

Paddy Outlook – February 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	2018-19	2019-20*	Change over 2018 -19
USA	7.11	5.97	-1.14
India	116.42	115.00	-1.42
Pakistan	7.30	7.50	0.20
Thailand	20.34	18.50	-1.84
Vietnam	27.77	28.30	0.53
Brazil	7.14	7.14	0.00
European Union	1.96	2.00	0.04
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	146.73	-1.76
Egypt	2.80	4.30	1.50
Japan	7.66	7.80	0.14
South Korea	3.87	3.74	-0.13

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	154.3	162.8	173.3
Production	494.1	500.4	499.3
Imports	46.4	42.7	44.1
Total Availability	648.4	663.2	672.6
Total Consumption	485.7	489.9	495.5
Exports	46.4	42.7	44.1
Ending Stocks	162.8	173.3	177.1

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	28.4
Production	112.9	116.4	115.0
Imports	-	-	-
Total Availability	133.4	139.1	143.4
Total Consumption	98.8	100.4	102.4
Exports	11.9	10.4	10.4
Ending Stocks	22.7	28.4	30.7

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

Table 4: Domestic Balance Sheet (in MMT)

	2017-18	2018-19	2019-20*
Carry in	15.39	21.05	27.00
Production	116.40	116.00	114.00
Imports	0.00	0.00	0.00
Total Availability	131.79	137.05	141.00
Consumption	98.00	99.50	100.20
Exports	12.74	10.55	11.05
Total Usage	110.74	110.05	111.25
Carry out	21.05	27.00	29.75
Ave. Monthly Consumption	8.17	8.29	8.35
Stock to Month Use	2.58	3.26	3.56
Stock to Consumption Ratio	0.03	0.03	0.04

Source: www.agriwatch.com

As per the ministry of Agriculture, rabi rice acreage as on 31st January 2020 has increased by 13.78% to 28.80 lakh hectares as compared to 25.31 lakh hectares during the same period of last year. Higher acreage was covered in Tamil Nadu (10.42 lakh ha), Telangana (8.24 lakh ha) and Andhra Pradesh (6.01 lakh ha), whereas, lower acreage was reported from major states such as Karnataka (0.08 lakh ha).

In Telangana, it has been sown in 10.35 lakh hectares as on 05th February 2020 which is higher than 5.40 lakh hectares covered during corresponding period of last year. Major paddy growing districts in Telangana are Nalgonda (1.13 lakh ha), Nizamabad (1.08 lakh ha), Medak (19244 ha), Jagtial (71851 ha), Peddapalli (70091 ha), Yadadri (31838 ha) and Karimnagar (66264 ha).

Table 5: Arrivals and Prices of Paddy-Grade-A (RNR) for the Month of January 2020 in Kesamudram Market

Date	Arrival (Quintals)	Minimum price (Rs/quintal)	Maximum price (Rs/quintal)	Modal price (Rs/quintal)
2	5765	1589	2121	1849
3	5187	1401	2139	1830
7	6019	1600	2132	1885
9	4955	1600	2151	1922
10	1790	1550	2179	1956
13	642	1329	2205	1962
17	682	1689	2189	1989
20	1650	1559	2259	2036
21	1591	1559	2111	2021
22	989	1455	2111	2029
23	1412	1511	2201	2052
27	2444	1509	2259	2107
28	1190	1569	2228	2039
29	1169	1556	2129	2039
30	1402	1309	2107	2059
31	992	2236	1536	2049

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

Table 6: Arrivals and Prices of Paddy-Common (IR-64) for the Month of January 2020 in Suryapet Market

Date	Arrival (Quintals)	Minimum price (Rs/quintal)	Maximum price (Rs/quintal)	Modal price (Rs/quintal)
2	1556	1346	1669	1595
4	988	1368	1701	1701
6	1627	1485	1721	1689
7	1196	1339	1719	1629
9	1773	1209	1687	1649
10	1136	1481	1681	1575
11	890	1409	1657	1575
13	619	1436	1649	1611
18	491	1206	1629	1611
20	689	1211	1637	1627
21	618	1301	1637	1637
23	272	1269	1629	1627
27	484	1269	1637	1637
28	532	1276	1643	1619
29	435	1476	1654	1611
30	401	1413	1662	1654
31	410	1670	1206	1670

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

Modal prices of Paddy-Grade-A (RNR) at Kesamudram market and Paddy-Common at Suryapet market ranged between Rs. 1830-2059 and Rs. 1575-1701 per quintal during January

2020 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

Average monthly wholesale rice prices in India stood at around Rs.3239 per quintal in January-2020, down by 6% from Rs.3445 per quintal in December-2019 and down by 1.62% from Rs.3293 per quintal a year ago.

Telangana Civil Supplies Corporation has procured a record 44 lakh metric tonnes of paddy this kharif. Arrangements have been made to procure another 2 lakh metric tonnes of paddy from farmers, which would take the total to 46 lakh metric tonnes paddy production in kharif season. In the last kharif season, the Civil Supplies Corporation had purchased 40.41 lakh metric tonnes of paddy from 8 lakh farmers through 3,297 paddy purchase centers (PPCs)

Under these circumstances, Agricultural Market Intelligence Centre, PJTSAU expects that Paddy-Grade-A (RNR) and Paddy-Common could trade in price ranges of Rs. 1800-2100 per quintal and Rs. 1500-1600 per quintal respectively during the month of February, 2020.