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Report Highlights:

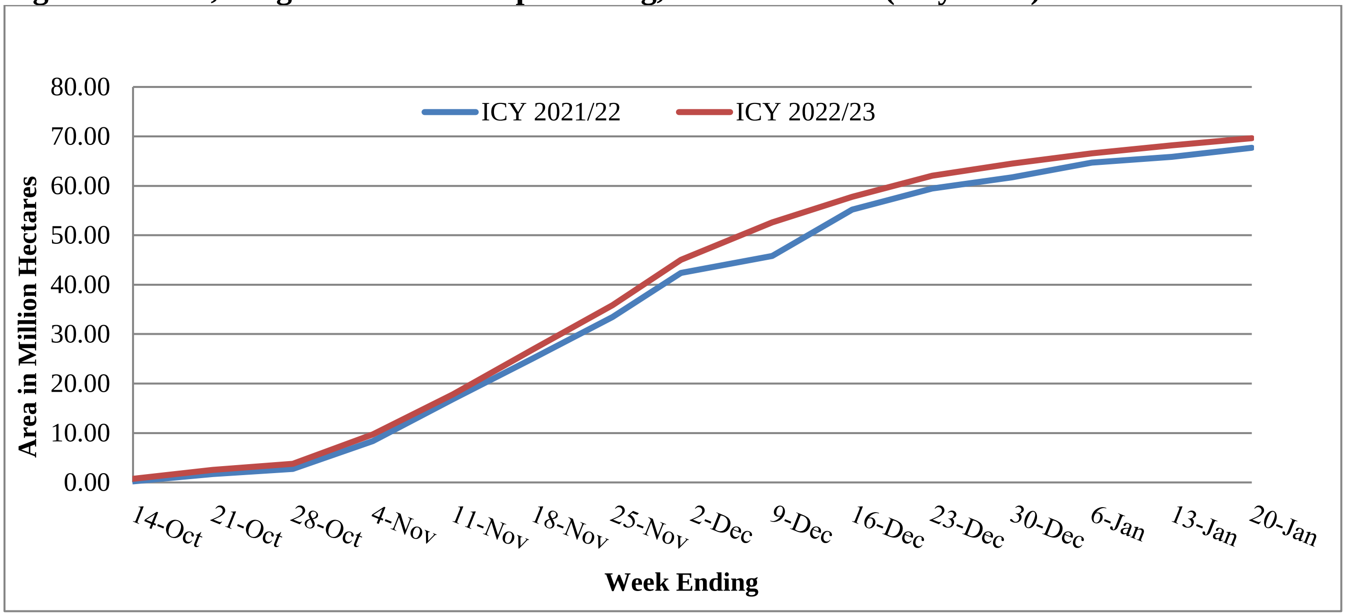
India's upcoming rabi (winter sown, spring harvested) crop acreages has been boosted to record levels on adequate 2022 monsoon rains in October and generally favorable weather conditions. The Indian government will continue providing free food grains to about 813.5 million beneficiaries between January and December 2023 under the National Food Security Act (NFSA). On January 25, 2022, the government announced to offload 3 million metric tons (MMT) of wheat onto the domestic market between January and March 2023, to help control rising wheat prices. Post estimates market year (MY) 2022/2023 wheat production lower at 100 MMT, along with exports at 5.7 MMT and ending stocks coming in at 10.2 MMT. FAS New Delhi reports no significant changes made to the India Rice Milled and Corn Production, Supply and Distribution (PSD) tables.

GENERAL INFORMATION

PLANTINGS INCREASE WITH FAVORABLE PLANTING CONDITIONS

Good 2022 monsoon rains throughout September and into October 2022, along with otherwise favorable weather conditions provided adequate soil moisture conditions and irrigation water availability. This has helped increase the planting of *rabi* season (winter sown, spring harvested) crops for the Indian crop year (ICY) 2022/2023 (July-June). FAS New Delhi (Post) observed planting campaigns commencing on time in the third week of October, progressing steadily into January across the country. Planting is nearly over for most crops, except rice and other minor crops in southern India.

Figure 1: India, Progress of Rabi Crop Planting, ICY 2022/2023 (July-June)



Source: Ministry of Agriculture and Farmers Welfare, FAS office research.

The Ministry of Agriculture and Farmers Welfare (MOAFW) estimates total area sown through January 20, 2023, at a record 69.6 million hectares compared to 67.7 million hectares at the same time last year, about 10 percent above the normal planted area (average of previous 10-year total rabi planting).

Table 1: India, Rabi Crop Planting (million hectares), Indian Crop Year (July/June)

Crop	ICY 2021/2022 Progressive Planting Through January 20, 2022	ICY 2022/2023 Progressive Planting Through January 20, 2023
Wheat	33.99	34.11
Rice	2.36	3.15
Coarse Cereals	4.94	5.15
Pulses	16.37	16.41
Oilseeds	10.04	10.81
Total:	**67.69**	**69.64**

Source: Ministry of Agriculture and Farmers Welfare, FAS office research.

Higher domestic prices are encouraging the increased planting of crops such as rapeseed and mustard, rice, corn, wheat, and lentils to record levels. Planting of sorghum and some of pulses and oilseeds are marginally lower than last year as farmers shift to crops with relatively higher market prices. The timely onset of winter in early December provided favorable growth conditions to the planted crop, which is progressing well under adequate soil moisture conditions.

Increased plantings and favorable weather through January and into early February raise prospects of a good spring harvest for wheat, corn, and pulses. Favorable weather conditions during February-March are critical for good yield realization. Low temperatures and scattered rains during the period will help boost yield prospects, while an early temperature increase in March and/or untimely heavy rains in late March-April when crops are at harvest stage will lower yields (see, GAIN-INDIA | IN2022-0045 | India - Extreme Temperatures Scorch Indian Wheat Production).

GOVERNMENT REVISES FOOD SECURITY PROGRAMS

On December 23, 2023, the Indian government announced that under the National Food Security Act (NFSA) it will provide free food grains to about 813.5 million beneficiaries from January through December 2023.[1] However, the supplemental free food grain program under the Prime Minister Garib Kalyan Ann Yojana (PMGKAY), launched in April 2020 as a relief measure due to the COVID-19 pandemic, was not extended past December 2022.[2] The new scheme, that is effective as of January 1, 2023, is estimated to cost the government in 2023 Indian rupees (INR) 2 trillion ($25 billion). However, with the end of the PMGKY additional free food grain package, the government food grain commitment to various food security schemes will drop by 4 million metric tons (MMT) per month, easing the food subsidy burden compared to the last few years.

[1] Under the NFSA, around two-thirds of the Indian population were beneficiaries, entitled to 5-kilogram (kg) food grains per person every month for those people under the priority households (PHH) and 35 kg per household under *Antyodaya Ann Yojana* (poorest of the poor). Prior to the new announcement, the food grains were supplied at a highly subsidized prices of INR 3/kg for rice, INR 2/kg for wheat, and INR 1/kg for coarse grains. India's overall population exceeds 1.389 billion (Central Intelligence Agency – 2022 estimate).
[2] Under the PMGKY scheme, government provided an additional 5 kg of food grain free of cost to about 800 million beneficiaries for the period April 2020 to December 2022.

COMMODITIES

WHEAT

Table 2. India: Commodity, Wheat – Production, Supply and Distribution (PSD)

Wheat	**2020/2021**		**2021/2022**		**2022/2023**	
Market Year Begins	**Apr 2020**		**Apr 2021**		**Apr 2022**	
India	**USDA Official**	**New Post**	**USDA Official**	**New Post**	**USDA Official**	**New Post**
Area Harvested (1000 HA)	31357	31357	31125	31125	30544	30544
Beginning Stocks (1000 MT)	24700	24700	27800	27800	19500	19500
Production (1000 MT)	107860	107860	109586	109586	103000	100000
MY Imports (1000 MT)	18	18	29	25	100	25
TY Imports (1000 MT)	18	18	30	17	100	25
TY Imp. from U.S. (1000 MT)	0	0	0	0	0	0
Total Supply (1000 MT)	132578	132578	137415	137411	122600	119525
MY Exports (1000 MT)	2561	2561	8033	8037	5900	5700
TY Exports (1000 MT)	3597	3597	10567	10567	2500	2000
Feed and Residual (1000 MT)	6500	6500	7000	7000	6000	6000
FSI Consumption (1000 MT)	95717	95717	102882	102874	98075	97625
Total Consumption (1000 MT)	102217	102217	109882	109874	104075	103625
Ending Stocks (1000 MT)	27800	27800	19500	19500	12625	10200
Total Distribution (1000 MT)	132578	132578	137415	137411	122600	119525
Yield (MT/HA)	3.4397	3.4397	3.5208	3.5208	3.3722	3.274

(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 2022/2023 = July 2022 - June 2023.

PRODUCTION

FAS New Delhi estimates MY 2022/2023 Indian wheat production lower at 100 MMT based on prevailing market conditions. Despite the 2022 wheat and wheat product export bans, domestic prices have soared to record levels. The surge in wheat prices indicates tighter domestic supplies. Post trade sources are even more pessimistic. These are lowering their own MY 2022/2023 harvest estimates further towards the 92-97 MMT range against the latest government, more optimistic official estimate of 106.8 MMT (see, GAIN-INDIA | IN2022-0110 | India – Grain and Feed Update – December 2022).

In late November 2022, market reports had been speculating that the government would be releasing government-held wheat stocks to counteract rising food prices. With an anticipated release of stockpiled wheat being channeled to open market sales earmarked for local millers, the Indian market saw rising wheat and wheat flour prices initially contained. While wheat price increases slowed in December, the Indian government’s then foot-dragging on finally releasing some of its wheat stocks led domestic prices to soar. Towards the end of January 2023, the country’s major urban markets had been witnessing wheat prices surging past the INR 30,000-31,000 ($365-$380)/MT mark, resuscitating major food inflation concerns within the government.

Figure 2. India: National Average Monthly Prices for Wheat

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

Government to Release 3 MMT of Wheat onto the Domestic Market: On January 25, 2022, the Indian government announced that the Food Corporation of India (FCI), the government parastatal responsible for MSP procurement for grains, will release 3 MMT of wheat into the domestic market through various open market sale channels between January and March 2023. The wheat is being offered through e-auctions to local millers and bulk buyers at a maximum volume of 3,000 MT per buyer per auction. In addition, wheat will be offered to state governments for their food security programs, and public sector organizations and cooperative federations at a concessional rate of INR 23,500 ($287) per metric ton on condition that the wheat be converted to flour and supplied to the public at INR 29,500 ($360) per metric ton. The government's measure to release 3 MMT of wheat stocks is likely to ease end of season pricing towards INR 23,000-24,000 ($281-$293), price levels that would help support wheat procurement this upcoming harvest season under the MSP target price of INR 21,250 ($295) per metric ton.

Prospects for Bumper Harvest of MY 2023/2024 Wheat: Riding on timely and record planting and favorable weather conditions through the first week of February 2023, India appears to be heading for a bumper wheat harvest in MY 2023/2024, if normal weather conditions hold through the harvest in April. The MOAFW's latest rabi crop planting report on January 20, 2023, estimates wheat planting at a record 34.1 million hectares compared to 33.9 million hectares at the same time last year. Timely planting under sufficient soil moisture conditions and low temperatures thanks to winter setting in mid-December has provided favorable growing conditions to the standing crop from emergence to vegetative growth stages.

Field sources report that the standing wheat crop is progressing well under adequate soil moisture and weather conditions throughout the country's wheat growing region. There have not been any reports of major pest and or disease outbreaks from any of the growing areas, which are now fueling expectations of a record harvest in MY 2023/2024, reportedly in the 110-112 MMT range. However, higher temperature fluctuations during the wheat crop's critical reproductive stages (i.e., panicle initiation/

flowering/grain filling) this February-March period, and or unseasonal rains during harvest later in March-April may adversely affect overall wheat yield prospects.

EXPORTS

MY 2022/2023 Exports Lowered Marginally: Based on the latest Indian official export figures, and with the government unlikely to relax the export ban on wheat and wheat products, FAS New Delhi is revising the MY 2022/2023 wheat and wheat product export estimate marginally lower to 5.7 MMT. With the Indian government unlikely to allow any new exemptions to the export ban on wheat and products, export numbers are unlikely to shift. Based on provisional Indian official trade figures, Post estimates MY 2022/2023 wheat and wheat product exports at 5.3 MMT for April through October 2022. Trade sources indicate that most of the wheat and wheat products exempted from the export ban under various provisions were shipped out by early November 2022.

STOCKS

MY 2022/23 Ending Stocks Lowered: Based on the latest official government-held wheat stocks' estimate and expected government wheat offtake under the various existing food security programs and open market sales, FAS New Delhi estimates MY 2022/2023 ending stocks at 10.2 MMT. As of January 1, 2023, the FCI estimates government wheat stocks at 17.2 MMT, compared to the 33 MMT volume then being held at the same time last year. Under the existing monthly allocation under the NFSA and other food security programs, the Indian government will offload up to 4 MMT and another 3 MMT for domestic market sales in the next quarter (January-March 2023) of the ongoing marketing year. Post estimates MY 2022/2023 wheat ending stocks at about 10.2 MMT (with no stocks being held by exporters) as compared to the 19.5 MMT volume last year (19 MMT government-held stocks plus 0.5 MMT held by exporters); this volume is the second lowest since MY 2016/2017 (8.1 MMT).

COMMODITIES

RICE

Table 3. India: Commodity, Rice Milled – Production, Supply and Distribution

Rice, Milled	**2020/2021**		**2021/2022**		**2022/2023**	
Market Year Begins	**Oct 2020**		**Oct 2021**		**Oct 2022**	
India	**USDA Official**	**New Post**	**USDA Official**	**New Post**	**USDA Official**	**New Post**
Area Harvested (1000 HA)	45769	45769	46379	46379	45500	45500
Beginning Stocks (1000 MT)	33900	33900	37000	37000	34000	34000
Milled Production (1000 MT)	124370	124370	130290	130290	125000	125000
Rough Production (1000 MT)	186574	186574	195455	195455	187519	187519
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)	158270	158270	167290	167290	159000	159000
MY Exports (1000 MT)	20216	20216	22025	22025	20500	20500
TY Exports (1000 MT)	21238	21238	21800	21800	20500	20500
Consumption and Residual (1000 MT)	101054	101054	111265	111265	108500	108500
Ending Stocks (1000 MT)	37000	37000	34000	34000	30000	30000
Total Distribution (1000 MT)	158270	158270	167290	167290	159000	159000
Yield (Rough) (MT/HA)	4.0764	4.0764	4.2143	4.2143	4.1213	4.1213

(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 2022/2023 = January 2023 - December 2023.

PRODUCTION, SUPPLY AND DISTRIBUTION

FAS New Delhi reports no significant changes to the USDA official India Rice Milled, Production, Supply and Distribution table to report.

MY 2022/2023 Procurement Strong: Riding on an estimated bumper MY 2022/2023 (October-September) rice harvest of 125 MMT, just shy of breaking a record, and relatively high MSP, government rice procurement has held steady and is ahead of that from last year.[3] MY 2022/2023 government rice procurement through January 20, 2023, is estimated at 41.4 MMT as compared to 39.5 MMT at the same time last year.

Procurement is higher in most states, except for that in Punjab and Telangana where procurement operations are marginally lower than last year. *Kharif* (fall-harvested) rice procurement will be over by the end of February 2023 in most states, with rabi season rice procurement continuing through the end of

[3] See GAIN-INDIA | IN2022-0110 | India Grain and Feed Update – December 2022, for previous Post analysis on MY 2022/2023 rice production situation.

the marketing year in the southern and eastern states. Despite a lower harvest than last year's record crop, Post expects government rice procurement in MY 2022/2023 to come in around 58-59 MMT.

Table 4. India: Government Procurement of Milled Rice by State (MMT)

State	MY 2020/2021	MY 2021/2022	MY 2021/2022	MY 2022/2023
	October-September	October-September	Oct 1-Jan 20	Oct 1-Jan 20
Andhra Pradesh	5.67	4.51	1.41	1.78
Telangana	9.45	7.98	4.60	4.07
Chhattisgarh	4.67	6.17	4.92	6.16
Haryana	3.79	3.71	3.71	3.95
Madhya Pradesh	2.50	3.07	2.96	3.09
Odisha	5.26	4.83	1.71	2.50
Punjab	13.59	12.55	12.55	12.19
Tamil Nadu	3.05	2.94	0.48	0.59
Uttar Pradesh	4.48	4.39	3.60	3.82
West Bengal	1.89	2.40	0.27	0.09
Others	5.73	6.73	3.27	3.16
Total:	**60.08**	**59.27**	**39.47**	**41.39**

Source: Food Corporation of India, FAS office research.

Prices Steady on Sufficient Domestic Supplies: Domestic prices have remained steady in a narrow range since the beginning of MY 2022/2023 with sufficient domestic supplies owing to a near-record harvest and the Indian government's continued supply of higher volumes of rice under various food security programs.

Prices are expected to remain firm in the coming months as the domestic market responds to lower supplies of subsidized government rice after the end of free grain supplies under PMGKAY. Market prices during the second half of MY 2022/2023 will largely depend on the export demand.

COMMODITIES

CORN

Table 5. India: Commodity, Corn-Production, Supply and Distribution

Corn	**2020/2021**		**2021/2022**		**2022/2023**	
Market Year Begins	**Nov 2020**		**Nov 2021**		**Nov 2022**	
India	**USDA Official**	**New Post**	**USDA Official**	**New Post**	**USDA Official**	**New Post**
Area Harvested (1000 HA)	9892	9892	10100	10100	10000	10000
Beginning Stocks (1000 MT)	1863	1863	2095	2095	2449	2450
Production (1000 MT)	31647	31647	33600	33600	32000	32000
MY Imports (1000 MT)	25	25	17	18	100	100
TY Imports (1000 MT)	23	23	17	17	100	100
TY Imp. from U.S. (1000 MT)	0	0	0	0	0	0
Total Supply (1000 MT)	33535	33535	35712	35713	34549	34550
MY Exports (1000 MT)	3590	3590	3363	3363	2800	2800
TY Exports (1000 MT)	3677	3677	3442	3443	2800	2800
Feed and Residual (1000 MT)	16250	16250	18000	18000	18500	18500
FSI Consumption (1000 MT)	11600	11600	11900	11900	11600	11600
Total Consumption (1000 MT)	27850	27850	29900	29900	30100	30100
Ending Stocks (1000 MT)	2095	2095	2449	2450	1649	1650
Total Distribution (1000 MT)	33535	33535	35712	35713	34549	34550
Yield (MT/HA)	3.1993	3.1993	3.3267	3.3267	3.2	3.2

(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 2022/2023 = October 2022 - September 2023.

PRODUCTION, SUPPLY AND DISTRIBUTION

FAS New Delhi reports no significant changes to the USDA official India Corn Milled, Production, Supply and Distribution table to report.

Attachments:

No Attachments.