

Paddy Outlook – January 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	7.12	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	27.77	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	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	22.22	27.64
Production	116.40	116.00	112.00
Imports	0.00	0.00	0.00
Total Availability	131.96	138.22	139.64
Consumption	97.00	99.50	100.20
Exports	12.74	11.08	11.05
Total Usage	109.74	110.58	111.25
Carry out	22.22	27.64	28.39
Ave. Monthly Consumption	8.08	8.29	8.35
Stock to Month Use	2.75	3.33	3.40
Stock to Consumption Ratio	0.03	0.03	0.03

Source: www.agriwatch.com

As per the ministry of Agriculture, rabi rice acreage as on 03rd January 2020 has increased by 15.59% to 16.16 lakh hectares as compared to 13.98 lakh hectares during the same period of last year. Higher acreage was covered in Tamil Nadu (9.74 lakh ha) and Andhra Pradesh (3.38 lakh ha), whereas, lower acreage was reported from major states such as Karnataka (0.05 lakh ha) and Telangana (1.29 lakh ha).

In Telangana, it has been sown in 1.27 lakh hectares as on 03rd January 2020 which is lower than 0.77 lakh hectares covered during corresponding period of last year. Major paddy growing districts in Telangana are Nalgonda (8010 ha), Medak (10750 ha), Jagtial (2168 ha), Kamareddy (810 ha), Yadadri (2540 ha) and Sangareddy (752 ha).

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

Date	Arrival (Quintals)	Minimum price (Rs/quintal)	Maximum price (Rs/quintal)	Modal price (Rs/quintal)
2	7415	1711	2029	1941
3	6056	1609	1986	1896
4	6661	1721	2029	1911
5	6959	1559	2018	1941
6	7228	1509	2020	1926
9	10576	1459	2026	1845
10	7724	1651	1971	1911
11	5238	1678	2044	1869
12	3625	1671	2055	1839
13	5051	1636	1958	1876
20	3413	1569	2069	1859
23	16758	1552	2045	1830
24	1084	1609	1906	1862
27	9837	1569	2072	1851
30	10942	1469	2102	1919
31	1090	1586	2018	1880

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

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

Date	Arrival (Quintals)	Minimum price (Rs/quintal)	Maximum price (Rs/quintal)	Modal price (Rs/quintal)
2	9090	1206	1599	1489
5	11264	1201	1604	1589
7	10088	1201	1602	1556
9	6908	1249	1611	1581
11	4560	1269	1627	1621
12	3844	1201	1648	1621
14	4854	1239	1651	1639
16	6251	1209	1652	1626
17	3998	1209	1655	1629
18	4939	1209	1659	1629
19	4265	1229	1682	1629
20	3543	1211	1654	1579
23	4339	1209	1659	1589
24	3467	1201	1659	1589
27	3616	1229	1662	1569
28	2700	1269	1661	1589
30	3564	1359	1666	1529
31	2121	1229	1661	1629

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

Modal prices of Paddy-Grade-A (RNR) at Kesamudram market and Paddy-Common at Suryapet market ranged between Rs. 1830-1941 and Rs. 1489-1639 per quintal during December 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

Indian rice export prices have rise as demand picks up and paddy prices on the local market rose. As per government data, Indian rice exports in October'19 fell by 42% year-on-year to 485,898 tons due to weak demand from African countries for non-basmati rice.

Telangana state government had spent Rs. 4,200 crores towards procuring paddy commodity during kharif season from about 4.16 lakh farmers by opening 3,500 procurement centers this year. And procured 23 lakh tons of paddy, of which 22 lakh tons was sent to mills for processing. In this procurement, Nizamabad district has topped with about 4 lakh tons.

Under these circumstances, Agricultural Market Intelligence Centre, PJTSAU expects that Paddy-Grade-A (RNR) and Paddy-Common could trade in price ranges of Rs. 1850-2000 per quintal and Rs. 1450-1550 per quintal respectively during the month of January, 2020.