



Paddy Fortnight Outlook Report-June, 21

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Domestic Fortnight market dynamics-June, 21

Area sown: During the fortnight of June-21, area sown under paddy for kharif season-2021 has reached 3.89 lakh ha, which is 47.50 percent lower compared to previous year for the target area of 395.60 lakh ha.

Arrivals: Paddy procurement for rabi season 2020-21 is conducting smoothly across the country with the procurement of 86.41 lakh MT till 31.05.2021. During fortnight of June-21, over all arrivals picking up at major markets from to 1.60 lakh MT. Telangna is the leading state in rabi paddy procuring states and it hits 14 Million MT of paddy procurement as against 11.20 Million MT in the previous season.

<u>All India Paddy Market summary, June-21</u>	
Total Arrivals	1.60 LMT
Average price	Rs.1950/ qtl
MSP	Rs.1940/ qtl
Cheapest market: Raichur (Kar)	Rs.1285.50/ qtl
Costliest Market: Hanumangarh (Raj)	Rs.2900/ qtl

Price trend: Average fortnight wholesale paddy prices in India stood at around Rs.1950 per quintal in June- 2021, up by 16.72% from Rs.1672 per quintal in May-2021. Paddy prices in coming months would likely to trade at high due to hike in MSP and low arrivals. Recently central government has increased the Minimum support price (MSP) for paddy by Rs.72 per quintal for kharif season 2021-22. Hence, farmers will get benefit at Rs.1940 per quintal as against previous price of Rs.1868 per quintal for 2020-21.

Domestic Market Highlights - June, 21

Ministry of Agriculture and farmers welfare has released the third advance estimate of principal crops for 2020-21. As per 3rd advance estimates, total food grain production in India is estimated at 305.44 Million MT, which is higher by 7.94 Million MT than the previous year production of 297.50 Million MT.

According to 3rd advance estimates for 2020-21, total production of **Rice is estimated at record 121.46 Million MT**, it is higher by 26.66 Million tonnes than the last 5-years (2015-16 to 2019-20) average production of rice.

During fortnight of June, procurement of paddy has crossed the target of 8 million tonnes in the current rabi marketing season (RMS). Currently its reached 8.2 million tonnes from 1.2 million farmers with worth of Rs.160 billion at MSP.

Procurement of paddy in Tripura has just began with the target of 20,000 Metric tonnes (MT) from farmers at minimum support price i.e Rs.1868 per quintal.

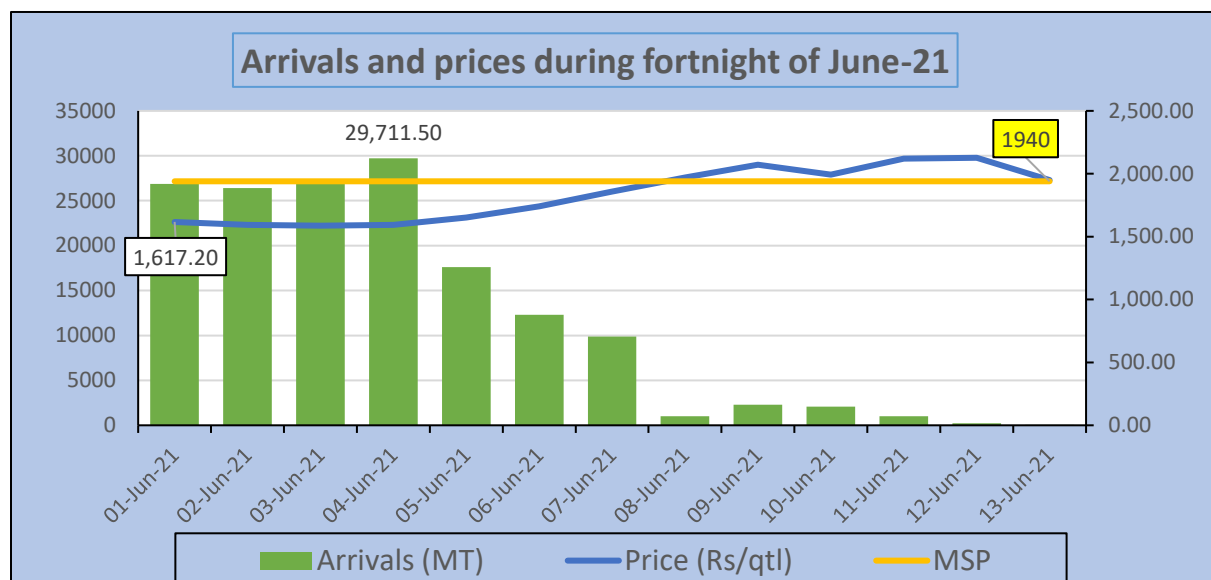
Despite covid-19 second wave, Andhra Pradesh state has procured a record of 2.1 million MT of paddy during the current Rabi season from 1.83 lakh at MSP of Rs.1868 per quintal

Supply and Demand - India, 2020-21

	Particulars (Fig. in MMT)	India	
		2020-21	2021-22
1	Opening stock	28.0	27.40
2	Production	120.30	122.0
3	Imports	-	-
4	Total availability (1+2+3)	148.30	149.40
5	Consumption	105.40	107.20
6	Exports	15.20	14.20
7	Total usage (5+6)	120.10	121.10
8	Ending stocks	27.40	28
9	Avera..Fortnight consumption	8.74	8.93

As per International grain council (IGC), India's rice production for 2021-22 is forecasted at 122.00 MMT compared to 120.30 MMT in 2020-21. Higher production is expecting in 2021-22 due to increase in yield and area. Over all consumption June be increse by 1.8 MMT in 2021-22 from 105 MMT and average Fortnight consumption wil be 8.93 MMT. Exprot of rice in 2021-22 will decrease by 1 MMT as per IGC forecast, June be due to more domestic requirement for consumption.

Fortnight arrivals and prices analysis of paddy during June-21



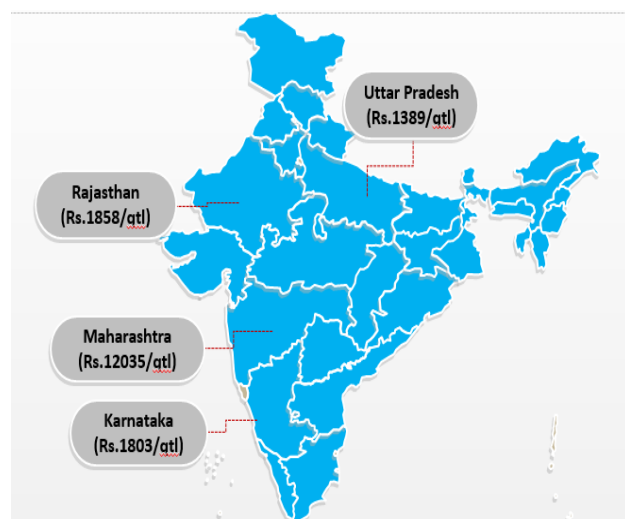
During fortnight of June-21 paddy arrivals at domestic markets are coming down drastically, hence prices have gone up by Rs.278 to Rs.1940 per quintal from Rs.1672 as in previous month.

State wise fortnight price analysis of paddy (Rs/ctl) -June, 21

States	01-08 Jun 2021	24-31 May 2021	01-08 Jun 2020	% Change(Over Previous Week)	% Change(Over Previous Year)
Chhattisgarh	1490.31	1483.26	1524.26	0.48	-2.23
Maharashtra	2030.85	1743.07	1903.96	16.51	6.66
Odisha	1867.92	1867.92	1814.76	0	2.93
Tamil Nadu	1165.01	1231.98	1667.01	-5.44	-30.11
Tripura	1532.3	1526.48	1400	0.38	9.45
Gujarat	1319.12	1340.22	1568.93	-1.57	-15.92
Karnataka	1908.81	1911.64	1927.3	-0.15	-0.96
Madhya Pradesh	1425.75	1668.17	2151.25	-14.53	-33.72
West Bengal	1870.53	1883.27	1820.41	-0.68	2.75
Andhra Pradesh	1693.31	1843.17	1725.16	-8.13	-1.85
Telangana	1697.46	1739.7	1832.17	-2.43	-7.35

In case of state wise analysis, all states seem to have a declining trend in wholesale price of paddy during the first week of June as against May-21 except Maharashtra.

Spot Market Dynamics in Paddy during June-21



Area sown under Kharif crops (As on 11.06.21)			
Crops (in Lakh Ha)	Area sown in 2020	Area sown in 2021	% Change
Rice	7.47	3.89	-47.92
Pulses	1.86	2.52	35.73
Oil seeds	3.27	2.82	-13.62
Millets	6.69	6.43	-3.93
Sugarcane	45.85	46.32	1.02
Cotton	18.91	16.45	-13.04
Total	66.44	80.46	21.10

Prices of paddy during June-21

Price comparison with peers (Cereals and Millets) during June-21

Paddy



Rs.1950/qttl
(+16.50%)

Wheat



Rs.1858/qttl
(-2.69%)

Maize



Rs.1549/qttl
(+1.77%)

Sorghum



Rs.1896.50/qttl
(-2.42%)

Pearl Millet



Rs.1386.90/qttl
(0.70%)

Finger Millet



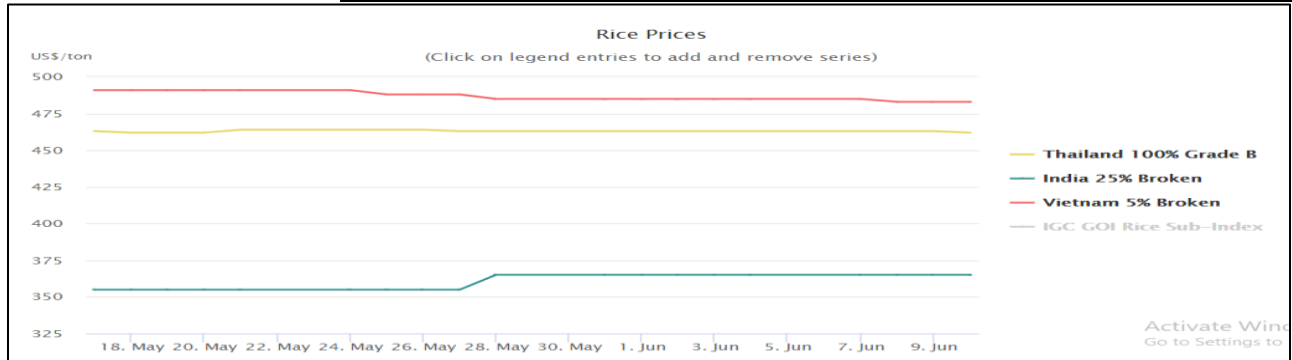
Rs.2924.30/qttl
(-0.50%)

*** () parentheses represents the % change from previous month**

Paddy - Global Market Outlook

Free on board (FOB) prices of paddy

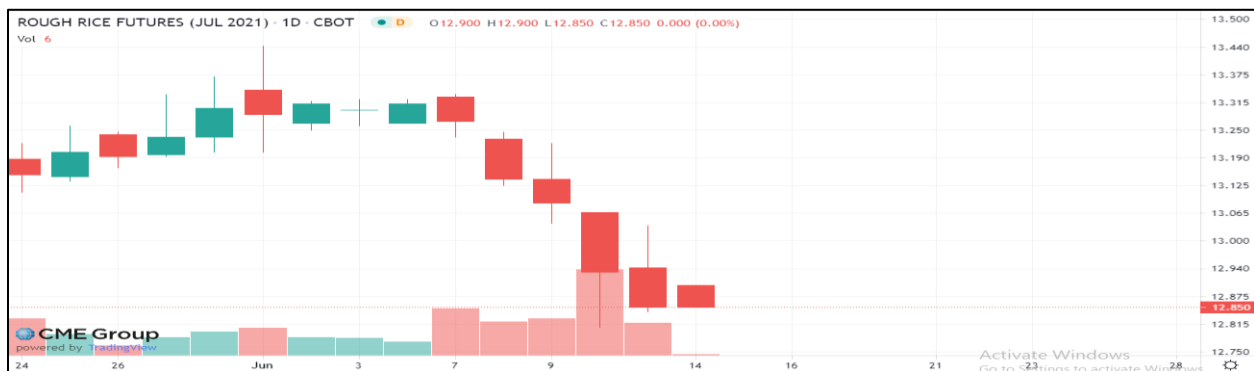
Countries -type	10 th June	3 th June	\$ change	Annual Change	52 Week High	52 Week Low
Indian 25 % broken	365	365	30	6%	373	329
Thailand 5% Broken	453	453	-10	-9%	515	430
Vietnam 5% broken	483	483	-2	4%	520	412



Source: International Grain Council (IGC)

- All global FOB quotes for rice are in steady form during the fortnight of June-2021. However, FOB quotes for Indian 25 % broken rice was hovered in the range of \$365per MT.
- Thailand and Vietnam FOB quotes for 5 % broken rice are hovering in the range of \$453 to 483 per MT during the fortnight of June, 21.
- Notably, All FOB quotes were reached their 52 week high during April and May, 2021.

Chicago Board of Trade Rough rice (CBOT) Future prices:



During fort night of June-21, Chicago board of trade market (CBOT) price of Rough rice for July-21 contract is projected to decline by \$ 1-2 per bushels and as on 14th June, it is hovering around \$12.85per bushels.