

Rice Weekly Research Report

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Outlook and Review:

- According to reports from IMD, there is positive news for paddy transplantations in India in July, as most areas are expected to receive 94 % to 106 % of the Long-Term Average (LTA) rainfall during this month. Nevertheless, the increased temperatures in June resulted in substantial planting delays of kharif crops in India.
- The price range for India's 5% broken parboiled rice increased to \$412 to \$420 per tonnes, compared to last week's range of \$409 to \$416 per tonnes, though demand has been decreasing at these higher price levels. However, limited supplies continue to push prices upwards.
- The price of Thailand's 5% broken rice remained steady at \$515 per tonnes, showing no change from the previous week. The sustained high prices due to the robust demand from countries such as Indonesia, Philippines, Malaysia, and certain African nations. Concerns over drought have prompted these countries to increase their rice stockpiles.
- The price range for Vietnam's 5% broken rice remained steady at \$500 to \$510 per tonnes, the same as last week. There is a robust demand for this rice variety, leading exporters to quickly procure paddy from farmers in order to fulfill their export agreements.
- Next week, South Korea is scheduled to enter into an agreement with eight African nations aimed to enhancing rice production. The agreement stands for providing improved seed production facilities and high-yielding varieties that can yield two to three times more than domestic varieties. The goal is to reduce their reliance on imports, as current local production in West Africa only satisfies approximately 60% of the demand. In contrast, South Korea has managed to produce sufficient rice to fulfill over 90% of its local demand.

Kharif Sowing Progress as of 7th July, 2023

No.	State	Area Covered		Difference in Area coverage	
		(Lakh Ha)		with Current Week	
		2023	2022	2022	2021
1	Andhra.Pradesh	0.92	0.90	0.02	-0.225
2	Arunachal.Pradesh	1.365	1.348	0.017	0.105
3	Assam	1.046	3.161	-2.115	-3.184
4	Bihar	2.95	1.68	1.27	-0.65
5	Chhattisgarh	2.83	8.95	-6.12	-12.31
6	Goa	0.1	0	0.1	-0.03
7	Gujarat	0.135	0.167	-0.032	-0.525
8	Haryana	4.34	5.57	-1.23	-1.61
9	Himachal.Pradesh	0.18	0.20	-0.02	-0.12
10	Jammu..Kashmir.	1.665	1.796	-0.131	1.075
11	Jharkhand	0.269	0.566	-0.297	-0.341
12	Karnataka	0.53	1.11	-0.58	-0.72
13	Kerala	0.35	0.37	-0.02	-0.15
14	Laddakh	-	-	-	-

15	Madhya.Pradesh	0.82	1.87	-1.05	-5.71
16	Maharashtra	1.065	1.42	-0.355	-1.115
17	Manipur	1.268	1.648	-0.38	0.023
18	Meghalaya	0.1	0.63	-0.53	-0.84
19	Mizoram	0.307	0.295	0.012	-0.013
20	Nagaland	1.653	1.611	0.042	0.583
21	Odisha	1.089	3.242	-2.153	-4.741
22	Punjab	17.6	21.29	-3.69	-10.32
23	Rajasthan	0.8	0.614	0.186	0.457
24	Sikkim	0.015	0.062	-0.047	-0.06
25	Tamil.Nadu	1.172	1.178	-0.006	0.023
26	Telangana.	0.566	0.35	0.216	-0.369
27	Tripura	0.183	0.309	-0.127	-0.251
28	Uttar.Pradesh	7.294	7.186	0.108	0.474
29	Uttarakhand	2.01	2.05	-0.04	-0.11
30	West.Bengal	1.477	1.51	-0.033	-0.213
31	Others	0.02	0.02	0	-0.01
	Total	54.12	71.1	-17	-40.88

Source: NFSM

State wise Wholesale Prices Weekly Analysis for Rice first Week of July, 2023

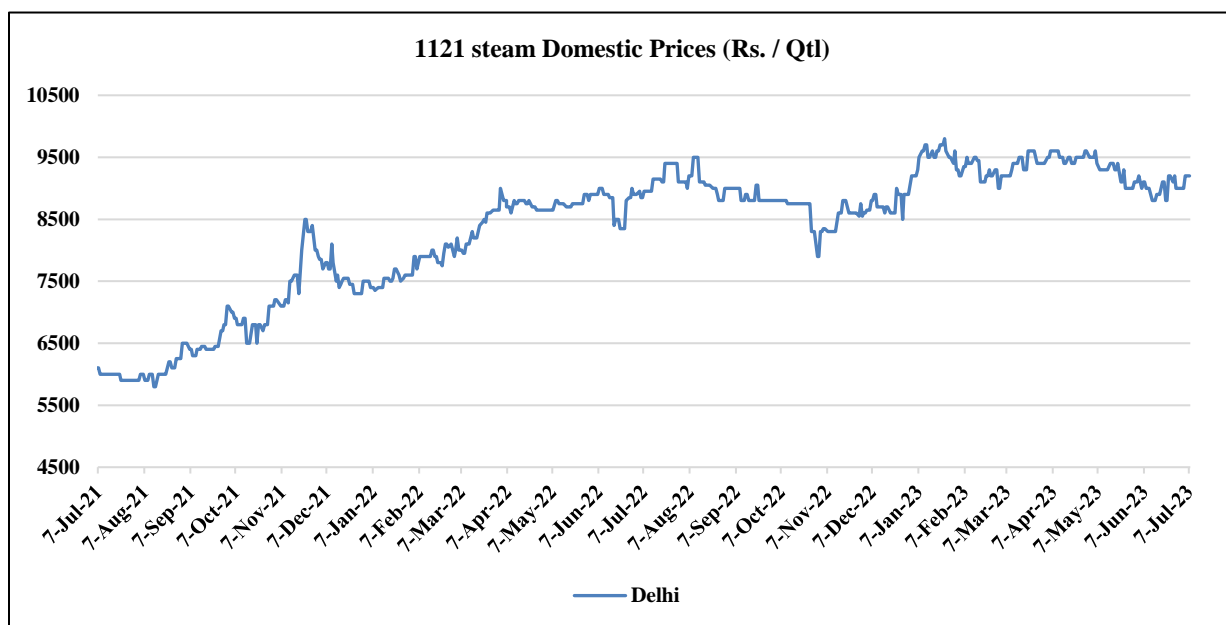
State	Prices 01-08 Jul 2023	Prices 24-30 Jun 2023	Prices 16-23 Jun 2023	Prices 01-08 Jul 2022	% Change (Over Previous Week)	% Change (Over Previous Year)
Bihar				2488	—	—
Gujarat	5128	4244	4229	4197	20.83	21.26
Karnataka	5782	5400	4839	3749	7.07	19.49
Kerala	4443	4472	4472	3567	-0.65	-0.65
Maharashtra	4572	3989	3914	3783	14.62	16.81
NCT of Delhi		4527	3491			
Odisha	3968	3051	3075	2866	30.06	29.04
Tripura	3881	3678	3651	2888	5.52	6.3
Uttar Pradesh	2719	2660	2677	2552	2.22	1.57
Uttarakhand	3840	3409	3077	2109	12.64	24.8
West Bengal	3595	3622	3531	3048	-0.75	1.81
Average	4214.22	3905.2	3695.6	3124.7		

Prices in Rs/Quintal

(source: Agmarknet)

- Over the week under review, prices remained steady to firm. There has been a surge in rice demand from buyers in southern India due to 'Bonalu' festival which will begin from 13th July onwards. Also, kharif sowing is still lagging behind by 23% during this kharif season compare to same period last year.

- Global rice prices, currently at their highest point in 11 years, are expected to continue rising. This comes as El Nino poses a threat to crop yields in major rice-producing regions and as the prices of alternative food staples have become more expensive for impoverished populations in Asia and Africa. No. 2 exporter Thailand has urged farmers to plant only one rice crop after May rainfall was 26% below normal.
- The average price of Sugandha Steam Wand rice in the benchmark Naya Bazar market went up by 1.48 % to Rs. 7450 from last week's price Rs. 7341 per quintal. Price of 1718 Steam Wand rice went up by 1.72% at Rs. 8833 per quintal from the previous week's prices Rs. 8683 per quintal.



Technical Analysis (Domestic market -1121 steam wand)

(Based on Naya bazar Mandi prices)

**Rice – Technical Outlook
time frame**
Rice 1121 steam wand, Naya Bazar Mandi prices -Weekly
Technical Chart:

Technical Commentary:

- During the week under review, market remained steady and closed at 9,200 levels and made high of 9,200 and low of 9,000.
- Market is currently trading above 100 DMA, which can be characterized as long-term support.
- RSI has rebounded to 50, indicating improved buying strength and MACD is also indicating good momentum.
- 8,800-8,900 is near term support and 9,600-9,700 is near term resistance.

Recommendation-

- Market Participants are recommended to wait to buy near the support of 8,800 and sell above range of 9,500 in short run.

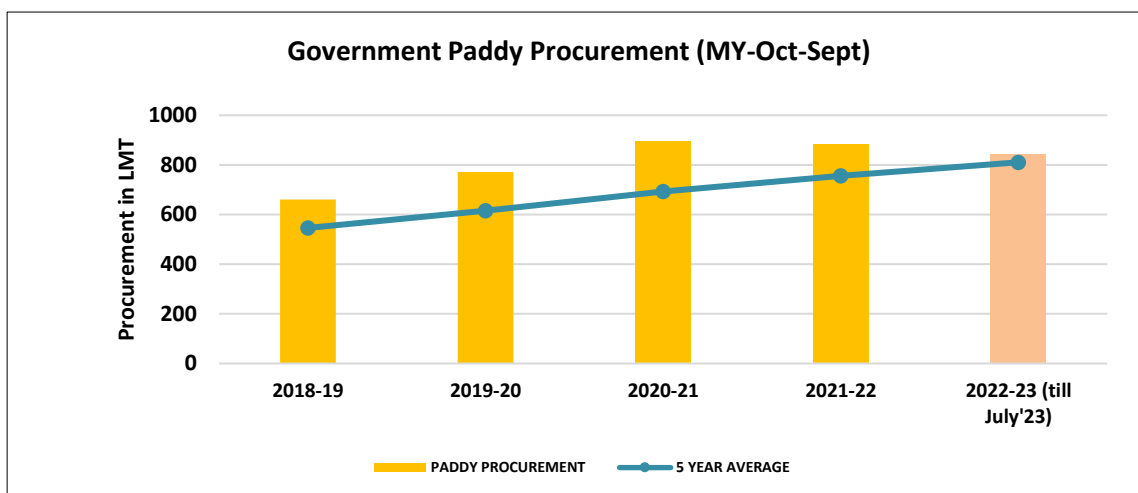
Rice Price Outlook for coming week (Naya bazar 1121 Steam): Prices are currently at INR. 9,200/QtL. and are expected to remain bullish in the range of INR 9,100-9,400 in short run.

Rice Price Outlook (INR./QtL)	Previous week 24 th Jun'23 – 30 th June'23	Week under review 1 st July'23 – 7 th July'23	Next week 8 th July'23 – 14 th July'23
Weekly Average Price	9083.33	9133.33	9100-9400

State wise Procurement KMS 2022-23

KMS 2022-23 (Units in LMTs) (as on 02.07.2023)				
S.No.	STATES/ UTs	FCI	State Agency	Total
1	A.P.	0.00	42.30	42.30
2	TELANGANA	0.00	130.34	130.34
3	ASSAM	1.94	3.98	5.92
4	BIHAR	0.00	42.05	42.05
5	CHANDIGARH	0.19	0.00	0.19
6	CHHATISGARH	0.00	87.53	87.53
7	GUJARAT	0.00	1.77	1.77
8	HARYANA	0.14	59.22	59.36
9	H. P.	0.07	0.07	0.14
10	JHARKHAND	0.00	1.72	1.72
11	J&K	0.34	0.00	0.34
12	KARNATAKA	0.00	0.21	0.21
13	KERALA	0.00	7.29	7.29
14	M. P	0.00	46.16	46.16
15	MAHARASHTRA	0.00	18.33	18.33
16	ODISHA	0.00	78.99	78.99
17	PUNJAB	2.00	180.11	182.11
18	RAJASTHAN	0.00	0.00	0.00
19	NEF (Tripura)	0.00	0.40	0.40
20	TAMIL NADU	0.00	29.78	29.78
21	UTTAR PRADESH	1.12	64.38	65.50
22	UTTRAKHAND	0.00	8.96	8.96
23	WEST BENGAL	0.00	34.36	34.36
	TOTAL	5.80	837.95	843.75

- As of 7th July, 2023 the central pool had received 843.75 LMT Paddy from the FCI and State Govt. Organizations for the 2022-23 KMS.



- As of June 2023, FCI rice stocks was at 262.23 LMT in its central pool against the requirement of 135.40 LMT buffer on July 1st and 226.85 LMT of un milled paddy.

IGC Global Rice Balance Sheet:

Attributes (Fig in Million Tons)	2020-21	2021-22 (Est.)	2022-23 (Fore.)	2023-24 (Proj.)	
				18.05.2023	29.06.2023
Production	509	515	514	521	524
Trade	51	55	54	54	55
Consumption	509	520	521	520	525
Carryover stocks	182	177	171	173	171
Y-O-Y change	0	-5	-6		0
Major Exporters	50	45	42	44	41

Note: Major exporters are India, Pakistan, Thailand and Vietnam.

There have been slight revisions to the anticipated rice supply and demand for the year 2022/23. Global reserves are now expected to slightly decrease month-over-month to reach 171 million metric tonnes, representing a reduction of 6 million metric tonnes. Consequently, the forecast for closing stocks in 2023/24 has been adjusted to 173 million metric tonnes, indicating a modest increase of 2 million metric tonnes. The projected trade volume for the period of January to December 2024 slightly increase by 1MMT compare to previous month, with an estimated volume of 55 million metric tonnes, showing a slight year-over-year increase.

Rice Price Trend – CBOT@ CBOT Sept- 23, Rough Rice (Weekly Time frame)

(Prices in US\$/hundredweight)

Market Analysis

During the week under review, market extended previous week's losses and went down by 16.92% at 15, made high of 15.53 and low of 14.86. It is currently trading below 9, 18, 50 and 100 DMA. However, 9 DMA can be characterized as short-term resistance. RSI is near 38, indicating strong buying strength. However, MACD is indicating bearish momentum.



Duration	Trend	Support	Resistance
July-2023	Bearish	S1-14.5 S2-14.0	R1-17.6 R2-18

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