

Paddy Outlook – January 2024

Paddy is cultivated globally being one of the most important cereal crops worldwide. USDA’s Global rice production in 2023/24 is projected at a record 518.1 million tons (milled basis), up 271,000 tons from last month’s forecast and 5.1 million tons larger than a year earlier. This month, upward production revisions for Argentina, Paraguay, South Korea, and Thailand slightly offset downward revisions for Colombia, Haiti, Mozambique, and Uganda. Global domestic and residual use in 2023/24 is projected at a record 525.0 million tons, down 114,000 tons from the previous forecast but up almost 4.1 million tons from a year earlier. Global ending stocks in 2023/24 are projected at 167.8 million tons, 342,000 tons above the previous forecast, but 7.0 million tons smaller than a year earlier and the smallest in 6 years.

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

| Country | 2022-23 | 2023-24 | Change over 2022-23 |
|-----------------------|---------|---------|---------------------|
| China | 145.95 | 149.00 | 3.05 |
| India | 135.76 | 132.00 | -3.76 |
| Indonesia | 34.00 | 33.50 | -0.50 |
| Vietnam | 26.94 | 27.00 | 0.06 |
| Thailand | 20.91 | 20.00 | -0.91 |
| Burma | 11.80 | 11.95 | 0.15 |
| Philippines | 12.63 | 12.60 | -0.03 |
| Japan | 7.48 | 7.30 | -0.18 |
| Pakistan | 5.50 | 9.00 | 3.50 |
| Brazil | 7.00 | 7.48 | 0.48 |
| USA | 5.09 | 6.98 | 1.89 |
| Nigeria | 5.36 | 5.23 | -0.13 |
| Egypt | 3.60 | 3.78 | 0.18 |
| South Korea | 3.76 | 3.70 | -0.06 |
| European Union | 1.34 | 1.43 | 0.09 |

Source: www.usda.gov* Estimated

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

| | 2021/22 (Estimated) | 2022-23 (Forecast) | 2023-24 (Projected) |
|---------------------------|------------------------|-----------------------|------------------------|
| Opening Stocks | 181.5 | 175.7 | 170.9 |
| Production | 515.3 | 515.3 | 520.9 |
| Imports | 55.1 | 52.4 | 50.1 |
| Total Availability | 696.8 | 691 | 691.8 |
| Total Consumption | 521.1 | 520.1 | 520.4 |
| Exports | 55.1 | 52.4 | 50.1 |
| Ending Stocks | 175.7 | 170.9 | 171.4 |

Source: International Grains Council

Table 3: Domestic Balance Sheet (in MMT)

| | 2020-21 | 2021-22 | 2022-23* |
|--------------------|---------|---------|----------|
| Carry in | 30.48 | 35.4 | 42.11 |
| Production | 124.37 | 130.29 | 135.75 |
| Imports | 0 | 0 | 0 |
| Total Availability | 154.85 | 165.69 | 177.86 |
| Consumption | 105 | 101 | 101 |
| Exports | 14.45 | 17.38 | 14.91 |
| Total Usage | 119.45 | 123.58 | 115.91 |
| Carry out | 35.4 | 42.11 | 61.95 |

Source: www.agriwatch.com

Table 4: Average Price of Paddy Common at Major States in India December, 2023

| State | Prices December, 2023 | Prices November, 2023 | Prices December, 2022 | % Change (Over Previous Month) | % Change (Over Previous Year) |
|-----------------------|-----------------------------|-----------------------------|-----------------------------|--------------------------------------|-------------------------------------|
| Andhra Pradesh | 2206 | 2261 | 2040 | -2.43 | 8.14 |
| Chhattisgarh | 2185 | 2168 | 1981 | 0.78 | 10.3 |
| Gujarat | 2572 | 2087 | 1673 | 23.24 | 53.74 |
| Haryana | 4378 | 2946 | 4359 | 48.61 | 0.44 |
| Karnataka | 2713 | 2340 | 2245 | 15.94 | 20.85 |
| Kerala | 2236 | 2185 | 2051 | 2.33 | 9.02 |
| Madhya Pradesh | 3651 | 3630 | 3218 | 0.58 | 13.46 |
| Maharashtra | 2820 | 2664 | 2242 | 5.86 | 25.78 |
| Manipur | 2883 | 2567 | 1624 | 12.31 | 77.52 |
| NCT of Delhi | 3563 | 3587 | 3221 | -0.67 | 10.62 |
| Odisha | 2183 | 2183 | 2040 | 0 | 7.01 |
| Pondicherry | 2139 | 2285 | 1757 | -6.39 | 21.74 |
| Punjab | 2315 | 2204 | 3924 | 5.04 | -41 |
| Rajasthan | 3661 | 3463 | 3360 | 5.72 | 8.96 |
| Tamil Nadu | 2470 | 2289 | 1986 | 7.91 | 24.37 |
| Telangana | 2328 | 1709 | 2057 | 36.22 | 13.17 |
| Tripura | 1981 | 2043 | 1972 | -3.03 | 0.46 |
| Uttar Pradesh | 2178 | 2243 | 2071 | -2.9 | 5.17 |
| Uttarakhand | 2154 | 2122 | 2009 | 1.51 | 7.22 |
| West Bengal | 2204 | 2171 | 2001 | 1.52 | 10.14 |
| Average | 2641 | 2457.35 | 2360.19 | | |

Source: www.agmarknet.gov.in

As per the Ministry of Agriculture, Yasangi (Rabi) paddy acreage as on 5th January 2024 has decreased by 10.14% to 17.98 lakh hectares (44.43 lakh acres) as compared to 20.01 lakh hectares (49.46 lakh acres) during the same period of last year. Higher acreage was covered in Tamil Nadu 11.12 lakh ha (27.48 lakh acres), Telangana 3.08 lakh ha (7.63 lakh acres), Andhra Pradesh 1.66 lakh ha (4.10 lakh acres), Assam 0.76 lakh ha (1.88 lakh acres) and Kerala 0.75 lakh ha (1.85 lakh ha). According to the first advance estimates 2023-24, Government of India Rice

crop is estimated at 1063.13 lakh tonnes as compared to 1105.12 lakh tonnes in 2022-23. Among the states, Uttar Pradesh is leading in production with 151.98 lakh tonnes followed by Punjab 137.51 lakh tonnes, West Bengal 115.62 lakh tonnes, Telangana 82.80 lakh tonnes, Chhattisgarh 74.86 lakh tonnes and Odisha 73.02 lakh tonnes as per the first advance estimates of 2023-24 by the GoI.

Table 5: State wise Area under Paddy in India

| STATE | 2022-23 | | | 2023-24 | | |
|----------------|---------------|--------------|-----------------|--------------|--------------|-----------------|
| | Lakh ha | Lakh acres | % to total area | Lakh ha | Lakh acres | % to total area |
| Tamil Nadu | 11.496 | 28.41 | 57.43 | 11.12 | 27.48 | 61.85 |
| Telangana | 3.121 | 7.71 | 15.59 | 3.088 | 7.63 | 17.17 |
| Andhra Pradesh | 2.78 | 6.87 | 13.89 | 1.66 | 4.10 | 9.23 |
| Assam | 0.675 | 1.67 | 3.37 | 0.762 | 1.88 | 4.24 |
| Kerala | 0.83 | 2.05 | 4.15 | 0.75 | 1.85 | 4.17 |
| Other | 1.11 | 2.75 | 5.57 | 0.60 | 1.48 | 3.34 |
| Total | 20.016 | 49.46 | 100.00 | 17.98 | 44.43 | 100.00 |

Source: www.agricoop.gov.in

Table 6: District wise Area under Paddy in Telangana State

| District | 2022-23 | | | 2023-24 | | |
|-------------------|---------------|-----------------|-----------------|---------------|-----------------|-----------------|
| | Ha | Acres | % to total area | Ha | Acres | % to total area |
| Nizamabad | 8 | 20 | 0.00 | 81936 | 2,02,468 | 26.54 |
| Nalgonda | 1609 | 3,977 | 0.52 | 50095 | 1,23,788 | 16.22 |
| Suryapet | 1885 | 4,657 | 0.60 | 45220 | 1,11,742 | 14.65 |
| Yadadri | 5901 | 14,582 | 1.89 | 27409 | 67,729 | 8.88 |
| Rajanna Siricilla | 1913 | 4,728 | 0.61 | 22363 | 55,260 | 7.24 |
| Kamareddy | 81851 | 2,02,259 | 26.23 | 14815 | 36,609 | 4.80 |
| Karimnagar | 1148 | 2,837 | 0.37 | 14059 | 34,741 | 4.55 |
| Jangoan | 2068 | 5,110 | 0.66 | 8250 | 20,386 | 2.67 |
| Warangal(Urban) | 0 | 0 | 0.00 | 6396 | 15,805 | 2.07 |
| Mancherial | 35026 | 86,550 | 11.22 | 6230 | 15,395 | 2.02 |
| Jagtiyal | 28 | 69 | 0.01 | 4643 | 11,472 | 1.50 |
| Others | 180664 | 446431 | 57.89 | 27355 | 67596 | 8.86 |
| Total | 312102 | 7,71,220 | 100.00 | 308772 | 7,62,991 | 100.00 |

Source: www.agri.telangana.gov.in

During Yasangi (Rabi) in Telangana, it has been sown in 3.08 lakh hectares (7.62 lakh acres) as on 03rd December 2023 which is lower than 3.12 lakh hectares (7.71 lakh acres) covered during corresponding period of last year. Major paddy growing districts in Telangana are Nizamabad 0.81 lakh ha (2.02 lakh acres), Nalgonda 0.50 lakh ha (1.23 lakh acres), Suryapet 0.45 ha (1.11 lakh acres) and Yadadri 0.27 lakh ha (0.67 lakh acres). According to 1st Advance Estimates of Production of Food grains for 2023-24, rice production estimate was 82.80 lakh tonnes in Telangana State.

Table 7: Arrivals and Prices of Paddy-Grade-A for the Month of December in Suryapet Market

| Date | Arrival (Quintals) | Minimum price (Rs/quintal) | Maximum price (Rs/quintal) | Modal price (Rs/quintal) |
|------|--------------------|----------------------------|----------------------------|--------------------------|
| 5 | 4,849 | 1,589 | 2,509 | 2,366 |
| 7 | 5,317 | 1,600 | 2,563 | 2,402 |
| 8 | 6,494 | 1,659 | 2,639 | 2,451 |
| 9 | 6,646 | 1,629 | 2,719 | 2,589 |
| 11 | 11,066 | 1,469 | 2,789 | 2,583 |
| 13 | 11,904 | 1,709 | 2,853 | 2,759 |
| 15 | 10,782 | 1,609 | 2,894 | 2,769 |
| 19 | 11,188 | 1,659 | 2,973 | 2,769 |
| 20 | 9,809 | 1,593 | 3,029 | 2,759 |
| 21 | 9,784 | 1,589 | 3,031 | 2,776 |
| 22 | 9,217 | 1,574 | 2,993 | 2,639 |
| 23 | 6,615 | 1,569 | 3,041 | 2,629 |
| 27 | 6,899 | 1,409 | 2,959 | 2,509 |
| 28 | 5,825 | 1,509 | 2,929 | 2,509 |
| 29 | 5,318 | 1,469 | 2,939 | 2,619 |
| 30 | 4,388 | 1,575 | 2,969 | 2,659 |

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

Table 8: Arrivals and Prices of Paddy (Common) for the Month of December 2023 in Suryapet Market

| Date | Arrival (Quintals) | Minimum price (Rs/quintal) | Maximum price (Rs/quintal) | Modal price (Rs/quintal) |
|------|--------------------|----------------------------|----------------------------|--------------------------|
| 5 | 1,269 | 1,539 | 2,109 | 1,909 |
| 7 | 1,100 | 1,546 | 2,136 | 1,922 |
| 8 | 911 | 1,593 | 2,174 | 1,971 |
| 9 | 810 | 1,769 | 2,170 | 2,145 |
| 11 | 1,677 | 1,416 | 2,175 | 2,003 |
| 13 | 1,397 | 1,429 | 2,185 | 2,181 |
| 15 | 638 | 1,586 | 2,199 | 2,109 |
| 19 | 772 | 1,535 | 2,256 | 2,253 |
| 20 | 710 | 1,611 | 2,253 | 2,244 |
| 21 | 585 | 1,669 | 2,264 | 1,879 |
| 22 | 500 | 1,726 | 2,174 | 1,971 |
| 23 | 217 | 1,576 | 2,209 | 1,869 |
| 27 | 447 | 1,769 | 2,221 | 2,211 |
| 28 | 291 | 1,413 | 2,254 | 2,244 |
| 29 | 185 | 1,734 | 2,249 | 2,219 |
| 30 | 179 | 1,512 | 2,291 | 2,273 |

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

Paddy Price Outlook

Government has procured around 435 Lakh MT paddy till 30th Dec from various states for 2023-24 KMS. State-wise procurement figures are as 185 Lakh MT from Punjab, 58.92 Lakh MT

from Haryana, 61.24 MT from Chhattisgarh, 40.46 Lakh MT from Telangana, 34.37 Lakh MT from Uttar Pradesh, 9.29 Lakh MT from Andhra Pradesh, 8.33 Lakh MT from Madhya Pradesh, 7.20 Lakh MT from Bihar and 5.45 Lakh MT from Tamil Nadu.

To encourage wider participation from rice traders in the Open Market Sales Scheme, the Food Corporation of India (FCI) has raised the bid quantity allowed per bidder to 2,000 MT, up from the previous limit of 1,000 MT. Additionally; the minimum bid quantity has been decreased at 1 MT instead of 10 MT.

The prices of Basmati rice in the domestic market decreased in the last fortnight of December due to the expectation of slightly decline in exports following militant assaults on merchant vessels in the Red Sea. Owing to increased freight charges, purchasers are currently refraining from booking shipments. Consequently, the prices of Basmati rice have decreased within the domestic market. Recently, the Indian government has decided to continue the ban on exporting de-oiled rice bran (DORB), a key component used in making feed for cattle and poultry, until 31st March, 2024.

The Directorate General of Foreign Trade (DGFT) has revised Notification No. 09/2023 from May 29, 2023, with Notification No. 52/2023 on December 12, 2023. The amendments specify that exporting Rice (both Basmati and Non-Basmati) to EU member states along with the United Kingdom, Iceland, Liechtenstein, Norway, and Switzerland now necessitates a Certificate of Inspection from Export Inspection Agencies / Export Inspection Councils (EIA/EIC). However, export to the remaining European countries will not require a Certificate of Inspection from the EIA/EIC from the date of this notification for a period of six months.

Despite the ban on rice exports, India continues to supply food to various needy countries, particularly its strategic neighbors like Nepal, Bhutan, Sri Lanka, Maldives, Malaysia, Indonesia, Vietnam and Iran, along with the broader Asian region. These exports are done through government-to-government level and facilitated by the National Cooperative Exports Ltd. The price of India's 5% broken parboiled rice remained between \$508 to \$515 per MT showing a slight increase from the previous month's range of \$498 to \$503 per MT.

Under these circumstances, Agricultural Market Intelligence Centre, PJTSAU expects that Paddy-Grade-A and Paddy-Common could trade in price ranges of Rs. 2280–2780 and Rs. 2203–2410 per quintal respectively during the month of January, 2024.