

Paddy Outlook – October 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
USA	5.86	7.14	1.28
India	118.43	119.00	0.57
Pakistan	7.20	7.50	0.30
Thailand	17.66	18.60	0.94
Vietnam	27.15	27.00	-0.15
Brazil	7.56	7.34	-0.22
European Union	1.98	1.99	0.01
Indonesia	34.00	34.90	0.90
Nigeria	5.04	5.04	0.00
Philippines	11.93	11.00	-0.93
Burma	12.70	13.00	0.30
China	146.73	147.00	0.27
Egypt	4.30	4.30	0.00
Japan	7.61	7.65	0.04
South Korea	3.74	3.86	0.12

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	175.1	175.3
Production	497.7	497.1	504.0
Imports	42.6	42.0	44.8
Total Availability	662.4	672.2	679.3
Total Consumption	487.3	496.9	499.8
Exports	42.6	42.0	44.8
Ending Stocks	175.1	175.3	179.5

Source: <https://www.igc.int>

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
Av 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).

As per data received by Bangladesh Agriculture Department, Floods in Bangladesh damaged rice worth 363.34 billion taka (USD 4.29 billion) on around 100,000 hectares. Bangladesh, the world's third biggest rice producer, often relies on imports to cope with shortages caused by floods and droughts. This year, it is expected that Bangladesh would import rice from India which will support price in coming months.

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

Date	Arrival (Quintals)	Minimum price (Rs/quintal)	Maximum price (Rs/quintal)	Modal price (Rs/quintal)
1	247	1,456	2,174	1,981
3	469	1,359	2,202	2,009
4	211	1,609	2,291	2,219
7	1,144	1,539	2,282	2,109
8	617	1,409	2,189	2,022
9	693	1,759	2,192	1,949
11	666	1,804	2,159	2,149
12	668	1,369	2,149	1,996
14	107	1,802	1,960	1,919
18	593	1,319	2,259	2,082
19	151	1,839	2,129	2,039
21	153	1,769	2,141	1,989
22	618	1,439	2,059	2,016
23	479	1,509	2,091	2,029
28	242	1,369	1,989	1,968
30	98	1566	1989	1968

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

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

Date	Arrival (Quintals)	Minimum price (Rs/quintal)	Maximum price (Rs/quintal)	Modal price (Rs/quintal)
1	1,863	1,281	1,491	1,439
2	2,843	1,280	1,493	1,429
3	2,428	1,269	1,509	1,432
4	2,941	1,280	1,550	1,439
5	3,747	1,200	1,513	1,429
7	7,444	1,250	1,551	1,409
8	5,223	1,200	1,483	1,419
9	4,224	1,200	1,489	1,409
10	5,991	1,200	1,495	1,409
11	5,354	1,200	1,503	1,429
12	4,627	1,150	1,506	1,389
14	1,104	1,156	1,495	1,415
15	824	1,166	1,516	1,389
16	1,039	1,112	1,506	1,409
18	1,381	1,123	1,469	1,389
19	1,793	1,156	1,469	1,389
21	2,721	1,208	1,529	1,429
22	2,053	1,171	1,500	1,389
23	2,286	1,161	1,459	1,389

24	2,631	1,161	1,485	1,409
25	2,622	1,208	1,509	1,439
26	1,580	1,175	1,489	1,389
28	1,255	1,220	1,509	1,439
29	1,113	1,216	1,509	1,439
30	2078	1265	1516	1419

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

Paddy-Grade-A (RNR) modal price at Suryapet market ranged between Rs. 1919-2219 per quintal during August 2020. Paddy-(IR-64) modal price at Thirumalagiri market ranged between Rs. 1389-1439 per quintal during September 2020.

Paddy Price Outlook

Average monthly wholesale rice prices in India stood at around Rs.3557 per quintal in September-2020, up by 1.71% from Rs.3498 per quintal in August-2020 and up by 3.53% from Rs.3436 per quintal a year ago. Rice prices in coming months would like to trade weak as arrival of paddy starts in major producing states.

India's rice stock in the central pool as on September- 1, 2020 stood at 22.19 million tons down by 15.11% from 26.14 million tons recorded during the corresponding period of last year, according to data from Food Corporation of India (FCI). India's rice stocks in the central pool are down by 12.43% from 25.34 million tons recorded on August-01, 2019. The distribution of rice was much more under PMGKY, whereas under OMSS, the sale of rice was weak in August.

Government procurement of paddy from the farmers at the minimum support price (MSP) started from September 26 in Punjab and Haryana, which contribute the most to the central pool of food grains, while the procurement process usually starts from October 1.

As per first advance estimate released this week, Food grains production in Kharif period is projected to scale an all-time high of 144.52 million tonnes in 2020-21, propelled by record production of rice. The food grains output in Kharif 2019-20 has been estimated at 143.38 million tonnes. Rice production is likely to be 102.36 million tonnes, 0.38 million tonnes more than the previous year's estimated production

Under these circumstances, Agricultural Market Intelligence Centre, PJTSAU expects that Paddy-Grade-A (RNR) and Paddy-Common could trade in price ranges of Rs. 1900 – 2100 and Rs. 1600 - 1868 per quintal respectively during the month of October, 2020.