

## **KHARIF 2019-20 PRE-HARVESTING PRICE FORECAST OF PADDY**

**Paddy Price per Quintal will be around Rs. 1400 – 1600 (Common) and Rs. 1900 – 2050 (Grade-A) at the Time of Harvesting (November to December 2019)**

Paddy is the most important human food crop in the world, directly feeding more people than any other crop. It is also the staple food across Asia where around half of the world's poorest people live and is becoming increasingly important in Africa and Latin America. Paddy production in India is an important part of the national economy.

Top most cultivating countries of paddy in the world are India (43.20 m ha), China (30.35 m ha), Indonesia (12.16 m ha), Bangladesh (12.00 m ha), Thailand (9.65 m ha), Vietnam (7.66 m ha), Burma (6.80 m ha), Philippines (4.50 m ha), Cambodia (2.90 m ha) and Pakistan (2.85 m ha). Among the countries, China and India are the world's 1<sup>st</sup> and 2<sup>nd</sup> largest producers with approximately 148.50 and 111.50 million tonnes production respectively.

In India during 2019-20 kharif acreage was declined by 1.26% at 383.77 lakh ha as compared to 388.70 lakh ha last year same period. The states of Uttar Pradesh (60.05 lakh ha), West Bengal (40.31 lakh ha), Chhattisgarh (38.44 lakh ha), Odisha (37.52 lakh ha), Bihar (27.72 lakh ha), Punjab (29.20 lakh ha), Madhya Pradesh (24.60 lakh ha), Assam (19.71 lakh ha), Jharkhand (13.57 lakh ha), Maharashtra (15.00 lakh ha), Andhra Pradesh (13.70 lakh ha), Haryana (13.57 lakh ha), Karnataka (8.46 lakh ha), Telangana (12.59 lakh ha) and Gujarat (8.48 lakh ha) are the major producers of paddy in India.

In Telangana during 2019-20 kharif season about 12.59 lakh ha area was covered under paddy. The major districts producing this crop are Nizamabad (1, 27,208 ha), Suryapet (93,032 ha), Nalgonda (80,076 ha), Khammam (69,663 ha), Karimnagar (66,422 ha), Jagtial (62,314 ha), Peddapalli (59,145 ha) and Badradri (47,320 ha).

India's paddy stocks in the central pool in 2019-20 stood at 30.14 million tonnes up by 33.30% from 22.61 million tonnes recorded during the corresponding period of last year. All-India progressive procurement of paddy for 2019-20 was at 416 lakh tonnes against the procurement of 382 lakh tonnes in the corresponding period of last year. There is already a huge stock of food grains in government warehouses, while setting a high target of rice procurement can pose a serious problem of safe storage. On 1 August 2019, there was a huge stock of 275.30 lakh tonnes of rice in the government godowns, which was 26 % higher than the same period during last year.

The Agricultural Market Intelligence Centre established under a research project for development of price forecasting mechanism in the Department of Agricultural Economics, College of Agriculture, Rajendranagar, Hyderabad at Professor Jayashankar Telangana State Agricultural University with the financial support of Agricultural Marketing Department, Telangana State has assessed 2019-20 kharif pre-harvesting price forecast of paddy. Under good rainfall and low area crop coverage, it is predicted that the paddy price per quintal will be around **Rs. 1400 – 1600 (Common) and Rs. 1900 – 2050 (Grade-A)** at the time of harvesting (Nov to Dec 2019). These price forecasts are based on the monthly modal prices obtained for 17 years from Suryapet regulated market Paddy (common) and Jammikunta regulated market for paddy (Grade-A) using econometric models like ARIMA, ARIMAX, SARIMA, ARCH, GARCH and ANN and also the market survey.

***Note: There may be any possible deviation of the actual prices from the predicted prices in light of tentative developments in the commodity markets such as change in international prices, export or import restrictions, etc. And these price forecasts are based on past market price data & different econometric models and that actual market price may not turn out to be the same as forecasted.***