

Rice Weekly Research Report

Contents

- ❖ Outlook and Review
- ❖ Weekly Price Change
- ❖ Weekly Rice Export
- ❖ Progressive Procurement
- ❖ FOB-1121 Steam
- ❖ International Rice Market Summary
- ❖ IGC Balance Sheet
- ❖ CBOT Trend

Outlook and Review:

- According to the latest Paddy Kharif sowing data, sowing in India reached 36,1500 hectares on June 25, 2021, lower 4.41 percent from 34,6200 hectares the previous year at the same time. As of June 30, 2021, Telangana has a total area of 95,999 hectares, lower from 125,502 hectares the previous year at the same time. It is 34,270 hectares in Rajasthan as of 6-07-2021, lower from 76,900 hectares the previous year, and 65,589 hectares in Gujarat as of 05-07-2021, up from 56,753 hectares the year before. Paddy sowing in Odisha has reduced by 93.39% from the previous year, reaching 58,262 hectare as of 03-07-2021, down from 88,201 hectare the previous year.
- PMGKAY-4 has been approved by the Center. From July to November, this scheme will be in effect. This program will provide 5 kg of food grains (wheat/rice) per person per month. In PMGKAY-3, 79 lakh tonnes of food grains were allocated for May and June, with 76 lakh tonnes procured in various states so far. In May, 35 lakh tonnes of food grains were distributed, followed by 23 lakh tonnes in June. The Center allocated 204 lakh tonnes of food grains for the fourth scheme from July to November.
- The monsoon may weaken by the first week of July, according to the Meteorological Department. The speed of the monsoon was good in the beginning, but it has now slowed.
- Sri Lanka has decided to purchase 100,000 metric tons of foreign rice in order to lower soaring domestic prices, as trade restrictions have strengthened a domestic oligopoly involved in rice collection and milling. The government intends to import 100,000 MT of Samba rice as a tool or method to relieve people's stress.
- The Centre has allocated approximately 78,000 tonnes of rice from FCI stocks to distilleries for ethanol production during the ethanol supply year (ESY) 2020-21 at a subsidised rate of Rs 20 per kg. By 2025, total ethanol production will be 740 million liters from grain and 760 million liters from sugar.
- The Thai government reported that MY2020/21 off-season rice acreage totaled 8.3 million rai (1.33million hectares) as of May 7, 2021, up 23 percent from the same period last year
- In Madhya Pradesh, there was a problem in the milling of paddy purchased from farmers, in Tuesday's cabinet meeting, a proposal of Rs 50-200 incentive was approved for milling 37.26 lakh tonnes of paddy procured from farmers.
- Andhra Pradesh's Kharif crop sowing target has been set at 94.20 lakh acres, which is 4% more than last year's production area. The target area for paddy production has been set at 39.50 lakh acres, the same as last year.
- The government on Wednesday raised the minimum support price (MSP) of paddy marginally by Rs 72 per quintal to Rs 1,940 per quintal for the 2021-22 crop year.
- Basmati rice exports were 4.6 million tonnes (mt) valued at \$4.01 (31,026 crore) billion in 2020-21, up from 4.45 mt valued at \$4.33 billion in the previous year (Rs 29,849 crore). The per unit value of Basmati exports fell by more than 10% to \$868 (Rs 63,400) per tonne last fiscal year (\$972 or Rs 71,000 in 2019-20).
- In the 2020-21 kharif marketing season, paddy procurement was 864.81 LMT in KMS 2020-21. The highest paddy procurement has been reported from Punjab, Telangana, Odisha, Andhra Pradesh, Uttar Pradesh, Chhattisgarh and Haryana follow it.
- There is a high demand for Indian coarse rice. Nepal, Burma, Vietnam, and other countries have high demand for coarse rice.
- Rice exports increased dramatically in the previous fiscal year. Demand can also be seen in the export of Basmati rice.
- The Philippines' reduction in rice import duty may benefit Indian rice exports. The Philippines imports 2.5 million tonnes of rice per year, primarily from Vietnam and Thailand. Non-basmati rice exports from India may increase to the Philippines. Indian basmati rice prices are higher than international prices.

5th-Jul-2021

State wise Wholesale Prices Weekly Analysis for Rice first week July, 2021

State	Prices 01-08 Jul 2021	Prices 24-30 Jun 2021	Prices 16-23 Jun 2021	Prices 01-08 Jul 2020	% Change(Over Previous Week)	% Change(Over Previous to Previous Week)	% Change(Over Previous Year)
Tripura	3040.34	3019.09	2966.64	2931.83	0.7	2.48	3.7
Uttar Pradesh	2568.17	2550.89	2553.99	2752.47	0.68	0.56	-6.7
Jharkhand	2550	2533.33	2515.91	2524.8	0.66	1.35	1
Kerala	3455.3	3483.78	3481.66	3559.78	-0.82	-0.76	-2.94
Odisha	3145.12	2621.34	3045.18	2973.46	19.98	3.28	5.77
Gujarat	3800	4152.09	4400	4200	-8.48	-13.64	-9.52
Karnataka	3817.25	4042.93	4786.6	2982.93	-5.58	-20.25	27.97
Maharashtra	3603.16	3582.51	3127.24	4819.58	0.58	15.22	-25.24
West Bengal	2881.71	2678.54	2710.72	2854.75	7.59	6.31	0.94
Average	3206.78	3184.94	3287.55	3288.84			

Prices in Rs/Quintal

Outlook :-

Duration	Trend	Average Price Range	Reason
First Week of Jul, 2021	Steady to Firm	Rs.3150-3300/Quintal	Due to lean season the prices may vary steady to firm

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
		3-Jul-21	26-Jun-21	3-Jun-21	3-Jul-20			
Delhi	1121 Steam	6100	6200	6000	7200	-1.6	1.7	-15.3
	1121 Sella	5050	5200	5050	5600	-2.9	Unch	-9.8
	1121 Raw	6000	6200	6000	7100	-3.2	0.0	-15.5
	Basmati Raw	10100	10600	10400	8500	-4.7	-2.9	18.8
	1509 Steam Wand New	5600	5700	5500	5000	-1.8	1.8	12.0
	Sugandh Steam	5100	5100	5100	5100	Unch	Unch	Unch
	Sharbati Raw	4900	4900	4600	4300	Unch	6.5	14.0
	Pusa Raw Wand	5800	5700	5700	6000	1.8	1.8	-3.3
	Parmal Sella	3150	3200	3100	3700	-1.6	1.6	-14.9

State wise Progressive Procurement As on 06.07.2021

KMS 2020-21 (Positions upto 06.07.2021) Units in LMTs				
S.No.	STATES/ UTs	FCI	State Agency	Total
1	A.P.	0	81.66	81.66
2	Telangana	0	139.43	139.43
3	Assam	1.14	0.74	1.88
4	Bihar	0	35.59	35.59
5	Chandigarh	0.28	0	0.28
6	Chhattisgarh	0	59.35	59.35
7	Gujarat	0	1.1	1.1
8	Haryana	0.59	55.96	56.55
9	H.P.	0	0	0
10	Jharkhand	1.68	4.6	6.28
11	J&K	0.38	0	0.38
12	Karnataka	0	2.06	2.06
13	Kerala	0	7.65	7.65
14	M.P.	0	37.27	37.27
15	Maharashtra	0	17.4	17.4

5th-Jul-2021

16	Odisha	0	77.38	77.38
17	Punjab	2.69	200.13	202.82
18	Rajasthan	0	0	0
19	NEF (Tripura)	0	0.2	0.2
20	Tamilnadu	0	36.78	36.78
21	U.P.	1.1	65.74	66.84
22	Uttrakhand	0	10.62	10.62
23	West Bengal	0.65	22.64	23.29
Total		8.51	856.3	864.81

Procurement of Rice in ongoing RMS 2021-22 is continuing smoothly in the procuring States of India at MSP, as was done in previous seasons, and till now (up-to 6.07.2021) a quantity of over 864.81 LMT of rice. About 127.20 lakh farmers have already been benefitted with MSP value of Rs.1, 62,747.75 crore.

IGC Balance Sheet:

Attributes (Fig in Million Tons)	2018-19	2019-20 Est.	2020-21 Forecast	2021-22 (Proj.)	
				27.05.2020	24.06.2021
Production	498	499	504	511	512
Trade	43	44	47	47	47
Consumption	488	500	509	509	510
Carryover stocks	175	174	169	171	171
Y-O-Y change	11	-2	-5		2
Major Exporters	39	39	37	38	37

Note: Major exporters are India, Pakistan, Thailand, Vietnam, and United States

Due to bigger harvests in Asia, global rice production in 2021/22 is projected to rise by 1.59% to a fresh high. Consumption is also set to go up – partly due to the likely scaling-back of COVID-19-related support schemes in Asia – stocks could edge up y/y. Trade in 2022 (Jan/Dec) is anticipated to be little-changed y/y, as a potential reduction in shipments to South Asia is offset by bigger dispatches to Africa. India is set to remain by far the world's leading exporter.

Rice Price Trend @ CBOT Jul- 2021, Rough Rice)



Market Analysis

The **CBOT Jul-21** monthly rough chart for rice indicates steady to firm tone from last month. We expect market to hover in the range of USD 12.40 -13.10 hundred weights in coming sessions.

Price Projection (International-CBOT)

Duration	Trend	Price Range
1 st Week of Jul-2021	Steady to firm	USD/ Hundred Weight 12.40. -13.10

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> © 2021 Indian Agribusiness Systems Ltd.