

## Paddy Outlook – August 2020

Paddy is cultivated globally being one of the most important cereal crops worldwide. USDA in its November report had estimated the global availability of rice at 67.10 million tons in 2019-20 marketing season. The same has been increased by 6 lakh tons to 67.16 million tons in the December report. The main reason for this is the increase in China's production. USDA has increased China's rice production estimates by 7 lakh tons to 14.77 million tons, based on the latest data from the National Bureau of Statistics of China.

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

Country	2019-20	2020-21*	Change over 2019-20
USA	5.86	7.01	1.15
<b>India</b>	<b>117.94</b>	<b>118.00</b>	<b>0.06</b>
Pakistan	7.20	7.50	0.30
Thailand	18.00	20.40	2.40
Vietnam	27.37	27.20	-0.17
Brazil	7.56	7.21	-0.35
European Union	1.97	1.97	0.00
Indonesia	33.50	34.90	1.40
Nigeria	5.04	5.04	0.00
Philippines	11.70	11.00	-0.70
Burma	12.70	13.10	0.40
<b>China</b>	<b>146.73</b>	<b>149.00</b>	<b>2.27</b>
Egypt	4.30	4.30	0.00
Japan	7.61	7.65	0.04
South Korea	3.74	3.86	0.12

Source: [www.usda.gov](http://www.usda.gov) \* Estimated

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

	2018/19 (Estimated)	2019/20 (Forecast)	2020/21 (Projected)
Opening Stocks	165.0	174.8	176.6
Production	497.4	496.3	505.3
Imports	42.6	42.7	44.6
Total Availability	662.4	671.1	682.0
Total Consumption	487.6	494.4	500.4
Exports	42.6	42.7	44.6
<b>Ending Stocks</b>	<b>174.8</b>	<b>176.6</b>	<b>181.6</b>

Source: <https://www.igc.int/en/markets/marketinfo-sd.aspx>

**Table 3: Domestic Balance Sheet (in MMT)**

	<b>2018-19</b>	<b>2019-20</b>	<b>2020-21*</b>
<b>Carry in</b>	19.13	25.74	28.27
<b>Production</b>	116.40	116.61	117.94
<b>Imports</b>	0.00	0.00	0.00
<b>Total Availability</b>	135.53	142.35	146.21
<b>Consumption</b>	99.50	102.78	104.00
<b>Exports</b>	10.29	11.30	11.50
<b>Total Usage</b>	109.79	114.08	115.5
<b>Carry out</b>	25.74	28.27	31.07
<b>Av Monthly Consumption</b>	8.29	8.57	8.60

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

As per the ministry of Agriculture, kharif paddy acreage as on 24<sup>th</sup> July 2020 has increased by 17.33% to 220.24 lakh hectares (544.22 lakh acres) as compared to 187.70 lakh hectares (463.82 lakh acres) during the same period of last year. Higher acreage was covered in Uttar Pradesh 46.5 lakh ha (114.90 lakh acres), Chhattisgarh 28.75 lakh ha (71.04 lakh acres), Punjab 26.37 lakh ha (65.16 lakh acres), Bihar 17.59 lakh ha (43.47 lakh ha), Madhya Pradesh 16.53 lakh ha (40.85 lakh acres), Telangana 4.13 lakh ha (10.21 lakh acres) and Andhra Pradesh 4.09 lakh ha (10.11 lakh acres).

In Telangana, it has been sown in 15.52 lakh hectares (38.35 lakh acres) as on 05<sup>th</sup> August 2020 which is higher than 3.74 lakh hectares (9.24 lakh acres) covered during corresponding period of last year. Major paddy growing districts in Telangana are Nizamabad 1.42 lakh ha (3.52 lakh acres), Kamareddy 0.78 lakh ha (1.94 lakh acres), Karimnagar 0.77 lakh ha (1.90 lakh acres), Yadadri 0.62 lakh ha (1.54 lakh acres), Rajanna Siricilla 0.49 lakh ha (1.21 lakh acres), Siddipet 0.80 lakh ha (1.98 lakh acres), and Nalgonda 1.12 lakh ha (2.79 lakh acres).

**Table 4: Arrivals and Prices for the Month of July 2020 in Suryapet Market Paddy-Grade-A (RNR)**

Date	Arrival (Quintals)	Minimum price (Rs/quintal)	Maximum price (Rs/quintal)	Modal price (Rs/quintal)
1	348	1,409	1,976	1,901
2	412	1,419	1,992	1,952
3	623	1,651	2,115	1,969
6	168	1,566	1,981	1,968
7	358	1,219	1,986	1,896
8	222	1,414	2,029	2,002
9	270	1,846	1,989	1,989
10	393	1,269	2,089	2,012
11	197	1,211	2,189	1,976
13	502	1,446	2,100	2,020
14	296	1,304	2,099	1,991
15	491	1,609	2,089	2,030
18	753	1,539	2,142	2,128
21	648	1,566	2,129	2,022
22	795	1,409	2,089	1,959
24	200	1,608	2,029	1,859
25	117	1,429	1,968	1,902
27	221	1,369	1,919	1,909
28	235	1,739	1,956	1,956
29	307	1,378	2,079	1,941
31	337	1,749	1,939	1,932

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

Paddy-Grade-A (RNR) modal price at Suryapet market ranged between Rs. 1859-2128 per quintal during July 2020. Paddy-(IR-64) modal price at Suryapet market ranged between Rs. 1404-1689 per quintal during July 2020.

**Table 5: Arrivals and Prices for the Month of June 2020 in Suryapet Market Paddy(IR-64)**

Date	Arrival (Quintals)	Minimum price (Rs/quintal)	Maximum price (Rs/quintal)	Modal price (Rs/quintal)
1	199	1,276	1,682	1,681
2	98	1,219	1,679	1,659
3	100	1,509	1,669	1,669
6	65	1,561	1,686	1,659
7	155	1,269	1,679	1,589
8	120	1,329	1,691	1,681
9	56	1,309	1,689	1,689
10	46	1,539	1,692	1,659
11	138	1,489	1,694	1,689
13	168	1,229	1,689	1,683
14	129	1,439	1,689	1,659
15	133	1,279	1,669	1,452
18	158	1,301	1,696	1,676
21	185	1,238	1,669	1,599
22	137	1,309	1,639	1,629
24	265	1,319	1,639	1,509
25	68	1,236	1,672	1,659
27	95	1,206	1,679	1,649
28	196	1,206	1,692	1,404
29	76	1,369	1,686	1,671
31	120	1269	1539	1459

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

### **Paddy Price Outlook**

Record domestic production of rice and government releasing additional quantities of free rice since April'20 have depressed domestic prices in recent months. With more than sufficient government food grain (including paddy & rice) stocks, and the Government of India supplying free rice to 800 million people through November, prices are likely to remain weak through first quarter of MY 2020-21, if the production prospects for the upcoming crop are not affected by any major weather calamity.

Government estimates MY 2019-20 rice procurement up to July 27, 2020 at 50.4 MMT, compared to 43.9 MMT during the same period last year. The COVID19-led lockdown since March 2020 and government release of additional quantities of free grain for distribution to nearly 800 million population affected unmilled rice purchase by private trade, forcing farmers to offer higher quantities at the government purchase centers. Procurement has been significantly higher in most states, except Punjab and West Bengal.

Paddy farmers in Uttar Pradesh state are expecting a good crop due to above-average rain this monsoon. After several years, Uttar Pradesh farmers completed paddy plantation in more than 80 per cent of crop area in the third week of July.

Export prices of Indian rice rose this week while overriding the worsening corona virus crisis in the country leading to logistical snags. The prices of India's 5-percent broken parboiled variety went up from last week's price of USD 377- USD 382 per tonne to USD 380 - 385 per ton.

The strengthening of Thailand's Baht against Dollar has pushed the prices of benchmark 5-percent broken rice which rose to USD 465 - 483 as compared to USD 450 – 482 quoted last week. The rates for 5-percent broken rice in Vietnam remained unchanged at USD 440 - 450 per ton.

Under these circumstances, Agricultural Market Intelligence Centre, PJTSAU expects that Paddy-Grade-A (RNR) and Paddy-Common could trade in price ranges of Rs. 1900 – 2000 and Rs. 1550 - 1800 per quintal respectively during the month of August, 2020.