

Paddy Outlook – November 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
China	146.73	147.00	0.27
India	118.43	120.00	1.57
Indonesia	34.00	34.90	0.90
Vietnam	27.15	27.00	-0.15
Thailand	17.66	18.60	0.94
Burma	12.70	12.90	0.20
Philippines	11.93	11.70	-0.23
Japan	7.61	7.62	0.01
Brazil	7.60	7.48	-0.12
Pakistan	7.20	7.60	0.40
USA	5.86	7.19	1.33
Nigeria	5.04	5.04	0.00
Egypt	4.30	4.00	-0.30
South Korea	3.74	3.86	0.12
European Union	1.98	1.99	0.01

Source: 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	164.7	175.3	175.4
Production	497.7	496.9	504
Imports	42.6	42.4	45.2
Total Availability	662.4	672.2	679.5
Total Consumption	487.1	496.7	501.4
Exports	42.6	42.4	45.2
Ending Stocks	175.3	175.4	178.1

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

Table 3: Domestic Balance Sheet (in MMT)

	2018-19	2019-20	2020-21*
Carry in	19.13	26.11	30.04
Production	116.48	118.43	119
Imports	0	0	0
Total Availability	135.61	144.54	149.04
Consumption	99	104.06	104.04
Exports	10.5	10.44	12
Total Usage	109.5	114.5	116.04
Carry out	26.11	30.04	33.00
Ave. Monthly Consumption	8.29	8.57	8.60
Stock-to-Use ratio	23.41%	24.57%	26.47%

Source: www.agriwatch.com

As per the Ministry of Agriculture, kharif paddy acreage as on 18th Sep 2020 has increased by 7.46% to 406.97 lakh hectares (1005.64 lakh acres) as compared to 378.71 lakh hectares (935.81 lakh acres) during the same period of last year. Higher acreage was covered in Uttar Pradesh 60.14 lakh ha (148.61 lakh acres), West Bengal 43.34 lakh ha (107.10 lakh acres), Chhattisgarh 37.84 lakh ha (93.50 lakh acres), Odisha 37.02 lakh ha (91.48 lakh acres), Bihar 33.07 lakh ha (81.72 lakh acres), Madhya Pradesh 28.71 lakh ha (70.94 lakh acres), Punjab 27.36 lakh ha (67.61.16 lakh acres), Telangana 20.74 lakh ha (51.25 lakh acres) and Andhra Pradesh 14.02 lakh ha (34.64 lakh acres).

In Telangana, it has been sown in 21.26 lakh hectares (52.55 lakh acres) as on 30th Sep 2020 which is higher than 16.67 lakh hectares (41.19 lakh acres) covered during corresponding period of last year. Major paddy growing districts in Telangana are Nalgonda 1.60 lakh ha (3.97 lakh acres), Suryapet 1.60 lakh ha (3.95 lakh acres), Nizamabad 1.59 lakh ha (3.94 lakh acres), Jagityal 1.13 lakh ha (2.81 lakh acres), Khammam 1.11 lakh ha (2.76 lakh acres), Karimnagar 1.01 lakh ha (2.50 lakh acres), Kamareddy 1.00 lakh ha (2.48 lakh acres), Siddipet 0.92 lakh ha (2.27 lakh acres), Yadadri 0.81 lakh ha (2.02 lakh acres) and Rajanna Siricilla 0.59 lakh ha (1.46 lakh acres).

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

Date	Arrival (Quintals)	Minimum price (Rs/quintal)	Maximum price (Rs/quintal)	Modal price (Rs/quintal)
1	126	1,279	2,029	1,889
3	310	1,439	2,012	2,012
5	545	1,389	2,142	2,142
6	163	1,329	2,039	1,969
7	229	1,609	2,059	2,059
8	154	1,388	1,982	1,982
9	160	1,488	2,011	2,011
12	230	1,550	2,159	2,159
19	584	1,628	2,171	2,049
20	180	1,419	1,626	1,419
22	473	1,469	2,106	1,951
23	453	1526	1609	1526
27	312	1369	1656	1429
28	374	1211	1621	1409
29	377	1481	1749	1624
31	843	1309	1689	1525

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

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

Date	Arrival (Quintals)	Minimum price (Rs/quintal)	Maximum price (Rs/quintal)	Modal price (Rs/quintal)
1	680	1,211	1,652	1,469
3	616	1,229	1,586	1,439
5	1,164	1,209	1,602	1,476
6	726	1,206	1,496	1,449
7	447	1,309	1,434	1,376
8	322	1,259	1,489	1,439
9	809	1,301	1,549	1,494
12	771	1,209	1,539	1,479
13	318	1,401	1,471	1,471
14	177	1,402	1,489	1,451
19	2,055	1,209	1,472	1,469
20	1,173	1,209	1,477	1,432
22	969	1,202	1,439	1,381
23	900	1209	1459	1429
27	730	1331	1496	1466
28	573	1361	1539	1471
29	1082	1211	1548	1489
31	2543	1202	1559	1509

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

Paddy-Grade-A (RNR) modal price at Suryapet market ranged between Rs. 1409-2159 per quintal during October 2020. Paddy-(IR-64) modal price at Suryapet market ranged between Rs. 1376-1494 per quintal during October 2020.

Paddy Price Outlook

Thailand's benchmark 5% broken rice prices fell to \$435-\$440 from \$445-\$480 last week, due to low demand. But floods in some rice growing provinces could hit fresh supply expected in the next week.

Heavy rains damaged ripening crops in Bangladesh as well, with widespread flooding also causing a spike in domestic prices, despite government move to set wholesale rates. Floods have damaged crops worth \$4.29 billion in the country, and the decision on imports was still pending.

India's rice exports in 2020 might rise by nearly 42% in the first five months of this MY 2020-21, from a year ago and expected to reach a record 14 million tonnes because of reduced shipments from rival exporters and weak rupee. As on 19th Oct, during KMS 2020-21, Progressive Procurement of Rice was 60.34 lakh MT compared to 43.35 lakh MT during corresponding period of KMS 2019-20. Total procurement of rice in MY 2019-20 was reached to 516.49 lakh tonnes which was a record in last decade.

Under these circumstances, Agricultural Market Intelligence Centre, PJTSAU expects that Paddy-Grade-A and Paddy-Common could trade in price ranges of Rs. 1900–2150 and Rs. 1550 - 1700 per quintal respectively during the month of November, 2020.