

## Paddy Outlook – October 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 the 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	5.95	-1.17
India	116.42	112.00	-4.42
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	37.40	0.70
Nigeria	4.79	4.90	0.11
Philippines	11.73	12.20	0.47
Burma	13.18	13.30	0.12
China	148.49	146.00	-2.49
Egypt	2.80	3.05	0.25
Japan	7.65	7.70	0.05
South Korea	3.87	3.88	0.01

Source: [www.usda.gov](http://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)
<b>Opening Stocks</b>	<b>153.6</b>	<b>163.2</b>	<b>173.5</b>
<b>Production</b>	<b>494.2</b>	<b>500.2</b>	<b>500.0</b>
<b>Imports</b>	<b>46.4</b>	<b>44.8</b>	<b>46.5</b>
<b>Total Availability</b>	<b>647.7</b>	<b>663.4</b>	<b>673.5</b>
<b>Total Consumption</b>	<b>484.6</b>	<b>489.9</b>	<b>495.7</b>
<b>Exports</b>	<b>46.4</b>	<b>44.8</b>	<b>46.5</b>
<b>Ending Stocks</b>	<b>163.2</b>	<b>173.5</b>	<b>177.8</b>

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)
<b>Opening Stocks</b>	<b>20.5</b>	<b>22.7</b>	<b>27.4</b>
<b>Production</b>	<b>112.9</b>	<b>116.4</b>	<b>115.5</b>
<b>Imports</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total Availability</b>	<b>133.4</b>	<b>139.1</b>	<b>142.9</b>
<b>Total Consumption</b>	<b>98.8</b>	<b>100.7</b>	<b>102.2</b>
<b>Exports</b>	<b>11.9</b>	<b>11.0</b>	<b>11.7</b>
<b>Ending Stocks</b>	<b>22.7</b>	<b>27.4</b>	<b>29.0</b>

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

**Table 4: Domestic Balance Sheet (in MMT)**

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

Source: [www.agriwatch.com](http://www.agriwatch.com)

As per the ministry of Agriculture, kharif rice acreage as on 26<sup>th</sup> September 2019 is lagging by 1.81% 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). While, 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 25<sup>th</sup> 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 September 2019 in Kesamudram Market**

Date	Arrival(Quintals)	Minimum price (Rs/quintal)	Maximum price (Rs/quintal)	Modal price (Rs/quintal)
3	452	1679	2336	2155
4	1031	1790	2349	2169
5	770	1759	2350	2289
6	876	1911	2344	2166
9	303	1800	2361	2250
12	1138	1451	2381	2362
13	790	1502	2392	2219
16	1076	1855	2389	2255
17	484	1659	2392	2269
18	697	1783	2411	2272
19	685	1689	2406	2265
23	680	1839	2413	2262
24	1014	1726	2402	2273
25	473	1679	2395	2275
26	649	1726	2417	2289
27	195	2057	2439	2281

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

Paddy-Grade-A (RNR) modal price at Kesamudram market ranged between Rs. 2155-2362 per quintal during September 2019. Paddy-Common modal price at Suryapet market has ranged between Rs. 1373-1621 per quintal during September 2019. 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**

Rice production in Sri Lanka is likely to increase to 3 million metric tons in the marketing year (MY) 2019/20 under average weather conditions. The year 2018/19 production rebounded after several seasons of drought affected production and it expects that production may reach 2.9 million metric tons of rice. Imports for 2019/20 would drop since local production is sufficient for domestic consumption.

Bangladesh rice production forecast is marginally lower at 35.2 million metric tons (MMT) on estimated lower planting (11.7 million hectares) due to Aus season rice area reduction and crop damaged by flooding. MY 2019/20 rice imports forecast are also revised lower to 0.1 MMT on sufficient domestic supplies and uncompetitive imports due to the government decision to raise import duty to 55 percent.

Average monthly wholesale rice prices in India stood at around Rs.3436.22 per quintal in September 2019, down by 2.24% from Rs.3515 per quintal in August 2019 and up by 8.23% from Rs.3175 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 in the first quarter of MY 2019-20.

The central government has set a target of procuring 416 lakh tons of rice for the marketing season of 2019-20, which is more than 382 lakh tons for the 2018-19 season. It is noteworthy that for the marketing season of 2018-19, the government had exported a target of procuring 370 lakh tons of rice. Highest stock could be seen in the state of Punjab (95.09 lakh tons) followed by Chhattisgarh (48 lakh tons), Telangana (24.25 lakh tons), Andhra Pradesh (22.34 lakh tons), Haryana (20.82 lakh tons) and Uttar Pradesh (15.05 Lakh Tons).

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

Date	Arrival (Quintals)	Minimum price (Rs/quintal)	Maximum price (Rs/quintal)	Modal price (Rs/quintal)
3	108	1311	1559	1373
4	48	1459	1509	1489
5	36	1419	1469	1419
6	107	1379	1621	1621
7	55	1359	1472	1472
9	144	1409	1589	1446
12	81	1359	1509	1509
13	83	1389	1559	1472
14	56	1319	1559	1559
16	81	1331	1509	1489
17	155	1411	1542	1533
18	123	1429	1552	1549
19	53	1512	1552	1552
20	38	1449	1549	1549
21	27	1481	1571	1561
23	86	1359	1591	1581
24	157	1409	1622	1611
25	124	1476	1631	1491
26	170	1529	1638	1529
27	98	1541	1635	1541
30	243	1421	1641	1532

Under these circumstances, Agricultural Market Intelligence Centre, PJTSAU expects that Paddy-Grade-A (RNR) could trade in a range of Rs. 1920-2100 per quintal and Paddy-Common could trade in a range of Rs. 1470-1530 per quintal during the month of October, 2019.