

Paddy Outlook – December 2019

Paddy is cultivated globally being one of the most important cereal crops worldwide. As per USDA report the global production of rice may fall to 49.84 million tonnes in 2019-20 season. According to USDA, production in China and India is estimated to decline. Rice production is likely to be reduced by 2.5 million tonnes in China and 4.42 million tonnes in India.

Table 1: Major Rice Producing Countries in the World (Milled Production in million tonnes)

Country	2018-19	2019-20*	Change over 2018 -19
USA	7.12	5.97	-1.15
India	116.42	115.00	-1.42
Pakistan	7.40	7.50	0.10
Thailand	20.34	20.50	0.16
Vietnam	27.92	28.30	0.38
Brazil	7.14	7.14	0.00
European Union	1.94	2.01	0.07
Indonesia	36.70	36.50	-0.20
Nigeria	4.79	4.90	0.11
Philippines	11.73	12.00	0.27
Burma	13.18	13.30	0.12
China	148.49	146.00	-2.49
Egypt	2.80	4.30	1.50
Japan	7.65	7.80	0.15
South Korea	3.87	3.88	0.01

Source: www.usda.gov * Estimated

Table 2: International Grain Council's World Rice Projections (in million metric tonnes)

	2017/18 (Estimated)	2018/19 (Forecast)	2019/20 (Projected)
Opening Stocks	153.9	163.1	174.5
Production	494.2	500.6	500.4
Imports	46.4	43.5	45.4
Total Availability	648.1	663.8	674.9
Total Consumption	485.0	489.3	495.3
Exports	46.4	43.5	45.4
Ending Stocks	163.1	174.5	179.5

Source: <https://igc.int/en/default.aspx>

Table 3: International Grain Council's Indian Rice Projections (in million metric tonnes)

	2017/18 (Estimated)	2018/19 (Forecast)	2019/20 (Projected)
Opening Stocks	20.5	22.7	28.3
Production	112.9	116.4	115.0
Imports	-	-	-
Total Availability	133.4	139.1	143.1
Total Consumption	98.8	100.4	102.4
Exports	11.9	10.4	11.2
Ending Stocks	22.7	28.3	29.7

Source: <https://igc.int/en/default.aspx>

Table 4: Domestic Balance Sheet (in MMT)

Figure in MMT	2017-18	2018-19*	2019-20
Carry in	15.56	15.81	19.71
Production	111.00	115.00	111.50
Imports	0.00	0.00	0.00
Total Availability	126.56	130.81	131.21
Consumption	98.00	99.50	100.20
Exports	12.75	11.60	11.80
Total Usage	110.75	111.10	112.00
Carry out	15.81	19.71	19.21
Av Monthly Consumption	8.17	8.29	8.35
Stock to Month Use	1.94	2.38	2.30
Stock to Consumption Ratio	0.02	0.02	0.02

Source: www.agriwatch.com

As per the ministry of Agriculture, rabi rice acreage as on 28nd November 2019 has increased by 10.85% to 8.17 lakh hectares as compared to 7.37 lakh hectares during the same period of last year. Higher acreage was covered in Tamil Nadu (7.66 lakh ha) and Andhra Pradesh (0.30 lakh ha). Whereas, lower acreage was reported from major states such as Karnataka (0.02 lakh ha) and Telangana (0.12 lakh ha).

In Telangana, it has been sown in 6883 hectares as on 04th December 2019 which is lower than 9044 hectares covered during corresponding period of last year. Major paddy growing districts in Telangana are Nalgonda (2000 ha), Medak (1250 ha), Jagtial (690 ha), Kamareddy (675 ha), Yadadri (329 ha) and Sangareddy (124 ha).

Table 5: Arrivals and Prices of Paddy-Grade-A (RNR) for the Month of November 2019 in Kesamudram Market

Date	Arrival (Quintals)	Minimum price (Rs/quintal)	Maximum price (Rs/quintal)	Modal price (Rs/quintal)
1	24	2027	2305	2029
4	163	2011	2411	2073
5	62	1873	2428	2103
6	94	1888	2451	2121
8	151	1461	2425	2406
11	85	2138	2453	2453
13	75	1661	2481	2062
14	157	1789	2444	2159
15	228	1811	2453	1821
18	401	1689	2436	1789
19	218	1439	2401	1853
20	634	1463	2424	1911
21	651	1731	2431	1889
22	1301	1731	1962	1839
25	2359	1651	1961	1866
27	3907	1639	1981	1909
28	3503	1659	2609	1911
29	6019	1706	2056	1961

Source: <http://tsmarketing.in/>

Table 6: Arrivals and Prices of Paddy-Common (IR-64) for the Month of November 2019 in Suryapet Market

Date	Arrival (Quintals)	Minimum price (Rs/quintal)	Maximum price (Rs/quintal)	Modal price (Rs/quintal)
1	3567	1135	1479	1396
4	8606	1119	1459	1409
6	6635	1206	1441	1389
7	5779	1229	1466	1389
8	7397	1209	1489	1419
9	7743	1219	1496	1436
11	10849	1219	1504	1406
15	9328	1209	1671	1431
16	10553	1201	1619	1359
19	6123	1251	1569	1409
20	5299	1216	1619	1589
21	7460	1314	1636	1539
22	5686	1229	1641	1529
23	6398	1201	1639	1549
25	11305	1209	1676	1439
27	11956	1202	1610	1459
28	7368	1201	1619	1489
29	6681	1204	1621	1589
30	6742	1209	1602	1491

Source: <http://tsmarketing.in/>

Modal prices of Paddy-Grade-A (RNR) at Kesamudram market and Paddy-Common at Suryapet market ranged between Rs. 1789-2453 and Rs. 1359-1589 per quintal during November 2019 respectively. The Government has increased MSP of normal grade paddy by 65 rupees to Rs. 1815 and 'A' grade Paddy to Rs. 1835 per quintal.

Paddy Price Outlook

Vietnam rice export prices rose to a four-and-a-half-month high this week on healthy demand from Africa and Cuba as a supply.

Many rice-growing states received rainfall earlier this month, which delayed harvesting and damaged paddy crops ready for harvesting. In the current kharif marketing season, a total of 230.27 lakh tonnes of paddy has been purchased from farmers in various states of the country by the Food Corporation of India (FCI) and its associated provincial agencies. Bulbul storms (cyclone) has damaged paddy crop in West Bengal (0.9 m ha) and Odisha (0.07 m ha).

Under these circumstances, Agricultural Market Intelligence Centre, PJTSAU expects that Paddy-Grade-A (RNR) could trade in a range of Rs. 1900-2100 per quintal and Paddy-Common could trade in a range of Rs. 1400-1550 per quintal during the month of December, 2019.