

Paddy Outlook – April 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	2018-19	2019-20*	Change over 2018 -19
USA	7.11	5.86	-1.25
India	116.42	115.00	-1.48
Pakistan	7.30	7.50	0.20
Thailand	20.34	18.50	-1.84
Vietnam	27.77	28.30	0.53
Brazil	7.14	7.14	0.00
European Union	1.96	2.00	0.04
Indonesia	36.70	36.50	-0.20
Nigeria	4.79	4.90	0.11
Philippines	11.73	12.00	0.27
Burma	13.18	13.30	0.12
China	148.49	146.73	-1.76
Egypt	2.80	4.30	1.50
Japan	7.66	7.80	0.14
South Korea	3.87	3.74	-0.13

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	162.7	172.6	177.2
Production	499.9	499.5	508.6
Imports	42.4	44.0	45.2
Total Availability	662.6	672.1	685.8
Total Consumption	490.0	494.9	500.6
Exports	42.4	44.0	45.2
Ending Stocks	172.6	177.2	185.2

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

Table 3: International Grain Council’s Indian Rice Projections (in million metric tonnes)

	2018/19 (Estimated)	2019/20 (Forecast)	2020/21 (Projected)
Opening Stocks	22.6	28.5	33.1
Production	116.5	117.5	119.3
Imports	-	-	-
Total Availability	139.1	146.0	152.3
Total Consumption	100.3	102.7	105.2
Exports	10.4	10.3	10.5
Ending Stocks	28.5	33.1	36.6

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

Table 4: Domestic Balance Sheet (in MMT)

	2017-18	2018-19	2019-20*
Carry in	15.39	21.05	27.00
Production	116.40	116.00	115.00
Imports	0.00	0.00	0.00
Total Availability	131.79	137.05	141.00
Consumption	98.00	99.50	100.20
Exports	12.74	10.55	11.05
Total Usage	110.74	110.05	111.25
Carry out	21.05	27.00	29.75
Ave. Monthly Consumption	8.17	8.29	8.35
Stock to Month Use	2.58	3.26	3.56
Stock to Consumption Ratio	0.03	0.03	0.04

Source: www.agriwatch.com

As per the ministry of Agriculture, rabi rice acreage as on 31st January 2020 has increased by 13.78% to 28.80 lakh hectares as compared to 25.31 lakh hectares during the same period of last year. Higher acreage was covered in Tamil Nadu (10.42 lakh ha), Telangana (8.24 lakh ha) and Andhra Pradesh (6.01 lakh ha), whereas, lower acreage was reported from major states such as Karnataka (0.08 lakh ha) as of 31st January 2020.

In Telangana, it has been sown in 15.80 lakh hectares as on 1st April 2020 which is double than 6.99 lakh hectares covered during corresponding period of last year. Major paddy growing districts in Telangana are Nalgonda (1.53 lakh ha), Suryapet (1.52 lakh ha), Nizamabad (1.28 lakh ha), Khammam (82247 ha), Jagtiyal (1.03 lakh ha), Peddapalli (78016 ha), Yadadri (80573 ha) and Karimnagar (88647 ha).

A nationwide lockdown in leading rice exporting country, India to curtail the spread of the corona virus pushed export prices to the lowest in about three months, while rates for the Thai variety came off multi-year peaks due to fluctuations in the local currency.

Table 5: Arrivals and Prices of Paddy-Grade-A (RNR) for the Month of March 2020 in Kesamudram Market

Date	Arrival (Quintals)	Minimum price (Rs/quintal)	Maximum price (Rs/quintal)	Modal price (Rs/quintal)
2	528	1421	2105	2028
3	707	1352	2286	2102
4	353	1313	2211	2031
5	375	1355	2043	2016
6	663	1656	2159	2026
10	4	2029	2029	2029
11	205	1663	2068	2041
12	192	1421	2089	2061
16	524	1309	2079	2035
17	617	1259	2066	2045
18	170	1856	2065	2061
19	488	1289	2155	2029
20	219	1215	2084	2066

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

Table 6: Arrivals and Prices of Paddy-Common (IR-64) for the Month of March 2020 in Suryapet Market

Date	Arrival (Quintals)	Minimum price (Rs/quintal)	Maximum price (Rs/quintal)	Modal price (Rs/quintal)
2	1103	1309	1569	1529
3	184	1219	1561	1466
5	1183	1217	1569	1569
6	2124	1201	1561	1406
7	2669	1229	1569	1436
10	3343	1366	1571	1446
12	3944	1216	1536	1466
13	3669	1286	1501	1446
16	5253	1219	1547	1479
17	3772	1209	1541	1452
18	3675	1346	1531	1483
19	4259	1109	1548	1439
20	4766	1159	1529	1420
21	4260	1111	1531	1377

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

Modal prices of Paddy-Grade-A (RNR) at Kesamudram market and Paddy-Common at Suryapet market ranged between Rs. 2016 - 2102 and Rs. 1377 - 1569 per quintal during March 2020 respectively. The Government has increased MSP of normal grade paddy by 65 rupees to Rs. 1815 and 'A' grade paddy to Rs. 1835 per quintal.

Paddy Price Outlook

India's 5% broken parboiled variety rates narrowed to \$361-\$365 per tonne this week, their lowest since late December, as rice exporters were struggling to operate due to the lockdown.

In Thailand, benchmark 5% broken rice rates fell to \$468-\$495 this week, from last week's 6½ year peak of \$480-\$505 due to fluctuations in the currency. Vietnam's 5% broken rice rates were not available after the government on Wednesday announced it halted signing new export contracts until March 28 under a review to ensure domestic supplies were sufficient during the epidemic. Domestic prices of rice have risen by 5% in Bangladesh, as corona virus fears triggered panic buying.

In the first 10 months of 2019-20 as compared to FY 2018-19 i.e., April 2019 to January 2020, Indian basmati rice exports are just 1% in terms of quantity and in dollar terms. There was a 10% drop. Due to lower shipments in last two months, basmati rice export volume may decline by 5% overall. Due to poor performance of basmati and non-basmati rice exports from India, pressure on domestic market prices has increased.

All-India progressive procurement of Rice as on 11.03.2020 for Kharif Marketing Season (KMS) 2019-20 is 381.17 lakh tonnes. The same in Telangana state figures 31.57 lakh tonnes. Under current lockdown situation due to Covid 19, Telangana State Government has started procuring rabi paddy production at MSP directly from famers through village procurement centres.

Under these circumstances, Agricultural Market Intelligence Centre, PJTSAU expects that Paddy-Grade-A (RNR) and Paddy-Common could trade in price ranges of Rs. 1900-2050 per quintal and Rs. 1400-1600 per quintal respectively during the month of April, 2020.