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## **Report Name:** India - Grain and Feed Update - December 2023

**Country:** India

**Post:** New Delhi

**Report Category:** Agricultural Situation, Agriculture in the Economy, Agriculture in the News, Climate Change/Global Warming/Food Security, Grain and Feed

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### **Report Highlights:**

Planting of India's rabi season (i.e., winter sown, spring harvested) crops is progressing somewhat slower than anticipated due to relatively dry soil moisture conditions. FAS New Delhi (Post) continues to forecast India's rice production in market year (MY) 2023/2024 (October-September) at 128 million metric tons (MMT) as domestic prices rose to record highs in November 2023 on expectations of a smaller crop. MY 2023/2024 consumption is lowered to 115 MMT and ending stocks reduced to 30.5 MMT. Forecast MY 2023/2024 (November-October) corn exports are lowered to 2.5 MMT due to relatively high Indian corn prices.

## GENERAL INFORMATION

### Rabi Planting Progress Slow, Dry Planting Conditions Responsible

Planting of India's *rabi* season (i.e., winter sown, spring harvested) crops is progressing somewhat slower than anticipated due to relatively dry soil moisture conditions. Soil moisture is suffering because of the erratic and underperforming 2023 southwest monsoon, which has also led to lower reservoir water availability for irrigation. Compounding matters have been comparatively weak northeast monsoon rains throughout October 2023.

India's 2023 southwest monsoon has been one of the most erratic in recent years, with below-average aggregate rainfall in the lead up to this year's new El Niño.<sup>1</sup> Cumulatively, southwest monsoon rainfall was 94 percent of its long period average (LPA) with the southern Indian peninsular and northeastern states receiving relatively lower rainfall.<sup>2</sup> Despite the India Meteorological Department forecast of a normal northeast monsoon, the southern India core (i.e., five sub-divisions of coastal Andhra Pradesh, Rayalaseema, Tamil Nadu and Puducherry, and the southern interior areas of Karnataka and Kerala) received scant rainfall in October 2023 (the sixth lowest recorded since 1901).

Rainfall over the whole India for the month of October was 33 percent less than the Long Period Average (LPA) of 75.4 millimeters (mm). The India Central Water Commission's [Bulletin \(November 16, 2023\)](#) reports the live storage available in 150 reservoirs at 80 percent of the live storage of corresponding period of last year (2022) and 92 percent of the storage average of the last ten years (2014-2023).

India's Ministry of Agriculture and Farmers Welfare (MOAFW) estimates total area sown through November 17, 2023, at about 24.86 million hectares, compared to the 25.75 million hectares sown at the same time last year.

**Table 1. India: Rabi Plantings (hectares million), India Crop Year (ICY) (July/June)**

CROP	ICY 2022/2023 (Progressive Plantings through November 17, 2022)	ICY 2023/2024 (Progressive Plantings through November 17, 2023)
Wheat	9.10	8.60
Rice	0.81	0.77
Coarse Cereals	1.59	1.80
Pulses	6.94	6.52
Oilseeds	7.32	7.17
<b>Total</b>	<b>25.75</b>	<b>24.86</b>

Source: Ministry of Agriculture and Farmers Welfare.

<sup>1</sup> El Niño is the warm phase of the El Niño-Southern Oscillation (ENSO) a weather phenomenon characterized by the warming of Pacific waters. It typically results in drier conditions over the Indian subcontinent. This year, India's southwest monsoon was uneven, with June rains falling nine percent below average due to delayed arrival. The month of July, however, saw a rebound with rains 13 percent above average.

<sup>2</sup> See [GAIN-INDIA | IN2023-0075 | Erratic Southwest Monsoon Concludes.](#)

Planting for most crops, that is except for sorghum and pulses such as lentils and field peas, lag last year's pace. Farmers are forced to supplement required soil moisture levels for planting through increased irrigation. Recourse to field irrigation is slowing down the overall pace of planting.<sup>3</sup>

FAS New Delhi's (Post) field sources indicate that farmers are likely to shift some production area away from the water intensive crops of rice and wheat, in favor of the coarse grains, pulses, and oilseeds. With less groundwater available, and reservoir levels off by 20 percent compared to 2022, farmers are forced to shift their crop production. In the drought-stricken parts of the country, farmers are likely to leave more land fallow compared to last year.<sup>4</sup>

Despite relatively higher market prices for wheat, rice and corn, and the Indian government's minimum support prices (MSP), farmers are likely to be circumspect in planting of these crops. Farmers will look at their experience in the last two years - gauging how the early onset of summer impacted rabi crop yields, particularly those for wheat.

## COMMODITY

### RICE

**Table 2. India: Commodity, Rice Milled – Production-Supply-Distribution (PSD)**

Rice, Milled	2021/2022		2022/2023		2023/2024	
Market Year Begins	Oct 2021		Oct 2022		Oct 2023	
India	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Area Harvested (1000 HA)	46279	46279	47832	47832	47000	47000
Beginning Stocks (1000 MT)	37000	37000	34000	34000	35000	35000
Milled Production (1000 MT)	129471	129471	135755	135755	132000	128000
Rough Production (1000 MT)	194226	194226	203653	203653	198020	192019
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)	166471	166471	169755	169755	167000	163000
MY Exports (1000 MT)	22025	22027	20245	20242	17500	17500
TY Exports (1000 MT)	22119	22119	19500	19500	17500	17500
Consumption and Residual (1000 MT)	110446	110444	114510	114513	117000	115000
Ending Stocks (1000 MT)	34000	34000	35000	35000	32500	30500
Total Distribution (1000 MT)	166471	166471	169755	169755	167000	163000
Yield (Rough) (MT/HA)	4.1968	4.1968	4.2577	4.2577	4.2132	4.0855

(1000 HA), (1000 MT), (MT/HA).  
 MY = Marketing Year, begins with the month listed at the top of each column.  
 TY = Trade Year, for rice, milled begins in January for all countries. TY 2023/2024 = January 2024 to December 2024.

<sup>3</sup> Sorghum, and pulses can be planted under relatively lower soil moisture conditions compared to the other food grains.

<sup>4</sup> The late withdrawal of the 2022 southwest monsoon season rains (in October supported higher rabi plantings in 2022).

## PRODUCTION

FAS New Delhi forecast India's rice production in market year (MY) 2023/2024 (October-September) at 128 million metric tons (MMT). Post's figures are premised on early harvest reports of *kharif* (fall harvested) rice along with expected lower plantings and yield prospects for the upcoming rabi (winter planted) and summer rice due to irrigation water stress.

**Where's the Rain:** Post's field sources report that the relatively weak 2023 southwest monsoon, particularly in October 2023, unlike last year's late saving rains, has affected yield prospects in the major rice growing states in eastern and southern peninsular India. Also, the weak 2023 northeast monsoon rains in the southern peninsular region under El Niño conditions, will affect planting and yield prospects for the upcoming rabi and summer rice crops.<sup>5</sup>

Field sources report that water levels in the major reservoirs are now well below last year's level. Some of India's state governments are contemplating rationing water for irrigation to ensure sufficient supplies of drinking water. Post estimates MY 2023/2024 rice production at about 128 MMT, which includes 109 MMT of kharif rice and 21 MMT of rabi and summer rice (see, [GAIN-INDIA | IN2023-0080 | India Grain and Feed Update – October 2023](#)).

**Government Procurement Falters:** Government MSP rice procurement is weak, lagging last year's on reportedly a lower kharif rice harvest and stronger domestic prices. MY 2023/2024 rice procurement through December 1, 2023, is estimated at 17.3 MMT compared to 19.5 MMT last year.

**Table 3. India: Government Procurement of Milled Rice by State (MMT)**

STATE	MY 2021/2022	MY 2022/2023	MY 2022/2023	MY 2023/2024
	October-September	October-September	October 1- November 19	October 1- November 19
Andhra Pradesh	4.46	2.83	0.04	0.02
Telangana	7.39	8.84	0.34	0.54
Bihar	3.01	2.82	---	---
Chhattisgarh	6.17	5.87	0.43	0.28
Haryana	3.71	3.98	3.89	3.89
Madhya Pradesh	3.07	3.10	---	---
Odisha	4.83	5.38	---	---
Punjab	12.55	12.20	11.87	11.56
Tamil Nadu	1.88	2.30	0.58	0.36
Uttar Pradesh	4.39	4.39	0.40	0.22
West Bengal	2.40	2.18	---	---
Others	<a href="#">3.74</a>	<a href="#">3.06</a>	<a href="#">0.53</a>	<a href="#">0.39</a>
<b>TOTAL</b>	<b>57.59</b>	<b>56.95</b>	<b>18.07</b>	<b>17.26</b>

Source: Food Corporation of India, Government of India; FAS New Delhi office research.

Procurement of kharif rice in the northern Indian states of Punjab and Haryana is wrapping up and almost over by the first week of December 2023. Procurement in the other Indian states will continue through the end of February 2024. A widely anticipated lower harvest, compared with last year's record

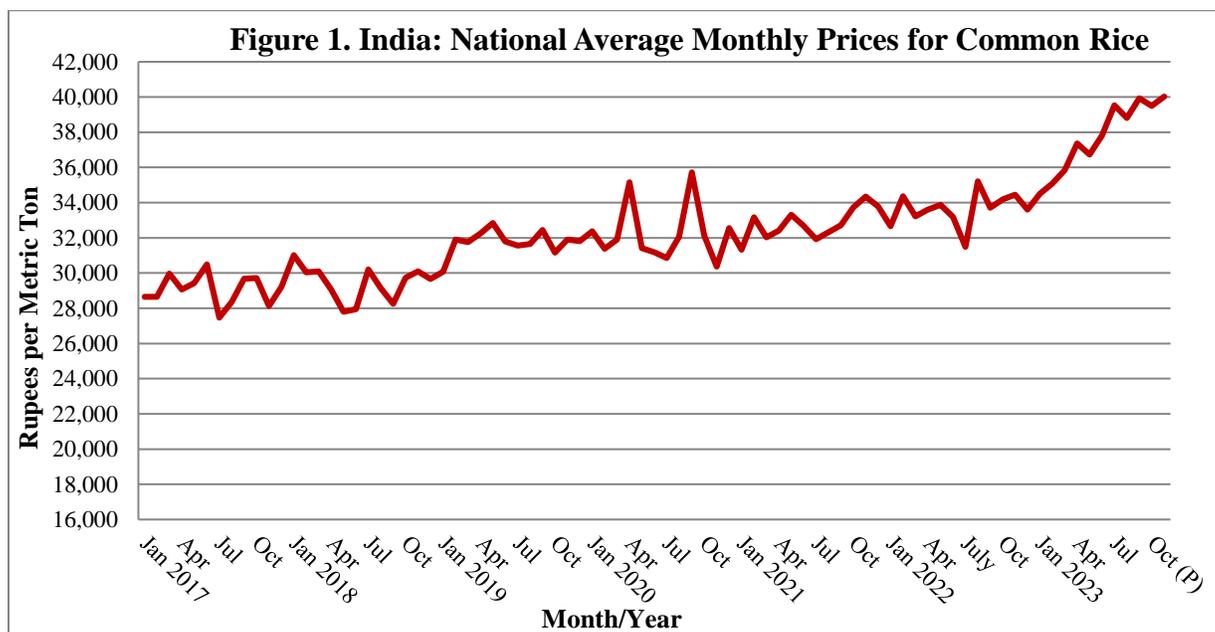
<sup>5</sup> The more than adequate late withdrawal of 2022 southwest monsoon rains and adequate northeast monsoon in October-November 2022 reportedly supported record planting and production of rabi and summer rice in 2022/2023.

crop, and expected firm open market prices, will contain MSP procurement for kharif rice and the next rabi rice crop (April-September 2024).

MSP rice procurement is foreseen at 52-55 MMT, significantly below the procurement volume of the past few years (which has ranged 57-60 MMT). Nonetheless, procurement even at these levels will be more than sufficient to meet the Indian government’s rice requirements for its ongoing food security programs.<sup>6</sup> It will also allow for some surplus for open market sales, that will help contain domestic prices in the lead up to the Indian general elections of April-May 2024.<sup>7</sup>

**Prices Firm Despite Arrival of the New Crop:** Despite arrival of the new crop and relatively subdued export demand, domestic rice prices rose to record highs in November 2023 on widespread intense speculation over the actual size of the rice crop.

Average wholesale prices in November 2023, have been more than 16 percent higher than last year’s level - confirming tight market supplies. Prices, however, are expected to remain steady over the coming months as the government will ensure to implement policy measures to keep prices under control through the general elections in April-May 2024.



Source: Agriculture Marketing Information Network, MOAFW, FAS New Delhi office research.

## CONSUMPTION/STOCKS

**MY 2023/2024 Consumption/Ending Stocks Lowered:** FAS New Delhi lowers forecasted MY 2023/2024 consumption to 115 MMT and ending stocks to 30.5 MMT - better accounting for the foreseen lower production estimate in Post’s Production, Supply and Distribution table. Market sources

<sup>6</sup> The Indian government supplies rice and wheat free or highly subsidized price to over 830 million people.

<sup>7</sup> India is a federal union comprising 28 states and 8 union territories. The states of India are self-governing administrative divisions, each having a state government. The union territories are federal domains governed, in part or in whole, by the Union Government of India. India’s population exceeds 1.399 billion (Central Intelligence Agency, 2023 estimate).

expect the Indian government to offload additional rice stocks under various food security programs and open market sales. The government aims to control domestic prices through the general elections of April-May 2024, to do so it will draw down government-held rice stocks.

## COMMODITY

### CORN

**Table 4. India: Commodity, Corn, Production-Supply-Distribution (PSD)**

Corn	2021/2022		2022/2023		2023/2024	
Market Year Begins	Nov 2021		Nov 2022		Nov 2023	
India	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Area Harvested (1000 HA)	9958	9958	10744	10744	10000	10000
Beginning Stocks (1000 MT)	2028	2028	2395	2395	2480	2730
Production (1000 MT)	33730	33730	38085	38085	34300	34300
MY Imports (1000 MT)	0	0	0	0	50	50
TY Imports (1000 MT)	0	0	0	0	50	50
TY Imp. from U.S. (1000 MT)	0	0	0	0	0	0
Total Supply (1000 MT)	35758	35758	40480	40480	36830	37080
MY Exports (1000 MT)	3363	3363	3400	3150	3400	2500
TY Exports (1000 MT)	3441	3441	3400	3196	3400	2500
Feed and Residual (1000 MT)	18100	18100	20600	20600	19300	20000
FSI Consumption (1000 MT)	11900	11900	14000	14000	11900	12500
Total Consumption (1000 MT)	30000	30000	34600	34600	31200	32500
Ending Stocks (1000 MT)	2395	2395	2480	2730	2230	2080
Total Distribution (1000 MT)	35758	35758	40480	40480	36830	37080
Yield (MT/HA)	3.3872	3.3872	3.5448	3.5448	3.43	3.43

(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 2023/2024 = October 2023 to September 2024.

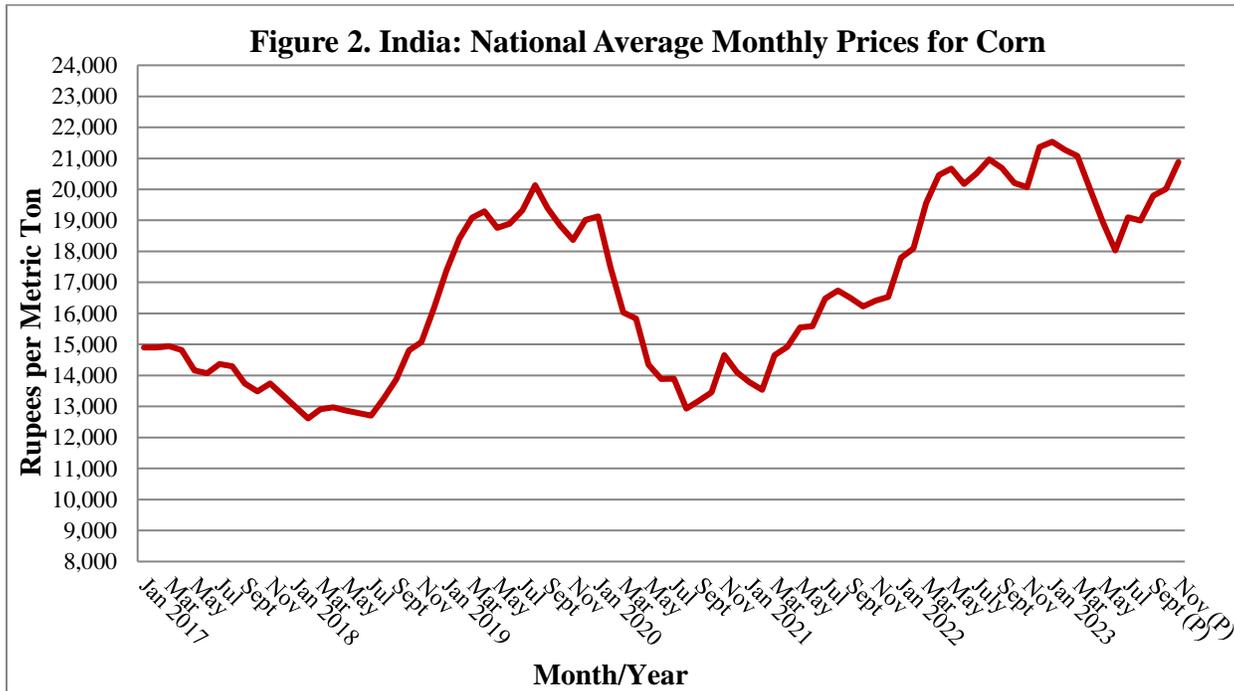
## PRODUCTION

FAS New Delhi estimates India's MY 2023/2024 (November-October) corn production unchanged at 34.3 MMT. Post's production figures are premised on widespread reports of lower than anticipated yields in the major corn growing areas in southern peninsular India.

**Prices Remain Firm:** Despite higher opening stocks and the new crop's arrival this past October 2023, domestic corn prices continue to rise, which indicates a lower crop number coming in compared to last year's record harvest volume.

Average spot prices in the major corn producing states in November 2023, ranged from Indian rupees (INR) 18,950 (\$231) to INR 22,070 (\$269)/MT compared to the government MSP of INR 20,800 (\$253) per metric ton. Post's market sources report that at these prices, Indian corn is not export competitive even in the neighboring countries (i.e., Nepal, Bhutan, Bangladesh, and Sri Lanka). Prices are likely to remain firm

throughout MY 2023/2024 on expected strong domestic demand from India’s livestock feed sector and ethanol processors.



Source: Agriculture Marketing Information Network, MOAFW, FAS New Delhi office research.

## TRADE

**MY 2022/2023 Exports Lowered:** Based on the latest Government of India official trade data derived from Trade Data Monitor, MY 2022/2023 estimated exports have been lowered to 3.15 MMT. The latest available official trade statistics report India’s corn exports in MY 2022/2023 (i.e., November through September data) at 3.08 MMT compared to 3.25 MMT during the same period last year. Starting in August 2023, exports have dropped significantly - pressured by rising domestic prices and comparatively weak international corn prices, that make Indian corn uncompetitive. Trade sources report that Indian corn is \$20-\$30/MT more expensive than corn from other origins in neighboring South Asian markets.

Assuming the pace of exports experienced over the preceding two months of October-November, MY 2022/2023 exports may barely reach the 3.15 MMT threshold. Based on the Indian government’s official statistics reported for the Trade Year (TY) 2022/2023 (October-September), Post is revising downwards India’s MY 2022/2023 corn exports to roughly 3.2 MMT.

**MY 2023/2024 Exports Forecast Lowered:** FAS New Delhi is lowering India’s MY 2023/2024 corn exports to 2.5 MMT. Indian corn exports, fueled by strong domestic prices, will remain less competitive in neighboring markets.

## CONSUMPTION

**MY 2023/2024 Consumption Forecast Raised:** FAS New Delhi is revising upwards India's MY 2023/2024 corn consumption forecast to 32.5 MMT (20 MMT Feed and residual and 12.5 MMT FSI consumption). Post is revising the figure based on better than anticipated domestic demand from Indian livestock feed and ethanol processors.

## STOCKS

**MY 2022/2023 Ending Stocks Raised:** MY 2022/2023 ending stocks have been raised to 2.73 MMT based to account for the lower exports.

**MY 2023/2024 Ending Stocks Lowered:** MY 2023/2024 forecast ending stocks are revised lower to 2.1 MMT on expected strong domestic demand.

## COMMODITY

### WHEAT

No significant changes in the India: Commodity, Wheat, Production-Supply-Distribution table to report occurring since Post's previous October 2023 submission (see, [GAIN-INDIA | IN2023-0080 | India Grain and Feed Update – October 2023](#)).

### Attachments:

No Attachments.