

Paddy Outlook – March 2021

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	148.30	1.57
India	118.43	120.00	1.57
Indonesia	34.70	35.50	0.80
Vietnam	27.10	27.10	0.00
Thailand	17.66	18.60	0.94
Burma	12.70	12.90	0.20
Philippines	11.93	12.20	0.27
Japan	7.61	7.62	0.01
Pakistan	7.20	7.60	0.40
Brazil	7.60	7.48	-0.12
USA	5.88	7.23	1.35
Nigeria	5.04	4.73	-0.31
Egypt	4.30	4.00	-0.30
South Korea	3.74	3.51	-0.23
European Union	1.97	1.98	0.01

Source: USDA * 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	164.9	175.6	174.4
Production	498.3	497.4	503.6
Imports	42.6	43.6	45.6
Total Availability	663.2	673.0	678.0
Total Consumption	487.6	498.6	502.2
Exports	42.6	43.6	45.6
Ending Stocks	175.6	174.4	175.8

Source: International Grains Council

Table 3: Domestic Balance Sheet (in MMT)

	2018-19	2019-20	2020-21*
Carry in	19.13	26.11	30.48
Production	116.48	118.87	120.32
Imports	0	0	0
Total Availability	135.61	144.98	150.8
Consumption	99	104.06	104.04
Exports	10.5	10.44	12
Total Usage	109.5	114.5	116.04
Carry out	26.11	30.48	34.76
Av Monthly Consumption	8.29	8.57	8.60

Source: www.agriwatch.com

Table 4: Average Price of Paddy Common at Major States in India

State	Prices February, 2021	Prices January, 2021	Prices February, 2020	% Change (Over Previous Month)	% Change (Over Previous Year)
Andhra Pradesh	1943.79	1913.44	1912	1.59	1.66
Chhattisgarh	1603.4	1782.39	1748.75	-10.04	-8.31
Gujarat	1817.26	1935.55	1941.59	-6.11	-6.4
Jharkhand	1752.5	1750.42		0.12	—
Karnataka	2027.12	1981.75	2148.83	2.29	-5.66
Kerala	1948.89	1928.37	1941.11	1.06	0.4
Madhya Pradesh	2356.03	2452.05	2181.81	-3.92	7.99
Maharashtra	2115.82	2273.25	1992.35	-6.93	6.2
Meghalaya		3800		—	—
Nagaland			8093.4	—	—
NCT of Delhi			2323.09	—	—
Odisha	1864.9	1867.12	1814.87	-0.12	2.76
Pondicherry	1512.71	1759.96	1318.46	-14.05	14.73
Punjab		2700		—	—
Rajasthan	2378.99	2368.24	2272.51	0.45	4.69
Tamil Nadu	1566.78	1495.86	1740.57	4.74	-9.98
Telangana	1833.62	1839.04	1829.17	-0.29	0.24
Tripura	1652.18	1577.6	1639.27	4.73	0.79
Uttar Pradesh	1731.89	1843.74	1741.09	-6.07	-0.53
West Bengal	1872.77	1870.72	1825.72	0.11	2.58
Average	1873.67	2063.31	2262.62		

Source: www.agmarknet.gov.in

As per the ministry of Agriculture, rabi paddy acreage as on 29th January 2021 has increased by 16.62% to 35.23 lakh hectares (87.05 lakh acres) as compared to 30.21 lakh hectares (74.64 lakh acres) during the same period of last year. Higher acreage was covered in Telangana

11.31 lakh ha (27.95 lakh acres), Tamil Nadu 10.51 lakh ha (25.97 lakh acres), Andhra Pradesh 6.82 lakh ha (16.85 lakh acres), West Bengal 2.52 lakh ha (6.23 lakh acres), Assam 1.43 lakh ha (3.53 lakh acres), Odisha 1.00 lakh ha (2.47 lakh acres) and Kerala 0.78 lakh ha (1.93 lakh acres).

In Telangana during Yasangi, it has been sown in 20.89 lakh hectares (51.62 lakh acres) as on 03rd March 2021 which is higher than 12.40 lakh hectares (30.65 lakh acres) covered during corresponding period of last year. Major paddy growing districts in Telangana are Nalgonda 1.87 lakh ha (4.63 lakh acres), Suryapet 1.73 lakh ha (4.29 lakh acres), Nizamabad 1.55 lakh ha (3.83 acres), Siddipet 1.05 lakh ha (2.61 lakh acres), Karimnagar 1.05 lakh ha (2.60 lakh acres), Yadadri 0.98 lakh ha (2.43 lakh acres) Jangoan 0.64 lakh ha (1.59 lakh acres), Rajanna Siricilla 0.67 lakh ha (1.66 lakh acres) and Kamareddy 0.94 lakh ha (2.34 lakh acres).

Table 5: Arrivals and Prices of Paddy-Grade-A (RNR) for the Month of February 2021 in Suryapet Market

Date	Arrival (Quintals)	Minimum price (Rs/quintal)	Maximum price (Rs/quintal)	Modal price (Rs/quintal)
1	140	1,349	1,979	1,939
2	202	1,609	1,929	1,909
3	91	1,369	1,932	1,769
4	151	1,429	1,889	1,859
5	84	1,606	1,919	1,809
6	59	1,919	2,189	2,169
8	94	1,309	1,896	1,829
12	3,237	1,309	1,882	1,769
13	51	1,312	1,849	1,589
16	35	1,829	1,869	1,839
18	120	1,629	2,029	1,869
19	56	1,652	1,929	1,849
20	10	1,702	1,742	1,742
22	89	1,529	1,829	1,829
23	43	1,529	1,808	1,688
24	43	1,459	1,839	1,859
25	11	1,668	1,882	1,882

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

Paddy Price Outlook

As more buyers from South America, Eastern Africa and South East Asia start queuing up for the Indian rice, the exports of the rice for both basmati and non-basmati are seen scaling new highs this fiscal. Rice exports including both basmati and non-basmati types are expected to range between 16 and 17 million tonnes against previous fiscal's 9.48 million tonnes. South American buyers such as Peru and Argentina have recently shifted market access to the Indian basmati rice. Similarly, in Eastern Africa, countries such as Angola and Tanzania, who traditionally bought from Pakistan, have now turned to India.

Prices for India's 5 percent broken parboiled variety eased to USD393-USD399 per tonne from USD395- USD401 last week. Export demand is stable. New season supplies are rising in southern and eastern states. Shipments from India have picked up after Andhra Pradesh started using a deep-water port to export rice to reduce congestion at the Kakinada port. The country's rice output is expected to increase to 120.32 million tonnes in the crop year to June 2021.

Table 6: Arrivals and Prices of Paddy (IR-64) for the Month of February 2021 in Suryapet Market

Date	Arrival (Quintals)	Minimum price (Rs/quintal)	Maximum price (Rs/quintal)	Modal price (Rs/quintal)
1	121	1,409	1,689	1,526
2	145	1,321	1,697	1,361
3	30	1,636	1,696	1,692
4	120	1,301	1,659	1,659
5	52	1,359	1,639	1,503
6	31	1,466	1,639	1,511
8	59	1,309	1,659	1,609
9	125	1,309	1,689	1,609
10	57	1,326	1,701	1,679
12	113	1,429	1,704	1,703
13	9	1,422	1,592	1,592
16	33	1,350	1,659	1,350
18	50	1,426	1,717	1,717
19	31	1,313	1,703	1,703
20	55	1,516	1,696	1,516
22	32	1,676	1,709	1,676
23	29	1,589	1,656	1,646
24	69	1,569	1,659	1,659
25	247	1,446	1,692	1,692

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

Under these circumstances, Agricultural Market Intelligence Centre, PJTSAU expects that Paddy-Grade-A (RNR) and Paddy-Common could trade in price ranges of Rs. 1888–2300 and Rs. 1650 - 1868 per quintal respectively during the month of March, 2021.