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Report Highlights:

On June 4, 2024, the Indian government released the third advance estimate for Indian crop year (ICY) 2023/2024 (July-June) estimating grain production at 328.85 million metric tons (MMT), marginally below last year level. Based on the latest official estimate, MY 2024/2025 wheat production is estimated at a record of 113 MMT. On June 24, 2024, the Government of India imposed stock limits on wheat for retailers, traders, and processors effective till March 31, 2025. MY 2024/2025 wheat ending stocks are revised lower to 7.5 MMT on lower-than-expected government wheat procurement. Post's MY 2023/2024 corn production estimate is revised lower to 35.7 MMT; imports estimated higher at 500,000 MT based on the improved import prospects on strong domestic prices leading to government allowing imports of 0.5 MMT corn at lower duty under tariff rate quota (TRQ). MY 2024/2025 forecast imports has been raised to 300,000 MT on expected spillover of the TRQ imports.

GENERAL SITUATION

India's Government Releases 2023/2024 Grain Production

On June 4, 2024, India's Ministry of Agriculture and Farmers Welfare (MoAFW) released the [third advance estimate for major crops for Indian crop year \(ICY\) 2023/2024 \(July-June\)](#). The ministry has estimated ICY 2023/2024 grain production at 328.85 million metric tons (MMT), marginally lower than last year's 329.69 MMT (record high). Despite a below normal and uneven 2023 southwest monsoon, the forecast near-record grain production is largely owing to record production of rice and wheat, while production of corn, other coarse grains and pulses is estimated lower than last year.

Production Estimates for Major Grains for the ICY 2023/2024 (*kharif* (fall harvested), *rabi* (winter planted), and summer) compared to last year:¹

Rice:	136.7 MMT vs. 135.76 MMT last year (record)
Wheat:	112.93 MMT (record) vs. 110.55 MMT (previous record)
Corn:	35.67 MMT vs. 38.09 MMT (record)
Millet:	12.67 MMT vs. 13.51 MMT
Sorghum:	4.74 MMT vs. 3.81 MMT
Barley:	1.65 MMT vs. 1.91 (record)
Pulses:	24.49 MMT vs. 26.06 MMT

The third advance estimate for ICY 2023/2024 includes market year (MY) 2023/2024 rice, corn, and other coarse grains (excluding barley) harvested in the fall of 2023 (*kharif*) and spring (April-June) of 2024 (*rabi*); and MY 2024/2025 spring (*rabi*) wheat and barley crops harvested in April-May of 2024. Government press release claims that the estimate has been prepared based on information received from state agricultural statistics authorities (SASAs) and validated/triangulated with information received from remote sensing, and other agencies. Further the climatic conditions, previous trends, price movements, mandi arrivals etc. have also been considered while preparing the estimates.

The ministry will finalize the ICY 2023/2024 production estimate later in August/September 2024 based on the final acreage and yields from the crop surveys undertaken by the various Indian producer states. Post has incorporated the latest information from the third advance estimates in the PSDs in the report.

Minimum Support Prices (MSP) for 2024/2025 *Kharif* Crops

On June 19, 2024, the Government of India (GoI) approved the increase in the [minimum support prices \(MSPs\) for all mandated *kharif* \(fall harvested\) crops for Indian Crop Year \(ICY\) 2024/2025 \(July-June\)](#). The government press release stated that MSPs been raised to ensure remunerative prices to the farmers, wherein MSPs for pulses, oilseeds and Nutri-cereals have

¹ See MoAFW website <https://upag.gov.in/dash-reports/allindiaapy?rtab=Area%2C+Production+%26+Yield&rname=All+India+Crop-wise+APY+%28Time+Series%29&rtype=reports>

been raised higher compared to cereals (paddy, corn, and other coarse grain) to encourage crop diversification.

Despite a relatively lower MSP increase in rice, most farmers will continue to prefer the crop over other *kharif* season crops due to higher and stable returns compared to other competing crops because of the government’s assured MSP procurement program and higher yields under monsoon rainfall conditions. Trade sources expect higher planting of pulses and oilseeds due to strong domestic prices in the ongoing marketing year. However, the performance of 2024 monsoon rains, both in terms of spread across the country and period (July-September), will be critical for overall planting of *kharif* season crops.

***Kharif* Planting to Recover on Forecast Above-Normal Monsoon in July**

After timely arrival of 2024 southwest monsoon, progressed stalled in the 2-3rd week of June in the peninsular region. However, monsoon conditions recovered strongly in the last week of June covering the country by July 2, 2024, and are forecast to remain strong in July. The [Indian Metrological Department forecast above-normal rains in the month of July 2024](#), i.e., more than 106 % of LPA (165.3 MMT based on 1971-2020 data).

Overall *kharif* planting till June 28, 2024, was ahead of last year on higher planting of pulses, sugarcane and cotton, while planting of rice and other cereals lagged last year.

Table 1: India: Progressive Planting of *Kharif* Crops in ICY (July/June) as on June 28
(Area in Million Hectares)

Crop	ICY 2024/2025	ICY 2023/2024
Rice	2.27	2.28
Pulses	2.25	0.80
Coarse cereals	3.09	3.62
Oilseeds	4.29	1.68
Sugarcane	5.69	5.54
Cotton	5.91	3.63
Jute & Mesta	0.56	0.60
Total	24.07	18.16

Source: Ministry of Agriculture and Farmers Welfare (MoAFW), Government of India (GOI); FAS New Delhi Office Research.

With the recovery of 2024 monsoon, planting is currently progressing in full swing for most crops including rice. With the planting window for most crops extending through end July, the forecast of an above-normal monsoon in July should support planting for the upcoming MY 2024/2025 *kharif* season crops, including rice, corn, other coarse grains, and pulses. Excess rains and/or floods in the Gangetic basin can adversely affect the progress of planting. Overall planting and production prospects for *kharif* crops will critically depend on sufficient and well distributed 2024 monsoon during July through September to achieve current official MY 2024/2025 forecast area and production estimates for rice, corn, and other coarse grains.

RICE

Table 2. India: Commodity, Rice Milled PSD

Rice, Milled	2022/2023		2023/2024		2024/2025	
Market Year Begins	Oct 2022		Oct 2023		Oct 2024	
India	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Area Harvested (1000 HA)	47832	47832	47600	47590	48500	48500
Beginning Stocks (1000 MT)	34000	34000	35000	35000	38500	38500
Milled Production (1000 MT)	135755	135755	137000	137000	138000	138000
Rough Production (1000 MT)	203653	203653	205521	205521	207021	207021
Milling Rate (.9999) (1000 MT)	6666	6666	6666	6666	6666	6666
MY Imports (1000 MT)	0	0	0	0	0	0
TY Imports (1000 MT)	0	0	0	0	0	0
TY Imp. from U.S. (1000 MT)	0	0	0	0	0	0
Total Supply (1000 MT)	169755	169755	172000	172000	176500	176500
MY Exports (1000 MT)	20245	20242	16000	16000	18000	18000
TY Exports (1000 MT)	17733	17716	17000	16000	18000	18000
Consumption and Residual (1000 MT)	114510	114513	117500	117500	120000	120000
Ending Stocks (1000 MT)	35000	35000	38500	38500	38500	38500
Total Distribution (1000 MT)	169755	169755	172000	172000	176500	176500
Yield (Rough) (MT/HA)	4.2577	4.2577	4.3177	4.3186	4.2685	4.2685

(1000 HA) ,(1000 MT) ,(MT/HA)
 MY = Marketing Year, begins with the month listed at the top of each column
 TY = Trade Year, which for Rice, Milled begins in January for all countries. TY 2024/2025 = January 2025 - December 2025
 OFFICIAL DATA CAN BE ACCESSED AT: [PSD Online Advanced Query](#)

PRODUCTION

MY 2024/2025 Kharif Rice Planting: The two-week lull in the 2024 monsoon in June affected early rice planting. A resurgent monsoon since the last week of June will support recovery in planting for the upcoming MY 2024/2025 *kharif* rice crop. While the optimal planting window for rice in most states runs through the end of July, planting of late rice will continue through end-August in south and east India. Assuming normal rainfall and weather conditions during July-September, and favorable weather conditions through harvest (October/November), Post continues to forecast MY 2024/2025 rice production at record 138 MMT (115 MMT *kharif* rice and 23 MMT *rabi*/summer rice) from 48.5 million hectares. However, excess rains and floods in Gangetic basin region, and/or cyclonic events in September/October in coastal India could potentially lower the forecast production.

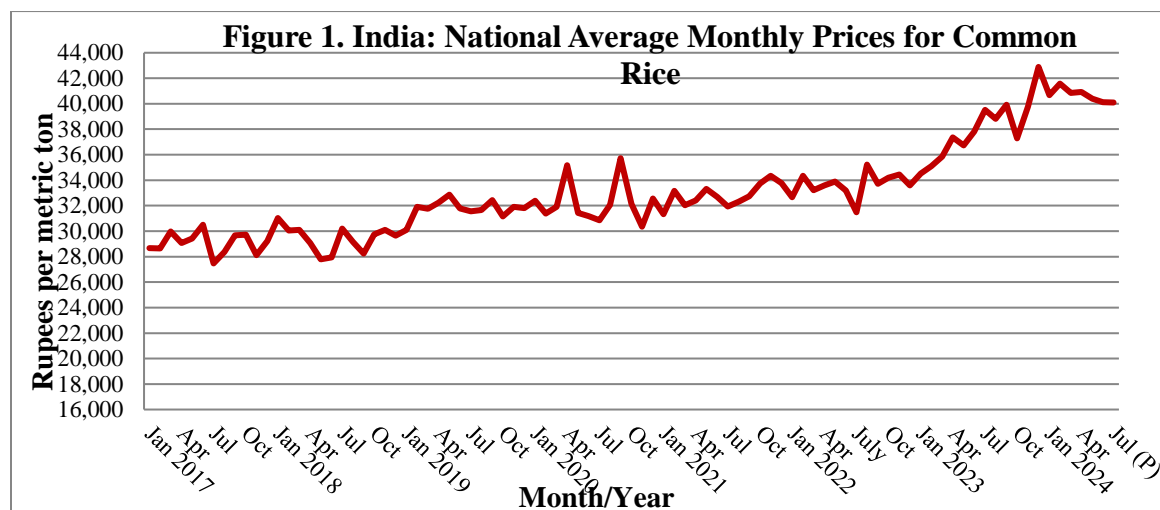
MY 2023/2024 Rice Production Raised: Based on the 3rd advance estimate, FAS New Delhi (Post) has raised MY 2023/2024 (October/September) rice production estimate to 137 million metric tons (MMT)² same as the official USDA estimate. Due to the strong domestic prices and

² Includes 114.4 MMT of *Kharif* rice (vs. 110.5 MMT last year), and 22.3 MMT of *rabi*/summer rice (vs. record 22.5 MMT last year).

lower government procurement under the MSP program, most industry sources report production lower in the range of 130-132 MMT on lower yield realization due to weak and uneven 2023 monsoon.

MY 2022/2023 Procurement Lower: Government rice procurement under the minimum support price (MSP) program in the ongoing MY 2023/2024 is likely to end up well below last year’s procurement. Despite forecast record harvest, procurement is lagging this year on strong open-market prices. India’s MY 2023/2024 rice procurement under the MSP program through June 30, 2024, is estimated at 52.08 MMT compared to 56.62 MMT during the same time last year. With the reported lower harvest of *rabi*/summer rice compared to last year, additional procurement likely to remain weak through September. Consequently, MY 2023/2024 rice procurement is likely to end around 52.5 MMT compared to last year’s 56.87 MMT. However, MY 2023/2024 procurement is well above the government’s annual requirement for the public distribution and other food security programs (41.1 MMT).

Prices Firm: Despite record harvest and continued export restrictions on various types of rice, domestic prices have been on an upsurge since the beginning of MY 2023/2024. Prices peaked in first quarter of calendar Year 2024 and since then have somewhat eased.



Source: Agricultural Marketing Information Network, GOI; FAS New Delhi Office Research

Average spot prices for common grade coarse grain rice in the month of June 2024 was about 6 percent higher than last year level, with prices ranging from INR 29,700 (\$356) per metric ton (MT) to INR 42,100 (\$505) per MT in the major producing states. Prices are likely to remain steady in the last quarter of MY 2023/2024 on expectation above normal 2024 monsoon supporting timely rice planting and improved yield prospects in MY 2024/2025.

TRADE

Exports Unchanged: According to preliminary official trade statistics from Trade Data Monitor (TDM), MY 2023/2024 rice exports through April 2024 are estimated at 8.46 MMT compared to 12.96 MMT during the corresponding period last year. MY 2023/2024 rice exports estimate will reach 16 MMT assuming current pace of monthly rice exports on expected strong export demand

for long grain Basmati rice. Market sources expect additional allocation of coarse grain rice exports during the balance of the marketing year due to ‘more-than-sufficient government rice stocks.

Assuming no significant change in the export policy and current price parity of Indian rice vs other origins, Post forecast MY 2024/2025 rice exports unchanged at 18 MMT on sufficient domestic supplies.

STOCKS

Ending Stocks Adjusted: Indian government rice stocks as of June 1, 2024, are estimated at 50.5 MMT compared to 41.4 MMT same time last year. At the current pace of monthly offtake of rice under various food security programs, government rice stocks on October 1, 2022, are estimated at 34.5 MMT compared to 31.5 MMT same time last year, and more than three times the government desired buffer stock levels (10.3 MMT on October 1). Assuming lower ending stocks with private trade (exporters/local trade) estimated at 4.0 MMT (vs. 4.5 MMT last year), MY 2023/2024 total rice ending stocks are estimated at 38.5 MMT, same as USDA official stocks estimate.

WHEAT

Table 3. India: Commodity, Wheat PSD

Wheat	2022/2023		2023/2024		2024/2025	
Market Year Begins	Apr 2022		Apr 2023		Apr 2024	
India	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Area Harvested (1000 HA)	30459	30459	31401	31401	31300	31200
Beginning Stocks (1000 MT)	19500	19500	9500	9500	7500	7500
Production (1000 MT)	104000	104000	110554	110554	114000	113000
MY Imports (1000 MT)	53	53	120	126	300	300
TY Imports (1000 MT)	54	54	120	130	300	300
TY Imp. from U.S. (1000 MT)	0	0	0	0	0	0
Total Supply (1000 MT)	123553	123553	120174	120180	121800	120800
MY Exports (1000 MT)	5377	5377	330	338	300	300
TY Exports (1000 MT)	1626	1626	400	350	300	300
Feed and Residual (1000 MT)	6500	6500	6750	6750	6000	6000
FSI Consumption (1000 MT)	102176	102176	105594	105592	107000	107000
Total Consumption (1000 MT)	108676	108676	112344	112342	113000	113000
Ending Stocks (1000 MT)	9500	9500	7500	7500	8500	7500
Total Distribution (1000 MT)	123553	123553	120174	120180	121800	120800
Yield (MT/HA)	3.4144	3.4144	3.5207	3.5207	3.6422	3.6218

(1000 HA) ,(1000 MT) ,(MT/HA)
 MY = Marketing Year, begins with the month listed at the top of each column
 TY = Trade Year, which for Wheat begins in July for all countries. TY 2024/2025 = July 2024 - June 2025
 OFFICIAL DATA CAN BE ACCESSED AT: [PSD Online Advanced Query](#)

PRODUCTION

MY 2024/2025 Production Lower: Based on the Indian government 3rd advance estimate and tight domestic market, Post has lowered its MY 2024/2025 wheat production to 113 MMT from 31.2 million hectares, which if realized will be record harvest.

Despite the continued export ban on wheat and wheat products and consequent absence of major purchase by traders/exporters during the peak harvest/marketing season (April-June), domestic prices have been above the MSP and last year's price level suggesting tight domestic supplies. Food inflation concerns has forced the government to re-impose stocks limits on wheat to be held by private trade and processors.

Procurement Ends Below Target: Despite the forecast record harvest, government wheat procurement under MSP program in MY 2024/2025 has ended at 26.6 MMT, slightly over last year, but significantly below the government procurement target of 30-32 MMT.

Table 4. India: Government Wheat Procurement by State

Figures in million metric tons

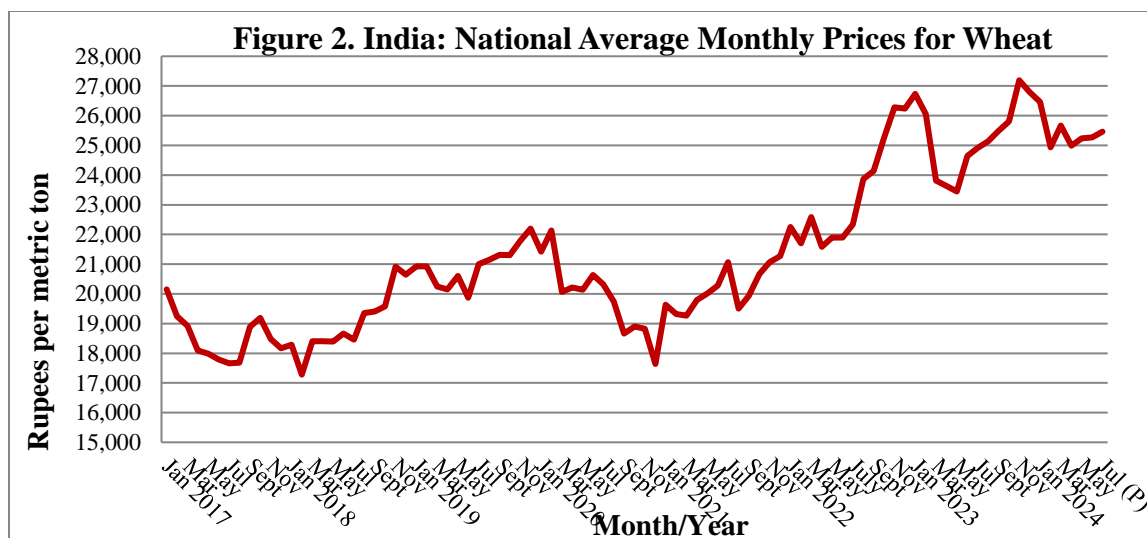
State	MY 2022/2023	MY 2023/2024	MY 2024/2025	MY 2023/2024
	April-March	April-March	Apr 1-June 30	Apr 1-June 30
Punjab	9.65	12.12	12.46	12.12
Haryana	4.19	6.32	7.15	6.32
Madhya Pradesh	4.60	7.10	4.84	7.10
Uttar Pradesh	0.34	0.22	0.93	0.22
Rajasthan	0.00	0.44	1.21	0.44
Others	0.02	0.01	0.00	0.01
Total	18.79	26.20	26.61	26.20

Source: Food Corporation of India, GOI; FAS New Delhi Office Research

Government procurement tapered off by the third week of June, with procurement in most states above last year level except Madhya Pradesh. Procurement in Madhya Pradesh was down by nearly 32 percent over last year owing to higher open market prices and market reports indicating farmers and local traders holding higher than normal stocks on speculation.³

Prices Firm: Since the beginning of MY 2024/2025, wheat prices have ruled at or above the government's minimum support price (MSP) of INR 22,750 (\$273) per metric tons with a steady rising trend.

³ Typically, Madhya Pradesh wheat is preferred by local millers on quality (better milling outturn/higher protein) compared to wheat from other states.



Source: Agricultural Marketing Information Network, GOI; FAS New Delhi Office Research

Average spot prices during June 2024 in the major producing states ranged from INR 23,300 (\$279) to 24,800 (\$297) per MT, well above the government MSP of INR 22,750 (\$273) per MT for the current season. With the government procurement coming to a halt, rising domestic prices has raised food inflation concerns for the Indian government and industry stakeholders.

Government Impose Stock Limits: On June 24, 2024, [Indian government imposed stock limits on wheat held by retailers, wholesalers, traders and processors till March 31, 2025](#), to prevent hoarding of wheat and discourage price speculation. The stock limits to the various entities range from 10 MT for retailers, 3000 MT for traders and 70 percent of the monthly installed annual capacity multiplied by remaining months of the Indian fiscal year 2024/2025 (April-March). These entities have been given 30 days to bring their stocks within the prescribed limits and will have to declare the stock position regularly on a government portal.

Last year also the government had imposed stock limits in June 2023, which was largely ineffective as wheat prices continued to escalate reaching record level by November 2023. Government had to make market intervention by releasing of additional government wheat stocks to the private trade under the open market sale scheme (OMSS) to curb rising prices. Market sources expect the government is likely to announce sales under OMSS soon on food inflation concerns.

With the relatively weak global wheat prices, industry stakeholders have petitioned the government to remove the current import duty (40 percent on CIF value) to allow imports to augment domestic supplies through imports. Trade sources report that wheat imports are feasible for the millers in southern and western region at current price parity of foreign wheat if the duties are removed.

TRADE

Exports/Imports Prospects Unchanged: Under the current export policy and import duty level, Post continues to estimate MY 2024/2025 wheat exports and imports at 300,000 MT. Despite

the Indian wheat prices not being competitive, Indian government will allow wheat and wheat product exports to neighboring Nepal, Bhutan, and possibly Sri Lanka. In the recent months, private trade has been importing 15-18 thousand MT of wheat duty free under the Advance License Scheme, mostly higher quality wheat from Australia.⁴ Import prospects will change only if the government decides to lower the import duty, with import estimate by private trade ranging between 3-5 MMT for MY 2024/2025.

STOCKS

MY 2024/2025 Ending Stocks Lowered: MY 2024/2025 forecast ending stocks is revised lower to 7.5 MMT on estimated lower-than-expected government wheat procurement and likely higher offtake of government wheat under market intervention programs.

Government-held wheat stocks on June 1, 2024, are estimated at 29.9 MMT compared to 31.4 MMT same time last year. Wheat allocation for various food security programs is estimated around 13-14 MMT for the of the MY (June 2024-March 2025); and an additional 9-10 MMT of wheat is estimated for sales to private millers under government market intervention program. Post estimates MY 20223/24 ending stocks to decline to 7.5 MMT, same as last year's level.

CORN

Table 5. India: Commodity, Corn PSD

Corn	2022/2023		2023/2024		2024/2025	
Market Year Begins	Nov 2022		Nov 2023		Nov 2024	
India	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Area Harvested (1000 HA)	10744	10744	11000	10745	11000	11000
Beginning Stocks (1000 MT)	2395	2395	2658	2658	2678	1758
Production (1000 MT)	38085	38085	37500	35700	37500	37500
MY Imports (1000 MT)	0	0	130	500	0	300
TY Imports (1000 MT)	0	0	130	500	0	300
TY Imp. from U.S. (1000 MT)	0	0	0	0	0	0
Total Supply (1000 MT)	40480	40480	40288	38858	40178	39558
MY Exports (1000 MT)	3122	3122	800	500	600	500
TY Exports (1000 MT)	3195	3196	800	500	600	500
Feed and Residual (1000 MT)	20600	20600	22310	22100	23300	23000
FSI Consumption (1000 MT)	14100	14100	14500	14500	14700	14700
Total Consumption (1000 MT)	34700	34700	36810	36600	38000	37700
Ending Stocks (1000 MT)	2658	2658	2678	1758	1578	1358
Total Distribution (1000 MT)	40480	40480	40288	38858	40178	39558
Yield (MT/HA)	3.5448	3.5448	3.4091	3.3225	3.4091	3.4091

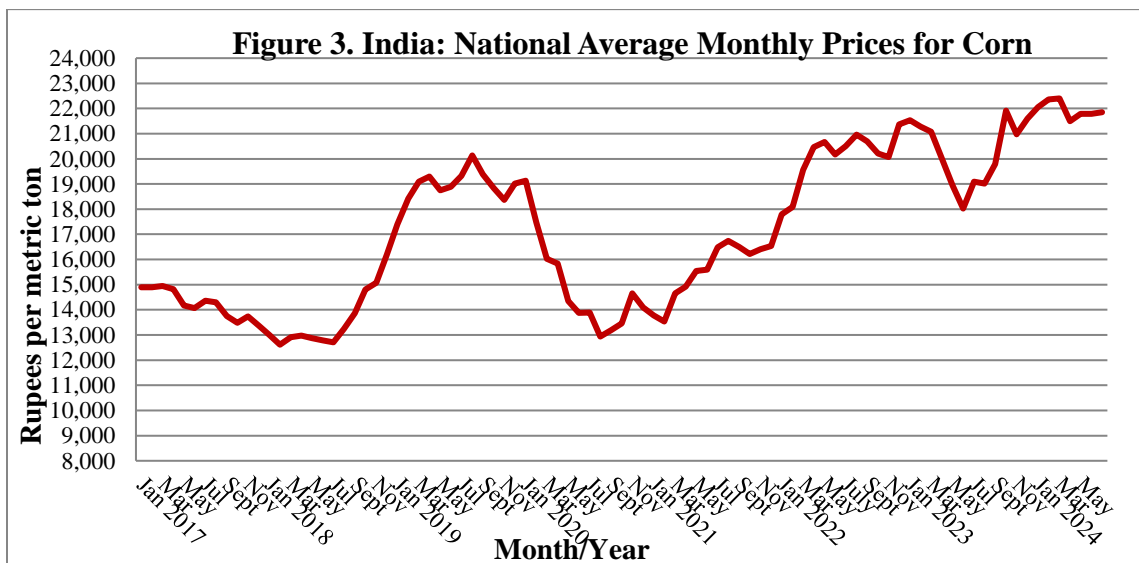
(1000 HA) ,(1000 MT) ,(MT/HA)
 MY = Marketing Year, begins with the month listed at the top of each column
 TY = Trade Year, which for Corn begins in October for all countries. TY 2024/2025 = October 2024 - September 2025
 OFFICIAL DATA CAN BE ACCESSED AT: [PSD Online Advanced Query](#)

⁴ Wheat imports allowed duty free against advance license issued to processors for processing and re-export of wheat flour and other products.

PRODUCTION

MY 2024/2025 Planting: Corn planting in the ongoing season has been ahead of last year, estimated at 2.4 million hectares by June 28, 2024, compared to 0.8 million hectares same time last year. Forecast sufficient rains in July and above-normal overall 2024 monsoon is likely to ensure timely planting of *kharif* corn and sufficient soil moisture and favorable planting conditions for *rabi* corn. Assuming normal weather, Post continues to forecast MY 2024/2025 corn production unchanged at 37.5 MMT (near-record) from 11 million hectares. However, abnormally heavy rains and floods can adversely affect planting and harvest prospect.

MY 2023/2024 Production Revised Lower: Based on the MoAFW third advance estimate and tight market situation, Post's MY 2023/2024 corn production estimate is revised lower to 35.7 MMT from 10.7 million hectares. Domestic prices have been firm from the beginning of the season. Prices escalated since the second quarter of 2024 on reported lower production of winter planted *rabi* corn and strong demand from ethanol producers. Price inflation concerns forced the government to allow corn imports under tariff rate quota (TRQ) to augment tight domestic supplies in the ongoing marketing year.⁵



Source: Agricultural Marketing Information Network, GOI; FAS New Delhi Office Research

Average market prices in the month of June 2024 in the major corn producing/consuming states ranged from INR 20,300 (\$243) to 23,200 (\$278) per metric tons, with average prices in June 2024 estimated to be 1 more than 20 percent over last year. Prices are expected to remain steady as arrivals of *rabi* corn slows down further in July and strong domestic demand despite imports of corn.

⁵ On June 26, the [government notified imports of 500,000 MT of corn under TRQ](#) at lower duty (15 percent vs normal basic duty of 50 percent).

TRADE

Import Prospects Improve: Post's MY 2023/2024 corn import estimate is raised higher to 500,000 based on the latest import reports and government decision allowing TRQ imports. India's latest trade statistics from TDM reports corn imports in the first half of MY 2023/2024 (November 2023 to April 2024) at 184,000 MT, largely imports from Ukraine by starch manufacturers under advance license scheme and small quantities from Burma.⁶ Trade sources report that an additional 50-80,000 MT of additional corn from these countries is likely to arrive in next few months.

While the government has allowed TRQ imports up to 500,000 MT, the procedure for allocation and distribution of imported corn under TRQ trade by the designated government parastal has not yet been notified. Trade sources also report that corn import at the existing 15 percent duty under TRQ is not feasible at current price parity for foreign corn vs. domestic corn prices. However, expected further increase in domestic prices will make imports under TRQ feasible, possibly in the next few months.

Consequently, Post has raised the MY 2023/2024 corn imports higher to 500,000 MT on expected additional 200,000 MT imports under TRQ. Based on the expected continued tight domestic supplies and spillover of the TRQ imports, MY 2024/2025 forecast imports has been raised to 300,000 MT.

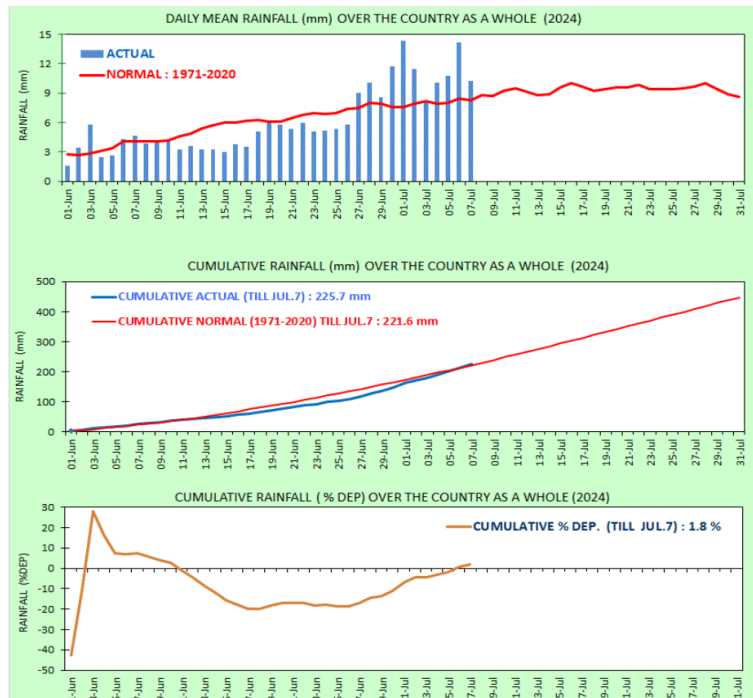
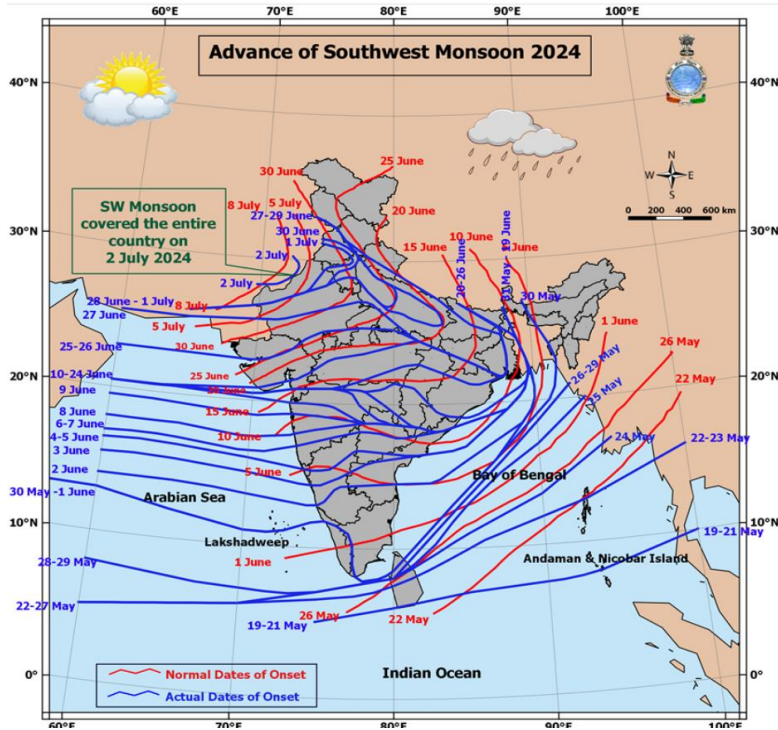
Based on the weak export demand and price parity for Indian corn, Post's MY 2023/2024 and MY 2024/2025 exports has been revised lower to 500,000 MT.

CONSUMPTION/STOCKS

Consumption and ending stocks for MY 2023/2024 and 2024/2025 have been adjusted lower to reflect the changes in PSDs.

⁶ Duty free imports by starch manufacturers for import of corn for processing and re-export; duty free imports allowed from Burma as least developed country.

Appendix 1: Progress of 2023 South West Monsoon in India



Source: [Indian Metrological Department, Government of India.](https://www.imd.gov.in/)

Attachments:

No Attachments