

Paddy Outlook – November 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	7.1	6	-1.1
India	116.42	115	-1.42
Pakistan	7.4	7.5	0.1
Thailand	20.2	19.8	-0.4
Vietnam	28.6	29.3	0.7
Brazil	7.1	7.2	0.1
European Union	1.6	1.8	0.2
Indonesia	37.5	37.8	0.3
Nigeria	4.8	4.9	0.1
Philippines	12.5	12.6	0.1
Burma	13.18	13.3	0.12
China	148.49	146	-2.49
Egypt	2.8	4.3	1.5
Japan	7.4	7.4	0
South Korea	3.9	3.9	0

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	153.8	163.4	174.8
Production	494.1	500.2	500.1
Imports	46.4	44.5	45.9
Total Availability	648.0	663.7	674.9
Total Consumption	484.6	488.9	495.9
Exports	46.4	44.5	45.9
Ending Stocks	163.4	174.8	179.0

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	28.1
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	10.7	11.2
Ending Stocks	22.7	28.1	29.5

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, kharif rice acreage as on 26th September 2019 is lagging by 1.26% at 382.34 lakh hectares as compared to 386.92 lakh hectares during the same period of last year. Higher acreage was covered in Uttar Pradesh (60.5 lakh ha), West Bengal (40.31 lakh ha), Chhattisgarh (38.33 lakh ha), Odisha (37.42 lakh ha), Bihar (27.72 lakh ha), Madhya Pradesh (24.60 lakh ha), and Maharashtra (14.82 lakh ha). Whereas, lower acreage was reported from major states such as Assam (19.71 lakh ha), Jharkhand (13.57 lakh ha), Haryana (13.57 lakh ha), Nagaland (2.11 lakh ha) and Tamil Nadu (5.10 lakh ha). Paddy production was estimated at 100.35 million tonnes.

In Telangana, it has been sown in 12,59,088 hectares as on 25th September 2019 which is higher than 10,37,659 hectares covered during corresponding period of last year. Major paddy growing districts in Telangana are Nizamabad (127208 ha), Karimnagar (66442 ha), Yadadri (41725 ha), Rajanna Siricilla (37819 ha), Medak (31675 ha) and Jagityal (62314).

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

Date	Arrival (Quintals)	Minimum price (Rs/quintal)	Maximum price (Rs/quintal)	Modal price (Rs/quintal)
1	728	1751	2389	2376
3	578	1659	2383	2256
4	265	1750	2381	2071
10	153	1505	2386	2249
11	196	1509	2387	2385
14	444	1717	2379	2341
15	282	1501	2389	2285
16	555	1500	2416	2011
17	336	1863	2391	2177
18	74	1663	2398	2301
21	185	1750	2396	2062
22	213	1789	2350	2065
24	78	1753	2403	2089
25	110	1751	2419	2019
29	68	1789	2389	2088

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

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

Date	Arrival (Quintals)	Minimum price (Rs/quintal)	Maximum price (Rs/quintal)	Modal price (Rs/quintal)
1	238	1549	1656	1549
15	883	1259	1679	1481
16	730	1229	1671	1339
17	1206	1219	1671	1449
18	566	1289	1631	1424
19	884	1273	1521	1441
25	2176	1209	1516	1422
26	1627	1220	1629	1469
29	3892	1201	1469	1389
30	2270	1209	1486	1439

Modal prices of Paddy-Grade-A (RNR) at Kesamudram market and Paddy-Common at Suryapet market ranged between Rs. 2011-2385 and Rs. 1389-1549 per quintal during October 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 rates hit multi-month peak on robust demand from Africa, Cuba. Vietnamese rice export prices rose to a four-and-a-half-month high this week on healthy demand from Africa and Cuba.

In India, prices of 5 percent broken parboiled were unchanged from last week at \$368-\$372 per ton. Trading was negligible due to Diwali festival. New season supplies have also been delayed due to recent rainfall. Prices had recovered from a four-month low on a stronger rupee last week.

Average monthly wholesale rice prices in India stood at around Rs.3435 per quintal in October 2019, almost same by 0.03% from Rs.3436 per quintal in September-2019 and up by 10% from Rs.3140 per quintal a year ago. It is expected that non-basmati rice market may move range bound to weak. Prices are likely to remain steady to weak on higher area coverage and thus arrival pressure will pick pace in the first quarter of MY2019-20.

The central government has set a target of procuring 416 lakh tons of rice for the marketing season (October-September) of 2019-20, out of which 113.11 lakh tons has been procured. Punjab government paddy procurement is highest with 72 lakh tons, followed by Haryana with 38 lakh tons, and Uttrakhand 1.16 lakh tons. Paddy procurement in south will start from December onwards.

Under these circumstances, Agricultural Market Intelligence Centre, PJTSAU expects that Paddy-Grade-A (RNR) could trade in a range of Rs. 1900-2050 per quintal and Paddy-Common could trade in a range of Rs. 1400-1600 per quintal during the month of November, 2019.