

Paddy Outlook – September 2021

Paddy is cultivated globally being one of the most important cereal crops worldwide. According to USDA in the 2021/22 global rice market, total production was increased by 1.4 million tons to a record 507.5 million (milled basis). Crop projections were raised this month for Bangladesh, Brazil, Indonesia, Sri Lanka, Taiwan, and Vietnam, while they were lowered for Cuba, Kazakhstan, Russia, and the United States. Global rice consumption and residual use in 2021/22 was increased by 0.3 million tons to a record 514.3 million tons, largely due to larger forecasts for Bangladesh, Iraq, Sri Lanka, and Taiwan that offset reduced consumption and residual use forecasts for Brazil, China, Cuba, EU, and the United States. The 2021/22 global ending stocks forecast was lowered by 3.2 million tons this month to 170.1 million tons, the second consecutive year of a decline in global ending stocks.

Table 1: Major Rice Producing Countries in the World (Milled production in million tonnes)

Country	2020-21	2021-22*	Change over 2020-21
China	148.30	149.00	0.70
India	122.00	121.00	-1.00
Indonesia	35.20	35.30	0.10
Vietnam	27.10	26.90	-0.20
Thailand	18.83	19.50	0.67
Burma	12.60	12.80	0.20
Philippines	12.40	12.30	-0.10
Japan	7.57	7.58	0.01
Pakistan	8.18	8.20	0.02
Brazil	7.91	7.82	-0.09
USA	7.23	6.33	-0.90
Nigeria	4.89	5.00	0.11
Egypt	4.00	3.45	-0.55
South Korea	3.51	3.77	0.26
European Union	1.95	1.89	-0.06

Source: www.usda.gov * Estimated

Table 2: International Grain Council's World Rice Projections (in million metric tonnes)

	2019/20 (Estimated)	2020/21 (Forecast)	2021/22 (Projected)
Opening Stocks	175.1	173.6	171.4
Production	498.8	506.3	511.7
Imports	44	47.3	47.3
Total Availability	673.8	679.9	683.1
Total Consumption	500.2	508.6	510.7
Exports	44	47.3	47.3
Ending Stocks	173.6	171.4	172.4

Source: International Grains Council

Table 3: Domestic Balance Sheet (in MMT)

	2018-19	2019-20	2020-21*
Carry in	19.13	26.11	30.48
Production	116.48	118.87	122.27
Imports	0	0	0
Total Availability	135.61	144.98	152.75
Consumption	99.00	104.06	104.04
Exports	10.5	10.44	13
Total Usage	109.5	114.5	117.04
Carry out	26.11	30.48	35.71
Average Monthly Consumption	8.29	8.57	8.60

Source: www.agriwatch.com

Table 4: Average Price of Paddy Common at Major States in India in August, 2021

State	Prices August, 2021	Prices July, 2021	Prices August, 2020	% Change (Over Previous Month)	% Change (Over Previous Year)
Andhra Pradesh	1815.25	1791.76	1794.86	1.31	1.14
Chattisgarh	1590.88	1547.46	1627.41	2.81	-2.24
Gujarat	1483.84	1435.66	1466.6	3.36	1.18
Jharkhand		1752.5			
Karnataka	1956.25	1952.61	2029.64	0.19	-3.62
Kerala	1921.5	1914.08	1962.09	0.39	-2.07
Madhya Pradesh	1811.57	1781.89	2103.5	1.67	-13.88
Maharashtra	2312.4	2297.97	2247.78	0.63	2.87
NCT of Delhi			2704.71		
Odisha	1858.01	1859.42	1794.56	-0.08	3.54
Pondichery	1625	1982.49	1849.51	-18.03	-12.14
Punjab			1115		
Rajasthan	2363.8	2295.84	2334.01	2.96	1.28
Tamil Nadu	1229.53	1418.53	1484.38	-13.32	-17.17
Telangana	1787.37	1744.94	1817.08	2.43	-1.64
Tripura	1656.29	1607.07	1667.93	3.06	-0.7
Uttar Pradesh	1459.32	1458.24	1706.26	0.07	-14.47
West Bengal	1767.95	1797.7	1835.8	-1.65	-3.7
Average	1775.93	1789.88	1855.36		

Source: www.agmarknet.gov.in

As per the Ministry of Agriculture, kharif paddy acreage as on 03th September, 2021 has increased by 0.25% to 401.55 lakh hectares (992.25 lakh acres) as compared to 400.54 lakh hectares (989.75 lakh acres) during the same period of last year. Higher acreage was covered in Uttar Pradesh 60.25 lakh ha (148.88 lakh acres), West Bengal 42.73 lakh ha (105.59 lakh acres), Chhattisgarh 37.13 lakh ha (91.75 lakh acres), Odisha 36.04 lakh ha (91.75 lakh acres), Madhya

Pradesh 33.51 lakh ha (82.80 lakh acres), Punjab 30.66 lakh ha (75.76 lakh acres), Bihar 32.60 lakh ha (80.56 lakh ha), Telangana 18.87 lakh ha (46.63 lakh acres) and Andhra Pradesh 12.07 lakh ha (29.83 lakh acres).

Table 5: State wise area under Paddy in India

STATE	2020-21			2021-22		
	Lakh ha	Lakh acres	% to total area	Lakh ha	Lakh acres	% to total area
Uttar Pradesh	60.01	148.29	14.98	60.25	148.88	15.00
West Bengal	41.82	103.34	10.44	42.73	105.59	10.64
Chhattisgarh	39.04	96.47	9.75	37.13	91.75	9.25
Odisha	33.13	81.87	8.27	36.04	89.06	8.98
Madhya Pradesh	28.66	70.82	7.16	33.51	82.80	8.35
Bihar	32.80	81.05	8.19	32.60	80.56	8.12
Punjab	31.49	77.81	7.86	30.66	75.76	7.64
Assam	18.27	45.15	4.56	19.19	47.42	4.78
Telangana	20.30	50.16	5.07	20.18	49.87	5.03
Jharkhand	17.21	42.53	4.30	17.58	43.44	4.38
Haryana	13.28	32.82	3.32	13.64	33.71	3.40
Andhra Pradesh	12.20	30.15	3.05	12.07	29.83	3.01
Uttarkhand	2.49	6.15	0.62	2.50	6.18	0.62
Other	49.84	123.16	12.44	43.47	107.42	10.83
Total	400.54	989.75	100.00	401.55	992.25	100.00

Source: www.agricoop.com

Table 6: District wise area under Paddy in Telangana State

District	2020-21			2021-22		
	Ha	Acres	% to total area	Ha	Acres	% to total area
Nalgonda	151896.16	375343	7.48	162409.91	401323	8.05
Nizamabad	154314.56	381319	7.60	142702.49	352625	7.07
Suryapet	146204.25	361278	7.20	137176.50	338970	6.80
Jagityal	106975.98	264343	5.27	115885.15	286358	5.74
Karimnagar	99926.75	246924	4.92	103484.75	255716	5.13
Kamareddy	96463.45	238366	4.75	99877.78	246803	4.95
Siddipet	90333.66	223219	4.45	96458.19	238353	4.78
Khammam	105118.07	259752	5.18	89526.72	221225	4.44
Medak	69263.27	171153	3.41	89079.54	220120	4.41
Peddapalli	76326.66	188607	3.76	85271.04	210709	4.22
Others	934142.17	2308312	45.99	896443.21	2215156	44.42
Total	2030964.97	5018616	100.00	2018315.29	4987358	100.00

During Vanakalam in Telangana, it has been sown in 20.18 lakh hectares (49.87 lakh acres) as on 08th September 2021 which is lower than 20.30 lakh hectares (50.18 lakh acres) covered during corresponding period of last year. Major paddy growing districts in Telangana are Nalgonda 1.62 lakh ha (4.01 lakh acres), Nizamabad 1.42 lakh ha (3.52 lakh acres), Suryapet 1.37 lakh ha (3.38 lakh acres), Kamareddy 0.99 lakh ha (2.46 lakh acres), Karimnagar 1.03 lakh ha (2.55 lakh acres), Medak 0.89 lakh ha (2.20 lakh acres), Siddipet 0.96 lakh ha (2.38 lakh acres), Peddapalli 0.85 lakh ha (2.10 lakh acres), Jagityal 1.15 lakh ha (2.86 lakh acres) and Khammam 0.89 lakh ha (2.21 lakh acres).

Table 7: Arrivals and Prices of Paddy-Grade-A in Suryapet Market in August 2021

Date	Arrival (Quintals)	Minimum price (Rs/quintal)	Maximum price (Rs/quintal)	Modal price (Rs/quintal)
3	191	1,389	2,009	1,530
5	255	1,629	1,969	1,869
6	181	1,456	2,019	1,789
7	108	1,303	1,839	1,303
9	247	1,426	2,089	2,011
10	206	1,303	1,990	1,471
11	406	1,269	1,869	1,519
14	220	1,202	1,953	1,459
16	225	1,428	1,991	1,428
18	70	1,249	1,809	1,659
19	187	1,609	2,030	1,729
21	74	1,339	1,717	1,717
23	131	1,249	1,900	1,511
24	221	1,459	2,021	1,409
25	202	1,414	1,940	1,686
26	180	1,509	1,991	1,509
27	102	1,404	1,739	1,459
28	198	1,429	1,969	1,829
30	238	1,229	1,789	1,719

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

Paddy Price Outlook

Despite having 1.7 million tons of rice and wheat reserves Bangladesh is importing rice from India which is available for Rs.34.4 - 36.12 per Kg compared to homegrown rice of price Rs. 43 per Kg. The increase in imports is due to reduced import duty from 62.5% to 25%. In last fiscal year Bangladesh has imported 0.78 million tons of rice while this fiscal year within 2 months the government has approved import of 1.2 million tons from private players.

Due to sluggish demand, Vietnam's 5% broken rice prices are hovering at \$ 390 per ton. After India and Thailand, Vietnam is the world's third-largest exporter. PMGKAY-4 has been approved by the Center and is continued from July 2021. Under this program is distributing 5 Kg of food grains (wheat/rice) per person per month. And so, 15.30 lakh tonnes of food grains may be lifted by the states under the free ration distribution scheme.

Table 8: Arrivals and Prices of Paddy in Suryapet Market in August 2021

Date	Arrival (Quintals)	Minimum price (Rs/quintal)	Maximum price (Rs/quintal)	Modal price (Rs/quintal)
3	99	1,279	1,476	1,463
5	127	1,332	1,521	1,521
6	50	1,259	1,429	1,429
7	26	1,203	1,389	1,376
9	106	1,259	1,459	1,389
10	103	1,201	1,489	1,369
11	94	1,359	1,519	1,519
14	52	1,259	1,409	1,339
16	14	1,229	1,289	1,289
17	87	1,221	1,319	1,276
18	46	1,309	1,372	1,359
19	86	1,351	1,423	1,412
21	31	1,369	1,419	1,419
23	93	1,229	1,423	1,423
24	87	1,242	1,376	1,242
25	107	1,209	1,429	1,391
26	22	1,329	1,459	1,459
27	174	1,359	1,539	1,539
28	29	1,429	1,529	1,501
30	65	1,359	1,459	1,459

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

Under these circumstances, Agricultural Market Intelligence Centre, PJTSAU expects that Paddy-Grade-A and Paddy-Common could trade in price ranges of Rs. 1940–2150 and Rs. 1700 - 1940 per quintal respectively during the month of September, 2021.