Rice Weekly Research Report

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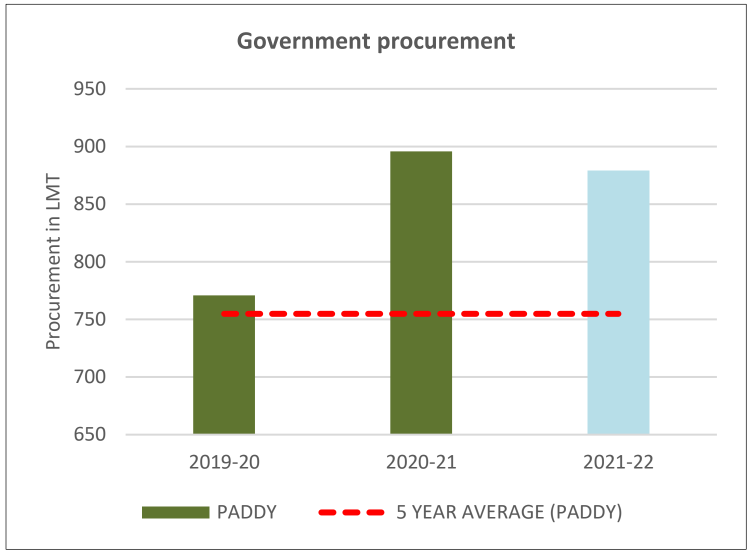
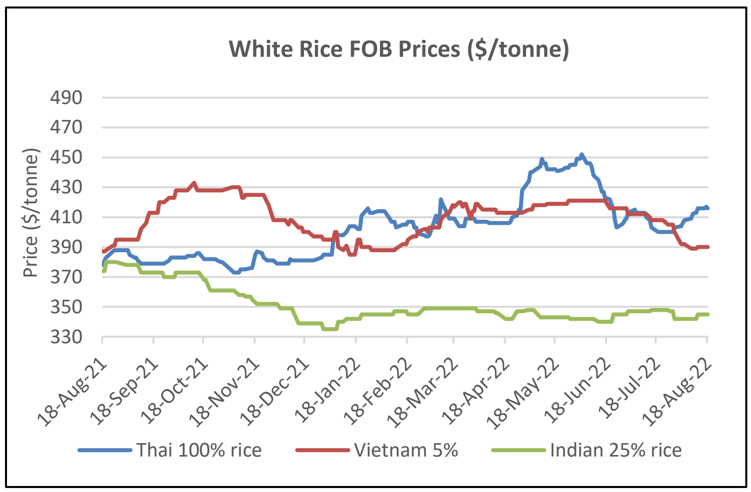
Outlook and Review:

- According to the latest data published by FCI as on 15th August 22, the Centre has procured 880.02 Lakh MT (LMT) of paddy in the ongoing 2021-22 Marketing year so far at the Minimum Support Price (MSP). Till now, about 130.41 lakh farmers have been benefited with the MSP value.



- Lower area coverage this Kharif 2022 is seen providing the underlying support to the prices. As per the latest reports, as of August 12th, 2022, Rice has been sown in 309.79 lakh Ha. compared to 353.62 lakh Ha sown in same period last year, down by 13%. The reason attributed for the lag in paddy sowing is decline in sown area in West Bengal, Jharkhand, Bihar, Chhattisgarh and Uttar Pradesh amid deficit rains. The latest data is not available in public domain. Meanwhile, AgriWatch has not yet arrived at its own production estimate and as of now our assessment of the crop is ongoing.

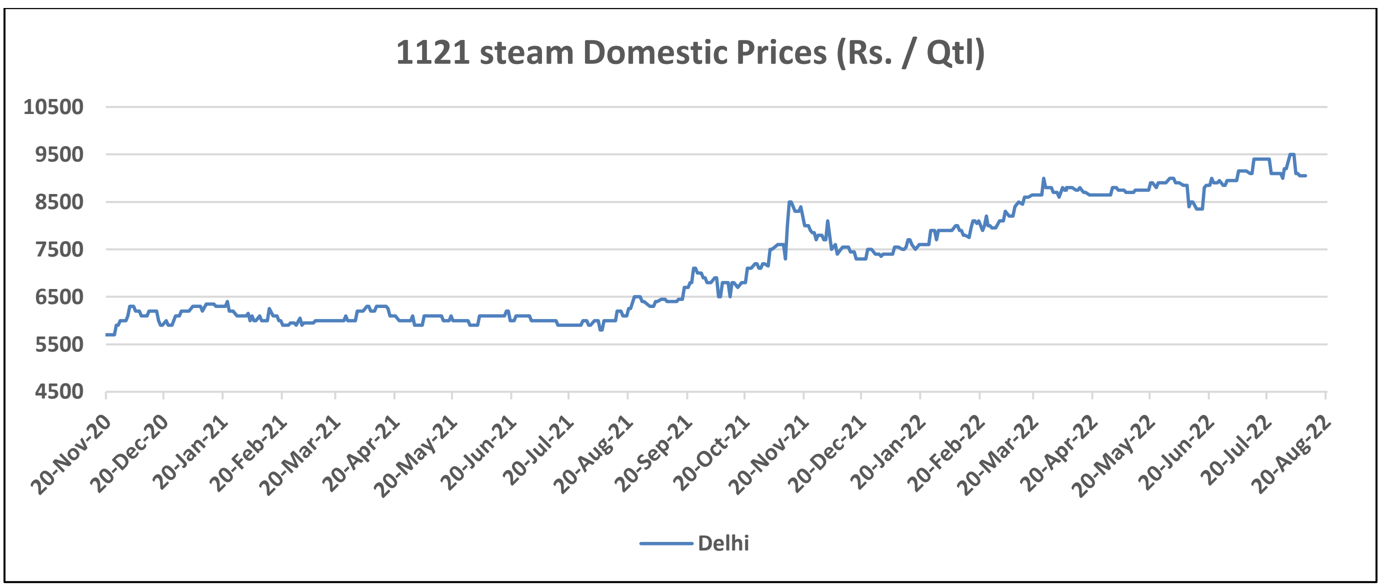


- Export price of 5% Broken Parboiled Indian Rice were reported at $365-371 per Tonne as compared to prices of $360-$366 per Tonne during past week since the weather in many parts of India is not conducive to crop growth and dealers have begun quoting higher rates for paddy under the assumption that the new crop will produce less.
- Sources state that Vietnam's 5% broken rice prices dropped at $390-$393 per tonne which were reported at $395-$400 per tonne past week due increased supplies from the summer-autumn harvest.
- As per the sources Thailand's 5% broken rice prices were reported at $420-$428 per tonne as compared to $412-$425 per tonne than last week's prices due to improved demand both domestically and internationally.
- The International Grains Council (IGC) in its monthly grain market report has revised downward the global total grain production and consumption for the 2022–2023 marketing year, which was published on August 18. Large exports to markets in Asia and Africa are expected to drive rice trade to a record in 2022. The world's output is expected to be slightly lower year over year in 2022–2023, at 514 million tonnes, due to potential reductions in major producers, including India. Uptake of rice might reach a new peak, driven by food demand, while inventories are expected to continue shrinking (down 3 million tonnes annually), with a slight decline in China.

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

State	Prices 16-23 Aug 2022	Prices 09-15 Aug 2022	Prices 01-08 Aug 2022	Prices 16-23 Aug 2021	% Change (Over Previous Week)	% Change (Over Previous Year)
Karnataka	3926.08	4036.82	3931.12	4204.91	-2.74	-6.63
Kerala	3790.53	3616.29	3659.52	3410.22	4.82	11.15
Maharashtra	3350.36	3377.78	4023.28	3906.73	-0.81	-14.24
West Bengal	3274.73	3306.25	3236.24	2836.85	-0.95	15.44
Gujarat	4167.43	4178.86	4066.36	3800	-0.27	9.67
Uttar Pradesh	2675.28	2632.94	2648.13	2574.38	1.61	3.92
Bihar		2583.33	2662.5		___	___
Tripura	3066.33	3060.96	3018.2	3010.31	0.18	1.86
Uttrakhand	2256.59	2497.7	2363.59		-9.65	___
NCT of Delhi		4150	4400		___	___
Odisha	2948	2990.57	3037.19	3045.04	-1.42	-3.19
Telangana				2308.47	___	___
Average	3272.81	3311.95	3367.83	3232.99		

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 during last week as compared to Rs. 9,000- Rs. 9,100. However, average price during the week under review was recorded at Rs. 9,061 per quintal.

Outlook (Narella 1121 Steam): -

Duration	Trend	Average Price Range	Reason
Fourth Week of August, 2022	Range bound	Rs.9,000-9,600/Quintal	Balanced demand and Supply.
First Week of September, 2022	Range bound	Rs.9,100-9,600/Quintal	Moderate supply due to failed Kharif production.
Second Week of September,2022	Range bound	Rs.9,200-9,700/Quintal	Moderate supply due to failed Kharif production.

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
		20-Aug-22	13-Aug-22	21-Jul-22	20-Aug-21			
Delhi	1121 Steam	9050	9100	9400	6000	-0.55	-3.72	50.83
	1121 Sella	8550	8500	8800	5200	0.59	-2.84	64.42
	1121 Raw	9100	9100	9500	6000	0.00	-4.21	51.67
	Basmati Raw	13200	13200	13000	9400	0.00	1.54	40.43
	1509 Steam Wand New	8400	8400	8700	5600	0.00	-3.45	50.00
	Sugandh Steam	7700	7700	7700	5000	0.00	0.00	54.00
	Sharbati Raw	6500	6550	6600	4600	-0.76	-1.52	41.30
	Pusa Raw Wand	8400	8100	8000	5200	3.70	5.00	61.54
	ParmalSella	3750	3600	3550	3000	4.17	5.63	25.00

Ongoing Kharif Paddy Sowing Updates as on 12th August 2022:

Sr.No.	State	Normal Area	Area Covered		Difference in Area coverage	
		(DES)	(Lakh Ha)		with current week & Normal	
			2022	2021	2022	Normal
1	Andhra Pradesh	15.17	8.279	11.12	-2.85	-6.89
2	Arunachal Pradesh	1.32	1.357	1.26	0.10	0.04
3	Assam	19.98	16.250	15.78	0.47	-3.73
4	Bihar	30.76	26.270	30.27	-4.00	-4.49
5	Chhattisgarh	37.31	32.250	33.68	-1.43	-5.06
6	Goa	0.26	0.220	0.24	-0.02	-0.04
7	Gujarat	8.16	7.920	7.43	0.49	-0.24
8	Haryana	14.06	12.400	13.21	-0.81	-1.66
9	Himachal Pradesh	0.72	0.880	0.65	0.23	0.16
10	J&K	2.73	1.117	1.10	0.02	-1.61
11	Jharkhand	15.48	3.885	15.25	-11.37	-11.60
12	Karnataka	9.24	4.230	4.38	-0.15	-5.01
13	Kerala	1.48	0.540	0.53	0.01	-0.94
14	Madhya Pradesh	21.44	25.480	29.94	-4.46	4.04
15	Maharashtra	14.52	13.210	12.95	0.26	-1.31
16	Manipur	0.40	1.950	1.10	0.85	1.55
17	Meghalaya	0.97	0.726	0.97	-0.24	-0.24
18	Mizoram	0.35	0.344	0.35	-0.01	-0.01
19	Nagaland	2.08	1.900	1.50	0.40	-0.18
20	Odisha	36.20	20.368	24.68	-4.31	-15.83
21	Punjab	29.83	31.150	30.50	0.65	1.32
22	Rajasthan	2.07	2.160	1.57	0.59	0.09
23	Sikkim	0.09	0.086	0.10	-0.01	0.00
24	Tamil Nadu	16.32	3.010	2.89	0.12	-13.31
25	Telangana	12.04	9.680	13.07	-3.39	-2.36
26	Tripura	2.00	0.980	1.47	-0.49	-1.02
27	Uttar Pradesh	57.67	56.030	59.40	-3.37	-1.64
28	Uttarakhand	2.38	2.320	2.49	-0.17	-0.06
29	West Bengal	41.64	24.300	35.53	-11.23	-17.34
30	Puducherry	0.11				-0.11
31	Others	0.28	0.50	0.21	0.29	0.22
	All-India	**397.06**	**309.79**	**353.62**	**-43.83**	**-87.27**

Source: - GOI

State wise Ongoing Procurement KMS 2021-22

KMS 2021-22 (Units in LMTs) (as on 15.08.2022)				
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	2.15	2.51	4.66
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	0.58	0.58
20	TAMIL NADU	0.00	42.35	42.35
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**	**6.54**	**873.47**	**880.02**

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 3 MMT month on month basis. Trade in 2023 (Jan-Dec) has been estimated higher by 1MMT to51 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. Both MACD is mostly flat in the positive territory, hints for sideways market while oscillator RSI is moving down in neutral zone, pointing for some correction in prices. We expect prices to remain in a ranged manner in coming week.