

## **VANAKALAM (KHARIF) 2020-21 PRE-HARVEST PRICE FORECAST OF PADDY**

**Paddy Price per Quintal will be around Rs. 1550 – 1750 (Common) and Rs. 1900 – 2150 (Grade-A) at the Time of Harvesting (November to December 2020)**

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 (44.50 m ha), China (30.46 m ha), Indonesia (16 m ha), Bangladesh (11.91 m ha), Thailand (10.41 m ha), Vietnam (7.57 m ha), Myanmar (6.71 m ha), Philippines (4.80 m ha) and Pakistan (2.81 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 214.08 and 172.58 million tonnes production respectively.

In India during 2020-21 vanakalam (kharif) acreage was increased by 7.46% at 406.97 lakh ha (1005.64 lakh acre) as compared to 378.71 lakh ha (935.81 lakh acres) last year. The states of 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 lakh acres), Telangana 20.74 lakh ha (51.25 lakh acres) and Andhra Pradesh 14.02 lakh ha (34.64 lakh acres) are the major cultivating States paddy in India during kharif season.

In Telangana during 2020-21 Vanakalam (kharif) season about 21.26 lakh ha (52.55 lakh acres) area was covered under paddy. The major paddy growing districts 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).

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). The distribution of rice was much more under Pradhan Mantri Garib Kalyan Yojana.

Heavy rainfall and flooding at the time of the harvest is likely to hit output of rice and cotton in Andhra Pradesh, Telangana and Maharashtra. The Centre has estimated this year's rice output as 102.36 million tonnes. However the output may be less than estimated as rains have destroyed ready for harvest crops paddy and cotton in Andhra Pradesh and Telangana.

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 2020-21 vanakalam (kharif) pre-harvesting price forecast of paddy. Under heavy rainfall and maximum crop conditions, it is predicted that the paddy price per quintal will be around **Rs. 1550 – 1750 (Common) and Rs. 1900 – 2150 (Grade-A)** at the time of harvesting (Nov to Dec 2020). These price forecasts are based on the monthly modal prices obtained for 18 years from Suryapet regulated market for 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.*