

# Rice Weekly Research Report

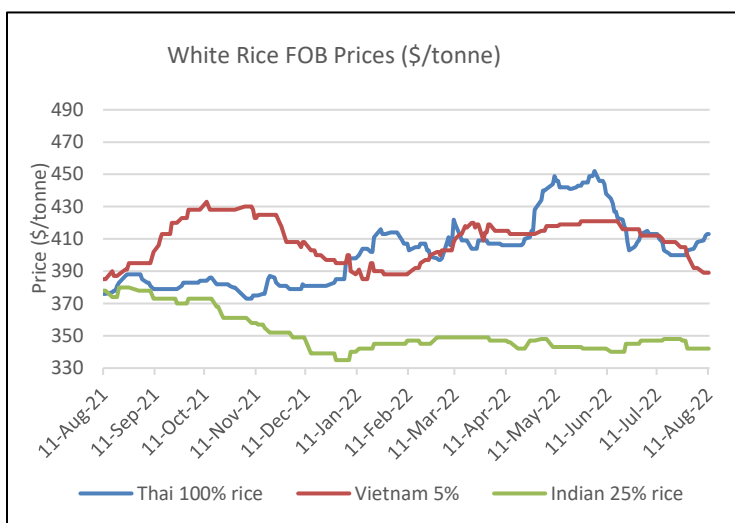
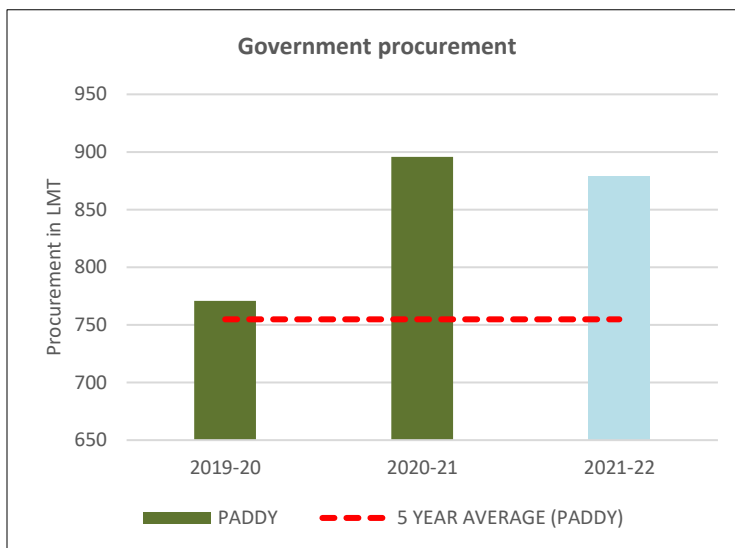
---

## Contents

- ❖ Outlook and Review
- ❖ Weekly Price Change
- ❖ Kharif Sowing Update
- ❖ Progressive Procurement
- ❖ International Rice Market Summary
- ❖ IGC Balance Sheet
- ❖ CBOT Trend

## Outlook and Review:

- According to the latest data published by FCI as on 31st July -22, the Centre has procured 878.97 Lakh MT (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 to the latest data India marked a decline in Rice area coverage. Till July 29<sup>th</sup>, 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 latest data is not available in public domain. The reason attributed for lag in paddy sowing is highly deficit rains over West Bengal, Jharkhand, Bihar, Chhattisgarh and Uttar Pradesh. As per media reports, there are expectations that Rice output may decline by 10-12 million tonnes in the upcoming season. This decline is mainly attributed to decline in paddy acreage amid deficit rains some key Eastern states and Uttar Pradesh. Meanwhile, AgriWatch has not yet arrived at its own production estimate and as of now our assessment of the crop is ongoing.
- Export price of 5% Broken Parboiled Indian Rice was reported at \$360-\$366 per Tonne as compared to prices of \$364-\$370 per Tonne during past week due to less demand from the African buyers.
- 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 sustain at 6.5 percent.
- Sources state that Vietnam's 5 % broken rice prices dropped to \$390-\$393 per tonne which were reported at \$395-\$400 per tonne past week due to quality issues. Price is still at par with less expensive Thai and Indian rice.
- As per the sources Thailand's 5% broken rice prices were quoted at \$420-\$428 per tonne as compared to \$412-\$425 per tonne, up by \$10-12 per tonne from last week. The reason for rise in price is mainly attributed to an emergence of sudden demand from the national and international markets.
- 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.



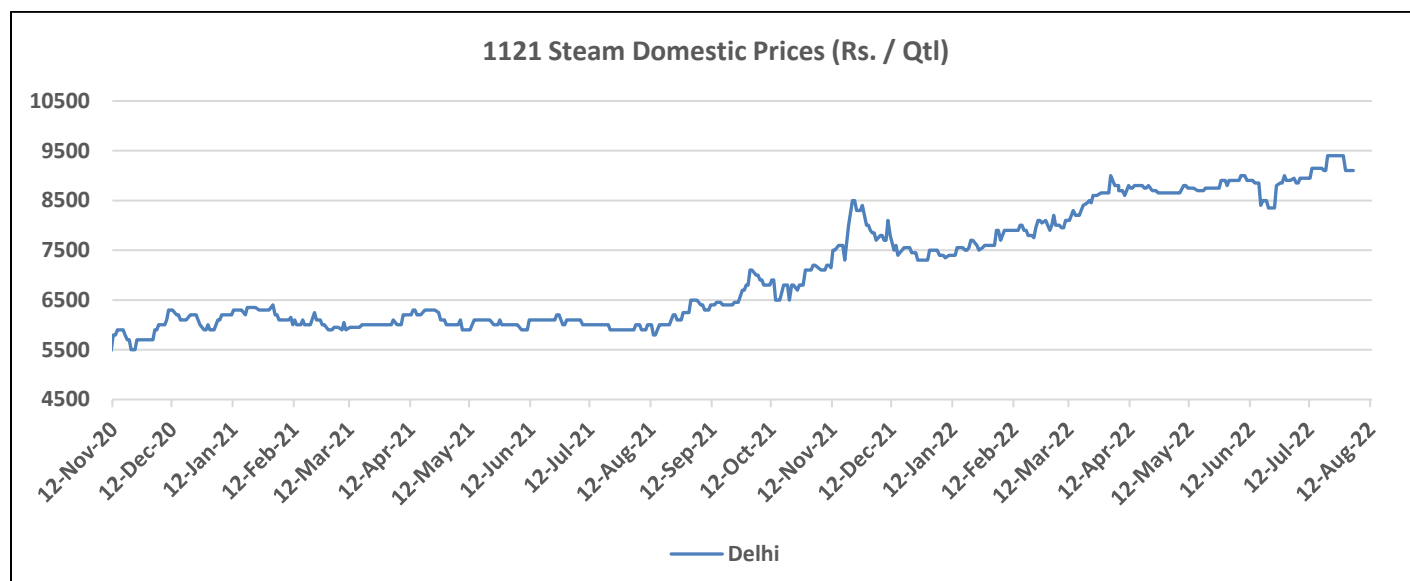
- As per the market sources Pakistan's Rice export for the fiscal year 2021-2022 has surged by around 32 % to 4.877 million tonnes as compared to 3.684 million tonnes in 2020-2021. The main reason behind this rise was attributed to 6 % increase in sown area in Pakistan as compared to previous year. Rice 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 second week August, 2022**

State	Prices 09-15 Aug 2022	Prices 01-08 Aug 2022	Prices 24-31 Jul 2022	Prices 09-15 Aug 2021	% Change (Over Previous Week)	% Change (Over Previous to Previous Week)
Gujarat	4178.86	4066.36	4141.3	3764	2.77	11.02
Tripura	3056.76	3018.2	2989.78	3028.68	1.28	0.93
Uttarakhand	1900	2363.59	2162.73		-19.61	—
West Bengal	3298.77	3236.24	3070.57	2809.04	1.93	17.43
Odisha	3047.8	3037.19	3059.97	3036.52	0.35	0.37
Uttar Pradesh	2618.42	2648.13	2591.95	2567.42	-1.12	1.99
Karnataka	3828.46	3860.98	3466.94	4223.52	-0.84	-9.35
Kerala	3678.31	3659.52	3648.53	3395.27	0.51	8.34
Bihar	2583.33	2662.5	2429.41		-2.97	—
Maharashtra	3663.96	4023.28	3650.5	4357.13	-8.93	-15.91
NCT of Delhi		4400	3200		—	—
Average	3185.47	3361.45	3128.33	3397.7		

Prices in Rs/Quintal

(source: Agmarknet)



- Basmati Rice prices mostly traded weak during the week 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. 9,100 – Rs. 9,500 per quintal. However, average price during the week under review was recorded at Rs. 9,360 per quintal.

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

Duration	Trend	Average Price Range	Reason
Third Week of August, 2022	Range bound	Rs.9,000-9,600/Quintal	Moderate export demand, fair festive demand.
Fourth Week of August, 2022	Range bound	Rs.9,000-9,600/Quintal	Moderate export demand, fair festive demand.
First Week of September,2022	Range bound	Rs.9,000-9,600/Quintal	Moderate demand and early arrivals will start.

**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
		13-Aug-22	06-Aug-22	14-Jul-22	13-Aug-21			
Delhi	1121 Steam	9100	9200	9150	5800	-1.09	-0.55	56.90
	1121 Sella	8500	8500	8600	5100	0.00	-1.16	66.67
	1121 Raw	9100	9500	9200	5800	-4.21	-1.09	56.90
	Basmati Raw	13200	13000	13100	9100	1.54	0.76	45.05
	1509 Steam Wand New	8400	8300	8500	5500	1.20	-1.18	52.73
	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	8100	8200	7600	5300	-1.22	6.58	52.83
	ParmalSella	3600	3575	3500	3000	0.70	2.86	20.00

Ongoing Kharif Paddy Sowing Updates as on 29<sup>th</sup> 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	-	-
	<b>All-India</b>	<b>397.06</b>	<b>231.59</b>	<b>267.05</b>	-	-

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 3 MMT month on month basis. Trade in 2023 (Jan-Dec) has been estimated higher by 1MMT to 51 MMT. However, it is similar to 2021-22 forecast for the trade.

World rice trade is seen edging up to a high in 2022 on sizeable deliveries to Africa. acreage gains in Asia, 2022-23 global production is predicted 1% up year on year basis. 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 turned 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.

**Disclaimer**

The information and opinions contained in the document have been compiled from sources believed to be reliable. The company does not warrant its accuracy, completeness and correctness. Use of data and information contained in this report is at your own risk. This document is not, and should not be construed as, an offer to sell or solicitation to buy any commodities. This document may not be reproduced, distributed or published, in whole or in part, by any recipient hereof for any purpose without prior permission from the Company. IASL and its affiliates and/or their officers, directors and employees may have positions in any commodities mentioned in this document (or in any related investment) and may from time to time add to or dispose of any such commodities (or investment). Please see the detailed disclaimer at <http://www.agriwatch.com/disclaimer.php> © 2022 Indian Agribusiness Systems Limited.