

RABI 2019-20 PRE-HARVEST PRICE FORECAST OF PADDY

Paddy Price per Quintal will be around Rs. 1450 – 1650 (Common) and Rs. 1800 – 2000 (Grade-A) at the Time of Harvesting (March to May 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 (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 1st and 2nd largest producers with approximately 148.50 and 111.50 million tonnes production respectively.

In India, during Rabi 2019-20, area under Paddy was 28.80 lakh hectares as on 31st Jan'20 which is lower than 25.31 lakh hectares during same period of last year 2018-19. The states of Tamilnadu (10.42 lakh ha), Telangana (8.24 lakh ha), Andhra Pradesh (6.01 lakh ha), West Bengal (1.06 lakh), Assam (1.34 lakh ha), Kerala (0.67 lakh ha) and Chhattisgarh (0.54 lakh ha) are the major producers of paddy in India. According to the 2nd Advance Estimates of Production of food grains for 2019-20, paddy production estimate was 117.47 million tonnes as compared to last year production of 116.48 million tonnes.

In Telangana, during Rabi 2019-20, area under Paddy was 10.80 lakh hectares as on 12th Feb'20 which is higher than 6.11 lakh hectares during same period of last year 2018-19. The major districts producing this crop are Suryapet (1, 18,789 ha), Nalgonda (1, 13,940 ha), Nizamabad (1, 10,350 ha), Peddapalli (72,695 ha), Jagtial (71,851 ha) Karimnagar (69,103 ha), Khammam (66,303 ha) and Siddipet (34,278 ha).

India's paddy stocks in the central pool as on January 1st 2020 stood at 42.39 million tonnes, up by 15.63% from 36.66 million tonnes recorded during the corresponding period of last year. All-India progressive procurement of paddy for 2019-20 was at 282.85 lakh tonnes against the procurement 280.42 lakh tonnes in the corresponding period of 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 rabi pre-harvest price forecast of paddy. Under increased crop coverage and production, it is predicted that the paddy price per quintal will be around **Rs. 1450 – 1650 (Common) and Rs. 1800 – 2000 (Grade-A)** at the time of harvesting (March to May 2020). This price forecast is based on the monthly modal price of paddy obtained for 17 years from Suryapet and Jammikunta regulated markets 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.