

Paddy Outlook – June 2022

Paddy is cultivated globally being one of the most important cereal crops. USDA Global rice production in 2022-23 is forecast at a record 514.6 million tons (milled basis), up 1.8 million tons from a year earlier, with India achieving the largest increase. Global consumption and residual use in 2022-23 is projected at a record 518.4 million tons, up 1.5 percent from a year earlier, with China and India accounting for the bulk of the increase. Global ending stocks in 2022-23 are projected at 186.3 million tons, down 2 percent from the year earlier revised record, with China accounting for the largest share of the decline. Global rice trade in calendar year 2023, at a record 54.3 million tons (milled basis), is up 3 percent from a year earlier, with India, Thailand, and Pakistan expected to increase shipments. On the 2023 global import side, China accounts for the largest expected increase, taking a record 6.0 million tons.

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

Country	2021-22	2022-23*	Change over 2021-22
China	148.99	149.00	0.01
India	129.00	130.00	1.00
Indonesia	34.40	34.60	0.20
Vietnam	27.33	27.40	0.07
Thailand	19.65	19.80	0.15
Burma	12.35	12.50	0.15
Philippines	12.47	12.41	-0.06
Japan	7.64	7.55	-0.09
Pakistan	8.70	8.90	0.20
Brazil	7.14	7.10	-0.04
USA	6.09	5.80	-0.29
Nigeria	5.26	5.36	0.10
Egypt	2.90	2.90	0.00
South Korea	3.88	3.77	-0.11
European Union	1.72	1.74	0.02

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	176.3	181	181.6
Production	500.1	510.2	514.4
Imports	44	50.6	51.2
Total Availability	676.3	691.1	696
Total Consumption	495.4	509.6	514.8
Exports	44	50.6	51.2
Ending Stocks	181	181.6	181.2

Source: International Grains Council

Table 3: Domestic Balance Sheet (in MMT)

	2019-20	2020-21	2021-22*
Carry in	26.11	30.48	33.3
Production	118.87	124.37	122.85
Imports	0	0	0
Total Availability	144.98	154.85	156.15
Consumption	104.06	105	106.2
Exports	10.44	14.45	17.38
Total Usage	114.5	119.45	123.58
Carry out	30.48	35.4	32.57
Av Monthly Consumption	8.29	8.57	8.60

Source: www.agriwatch.com

Table 4: Average Price of Paddy Common at Major States in India May, 2022

State	Prices May, 2022	Prices April, 2022	Prices May, 2021	% Change (Over Previous Month)	% Change (Over Previous Year)
Andhra Pradesh	1878.75	1914.69	1846.99	-1.88	1.72
Chhattisgarh	1564.56	1693.63	1461.21	-7.62	7.07
Gujarat	1687.75	1692.69	1346.08	-0.29	25.38
Karnataka	1799.51	1874.99	1922.27	-4.03	-6.39
Kerala	1926.38	1920.21	1910.11	0.32	0.85
Madhya Pradesh	1544.48	2340.99	1696.33	-34.02	-8.95
Maharashtra	2177.6	2291.08	1923.88	-4.95	13.19
Manipur		1781.06			
NCT of Delhi	3763.06	3900.71		-3.53	
Odisha	1938.61	1899.93	1867.77	2.04	3.79
Pondicherry	1321.7	1322.81	1692.98	-0.08	-21.93
Punjab		2014.99			
Rajasthan	3887.96	3871.99	2407.76	0.41	61.48
Tamil Nadu	1503.77	1471.78	1202.09	2.17	25.1
Telangana	1459.54	1331.45	1701.78	9.62	-14.23
Tripura	1530.25	1530.27	1540.74	0	-0.68
Uttar Pradesh	1828.53	1828.09	1502.37	0.02	21.71
West Bengal	1808.42	1772.83	1866.46	2.01	-3.11
Average	1976.3	2025.23	1727.58		

Source: www.agmarknet.gov.in

As per the Ministry of Agriculture, Rabi paddy acreage as on 04th February 2022 has decreased by 20.14% to 41.94 lakh hectares (103.64 lakh acres) as compared to 52.52 lakh hectares (129.78 lakh acres) during the same period of last year. Higher acreage was covered in Telangana 14.51 lakh ha (35.85 lakh acres), Tamil Nadu 11.90 lakh ha (29.41 lakh acres), Andhra Pradesh 6.75 lakh ha (16.68 lakh acres) and Assam 1.84 lakh ha (4.55 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
Telangana	21.16	52.29	40.29	14.51	35.85	34.60
Tamilnadu	10.51	25.97	20.01	11.90	29.41	28.37
Andhra Pradesh	6.82	16.85	12.99	6.75	16.68	16.09
West Bengal	2.52	6.23	4.80	3.80	9.39	9.06
Assam	1.43	3.53	2.72	1.84	4.55	4.39
Odisha	1.00	2.47	1.90	0.79	1.95	1.88
Chhattisgarh	0.84	2.08	1.60	0.67	1.66	1.60
Other	8.24	20.36	15.69	1.68	4.15	4.01
Total	52.52	129.78	100.00	41.94	103.64	100.00

Source: www.agricoop.gov.in

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
Suryapet	174531	431276	8.25	177234	437955	12.22
Nalgonda	188753	466419	8.92	175236	433017	12.08
Nizamabad	155817	385031	7.36	134573	332537	9.28
Karimnagar	106613	263445	5.04	85973	212443	5.93
Kamareddy	99222	245183	4.69	68954	170389	4.75
Peddapalli	79996	197673	3.78	67679	167239	4.67
Yadadri	99183	245086	4.69	57135	141184	3.94
Jangoan	64569	159554	3.05	57057	140991	3.93
Rajanna Siricilla	67605	167056	3.19	48114	118893	3.32
Khammam	91374	225789	4.32	37166	91839	2.56
Jayashankar	32106	79335	1.52	20776	51339	1.43
Others	956256	2362956	45.19	520573	1286361	35.89
Total	2116025	5228803	100.00	1450471	3584187	100.00

During yasangi in Telangana, it has been sown in 14.50 lakh hectares (35.84 lakh acres) as on 16th March 2022 which is lower than 21.16 lakh hectares (52.28 lakh acres) covered during corresponding period of last year. Major paddy growing districts in Telangana are Nizamabad 1.34 lakh ha (3.32 lakh acres), Suryapet 1.77 lakh ha (4.37 lakh acres), Nalgonda 1.75 lakh ha (4.33 lakh acres), Yadadri 0.57 lakh ha (1.41 lakh acres), Karimnagar 0.85 lakh ha (2.12 lakh

acres), Peddapalli 0.67 lakh ha (1.67 lakh acres), Rajanna Siricilla 0.48 lakh ha (1.18 lakh acres) and Kamareddy 0.68 lakh ha (1.70 lakh acres).

Table 7: Arrivals and Prices for the Month of May 2022 in Suryapet Market Paddy-Grade-A (Samba Masuri)

Date	Arrival (Quintals)	Minimum price (Rs/quintal)	Maximum price (Rs/quintal)	Modal price (Rs/quintal)
2	53	1,589	2,029	2,029
6	58	1,459	1,459	1,459
7	84	1,649	2,069	1,943
9	17	1,969	1,969	1,969
10	19	1,489	1,831	1,831
13	147	1,409	2,121	1,701
14	55	1,669	1,896	1,719
16	56	1,508	2,100	1,669
17	35	1,669	2,119	1,759
18	163	1,579	2,219	1,579
19	167	1,502	2,059	1,609
20	69	1,649	1,873	1,873
21	56	1,759	1,759	1,759
23	93	1,539	1,919	1,779
24	33	1,609	2,056	2,056
25	25	2,006	2,192	2,192
26	30	1,529	1,889	1,588
27	72	1,529	2,222	1,559
28	45	1,689	2,329	2,329
31	36	1856	2186	2106

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

Paddy Price Outlook

In Telangana, the procurement of paddy has slowed down due to lack of space availability in mills. The government proposed to open 6,808 paddy procurement centers (PPC) across the State out of which only 6,512 were opened as on May 20, while 345 were already closed as the procurement was over in some places.

Punjab, Haryana has also decided to provide incentive of Rs. 4000 per acre to the farmers who will cultivate paddy by DSR method. The DSR method is likely to reduce the input cost increasing the farmer's return. For the coming kharif season, the paddy acreage is likely to fall as cotton cultivation and red gram cultivation is likely to increase.

Currently non-basmati market is seeing a bullish tone in trade where traders felt a 2% increase in FOB prices in the near term. There is a bullish sentiment which is backed by the availability of logistics (railway rakes) followed by improvement in vessel availability at Kakinada and Kandla for major destinations. AMIS has reported global production at 520 MMT and overall supply at 711 MMT.

Indian rice export prices continue to lose to their lowest in more than five years this week, which is due to depreciation in rupee and supply continue to be abundant. India's 5% broken rice

price was quoted at \$350 to \$354 per ton, down from last week's \$351 to \$356 per ton. Demand is there but supplies are also ample. Many buyers are looking for 100% broken rice to replace expensive corn in animal feed.

The MSP of paddy is increased by Rs. 100 for the year 2022-23 and fixed at Rs. 2040 and Rs. 2060 per quintal for common and grade A respectively.

Table 8: Arrivals and Prices for the Month of May 2022 in Suryapet Market Paddy (IR-64)

Date	Arrival (Quintals)	Minimum price (Rs/quintal)	Maximum price (Rs/quintal)	Modal price (Rs/quintal)
2	3,391	1,409	1,666	1,659
6	2,067	1,406	1,639	1,579
7	2,150	1,406	1,639	1,569
9	2,401	1,406	1,629	1,559
10	2,317	1,401	1,601	1,562
11	1,819	1,401	1,599	1,569
13	1,760	1,401	1,626	1,591
14	770	106	1,649	1,569
16	1,206	1,406	1,661	1,619
17	705	1,403	1,666	1,642
18	857	1,419	1,676	1,666
19	851	1,402	1,681	1,656
20	651	1,409	1,639	1,612
21	581	1,401	1,628	1,588
23	643	1,422	1,639	1,502
24	311	1,414	1,646	1,606
25	511	1,401	1,644	1,455
26	559	1,411	1,639	1,462
27	171	1,409	1,576	1,576
28	137	1,426	1,556	1,446
31	333	1406	1576	1469

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. 1850–2150 and Rs. 1650 – 1960 per quintal respectively during the month of June, 2022.