

# Rice Weekly Research Report

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## 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 Rice Kharif sowing data, sowing in India reached 264.12 lakh hectares on July 30<sup>th</sup> 2021, lower 4.17 percent from 275.63 lakh hectares the previous year at the same time. As of Jul 30, 2021, Telangana has a total area of 8.38 lakh hectares, higher from 5.49 lakh hectares the previous year at the same time. It is 0.82 lakh hectares in Rajasthan lower from 1.59 lakh hectares the previous year, and 4.22 lakh hectares in Gujarat up from 3.53 hectares the year before. Paddy sowing in Odisha has reduced by 3.94% from the previous year, reaching 15.39 lakh hectares down from 20.62 lakh hectare the previous year.
- Procurement of paddy in ongoing KMS 2021-22 is continuing smoothly in the procuring States of India at MSP, as was done in previous seasons, and till now (up-to 29.07.2021) a quantity of over 870.85 LMT of rice higher against 862.34 LMT in previous year. About 128.40 lakh farmers have already been benefitted with MSP value of Rs.1, 64,219.76 crore.
- Current activity of Intense wet spell over Central and adjoining plains of Northwest India (West Madhya Pradesh and East Rajasthan) likely to continue till 4th August. Reduced rainfall activity over Peninsular India and adjoining Eastcentral India, Maharashtra and Gujarat state likely to continue during next 4-5 days.
- 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. Lifting 15.30 lakh tonnes of food grains by the states under the free ration distribution scheme: So far 15.30 lakh tonnes of food grains have been lifted from government godowns for the fourth phase by 31 states & union territories (UTs) of the country for free distribution under the centrally sponsored Pradhan Mantri Garib Kalyan Anna Yojana. Food Corporation of India (FCI) has loaded food grains in 4005 railway rakes and transported them to different states from 1st April 2021 till now. The government has allocated 198.79 lakh tonnes of food grains under the free distribution scheme for the period July-November 2021.
- India's rice stock in the central pool as on July 1, 2021 stood at 29.68 million tons- up by 4.14% from 28.5 million tons recorded during the corresponding period last year, according to data from Food Corporation of India (FCI). India's Unmilled paddy stocks in the central pool are 28.98 million tones recorded on July-01, 2021 up by 38.7% by from 20.89 million tons recorded during the corresponding period last year.
- Basmati rice exports were 3.58 lakh tonnes in April 2021 lower from 4.21 lakh tonnes in Apr 2020. The Basmati rice export were 16.07 lakh tonnes in Jan- April 2021 lower from 20.33 lakh tonnes in last year during the corresponding period of time. Demand may improve in the export market of Basmati rice.
- 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 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 358,059.45 kgs in April 2021 lower from 421,139.86 kgs in Apr 2020. The Basmati rice export were 1,607,700.92 kgs in Jan- April 2021 lower from 2,033,180.87 kgs in last year during the corresponding period of time.
- Thailand shipped 2.2 million tonnes of rice worth US \$ 1.38 billion in the first six months of this year, according to sources.

**2<sup>nd</sup>-Aug-2021**

- According to the President of the Thai Rice Exporters Association (TREA), Thailand's overall rice export volume this year would be 5.7 million tonnes, less than the aim of 6 million tonnes, due to higher rice prices than other competitors. The country may expand its rice trading marketplaces from government to government. Under the contract to buy 1 million tons of G2G rice with China, the ministry can increase white rice exports to China by 20,000 tons more.
- Vietnam can stockpile rice from domestic farmers who have been afflicted by the coronavirus. It will also improve their motivation to grow rice in the next years. In the summer-autumn harvest, the country's rice crop size is expected to increase by 1.35 percent to 9.04 million tonnes. Rice shipments in the first seven months of this year were anticipated to be down 10.6% from a year ago, at 3.6 million tons.

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

State	Prices 24-31 Jul 2021	Prices 16-23 Jul 2021	Prices 09-15 Jul 2021	Prices 24-31 Jul 2020	% Change(Over Previous Week)	% Change(Over Previous to Previous Week)	% Change(Over Previous Year)
Karnataka	3814.46	3957.61	3918.2	3406.03	-3.62	-2.65	11.99
Kerala	3450.1	3461.9	3469.85	3485.96	-0.34	-0.57	-1.03
Maharashtra	3654.53	3674.6	3702.15	6772.5	-0.55	-1.29	-46.04
Tripura	3049.56	3034.78	2999.6	3003.72	0.49	1.67	1.53
Odisha	2892.75	2833.1	2958.53	2630.5	2.11	-2.22	9.97
West Bengal	2827.54	2822.52	2750.77	3097.55	0.18	2.79	-8.72
Gujarat	3800	3800	3800	4200	0	0	-9.52
Uttar Pradesh	2543.28	2545.99	2539.68	2691.23	-0.11	0.14	-5.5
Jharkhand			2533.33	2533.33	—	—	—
Average	3254.03	3266.31	3185.79	3535.65			

Prices in Rs/Quintal

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

Duration	Trend	Average Price Range	Reason
Fourth Week of Jul, 2021	Steady to firm	Rs.2900-3200/Quintal	In expectation of good export demand, the prices may trade steady to firm tone.

**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
		30-Jul-21	23-Jul-21	30-Jun-21	30-Jul-20			
Delhi	1121 Steam	5900	5800	6100	6300	1.7	-3.3	-6.3
	1121 Sella	5100	5050	5050	5100	1.0	1.0	Unch
	1121 Raw	5900	5800	6000	6200	1.7	-1.7	-4.8
	Basmati Raw	10000	10100	10100	8500	-1.0	-1.0	17.6
	1509 Steam Wand New	5400	5400	5600	4800	Unch	-3.6	12.5
	Sugandh Steam	4800	4800	5100	4500	Unch	-5.9	6.7
	Sharbati Raw	4700	4600	4900	4000	2.2	-4.1	17.5
	Pusa Raw Wand	5300	5500	5800	5600	-3.6	-8.6	-5.4
	Parmal Sella	3200	3250	3150	3600	-1.5	1.6	-11.1

**Kharif Paddy Sowing Updates as on 30th July, 2021:**

State	Normal Area	Area sown reported		% Change from Last Year
		Kharif	Kharif	
		2021-22	2020-21	
Andhra Pradesh	14.97	5.13	5.34	-3.93
Arunachal Pradesh	1.31	1.26	1.26	Unch
Assam	20.18	10.16	7.53	34.93
Bihar	31.14	22.14	28.73	-22.94
Chhattisgarh	37.36	28.47	32.56	-12.56
Goa	0.27	0.2	0.24	-16.67
Gujarat	7.97	4.22	3.53	19.55
Haryana	14.11	12.25	12.26	-0.08
Himachal Pradesh	0.73	0.45	0.44	2.27
J&K	2.81	0.8	1.02	-21.57
Jharkhand	15.83	9.57	12.18	-21.43

2<sup>nd</sup>-Aug-2021

Karnataka	9.11	2.02	2.47	-18.22
Kerala	1.46	0.51	0.54	-5.56
Madhya Pradesh	21.32	19.83	16.53	19.96
Maharashtra	14.51	7.96	7.86	1.27
Manipur	0.42	0.97	1.19	-18.49
Meghalaya	0.97	0.97	0.97	Unch
Mizoram	0.36	0.35	0.35	Unch
Nagaland	2.05	1.35	1.68	-19.64
Odisha	36.23	15.39	20.62	-25.36
Punjab	29.92	30.33	31.49	-3.68
Rajasthan	1.98	0.82	1.59	-48.43
Sikkim	0.1	0.09	0.1	-10.00
Tamil Nadu	16.26	2.37	1.66	42.77
Telangana	9.94	8.38	5.49	52.64
Tripura	2	1.98	0.42	371.43
Uttar Pradesh	58.04	53.26	52.35	1.74
Uttarakhand	2.41	2.48	2.46	0.81
West Bengal	41.47	20.7	22.61	-8.45
Others	0.27	0.21	0.16	31.25
All-India	395.66	264.62	275.63	-3.99

## State wise Progressive Procurement As on 29.07.2021

KMS 2020-21 (Positions upto 22.07.2021) Units in LMTs				
S.No.	STATES/ UTs	FCI	State Agency	Total
1	A.P.	0	82.6	82.6
2	Telangana	0	141.13	141.13
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

2<sup>nd</sup>-Aug-2021

15	Maharashtra	0	18.46	18.46
16	Odisha	0	77.38	77.38
17	Punjab	2.69	200.14	202.83
18	Rajasthan	0	0	0
19	NEF (Tripura)	0	0.24	0.24
20	Tamilnadu	0	38.97	38.97
21	U.P.	1.1	65.74	66.84
22	Uttrakhand	0	10.72	10.72
23	West Bengal	0.65	22.64	23.29
<b>Total</b>		<b>8.51</b>	<b>862.34</b>	<b>870.85</b>

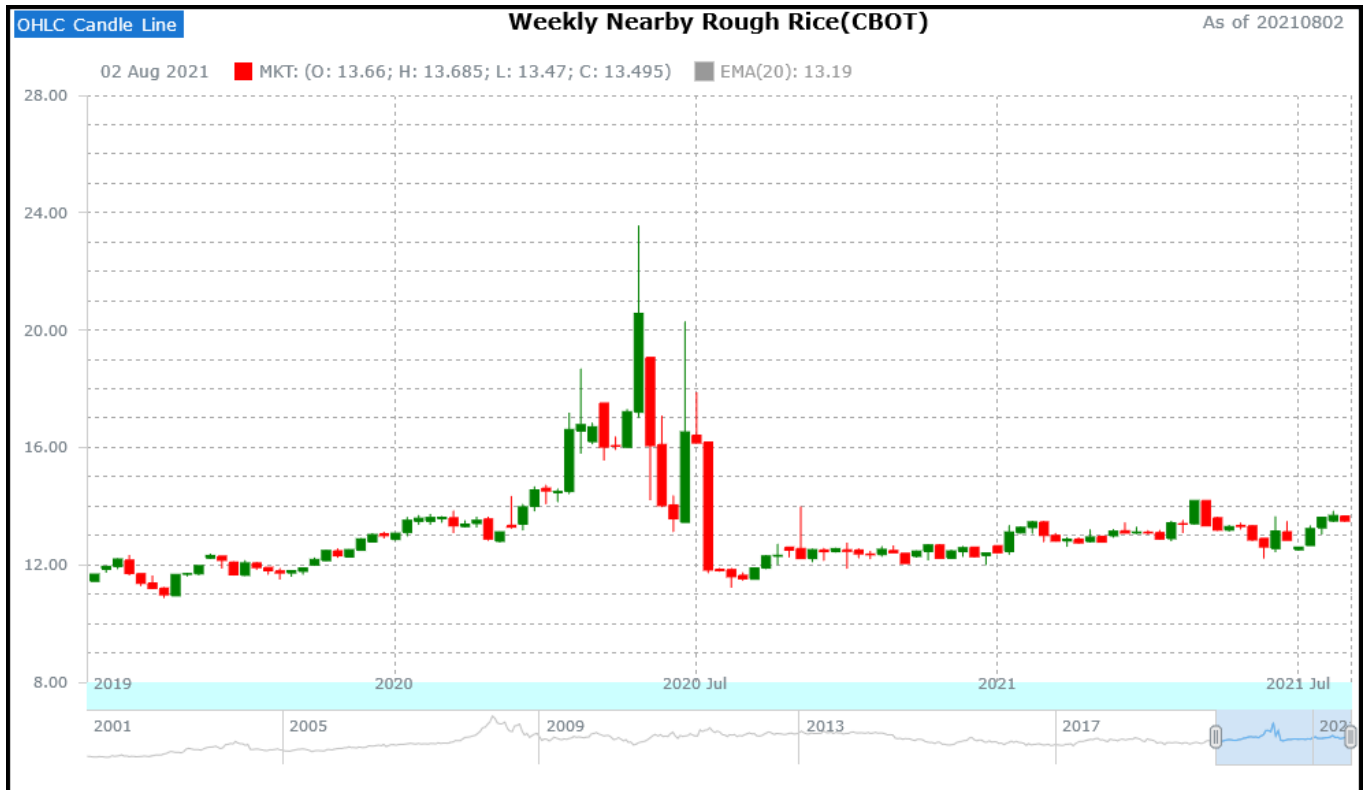
Procurement of paddy in ongoing KMS 2021-22 is continuing smoothly in the procuring States of India at MSP, as was done in previous seasons, and till now (up-to 29.07.2021) a quantity of over 869.76 LMT of rice. About 124.59 lakh farmers have already been benefitted with MSP value of Rs.1, 64,271.43 crore.

#### IGC Balance Sheet:

Attributes ( Fig in Million Tons)	2018-19	2019-20 Est.	2020-21 Forecast	2021-22 (Proj.)	
				27.05.2020	29.07.2021
Production	498	499	505	512	511
Trade	43	44	46	47	47
Consumption	488	500	508	510	510
Carryover stocks	175	173	170	171	171
Y-O-Y change	10	-2	-3		1
Major Exporters	39	38	38	37	38

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.



**Market Analysis**

The CBOT Jul-21 weekly rough chart for rice indicates weak tone from last week. We expect market to hover in the range of USD 12.70 -13.50 hundred weights in coming sessions.

**Price Projection (International-CBOT)**

Duration	Trend	Price Range
1 <sup>st</sup> Week of Aug-2021	Steady to weak	USD/ Hundred Weight 12.70-13.50

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