

Paddy Outlook – September 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	6.93	1.07
India	117.94	118.00	0.06
Pakistan	7.20	7.50	0.30
Thailand	18.00	20.40	2.40
Vietnam	27.15	27.00	-0.15
Brazil	7.56	7.21	-0.35
European Union	1.97	1.97	0.00
Indonesia	34.00	34.90	0.90
Nigeria	5.04	5.04	0.00
Philippines	11.91	11.00	-0.91
Burma	12.70	13.10	0.40
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	176.9
Production	497.6	496.8	504.9
Imports	42.6	41.9	44.5
Total Availability	662.4	671.8	681.8
Total Consumption	487.3	494.9	500.4
Exports	42.6	41.9	44.5
Ending Stocks	175	176.9	181.4

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	116.48	118.43
Imports	0.00	0.00	0.00
Total Availability	135.53	142.22	143.78
Consumption	99.50	102.5	104.00
Exports	10.29	11	11.50
Total Usage	109.79	113.5	115.5
Carry out	25.74	25.35	28.45
Ave. Monthly Consumption	8.29	8.57	8.60

Source: www.agriwatch.com

As per the ministry of Agriculture, kharif paddy acreage as on 04th Sep 2020 has increased by 8.2% to 396.18 lakh hectares (978.98 lakh acres) as compared to 365.92 lakh hectares (904.21 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 42.39 lakh ha (104.75 lakh acres), Chhattisgarh 37.73 lakh ha (92.33 lakh acres), Odisha 36.81 lakh ha (90.96 lakh acres), Bihar 32.80 lakh ha (81.05 lakh acres), Madhya Pradesh 28.62 lakh ha (70.72 lakh acres), Punjab 26.37 lakh ha (65.16 lakh acres), Telangana 19.62 lakh ha (48.47 lakh acres) and Andhra Pradesh 12.20 lakh ha (30.15 lakh acres).

In Telangana, it has been sown in 19.62 lakh hectares (48.47 lakh acres) as on 02nd Sep 2020 which is higher than 10.29 lakh hectares (25.44 lakh acres) covered during corresponding period of last year. Major paddy growing districts in Telangana are Nizamabad 1.53 lakh ha (3.80 lakh acres), Nalgonda 1.47 lakh ha (3.63 lakh acres), Suryapet 1.13 lakh ha (3.24 lakh acres), Kamareddy 0.95 lakh ha (2.36 lakh acres), Khammam 1.00 lakh ha (2.48 lakh acres), Karimnagar 0.96 lakh ha (2.39 lakh acres), Jagityal 0.99 lakh ha (2.45 lakh acres), Siddipet 0.89 lakh ha (2.21 lakh acres), Yadadri 0.77 lakh ha (1.90 lakh acres) and Rajanna Siricilla 0.56 lakh ha (1.40 lakh acres).

The paddy crop in around 100,000 hectares was damaged by floods in Bangladesh, which is of rice worth 363.34 billion taka (USD 4.29 billion). 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 August 2020 in Suryapet Market Paddy-Grade-A (RNR)

Date	Arrival (Quintals)	Minimum price (Rs/quintal)	Maximum price (Rs/quintal)	Modal price (Rs/quintal)
4	321	1,508	2,032	1,812
6	204	1,509	1,992	1,982
7	107	1,259	2,189	1,859
10	8	1,909	1,909	1,909
12	204	1,488	2,029	1,991
13	110	1,879	2,012	1,879
14	5	1,436	1,436	1,436
17	11	1,639	1,639	1,639
18	155	1,687	2,089	2,089
20	174	1,429	2,103	1,979
21	319	1,459	1,981	1,939
25	359	1,569	2,106	1,972
26	303	1,566	2,169	2,133
28	323	1,224	2,129	2,039
29	483	1,669	2,142	2,141
31	802	1,563	2,173	1,959

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

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

Date	Arrival (Quintals)	Minimum price (Rs/quintal)	Maximum price (Rs/quintal)	Modal price (Rs/quintal)
4	52	1,309	1,429	1,429
6	129	1,309	1,359	1,339
8	16	1,363	1,363	1,363
10	98	1,315	1,320	1,320
12	17	1,309	1,429	1,309
14	38	1,309	1,309	1,309
18	73	1,339	1,359	1,359
21	142	1,279	1,359	1,341
24	646	1,309	1,429	1,383
25	935	1,300	1,463	1,389
26	1,031	1,301	1,600	1,419
27	1,687	1,229	1,469	1,406
28	554	1,271	1,469	1,349
29	1543	1,276	1,500	1,449
31	3144	1287	1620	1,439

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

Paddy-Grade-A (RNR) modal price at Suryapet market ranged between Rs. 1436-2141 per quintal during August 2020. Paddy-(IR-64) modal price at Thirumalagiri market ranged between Rs. 1309-1449 per quintal during August 2020.

Paddy Price Outlook

Indian rice is now cheaper than the Southeast Asian varieties by almost USD 100 per ton. Export demand for non-basmati rice remains robust due to price rise in Vietnam and Thailand. Government procurement of rice is projected to increase from the fixed target of 416 lakh tonnes to 418 lakh tonnes in the marketing season of 2019-20, while the target of procurement of 430 lakh tonnes has been set for the 2020-21 season.

Rice production estimate is raised higher to a record 117-118 million tons, based on higher planting and production prospects of kharif rice and expectation of higher-than-earlier yields of kharif rice in India's northern and southern producing states. Field reports suggest that excellent monsoon rains support the higher planting and improved yield prospects for kharif rice in MY-2020-21, compared to last year. However, if weather is not conducive at the time of harvest, projections for kharif production may change.

Rice consumption is expected to increase as many states announced to give free rice and wheat to BPL and white ration card holder due to pandemic of COVID-19.

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 – 2000 and Rs. 1550 - 1800 per quintal respectively during the month of September, 2020.