

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:

- After a halt in paddy procurement due to heavy rainfall, it is back on track in Punjab. All necessary arrangements have been made in all the mandis and paddy stocks are covered with tarpaulins. Waterlogging was reported in a few low lying mandis in Sangrur and Patiala where motors were used to drain out the water.
- Due to the current rains, the farmers have demanded government to allow procurement of paddy with 24 percent moisture and also demanded Rs 40,000 per acre compensation to farmers whose paddy were completely damaged in the rains.
- Himachal government has urged center to extend the purchase process of paddy by a month till December 30 as the procurement is moving in slow pace. As per reports, target of 19,000 MT in Sirmaur, 15,000 MT in Kangra, 10,000 MT in Solan and 10,000 in Una districts is expected during KMS 2021-22.
- As per reports, India is expected to produce an output of 107.04 million tonnes of summer rice in 2021-22 and the combined summer and winter output is expected to reach 125 million tonnes which is nearly 24.5 percent of the world rice output.
- India's export infrastructure has developed in such a way that it is expected to export around 20 million tonnes which is last year's record due to rising demand for staple food from Asia, Africa and Middle East.
- India is selling 25% broken rice at \$345 per tonne FOB compared to \$360 given by Thailand. Some cargoes in India were even sold at FOB \$320.
- Indian rice export price has touched the highest level in three and a half month this week due to strong rupee and low supplies. India's 5% broken parboiled rice was quoted at \$363 to \$367 per tonne this week up from \$362 to \$365 per tonne last week. The prices have risen for three straight weeks.
- With an increase in the area of sowing by 48,000 hectares, Chhattisgarh has increased procurement limit to 105 lakh metric tonnes of rice this year up from 92 lakh metric tonnes of rice the previous year.
- Telangana government has urged seed company dealers not to sell the seeds of paddy at any cost to prevent cultivation of rice in the coming rabi season. Central government has decided not to procure a single kg of rice variety being produced in Telangana. During last rabi season, the state government had produced 9.2 million tonnes of paddy and adding another 5.5 million tonnes in this kharif. With a buffer stock of another 7 million tonnes, it is difficult for government to procure any further rice.
- In Amritsar, as harvesting of paddy is picking up the markets have witnessed good arrivals of 3,76,938 lakh MT of which 3,76,188 lakh MT of paddy has been procured by the government. As per reports, there is no shortage of gunny bags and Rs. 495.47 crore has already been disbursed to farmers. Pungrain had procured a total of 1,29,090 MT of crop while Markfed had procured 94,238 MT, Punsup has purchased 81,116 MT while Punjab warehousing Corporation has procured 50,103 MT. While FCI has procured only 8,792 MT of Paddy.
- Odisha government has a target of procuring 77 lakh metric tonnes of paddy in 2021-22 for Kharif and Rabi crops. Out of this, the state targets to collect 63 lakh metric tonnes of kharif paddy. For this Kharif paddy season 15.74 lakh farmers have been registered.

- Paddy procurement gaining momentum in Ludhiana as 40% of crops have been procured. The procurement stood at 6,88,395 metric tonnes of rice out of 7,11,500 against the expected 17.53 lakh metric tonnes.
- The RBI has enhanced CCL for Punjab to Rs. 42,012.93 crore for the ongoing paddy procurement season upto November. The CCL has already sanctioned Rs. 35,712.73 crore upto October.
- Reports shows lower payment of fine 1121 aromatic variety of basmati paddy in various markets of Fazilka by the private traders. The rice millers and traders are offering Rs. 200 lower than the nearby grain market. The reason for selling of rice at such low price owe to high moisture content in the paddy due to the severe rains during mid-October months.
- Rice imports from India through Benapole ports in Bangladesh were suspended on 31st October and will progress after further notice. Due to the situation, Importers were seen rushing to complete the imports of rice on 30th October. This has led to long waiting period for trucks to enter through Benapole port.
- The Punjab food civil supplies and consumer affairs department has decided to start verification process in Kapurthala district of Punjab after 100 percent non-basmati rice arrivals were reported in the local grain market. It is expected that the paddy from the nearby states of UP and Bihar at a cheap price like Rs 1,200-1,300 per quintal were sold at the rate of Rs. 1960 per quintal.
- Till October 31st, 1.15 million tonnes of paddy were procured by government agencies in Punjab while 0.05 million tonnes of paddy were procured by private millers. The total arrivals in the state were 1.18 million tonnes and a total payment of Rs. 18,044.71 crore were done to farmers.
- Till 28th October 2021, around 17.8 percent of paddy was harvested all over India which include 75.39 lakh hectares of paddy as per Department of Agriculture & Farmer's welfare. Punjab has done 40 percent of paddy harvesting while Haryana has harvested 30 percent of paddy. In Uttarakhand, the harvesting is near to completion while in Punjab it is at its peak.

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

| State | Prices 01-08 Nov 2021 | Prices 24-31 Oct 2021 | Prices 16-23 Oct 2021 | Prices 01-08 Nov 2020 | % Change (Over Previous Week) | % Change (Over Previous Year) |
|---------------|-----------------------------|-----------------------------|-----------------------------|-----------------------------|--|-------------------------------------|
| Karnataka | - | 4496.63 | 4610.08 | 3541.72 | - | - |
| Kerala | - | 3459.86 | 3464.2 | 3495.63 | - | - |
| Odisha | - | 3147.13 | 2936.71 | 3083.47 | - | - |
| Tripura | 3033.33 | 3031.57 | 3091.01 | 3026.38 | 0.06 | 0.23 |
| West Bengal | 2565.38 | 2815.72 | 2779.38 | 2800.35 | -8.89 | -8.39 |
| Maharashtra | 3074.53 | 3975.45 | 3688.48 | 3596.43 | -22.66 | -14.51 |
| Gujarat | - | 4319.04 | 4029.98 | 4300 | - | - |
| Uttar Pradesh | 2666.11 | 2559.79 | 2560.3 | 2471.02 | 4.1 | 7.9 |
| Average | 2834.84 | 3475.65 | 3395.02 | 3289.38 | -18.44 | -13.82 |

Prices in Rs/Quintal

Outlook (Narella 1121 Paddy):-

| Duration | Trend | Average Price Range | Reason |
|--------------------------|-------------------------|----------------------|---|
| Second Week of Nov, 2021 | Stay in the range bound | Rs.3500-3800/Quintal | Lower production due to heavy rains may support the market in coming weeks. |

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 |
|--------|---------------------|-----------|-----------|-----------|-----------|-------------------------|--------------------------|-------------------------|
| | | 29-Oct-21 | 22-Oct-21 | 29-Sep-21 | 29-Oct-20 | | | |
| Delhi | 1121 Steam | 7100 | 6800 | 6800 | 5500 | 4.41 | 4.41 | 29.09 |
| | 1121 Sella | 6100 | 5900 | 5950 | 4700 | 3.39 | 2.52 | 29.79 |
| | 1121 Raw | 7100 | 6800 | 6800 | 5400 | 4.41 | 4.41 | 31.48 |
| | Basmati Raw | 9700 | 9700 | 9600 | 8800 | Unch | 1.04 | 10.23 |
| | 1509 Steam Wand New | 6400 | 6100 | 6250 | 4700 | 4.92 | 2.40 | 36.17 |
| | Sugandh Steam | 5400 | 5400 | 5400 | 3600 | Unch | Unch | 50.00 |
| | Sharbati Raw | 4400 | 4500 | 4000 | 3500 | -2.22 | 10.00 | 25.71 |
| | Pusa Raw Wand | 5600 | 5700 | 5600 | 5300 | -1.75 | Unch | 5.66 |
| | Parmal Sella | 3100 | 3100 | 3200 | 3000 | Unch | -3.13 | 3.33 |

Kharif Paddy Sowing Updates as on 17th September, 2021:

| State | State wise Rainfall Distribution (in mm) | | | Normal Area | Rice | | % Change from last Year |
|-------------------|--|-----------------------------------|---------------------|-------------|--------------------|-----------|-------------------------|
| | Normal Rainfall | Cumulative (01-06-21 to 17-09-21) | % Devi. From Normal | | Area sown reported | Last Year | |
| | | | | | This Year | | |
| Andhra Pradesh | 428.60 | 520.60 | 21.47 | 14.97 | 13.86 | 14.02 | -1.14 |
| Arunachal Pradesh | 1560.70 | 1229.90 | -21.20 | 1.31 | 1.28 | 1.32 | -3.03 |
| Assam | 1356.30 | 1074.30 | -20.79 | 20.18 | 19.91 | 19.34 | 2.95 |

| | | | | | | | |
|------------------|---------|---------|--------|--------|--------|--------|--------|
| Bihar | 920.10 | 986.30 | 7.19 | 31.14 | 32.64 | 33.07 | -1.30 |
| Chhattisgarh | 1065.90 | 1004.40 | -5.77 | 37.36 | 37.50 | 39.04 | -3.94 |
| Goa | 2836.30 | 2974.80 | 4.88 | 0.27 | 0.25 | 0.25 | Unch |
| Gujarat | 652.60 | 524.10 | -19.69 | 7.97 | 8.13 | 8.39 | -3.10 |
| Haryana | 416.20 | 506.00 | 21.58 | 14.11 | 13.64 | 13.28 | 2.71 |
| Himachal Pradesh | 718.30 | 611.80 | -14.83 | 0.73 | 0.74 | 0.65 | 13.85 |
| J&K | 521.40 | 375.40 | -28.00 | 2.81 | 2.58 | 2.57 | 0.39 |
| Jharkhand | 952.20 | 909.80 | -4.45 | 15.83 | 17.62 | 17.48 | 0.80 |
| Karnataka | 749.50 | 806.70 | 7.63 | 9.11 | 9.07 | 9.98 | -9.12 |
| Kerala | 1915.10 | 1586.00 | -17.18 | 1.46 | 0.61 | 0.67 | -8.96 |
| Madhya Pradesh | 882.60 | 834.20 | -5.48 | 21.32 | 34.07 | 28.71 | 18.67 |
| Maharashtra | 921.80 | 1047.70 | 13.66 | 14.51 | 15.45 | 15.02 | 2.86 |
| Manipur | 1268.10 | 503.30 | -60.31 | 0.42 | 1.95 | 1.95 | Unch |
| Meghalaya | 2653.60 | 2167.20 | -18.33 | 0.97 | 0.97 | 0.97 | Unch |
| Mizoram | 1474.20 | 1165.50 | -20.94 | 0.36 | 0.37 | 0.35 | 5.71 |
| Nagaland | 1037.80 | 773.10 | -25.51 | 2.05 | 2.21 | 2.57 | -14.01 |
| Odisha | 1061.60 | 932.50 | -12.16 | 36.23 | 35.13 | 37.05 | -5.18 |
| Punjab | 438.70 | 375.60 | -14.38 | 29.92 | 30.66 | 31.49 | -2.64 |
| Rajasthan | 398.10 | 409.00 | 2.74 | 1.98 | 1.94 | 2.18 | -11.01 |
| Sikkim | 1469.80 | 1711.50 | 16.44 | 0.10 | 0.11 | 0.09 | 18.28 |
| Tamil Nadu | 269.20 | 323.60 | 20.21 | 16.26 | 4.60 | 4.09 | 12.47 |
| Telangana | 669.90 | 910.40 | 35.90 | 9.94 | 21.28 | 20.60 | 3.30 |
| Tripura | 1333.30 | 1116.30 | -16.28 | 2.00 | 1.94 | 1.98 | -2.02 |
| Uttar Pradesh | 732.10 | 632.50 | -13.60 | 58.04 | 60.26 | 60.01 | 0.42 |
| Uttarakhand | 1108.40 | 1072.80 | -3.21 | 2.41 | 2.50 | 2.49 | 0.40 |
| West Bengal | 1262.20 | 1378.60 | 9.22 | 41.47 | 42.51 | 43.38 | -2.01 |
| Puducherry | 354.10 | 348.70 | -1.52 | 0.13 | - | - | - |
| Others | | | | 0.27 | 0.40 | 0.35 | 14.29 |
| All-India | 807.40 | 772.70 | -4.30 | 395.66 | 414.18 | 413.34 | 0.20 |

State wise Ongoing Procurement KMS 2021-22

| KMS 2021-22 (Units in LMTs) (as on 07.10.2021) | | | | |
|--|-------------|------|--------------|-------|
| S.No. | STATES/ UTs | FCI | State Agency | Total |
| 1 | A.P. | 0 | 0 | 0 |
| 2 | Telangana | 0 | 0 | 0 |
| 3 | Assam | 0 | 0 | 0 |
| 4 | Bihar | 0 | 0 | 0 |
| 5 | Chandigarh | 0.01 | 0 | 0.01 |

| | | | | |
|--------------|---------------|-------------|-------------|-------------|
| 6 | Chhattisgarh | 0 | 0 | 0 |
| 7 | Gujarat | 0 | 0 | 0 |
| 8 | Haryana | 0.02 | 4.84 | 4.86 |
| 9 | H.P. | 0 | 0 | 0 |
| 10 | Jharkhand | 0 | 0 | 0 |
| 11 | J&K | 0 | 0 | 0 |
| 12 | Karnataka | 0 | 0 | 0 |
| 13 | Kerala | 0 | 0 | 0 |
| 14 | M.P. | 0 | 0 | 0 |
| 15 | Maharashtra | 0 | 0 | 0 |
| 16 | Odisha | 0 | 0 | 0 |
| 17 | Punjab | 0.03 | 3.63 | 3.66 |
| 18 | Rajasthan | 0 | 0 | 0 |
| 19 | NEF (Tripura) | 0 | 0 | 0 |
| 20 | Tamilnadu | 0 | 0 | 0 |
| 21 | U.P. | 0 | 0 | 0 |
| 22 | Uttrakhand | 0 | 0 | 0 |
| 23 | West Bengal | 0 | 0 | 0 |
| Total | | 0.06 | 8.47 | 8.53 |

Procurement of paddy in ongoing KMS 2021-22 is going in India at MSP, as was done in previous seasons, and a quantity of over 8.53 LMT of rice was procured as of October 7th 2021.

IGC Balance Sheet:

| Attributes (Fig in Million Tons) | 2018-19 | 2019-20 Est. | 2020-21 Forecast | 2021-22 (Proj.) | |
|--------------------------------------|---------|-----------------|---------------------|-----------------|------------|
| | | | | 23.09.2021 | 21.10.2021 |
| Production | 498 | 499 | 507 | 512 | 513 |
| Trade | 43 | 44 | 48 | 48 | 48 |
| Consumption | 488 | 496 | 506 | 509 | 510 |
| Carryover stocks | 175 | 179 | 179 | 182 | 182 |
| Y-O-Y change | 10 | 4 | 1 | | 3 |
| Major Exporters | 39 | 43 | 47 | 50 | 50 |

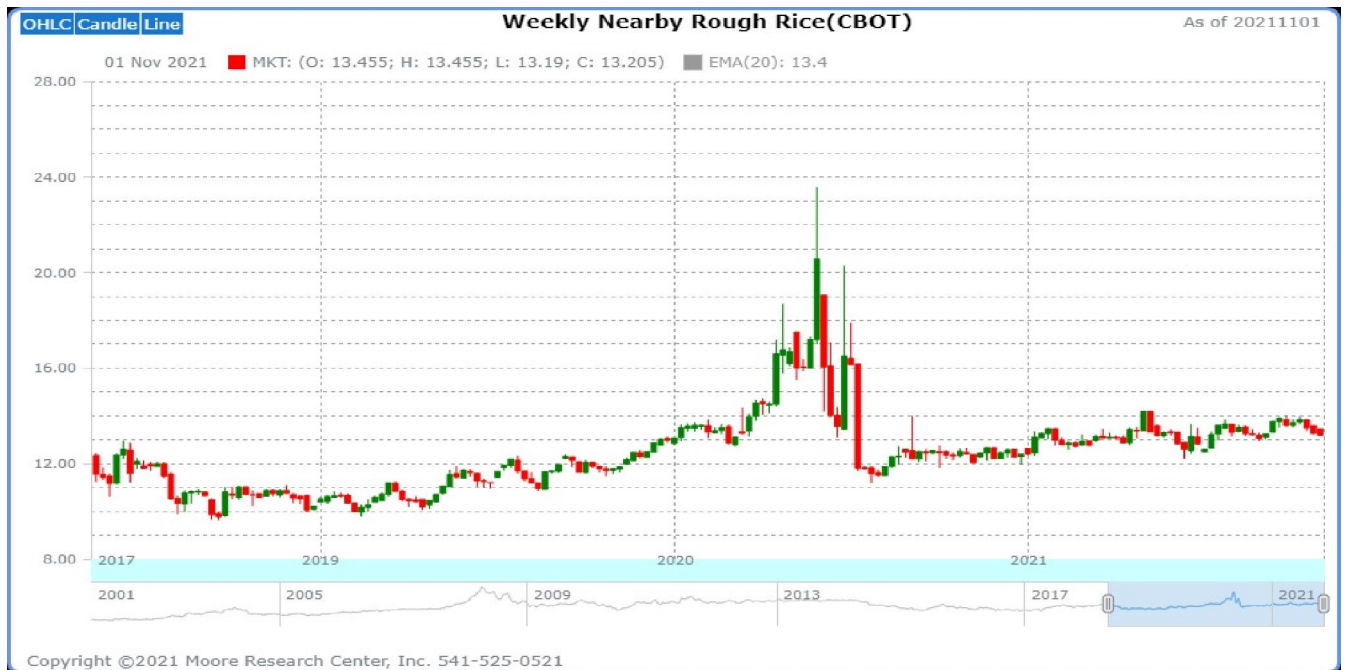
Note: Major exporters are India, Pakistan, Thailand, Vietnam, and United States.

With increase in shipment to Asia, the forecast for world rice trade in 2021 is lifted to a new high of 48m t (+4m y/y). Reflecting an upgrade for India, the projection for global production in 2021/22 is raised by 1m t, to a peak of 513m (507m), with the net increase in supplies channelled to an increased figure for utilisation, leaving

carryovers steady m/m, at 182m (+3m). Trade in 2022 is predicted to be little-changed y/y, at close to a new peak.

With increase in freight costs and logistics difficulties in some exporters, world rice import demand in 2020/21 is forecast to expand to a record of 48m t (+4m y/y) on firmer demand from buyers in Africa and Asia. Tied to acreage gains and improved yields, 2021/22 production is predicted at a new peak, including a sizeable main crop in India. While population growth will boost consumption, inventories are seen rising to a high of 182m t (+3m), with major exporters' reserves at a record of 50m. Trade in 2022 is seen remaining high, mostly on African demand.

Rice Price Trend @ CBOT Nov-2021, Rough Rice) (Prices in US\$/hundredweight)



Market Analysis

The CBOT Nov-21 weekly rough chart for rice indicates weak tone from last week. The rice is expected to have a good production worldwide and the ending stocks are expected to be lower, we expect market to hover in the range of USD 12.40-13.80 hundred weights in coming sessions.

Price Projection (International-CBOT)

| Duration | Trend | Price Range |
|----------------------------------|---------------------------------------|------------------------------------|
| 2 nd Week of Nov-2021 | Stay in the range bound with mix bias | USD/ Hundred Weight 12.40-13.80 |

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