30.00
	1509 Steam Wand New	8300	8500	8500	5500	-2.35	-2.35	50.91
	Sugandh Steam	7700	7700	7650	4900	0.00	0.65	57.14
	Sharbati Raw	6550	6550	6600	4500	0.00	-0.76	45.56
	Pusa Raw Wand	8200	8000	7600	5400	2.50	7.89	51.85
	ParmalSella	3575	3575	3500	3100	0.00	2.14	15.32

Ongoing Kharif Paddy Sowing Updates as on 29th July 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	15.17	4.86	5.13	-	-
2	Arunachal Pradesh	1.32	1.35	1.26	-	-
3	Assam	19.98	10.16	11.55	-	-
4	Bihar	30.76	16.53	22.14	-	-
5	Chhattisgarh	37.31	26.10	28.47	-	-
6	Goa	0.26	0.18	0.18	-	-
7	Gujarat	8.16	4.72	4.21	-	-
8	Haryana	14.06	12.03	12.25	-	-
9	Himachal Pradesh	0.72	0.88	0.45	-	-
10	J&K	2.73	0.98	1.00	-	-
11	Jharkhand	15.48	2.75	7.47	-	-
12	Karnataka	9.24	2.45	2.82	-	-
13	Kerala	1.48	0.49	0.49	-	-
14	Madhya Pradesh	21.44	22.25	19.83	-	-
15	Maharashtra	14.52	8.01	7.96	-	-
16	Manipur	0.40	1.95	1.85	-	-
17	Meghalaya	0.97	0.70	0.94	-	-
18	Mizoram	0.35	0.30	0.35	-	-
19	Nagaland	2.08	1.60	1.35	-	-
20	Odisha	36.20	12.79	15.39	-	-
21	Punjab	29.83	30.38	30.33	-	-
22	Rajasthan	2.07	1.70	0.82	-	-
23	Sikkim	0.09	0.08	0.09	-	-
24	Tamil Nadu	16.32	2.29	1.93	-	-
25	Telangana	12.04	5.02	9.08	-	-
26	Tripura	2.00	0.35	1.98	-	-
27	Uttar Pradesh	57.67	46.58	53.26	-	-
28	Uttarakhand	2.38	2.30	2.33	-	-
29	West Bengal	41.64	11.31	21.93	-	-
30	Puducherry	0.11	-	-	-	-
31	Others	0.28	0.50	0.21	-	-
	All-India	**397.06**	**231.59**	**267.05**	-	-

Source: - GOI

State wise Ongoing Procurement KMS 2021-22

KMS 2021-22 (Units in LMTs) (as on 31.07.2022)				
S.No.	**STATES/ UTs**	**FCI**	**State Agency**	**Total**
1	A.P.	0.00	67.56	67.56
2	TELANGANA	0.00	119.07	119.07
3	ASSAM	2.09	2.34	4.43
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	7.48	7.48
14	M. P	0.00	45.83	45.83
15	MAHARASHTRA	0.00	17.57	17.57
16	ODISHA	0.00	71.04	71.04
17	PUNJAB	1.69	185.60	187.29
18	RAJASTHAN	0.07	0.00	0.07
19	NEF (Tripura)	0.00	0.53	0.53
20	TAMIL NADU	0.00	41.58	41.58
21	UTTAR PRADESH	1.08	64.45	65.53
22	UTTRAKHAND	0.00	11.55	11.55
23	WEST BENGAL	0.00	35.31	35.31
Total	**TOTAL**	**6.48**	**872.48**	**878.97**

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 August-8 (Prices in US$/hundredweight)

Market Analysis

As evident from the above chart, overall the price trend remains up and intact. Prices are taking support of the rising trendline and moving up. Prices are also sustaining above the short term EMAs, pointing firmness in prices. Momentum indicator MACD has given bullish crossover in the positive territory which hints for increase in bullish momentum. However, Oscillator RSI has turn downward pointing for some correction in prices. We expect prices to remain in a ranged manner with firm tone in coming week. Buying in dips towards the immediate support (16.71) is advisable. Any close below the immediate support would take prices further down so, one has to remain watchful for the support level.

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