

## **VANAKALAM (KHARIF) 2022-23 PRE-SOWING PRICE FORECAST OF PADDY**

**Paddy Price per Quintal will be around Rs. 1650 – 1960 (Common) and Rs. 1850– 2150 (Grade-A) at the Time of Harvesting (November to December 2022)**

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.

In world during 2020-21, about 1644.5 lakh ha (4063.73 lakh acres) area was covered under paddy with production of 5059 lakh tonnes and yield 4608 kg/ha (1865 Kg/acre). Top most cultivating countries of paddy in the world are India 450 lakh ha (1111.97 lakh acres), China 303.4 lakh ha (749.76 lakh acres), Indonesia 106.6 lakh ha (263.35 lakh acres), Bangladesh 114.2 lakh ha (282.14 lakh acres), Thailand 104 lakh ha (257.03 lakh acres), Vietnam 72.2 lakh ha (178.47 lakh acres), Myanmar 66.6 lakh ha (164.47 lakh acres), Philippines 47.2 lakh ha (116.61 lakh acres), Brazil 16.8 lakh ha (41.6 lakh acres) and Pakistan 33.4 lakh ha (82.41 lakh acres). Among the countries, China and India are the world's 1<sup>st</sup> and 2<sup>nd</sup> largest producers with approximately 1424.7 lakh tonnes and 1189.2 lakh tonnes production respectively.

World's rice production is estimated as 5148 lakh tonnes in 2021-22, with which total supply would increase from 695.4 lakh tonnes to 689.6 lakh tonnes. There was larger crop in South and South East Asia including India, Indonesia, Bangladesh, Thailand and Pakistan. Export would increase from 506 lakh tonnes to 511 lakh tonnes and consumption would increase from 5089 lakh tonnes to 5141 lakh tonnes in 2021-22. Due to increase in consumption from India, China and Sub Saharan countries. Carryout stocks in the world in 2021-22 stood at 1813 lakh tonnes down by 0.55% from 1806 lakh tonnes recorded during the corresponding period of last year.

In India during 2021-22 vanakalam (kharif) acreage was increased by 0.20 % to 414.18 lakh hectares (1023.46 lakh acres) as compared to 413.34 lakh hectares (1021.38 lakh acres) during the same period of last year. Higher acreage was covered in Uttar Pradesh 60.26 lakh ha (148.91 lakh acres), West Bengal 42.51 lakh ha (105.04 lakh acres), Chhattisgarh 37.50 lakh ha (92.66 lakh acres), Odisha 35.13 lakh ha (86.81 lakh acres), Madhya Pradesh 34.07 lakh ha (84.19 lakh acres), Punjab 30.68 lakh ha (75.81 lakh acres), Bihar 32.64 lakh ha (80.66 lakh ha), Telangana 25.06 lakh ha (61.92 lakh acres) and Andhra Pradesh 13.86 lakh ha (34.25 lakh acres) the major cultivating States of paddy in India during kharif season.

India's rice production is estimated as 1296.6 lakh tonnes according to third advance production estimate of 2021-22. Total supply would increase from 1548.5 lakh tonnes to 1629.6 lakh tonnes in 2021-22. Export would increase from 144.5 lakh tonnes to 170 lakh tonnes. Consumption would increase from 1050 lakh tonnes to 1062 lakh tonnes in 2021-22. Carryout stocks in the central pool in 2021-22 stood at 397.6 lakh tonnes up by 12.31% from 354 lakh tonnes recorded during the corresponding period of last year.

After Eid and Ramzan, the basmati rice start seeing an upward trend as the wedding season has started and demand from Iran and other Middle East countries has increased. Also, the government has banned wheat exports. Earlier, the wheat exports were impacting the rice

exports as most of the vessels and rakes were used for wheat. But with the export ban decision, it is expected that rice export activity will improve in coming days which may support the prices.

In Telangana during 2021-22 vanakalam (kharif) season about 25.06 lakh ha (52.55 lakh acres) area was covered under paddy. The major districts grown this crop include Suryapet 1.89 lakh ha (4.69 lakh acres), Nalgonda 1.86 lakh ha (4.59 lakh acres), Nizamabad 1.58 lakh ha (3.92 lakh acres), Kamareddy 1.12 lakh ha (2.77 lakh acres), Karimnagar 1.10 lakh ha (2.79 lakh acres), Medak 1.03 lakh ha (2.56 lakh acres), Siddipet 1.27 lakh ha (3.14 lakh acres), Jagityal 1.18 lakh ha (2.92 lakh acres), Yadadri 1.12 lakh ha (2.78 lakh acres) and Khammam 1.19 lakh ha (2.92 lakh acres). In 2021-22 as per the Telangana 2<sup>nd</sup> advance estimates rice production is at 132.62 lakh tonnes.

Andhra Pradesh is planning to improve its export policy for better export potential of various commodities including Rice. The state is planning to develop three major ports to increase cargo handling capacity. From overall exports, 4.6% of the exports is for rice. Currently, Vizag, Kakinada and Krishnapatnam ports are the major ports in Andhra Pradesh.

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 2022-23 kharif pre-sowing price forecast of paddy. Under expected normal rainfall and crop coverage, it is predicted that the paddy price per quintal will be around **Rs. 1650 – 1960 (Common) and Rs. 1850 – 2150 (Grade-A)** at the time of harvesting (Nov to Dec 2022). This price forecast is based on the monthly modal price of paddy obtained for 20 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.*