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**Report Highlights:**

On February 29, 2024, India's Ministry of Agriculture and Farmers Welfare (MoAFW) released its Indian crop year (ICY) 2023/2024 (July-June) Second Advance Estimate. The MoAFW is forecasting grain production (excluding the summer crop) lower at 309.3 million metric tons (MMT) compared to 313.6 MMT last year on expected lower production of rice, corn, and other coarse grains, while wheat and barley production is forecast higher at new record levels. Market year (MY) (April-March) wheat ending stocks are revised lower to 7.3 MMT. Rice ending stocks revised higher to 36.5 MMT based on the latest government grain stocks estimates. Assuming current export policy for rice and price parity for Indian corn compared to global supplies, the MY 2023/2024 rice exports forecast is lowered to 15 MMT and corn to 1 MMT. Consumption estimates are adjusted to reflect production-supply-distribution (PSD) changes.

## GENERAL INFORMATION

### Government Forecasts Lower Grain Production in 2023/2024

On February 29, 2024, India's Ministry of Agriculture and Farmers' Welfare (MOAFW) released its [Second Advance Estimates for the Major Agricultural Crops \(Kharif and Rabi Seasons\) for the Indian crop year \(ICY\) 2023/2024](#) (July-June). The MOAFW is forecasting ICY 2023/2024 kharif (i.e., fall harvested) grain production marginally lower at 154.2 million metric tons (MMT), compared to 155.7 MMT last year. It is also forecasting rabi (i.e., winter planted) grain production lower at 155.2 MMT, compared to 157.8 MMT last year. The ministry is forecasting most grains coming in lower than last year; attributing poorer production numbers to the uneven 2023 monsoon rains, affecting planting and yield prospects, that is except for wheat, sorghum, and barley. With the wheat and barley rabi crops taken under more consistent irrigated conditions, these are forecast to increase to record high levels on higher planting and generally favorable weather conditions through early March 2024.

Production estimates of the major grains in ICY 2023/2024 (kharif and rabi) versus (vs) 2022/2023:<sup>1</sup>

Rice:	123.82 MMT vs. 125.52 MMT last year (record)
Wheat:	112.02 MMT (record) vs. 110.55 MMT (previous record)
Corn:	32.47 MMT vs. 35.36 MMT (record)
Millet:	11.34 MMT vs. 12.42 MMT
Sorghum:	4.03 MMT vs. 3.81 MMT
Barley:	2.22 (record) vs. 1.91 (previous record)
Pulses:	23.44 MMT vs. 23.98 MMT

Despite the early withdrawal of the 2023 monsoon compared to the previous year's monsoon, the timely onset of winter in November 2023, followed by relatively lower temperatures, has supported the yield prospects for the rabi crops. However, foreseen weather conditions in March through mid-April 2024 remain critical to support the forecast yields from the Second Advance Estimates. The onset of an early rise in temperatures in March and/or untimely rains in March/April, when the crop is at the maturity stage, could potentially affect the yield prospects. Heat stress at the crop's critical reproductive (i.e., ear-head emergence/milking/grain filling) stages can adversely affect yield prospects.

The ICY 2023/2024 grain production forecasts include market year (MY) 2023/2024 rice, corn, sorghum, millet, and pulse crops already harvested in the kharif season (October-December 2023) and the crops to be harvested in upcoming rabi season (March-May 2024), as well as the MY 2024/2025 rabi season wheat and barley crops to be harvested at the end of March through April 2024.

The MOAFW's Second Advance Estimates are based on the information from the various Indian states' agricultural statistics authorities (SASA), which are validated and triangulated with information from remote sensing and weather inputs from other agencies. The Second Advance Estimates remain, however, subject to revision as additional information on area survey and crop-cutting experiments conducted by the various SASAs for the kharif, rabi and summer season crops.

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<sup>1</sup> 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>

## COMMODITY

### WHEAT

Wheat	2021/2022		2022/2023		2023/2024	
Market Year Begins	Apr 2021		Apr 2022		Apr 2023	
India	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Area Harvested (1000 HA)	31125	31125	30459	30459	31401	31401
Beginning Stocks (1000 MT)	27800	27800	19500	19500	9500	9500
Production (1000 MT)	109586	109586	104000	104000	110554	110554
MY Imports (1000 MT)	29	29	53	53	250	120
TY Imports (1000 MT)	30	30	72	72	300	120
TY Imp. from U.S. (1000 MT)	0	0	0	0	0	0
Total Supply (1000 MT)	137415	137415	123553	123553	120304	120174
MY Exports (1000 MT)	8033	8033	5377	5377	300	300
TY Exports (1000 MT)	10567	10567	1626	1626	300	300
Feed and Residual (1000 MT)	7000	7000	6500	6500	6750	6750
FSI Consumption (1000 MT)	102882	102882	102176	102176	104254	105824
Total Consumption (1000 MT)	109882	109882	108676	108676	111004	112574
Ending Stocks (1000 MT)	19500	19500	9500	9500	9000	7300
Total Distribution (1000 MT)	137415	137415	123553	123553	120304	120174
Yield (MT/HA)	3.5208	3.5208	3.4144	3.4144	3.5207	3.5207

(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 2023/2024 = July 2023 - June 2024.

### PRODUCTION

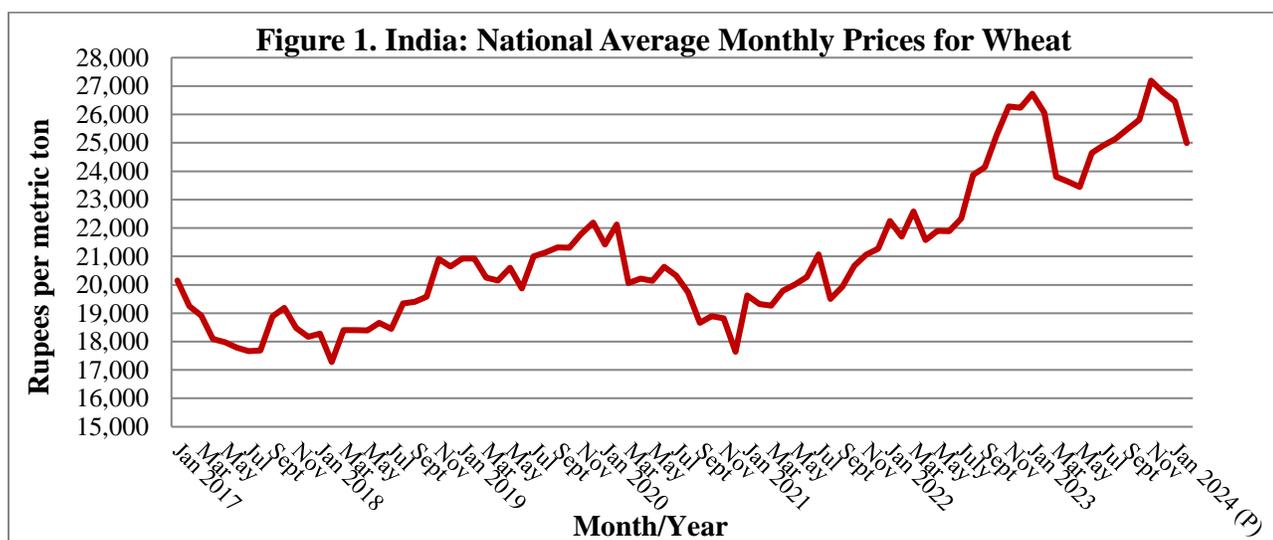
**MY 2023/2024:** FAS New Delhi (Post) adopts the U.S. Department of Agriculture's (USDA) official wheat production estimates for market year (MY) 2023/2024 of 110.6 million metric tons (MMT), based on the final production estimates released by India's Ministry of Agriculture and Farmers Welfare. Post's trade sources do, however, continue to report that the crop is lower and more in the range of 98-104 MMT. The lower numbers are attributed to continued tight domestic market supplies, which are reflected by higher prices. At the same time, the Indian government is unleashing several restrictive market measures, while releasing additional wheat under the open market sale scheme to control wheat prices in the lead up to India's national elections anticipated to be announced/commence as soon as by mid-April 2024.

**MY 2024/2025 Prospects:** The Indian government's second advance estimate for ICY 2023/2024 (MY 2024/2025) of 112.02 MMT is based on reported record planting (31.8 million hectares vs. 31.4 million hectares last year) and the crop progressing under generally favorable weather conditions through the end of February 2024. However, an early and sudden rise in temperatures this March could affect the crop during the critical panicle emergence/milking/grain filling stages, and or untimely rains in late March-April when the crop is progressing towards maturity and ready for harvest can potentially lower the forecast production by 5-10 percent. Nevertheless, relatively low temperatures during this March and clear weather conditions expected through the harvest in April can bolster production by 2-4 MMT.

**Government Continues to Strong Arm Trade; Control Prices:** Despite the record MY 2023/2024 official production estimate, the Indian government is maintaining its wheat and wheat products export ban, stocks limits imposed on processors, traders and retailers, and is still releasing government-held wheat unto the open market to control prices.<sup>2</sup> With the Indian government still facing food inflation concerns in the lead up to the upcoming national elections, the central government is keeping restrictive measures in place. Besides cracking down on the private trade, by regularly monitoring its wheat stock levels, the government has set lower stock limit volumes for traders, retailers and processors (on [December 8, 2023](#), and again on [February 8, 2024](#)); after initially announcing stock limits back in June 2023.<sup>3</sup> In November 2023, the Indian government launched the sale of a fortified wheat flour (i.e., a blend of wheat, rice, and pulses) under the brand name of “Bharat Atta” (India flour) at government outlets at a subsidized price of Indian rupees (INR) 27.50 per kilogram (kg). The Indian government is releasing government-held wheat to parastatals at INR 21,5000 per metric ton (MT) to make wheat flout for distribution at the subsidized prices.

The Indian government also raised the weekly wheat offtake under the open market sale scheme (OMSS) since the beginning of calendar year (CY) (January-December) 2024. The total MY 2023/2024 wheat offtake, under the OMSS through the end of January 2024, is reported at 7.35 MMT. Post’s market sources report that total OMMS sales in MY 2023/2024 are likely to exceed 10 MMT, up significantly compared to last year’s 3.39 MMT.

**Prices Firm:** Domestic wheat prices have held firm since the beginning of the MY 2023/2024 through January 2024, despite the Indian government’s market interventions. Domestic prices started easing in February after the government lowered the stock limits, raised allocation for OMSS, and speculation arose of an upcoming record harvest.



Note: P- Provisional.

Source: Agricultural Marketing Information Marketing Network, MOAFW; FAS/New Delhi office research.

<sup>2</sup> See, GAIN-INDIA| [IN2023-0080](#) | [GRAIN and Feed Update -October 2023](#).

<sup>3</sup> Effective stock limits since February 8, 2024, are 500 MT for traders/wholesalers and 5 MT for retailers.

Average spot prices in February 2024 in India's major wheat production states ranged from INR 23,700 (\$289)/MT to INR 25,350 (\$309)/MT, slightly lower than the last year's level, but higher than the government's minimum-support-price (MSP) of INR 22,750 (\$277)/MT for the upcoming wheat season (MY 2024/2025).

## **TRADE**

**MY 2023/2024 Imports Lowered:** India's MY 2023/2024 wheat and wheat products imports are revised lower to 120,000 MT based on the latest trade figures reported in Indian government trade data and through Trade Data Monitor (TDM) for December 2023. Wheat imports for the period April to December 2024, are provisionally estimated at 88,000 MT. Assuming continued exports of higher quality wheat for specific processing needs and the current pace of monthly imports, India's total wheat and wheat products imports in MY 2023/2024 are likely to reach 120,000 MT.

## **STOCKS/CONSUMPTION**

**MY 2023/2024 Ending Stocks Slide Below Buffer Norms:** Based on the latest government-held wheat stocks estimates, and the expected offtake under the national food security programs, and the OMSS, FAS New Delhi estimates MY 2023/2024 ending stocks lower at 7.3 MMT. This figure is slightly below the government's buffer stocks norms of 7.46 MMT for April 1, 2024.

With the increased offtake of wheat under OMSS, Indian government-held wheat stocks on February 1, 2024, are officially estimated at 13.27 MMT, compared to 15.44 MMT reported at the same time last year. Post estimates continued offtake of wheat under OMSS, at 1.6-1.7 MMT per month, and the national food security programs, 1.3-1.4 MMT per month, in February and March 2024. Government-held wheat ending stocks for MY 2023/2024 are likely to decline to 7.3 MMT, that is, for the first time since MY 2008/2009. With central government-imposed stock limits in place, private stocks are likely to be at bare minimum pipeline stocks and are not estimated in the overall MY ending stocks volumes.

**MY 2023/2024 Consumption Raised:** MY 2022/2023 consumption is raised marginally higher to 104.8 MMT, to account for lower ending stocks volumes.

## COMMODITY

### RICE

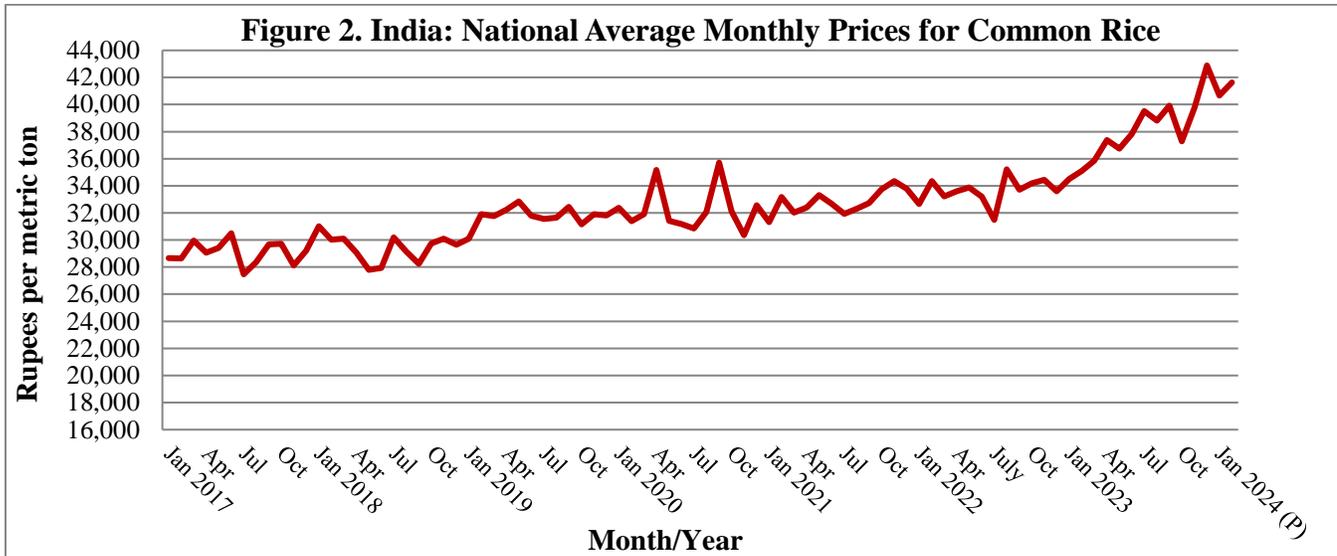
Rice, Milled	2021/2022		2022/2023		2023/2024	
Market Year Begins	Oct 2021		Oct 2022		Oct 2023	
India	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Area Harvested (1000 HA)	46279	46279	47832	47832	47000	47000
Beginning Stocks (1000 MT)	37000	37000	34000	34000	35000	35000
Milled Production (1000 MT)	129471	129471	135755	135755	132000	132000
Rough Production (1000 MT)	194226	194226	203653	203653	198020	198020
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	167000
MY Exports (1000 MT)	22025	22025	20245	20245	16000	15000
TY Exports (1000 MT)	22122	22119	17733	17733	16500	16000
Consumption and Residual (1000 MT)	110446	110446	114510	114510	118000	115500
Ending Stocks (1000 MT)	34000	34000	35000	35000	33000	36500
Total Distribution (1000 MT)	166471	166471	169755	169755	167000	167000
Yield (Rough) (MT/HA)	4.1968	4.1968	4.2577	4.2577	4.2132	4.2132

(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 2023/2024 = January 2024 - December 2024.

## PRODUCTION

**MY 2023/2024 Production Raised:** FAS New Delhi's MY 2023/2024 rice production estimate is raised to 132 MMT on higher than earlier estimated yield of kharif and planted area of rabi rice in India's main rice production states. Post estimates lower planting and production of summer rice in the upcoming season due to lower reservoir waters this summer in the rice producing states of eastern and southern India. Post estimates MY 2023/2024 rice production at 132 MMT (111 MMT kharif rice; 12.5 MMT rabi rice and 8.5 MMT rabi rice), lower than the MY 2022/2023 final official estimate of the record 135.8 MMT (110.5 MMT kharif rice, 15 MMT rabi rice, and 10.3 MMT summer rice).

**Prices Firm:** Despite the export ban and export taxes on various types of coarse grain rice, domestic prices have continued to rise since the beginning of the planting of MY 2023/2024 rice crop in June 2023, on intense speculation on the impact of weak 2023 monsoon. Prices peaked in December 2023 at record levels, but since then have somewhat eased lower. Nevertheless, domestic rice prices are still evidencing a double digit increase above last year's prices.



Note: P- Provisional.

Source: Agricultural Marketing Information Marketing Network, MOAFW; FAS/New Delhi office research.

Average wholesale prices of common rice in February 2024, have been nearly 19 percent higher than last year’s level suggesting tight market supplies.<sup>4</sup> The Indian government remains concerned about containing food prices as the dates for the upcoming national elections will be proclaimed shortly. The government is already announcing the sale of subsidized rice under open market sale scheme at the reserve price of INR 29,000/MT, but the offtake remains weak due to procedural difficulties and quality issues with government-held rice.

**Government Procurement Lags:** The Indian government’s MSP procurement continues to lag last year’s procurement pace on relatively strong open market prices compared to the government’s MSP for un-milled paddy rice (INR 22,030/MT).<sup>5</sup> MY 2023/2024 rice procurement through February 18, 2024, is estimated 43.1 MMT compared to 45.9 MMT same time last year.

<sup>4</sup> Tight domestic supplies due to lower production and sales of government rice after the government reduced the monthly quota allocation from 10 kg per person to 5 kg per person commencing in January 2023.

<sup>5</sup> Average market prices in MY 2023/2024 have been more than 11 percent higher than prices in MY 2022/2023, while the government MSP increase for paddy rice has been less than seven percent.

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

Indian State	MY 2021/22	MY 2022/23	MY 2022/23	MY 2023/24
	October-September	October-September	Oct 1- Feb 18	Oct 1- Feb 18
Andhra Pradesh	4.46	2.83	2.10	1.30
Telangana	7.39	8.84	4.36	3.17
Bihar	3.01	2.82	2.10	1.85
Chhattisgarh	6.17	5.87	5.87	7.40
Haryana	3.71	3.98	3.95	3.94
Madhya Pradesh	3.07	3.10	3.09	2.82
Odisha	4.83	5.38	3.81	3.64
Punjab	12.55	12.20	12.19	12.41
Tamil Nadu	1.88	2.30	0.68	0.78
Uttar Pradesh	4.39	4.39	4.28	3.53
West Bengal	2.40	2.18	1.47	0.73
Others	3.74	3.06	2.00	1.49
<b>TOTAL</b>	57.59	56.95	45.88	43.07

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

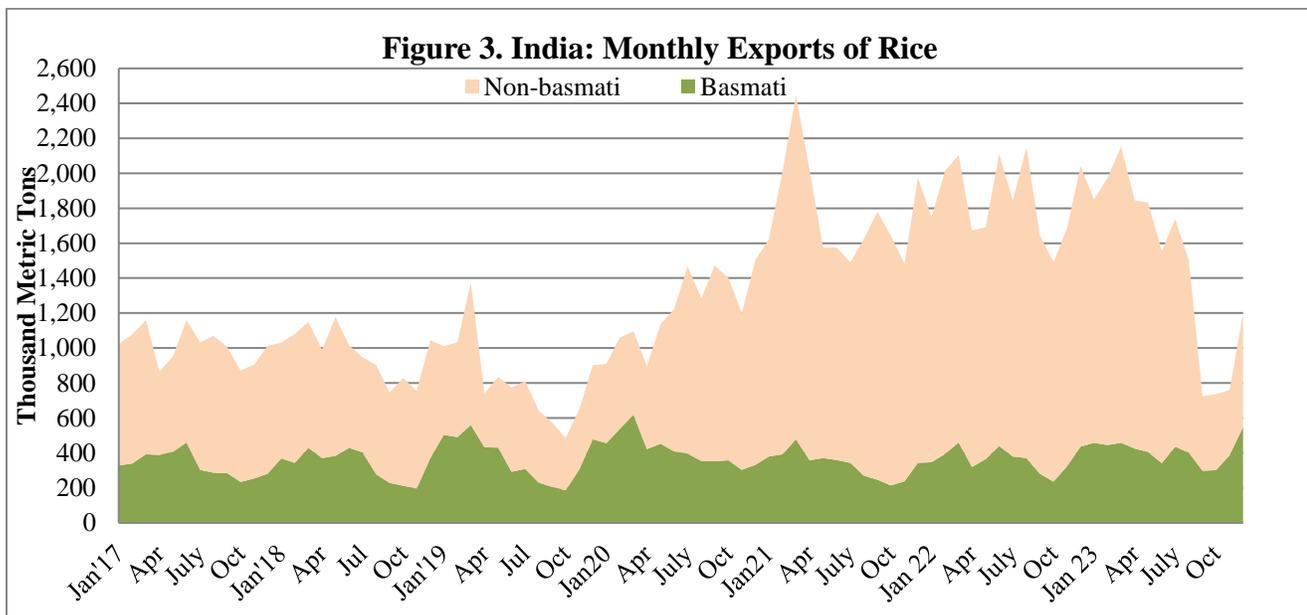
Procurement is down in most states except for in Chhattisgarh and Punjab. Procurement activities are now over in the northern and central states but will continue in the southern and eastern states taking in rabi and summer rice. The Indian government has fixed a procurement target of 9-10 MMT for rabi rice, which is unlikely to be achieved at current price parity between government MSP and paddy rice price equivalent at existing open market prices. Market sources report that MY 2023/2024 procurement is likely to end up in the range of 53-54 MMT compared to last year's procurement of 57 MMT but is more than sufficient to meet the government's requirement for subsidized rice supplies under various food security programs (42-44 MMT), leaving more than sufficient surplus for open market sales.

## TRADE

**MY 2023/2024 Rice Exports Falters:** Owing to the series of rice export restrictions in August-September 2023, Indian rice exports have been strongly affected since the beginning of MY 2023/2024. Based on the current pace of monthly rice exports, MY 2023/2024 exports are lowered to 15 MMT.

According to preliminary monthly official trade statistics, rice exports in the first quarter of MY 2023/2024 (October to December 2023) are estimated at 2.7 MMT, compared to 5.2 MMT reported during the same period last year owing to a severe decline in exports of coarse grain rice.<sup>6</sup> Trade sources report that the government has announced an export quota of around 2.4 MMT of broken rice and white rice to several countries on request from their governments for food security needs, which are likely to be shipped over the next 3-4 months. Consequently, rice exports in December 2023, recovered to 1.2 MMT compared to the 0.7 MMT/month level during the previous three months.

<sup>6</sup> Exports of coarse grain rice during October-December 2023 are estimated at 1.46 MMT, only 35 percent of the exports compared to the same time the previous year. The drop in volume is attributable to the export ban on white rice and broken rice, as well as to the 20 percent export tax on par-boiled rice.



Source: Monthly exports through December 2023, India Ministry of Commerce and Industry/Directorate General of Commercial Intelligence and Statistics, FAS/New Delhi research.

Due to domestic price concerns, the government is unlikely to announce an additional export quota, that is, at least through June 2024, and after the national elections have finalized. However, the government may increase the coarse grain rice export quota if the rabi and summer rice harvest is good.

Assuming no significant changes in the export policy for coarse grain rice during the remaining marketing year, MY 2023/2024 exports are likely reach 15 MMT compared to last year's 20.2 MMT.

## ENDING STOCKS/CONSUMPTION

**MY 2023/2024 Ending Stocks Raised:** Based on the latest official information on government-held rice stocks, FAS New Delhi raises the MY 2023/2024 ending stocks estimate to 36.5 MMT.

Government-held rice stocks on February 1, 2024, are reported at 57.66 MMT (21.03 MMT rice and 54.67 MMT paddy rice/36.63 MMT rice equivalent), compared to 47.27 MMT at the same time last year. Despite lower MSP procurement, government rice stocks have been rising thanks to relatively lower offtake of government rice under the food security programs after the government curtailed the monthly grain quota to 5 kg/person/month from 10 kg/person/month in January 2023.<sup>7</sup> Assuming the expected additional procurement of rice under MSP and the current pace of monthly offtake during the balance of the marketing year, MY 2023/2024 ending stocks are estimated to reach 36.5 MMT.

**Consumption Lowered:** Post's MY 2023/2024 consumption estimate is revised lower to 115 MMT to account for the higher ending stocks.

<sup>7</sup> Average monthly offtake of rice during first four months of MY 2023/2024 (October 2023 to January 2024) is estimated at 4.2 MMT per month compared to average monthly offtake of 4.5 MMT/month in MY 2022/2023.

## COMMODITY

### CORN

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	10400	10800
Beginning Stocks (1000 MT)	2028	2028	2395	2395	2658	2658
Production (1000 MT)	33730	33730	38085	38085	35500	35500
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	38208	38208
MY Exports (1000 MT)	3363	3363	3122	3122	2200	1000
TY Exports (1000 MT)	3441	3441	3195	3195	2200	1000
Feed and Residual (1000 MT)	18100	18100	20600	20600	21000	21000
FSI Consumption (1000 MT)	11900	11900	14100	14100	13000	14000
Total Consumption (1000 MT)	30000	30000	34700	34700	34000	35000
Ending Stocks (1000 MT)	2395	2395	2658	2658	2008	2208
Total Distribution (1000 MT)	35758	35758	40480	40480	38208	38208
Yield (MT/HA)	3.3872	3.3872	3.5448	3.5448	3.4135	3.287

(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 - September 2024.

## PRODUCTION

FAS New Delhi estimates MY 2023/2024 corn production at 35.5 MMT based on the MOAFW's Second Advance Estimates on higher planting and normal yield prospects for rabi corn.

**Prices Firm:** Domestic corn prices have remained relatively firm above the government MSP (INR 20,900/MT) since the beginning of MY 2023/2024 on strong domestic demand with the growing utilization of corn in Indian ethanol production.

Average wholesale prices of corn peaked to a record high level in February 2024, on strong domestic demand and relatively tight supplies. Average spot prices in February 2024, in the major production states ranged from INR 20,800 (\$254)/MT to INR 22,250 (\$271)/MT, over five percent higher than the last year's level.

Post's trade sources report that ethanol producers have shifted to buying more corn after the government discontinued supplying subsidized rice for ethanol production back in September 2023.<sup>8</sup> Continued strong demand from animal feed and starch industry is also supporting corn prices. Nevertheless, corn

<sup>8</sup> Since 2022, the Indian government had been supplying rice to domestic ethanol producers at INR 21,000/MT, which was then discontinued in September 2023, due to food inflation concerns.

prices remain relatively lower and more competitive than those of broken rice, wheat, and the other coarse grains. Domestic corn prices are likely to remain firm through the end of MY 2023/2024.



Note: P- Provisional.

Source: Agricultural Marketing Information Marketing Network, MOAFW; FAS/New Delhi research.

## TRADE

**MY 2023/2024 Exports Lowered:** FAS New Delhi is revising MY 20/2023/2024 corn exports forecast lower to 1 MMT due to uncompetitive Indian corn prices even in the traditional neighboring markets due to weak global prices. Indian corn exports have been on a steep decline since August 2023, falling to less than 50,000 MT/month. Expected firm domestic prices and continued weak international prices are likely to limit corn exports to neighboring Nepal and Bangladesh through the land routes. Assuming current price parity for Indian corn with that of international corn to continue, MY 2023/2024 exports are likely to reach 1 MMT compared to 3.2 MMT last year.

## CONSUMPTION/ENDING STOCKS

**MY 2023/2024 Consumption Raised:** FAS New Delhi's MY 2023/2024 consumption forecast is raised higher to 35 MMT, largely on higher corn usage by domestic ethanol producers.

**Ending Stocks Raised:** FAS New Delhi's MY 2023/2024 ending stocks are adjusted marginally higher to 2.2 MMT to account for lower exports.

### Attachments:

No Attachments.