

Paddy Outlook – September 2019

Paddy is cultivated globally being one of the most important cereal crops worldwide. As per USDA report the global production of rice may fall to 49.84 million tonnes in the 2019-20 season. According to USDA, production in China and India is estimated to decline. Rice production is likely to be 2.5 million tonnes in China and 10 lakh tonnes in India. The country's basmati rice exports increased to USD 4.71 billion in 2018-19 as compared with USD 3.20 billion in 2016-17.

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	6.52	-0.60
India	115.63	115.00	-0.63
Pakistan	7.40	7.50	0.10
Thailand	20.55	20.50	-0.05
Vietnam	27.92	28.30	0.38
Brazil	7.31	7.21	-0.10
European Union	1.94	2.01	0.07
Indonesia	36.70	37.40	0.70
Nigeria	4.79	4.90	0.11
Philippines	11.80	12.20	0.40
Burma	13.18	13.30	0.12
China	148.50	146.00	-2.50
Egypt	2.80	3.05	0.25
Japan	7.65	7.70	0.05
South Korea	3.87	3.88	0.01

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	142.6	150.3	157.4
Production	494.2	499.2	502.7
Imports	46.4	45.6	47.1
Total Availability	636.8	649.5	660.1
Total Consumption	486.5	492.1	497.9
Exports	46.4	45.6	47.1
Ending Stocks	150.3	157.4	162.2

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	25.6
Production	112.9	115.6	116.5
Imports	-	-	-
Total Availability	133.4	138.3	142.1
Total Consumption	98.8	100.9	102.0
Exports	11.9	11.7	12.0
Ending Stocks	22.7	25.6	28.1

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

Table 4: Domestic Balance Sheet (Figure in MMT)

	2017-18	2018-19*	Oct- Dec	Jan- Mar	Apr- June	July- Sept
Carry in	15.56	14.81	14.81	100.16	71.61	43.81
Production	110.00	113.00	113.00	0.00	0.00	0.00
Imports	0.00	0.00	0.00	0.00	0.00	0.00
Total Availability	125.56	127.81	127.81	100.16	71.61	43.81
Consumption	98.00	100.00	25.00	25.00	25.00	25.00
Exports	12.75	11.95	2.65	3.55	2.80	2.95
Total Usage	110.75	111.95	27.65	28.55	27.80	27.95
Carry out	14.81	15.86	100.16	71.61	43.81	15.86
Av Monthly Consumption	8.17	8.33	2.08	2.08	2.08	2.08
Stock to Month Use	1.81	1.90	48.08	34.37	21.03	7.61
Stock to Consumption Ratio	0.02	0.02	1.92	1.37	0.84	0.30

Source: www.agriwatch.com

As per the Ministry of Agriculture, Kharif Rice acreage as on 06th August 2019 is lagging by 2.82 per cent at 365.69 lakh hectares as compared to 376.12 lakh hectares during the same period last year. Higher acreage was covered in Uttar Pradesh (60.5 lakh hectares), West Bengal (39.03 lakh hectares), Chhattisgarh (37.79 lakh hectares), Odisha (36.51 lakh hectares), Bihar (27.72 lakh hectares), Madhya Pradesh (24.21 lakh hectares), and Maharashtra (13.08 lakh hectares). While, lower acreage was reported from major states such as Assam (19.08 lakh hectares), Jharkhand (13.41 lakh hectares), Haryana (13.05 lakh hectares), Nagaland (2.10 lakh hectares) and Tamil Nadu (2.07 lakh hectares). Paddy production was estimated at 102.13 million tonnes.

In Telangana, it has been sown in 10, 71,892 hectares as on 4th September 2019 which is higher than 9, 64,402 hectares covered during corresponding period of last year. Major paddy growing districts in Telangana are Nizamabad (93667 ha), Karimnagar (66442 ha), Yadadri (38494 ha), Rajanna Siricilla (30006 ha), Medak (31675 ha) and Jagityal (59836).

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

Date	Arrival(Quintals)	Minimum price (Rs/quintal)	Maximum price (Rs/quintal)	Modal price (Rs/quintal)
5	281	1522	2343	2251
6	233	2030	2341	2108
7	38	2089	2321	2291
8	124	1801	2455	2105
9	114	2063	2341	2336
13	345	1816	2341	2114
14	353	2086	2346	2129
16	237	1892	2344	2341
19	841	1610	2341	2119
20	610	1781	2341	2124
21	736	1569	2369	2131
22	636	1526	2343	2139
23	266	2053	2362	2348
26	1135	1750	2553	2330
27	701	1881	2369	2149
28	787	1789	2436	2146
29	697	1889	2358	2149

Source: <http://tsmarketing.in>

Paddy-Grade-A (RNR) modal price at Kesamudram market ranged between Rs. 2105 - 2348 per quintal during August 2019. Paddy-Common modal price at Birkur market ranged between Rs. 1750 - 1830 per quintal during August 2019. The Government has increased the MSP of normal grade paddy by 65 rupees to Rs. 1815 and 'A' grade Paddy to Rs. 1835 per quintal.

Paddy Price Outlook

Philippine's rice stocks inventory for July increased by more than 31 percent from year ago levels as more imports came in following the passage of the rice tariffication law. The country's rice buffer during the period reached 2.62 million metric tons (MT), exceeding the previous year's level of 1.99 million MT and enough to meet the country's daily requirement.

Average monthly wholesale rice prices in India stood at around Rs.3516 per quintal in August-2019, up by 0.53% from Rs.3498 per quintal in July-2019 and up by 6.97% from Rs.3287 per quintal a year ago. It expects non-basmati rice market to move range bound.

The total procurement by FCI for Rice in kharif market season 2018-19 stood at 440.19 lakh tonnes higher than 364.00 lakh tonnes in previous year. As on 23nd August 2019, highest procurement of 113.34 lakh tonnes was in Punjab followed by Telangana and Andhra Pradesh procuring 51.86 lakh tonnes and 48.07 lakh tonnes respectively.

Table 6: Arrivals and Prices of Paddy-Common (1010) for the Month of August 2019 in Birkur Market

Date	Arrival(Quintals)	Minimum price (Rs/quintal)	Maximum price (Rs/quintal)	Modal price (Rs/quintal)
1	250	1750	1820	1810
2	1100	1750	1750	1750
3	818	1750	1840	1830
4	445	1725	1750	1750
5	1163	1705	1750	1720
7	1465	1750	1760	1750
8	640	1750	1750	1750
9	747	1750	1750	1750

Total rice export from India in MY-2018-19 starting from October-2018 to July-2019 stood at 94.71 lakh tons which is down by 13.23% from last year export of 109.16 lakh MT till the same period. Total non-basmati rice export from October to July were 57.77 lakh tons which was around 74.5 lakh MT in MY 2017-18 same period, rice exports have slowed considerably since April 2019 on weak demand from traditional markets, particularly for non-Basmati rice after the GOI's export subsidy (5% of FOB value) ended in March 2019.

Under these circumstances, Agricultural Market Intelligence Centre, PJTSAU expects that Paddy-Grade-A (RNR) could trade in a range of Rs. 1980-2150 per quintal and Paddy-Common could trade in a range of Rs. 1650-1750 per quintal during the month of September, 2019.