

## **VANAKALAM (KHARIF) 2023-24 PRE-SOWING PRICE FORECAST OF PADDY**

**Paddy Price per Quintal will be around Rs. 1980 – 2060 (Common) and Rs. 2060– 2460 (Grade-A) at the Time of Harvesting (November to December 2023)**

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 2021-22, about 1654.7 lakh ha (4088 lakh acres) area was covered under paddy with production of 5059 lakh tonnes and yield 4767 kg/ha (1929 Kg/acre). Top most cultivating countries of paddy in the world are India 463.79 lakh ha (1146.04 lakh acres), China 301.45 lakh ha (744.9 lakh acres), Indonesia 104.11 lakh ha (257.28 lakh acres), Bangladesh 117.0 lakh ha (289.13 lakh acres), Thailand 112.4 lakh ha (277.84 lakh acres), Vietnam 72.19 lakh ha (178.40 lakh acres), Myanmar 65.36 lakh ha (161.52 lakh acres), Philippines 48.05 lakh ha (118.73 lakh acres), Brazil 16.89 lakh ha (41.74 lakh acres) and Pakistan 35.37 lakh ha (87.41 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 2144.04 lakh tonnes and 1954.25 lakh tonnes production respectively.

World's rice production is estimated as 5215 lakh tonnes in 2023-24, with which total supply would increase from 6894 lakh tonnes to 6994 lakh tonnes. There was larger crop in South and South East Asia including India, Indonesia, Bangladesh, Thailand and Pakistan. Export would increase from 520 lakh tonnes to 535 lakh tonnes and consumption would increase from 5165 lakh tonnes to 5198 lakh tonnes in 2023-24. Due to increase in consumption from India, China and Sub Saharan countries. Carryout stocks in the world in 2023-24 stood at 1746 lakh tonnes up by 0.98% from 1729 lakh tonnes recorded during the corresponding period of last year.

In India during 2022-23 vanakalam (kharif) acreage was decreased by 4.76 % to 402.88 lakh hectares (995.54 lakh acres) as compared to 423.04 lakh hectares (1045.35 lakh acres) during the same period of last year. Higher acreage was covered in Uttar Pradesh 57.78 lakh ha (142.78 lakh acres), West Bengal 38.52 lakh ha (95.18 lakh acres), Chhattisgarh 36.99 lakh ha (91.40 lakh acres), Odisha 35.16 lakh ha (86.88 lakh acres), Madhya Pradesh 32.22 lakh ha (79.57 lakh acres), Punjab 31.33 lakh ha (77.42 lakh acres), Bihar 30.67 lakh ha (75.79 lakh acres), Telangana 26.12 lakh ha (64.54 lakh acres), Assam 19.54 lakh ha (47.05 lakh ha), Maharashtra 15.55 lakh ha (38.42 lakh acres) and Haryana 14.58 lakh ha (36.03 lakh ha), the major cultivating States of paddy in India during kharif season. According to 2<sup>nd</sup> Advance Estimates of Production of Food grains for 2022-23, all India rice production estimate was 130.87 million tonnes.

With the India's rice production estimated 1308.7 lakh tonnes for 2022-23, the total supply would increase from 1656.9 lakh tonnes to 1729.8 lakh tonnes. Export would decrease from 173.8 lakh tonnes to 125 lakh tonnes. Consumption would increase from 1062 lakh tonnes to 1090 lakh tonnes in 2022-23. Carryout stocks in the central pool in 2022-23 stood at 514.8 lakh tonnes up by 22.25% from 421.1 lakh tonnes recorded during the corresponding period of last year.

There have been slight revisions to the anticipated rice supply and demand for the year 2022/23. Global reserves are now expected to decrease marginally month-over-month to reach

171 million metric tonnes, representing a reduction of 7 million metric tonnes. Consequently, the forecast for closing stocks in 2023/24 has been adjusted to 173 million metric tonnes, indicating a modest increase of 2 million metric tonnes. The projected trade volume for the period of January to December 2024 remains largely unchanged compared to the previous month, with an estimated volume of 54 million metric tonnes, showing a slight year-over-year increase.

In Telangana during 2022-23 vanakalam (kharif) season about 26.12 lakh hectares (64.54 lakh acres) area was covered under paddy. Major paddy growing districts in Telangana are Nalgonda 2.02 lakh ha (5.01 lakh acres), Suryapet 1.90 lakh ha (4.71 lakh acres), Nizamabad 1.69 lakh ha (4.18 lakh acres), Siddipet 1.47 lakh ha (3.63 lakh acres), Medak 1.19 lakh ha (2.95 lakh acres), Kamareddy 1.14 lakh ha (2.83 lakh acres), Karimnagar 1.09 lakh ha (2.69 lakh acres), Jangoan 0.86 lakh ha (2.13 lakh acres) and Mahabubabad 0.86 lakh ha (2.12 lakh acres) and. According to 3<sup>rd</sup> Advance Estimates of Production of Food grains for 2022-23, rice production estimate was 175.27 lakh tonnes in Telangana State.

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 2023-24 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. 1980 – 2060 (Common) and Rs. 2060 – 2460 (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 21 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.*