

Paddy Outlook – July 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	6.86	1.00
India	117.94	118.00	0.06
Pakistan	7.20	7.50	0.30
Thailand	18.00	20.40	2.40
Vietnam	27.37	27.20	-0.17
Brazil	7.41	7.21	-0.20
European Union	1.97	1.97	0.00
Indonesia	33.50	34.90	1.40
Nigeria	5.04	5.04	0.00
Philippines	11.40	11.00	-0.40
Burma	12.70	13.10	0.40
China	146.73	149.00	2.27
Egypt	4.30	4.30	0.00
Japan	7.61	7.65	0.04
South Korea	3.74	3.74	0.00

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	164.5	173.8	176.6
Production	497.4	496.3	504.9
Imports	42.6	42.4	44.2
Total Availability	661.9	670.1	680.5
Total Consumption	488.1	494.5	500.6
Exports	42.6	42.4	44.2
Ending Stocks	173.8	176.6	179.9

Source: <https://www.igc.int/en/markets/marketinfo-sd.aspx>

Table 3: Domestic Balance Sheet (in MMT)

	2018-19	2019-20	2020-21*
Carry in	19.13	25.74	28.27
Production	116.40	116.61	117.00
Imports	0.00	0.00	0.00
Total Availability	135.53	142.35	145.27
Consumption	99.50	102.78	103.20
Exports	10.29	11.30	11.00
Total Usage	109.79	114.08	114.20
Carry out	25.74	28.27	31.07
Av Monthly Consumption	8.29	8.57	8.60

Source: www.agriwatch.com

As per the ministry of Agriculture, kharif paddy acreage as on 3rd July 2020 has increased by 38.26% to 58.08 lakh hectares (168.23 lakh acres) as compared to 49.24 lakh hectares (121.67 lakh acres) during the same period of last year. Higher acreage was covered in Punjab 15.40 lakh ha (38.05 lakh acres), Chhattisgarh 13.40 lakh ha (33.11 lakh acres), Uttar Pradesh 5.96 lakh ha (14.73 lakh acres), Bihar 5.11 lakh ha (12.63 lakh ha), Madhya Pradesh 4.05 lakh ha (10.01 lakh acres), Telangana 1.61 lakh ha (3.98 lakh acres) and Andhra Pradesh 1.08 lakh ha (2.67 lakh acres).

In Telangana, it has been sown in 65094 hectares (1.60 lakh acres) as on 01st July 2020 which is higher than 20620 lakh hectares (50955 acres) covered during corresponding period of last year. Major paddy growing districts in Telangana are Nizamabad 28245 ha (69796 acres), Karimnagar 9994 ha (24697 acres), Yadadri 9741 ha (24072 acres), Siddipet 6520 ha (16113 acres), Narayanapeta 3972 ha (9815 acres), Kamareddy 1774 ha (4386 acres), Nalgonda 951 ha (2350 acres) and Suryapet 462 ha (1144 acres).

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

Date	Arrival (Quintals)	Minimum price (Rs/quintal)	Maximum price (Rs/quintal)	Modal price (Rs/quintal)
3	393	1,219	2,076	1,911
4	990	1,502	2,015	1,759
5	759	1,229	1,921	1,859
6	518	1,309	1,979	1,959
8	480	1,359	2,201	1,961
9	771	1,306	2,042	1,939
11	507	1,378	1,959	1,952
12	452	1,429	1,969	1,902
13	611	1,329	1,982	1,838
18	436	1,506	2,055	1,818
20	428	1,404	2,159	1,986
22	336	1,739	2,269	2,074
23	424	1,809	2,139	1,859
24	123	1,409	2,009	1,939
25	316	1,449	2,109	2,012
26	313	1,688	2,086	2,086
29	495	1419	2042	1901
30	388	1366	2209	1972

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

Table 5: Arrivals and Prices for the Month of June 2020 in Suryapet Market Paddy-Common

Date	Arrival (Quintals)	Minimum price (Rs/quintal)	Maximum price (Rs/quintal)	Modal price (Rs/quintal)
3	501	1,409	1,659	1,659
4	804	1,459	1,671	1,661
5	588	1,229	1,681	1,641
6	500	1,419	1,669	1,659
8	371	1,552	1,685	1,683
9	459	1,589	1,691	1,688
11	317	1,229	1,679	1,649
12	234	1,469	1,689	1,669
13	256	1,206	1,669	1,639
18	323	1,329	1,702	1,702
20	313	1,269	1,706	1,702
22	265	1,289	1,659	1,649
23	272	1,276	1,639	1,619
24	248	1,489	1,659	1,639
25	155	1,409	1,669	1,662
26	170	1,551	1,669	1,669
29	312	1359	1712	1669
30	207	1409	1681	1679

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

Paddy-Grade-A (RNR) modal price at Suryapet market ranged between Rs. 1759-2086 per quintal during June 2020. Paddy-Common modal price at Suryapet market ranged between Rs. 1619-1702 per quintal during June 2020.

Paddy Price Outlook

The world's largest exporting country, India's export offer price of 5 percent broken rice is running at USD 373-378 per ton. There remains a general demand for importers. Now as the rupee started to strengthen, there is no cut in the export offer price of rice.

The white rice FOB in Thailand has come down to a one-month low due to weak foreign demand, while the incessant torrential rains in Vietnam have severely affected the harvesting and preparation for the second crop.

In Bangladesh, the need for import of rice is increasing due to high and fast raising domestic market price. The government has to fight hard to ensure internal food security. In the current marketing year, Pakistan has so far exported 1.2 MMT of rice compared to 1.3 MMT during the same period a year ago. Vietnam, Thailand, and India are the main export competitors for Pakistani rice. For MY 2019/20 and 2020/2021 rice exports are projected at a steady 4.4 MMT.

Rice export from India is down in this crop year starting from October. Total rice exported from October to March was 49.59 lakh tons only which were 16.68% down from last year export of 59.95 lakh tons during the corresponding period of last year. For the next coming months, it is expected that total rice export till September 2020 may touch around 10-11 million tons. Now the demand for Indian rice is coming from Middle East and African countries. Indian rice price is very competitive compared to Thailand and Vietnam markets, so buyers are showing their interest towards Indian markets.

Under these circumstances, Agricultural Market Intelligence Centre, PJTSAU expects that Paddy-Grade-A (RNR) and Paddy-Common could trade in price ranges of Rs. 1850 - 2000 and Rs. 1580 - 1815 per quintal respectively during the month of July, 2020.