

## AMID PANDEMIC

# Rice exports see a surge; shipments up 36% in H1

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**EVEN AMID THE** pandemic, India's rice exports registered an exponential growth of 70% to 7.5 million tonne during the first six months of this fiscal, thanks to a doubling of non-basmati shipments backed by strong demand from countries in West Africa and south-east Asia.

In dollar term, the exports of the grain grew 36% to \$4.08 billion during the period, while a 43% growth to ₹30,609 crore was seen in rupee term.

Rice exports would have been even higher, had freight movements been eased, exporters said. Rice shipments are poised for a growth of over 60% to 15.5 million tonne this fiscal, they added.

"Considering the growth in exports during H1, the non-basmati shipments are going to exceed 10 million tonne in FY21, which will be a record," said BV Krishna Rao, president of the Rice Exporters Association. The previous annual record for non-basmati rice exports was 8.6 million tonne reported in 2017-18.

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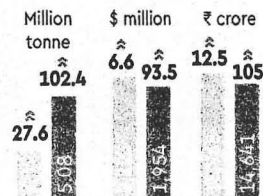
In the six months to September this fiscal, the non-basmati shipments were at 5.08 million tonne, which was higher than the exports of 5.04 million tonne during the whole of FY20, official data show. Countries like Benin, Cape Verde, Ghana, Mali, Nigeria, Senegal and Sierra Leone in West Africa, who are traditional buyers of non-basmati rice from India, increased their purchases after the euro gained against the US dollar in the aftermath of the Covid-19 pandemic, Rao said, adding many of these countries pay in West African CFA franc. The West African currency was ruling at 626 versus the US dollar on May 23 and currently trading at around 553.

Rao also said the space vacated by Thailand due to their lower output and also because of a policy to make their own country food secure amid the Covid-19

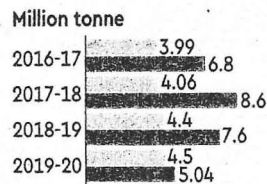
## RICE EXPORTS

■ Basmati ■ Non-basmati  
▲ % change y-o-y

April-September, 2020-21



Source: Apeda



pandemic, too, helped India to increase the export volume. "In parboiled rice, Thailand was the only competitor of India, so we have an advantage," he said, adding, par-

boiled rice has 30-40% share in annual non-basmati shipments. Besides, there is also demand from Indonesia and Malaysia, who prefer sticky rice and were earlier buying from Thailand.

China has also increased its rice purchase from India last month, placing order for 100% broken non-basmati rice as it is the cheapest in the world market, traders said. Only 84 tonne of rice was exported to China in April-September this fiscal. China, the world's largest producer and importer of rice, limits imports from India via various means.

Exporters of basmati rice also expect around 15-20% increase in shipments this fiscal from last year's 4.5 million tonne, even as exports were up 28% up at 2.4 million tonne during H1 from year-ago period. "Even if we export the same quantity of basmati rice in October-March

as in the year-ago period, the shipments will be 12% higher for the whole year. Considering the robust demand in West Asia, the exports are likely to be more in next four-five months from the year-ago," an exporter said requesting anonymity.

Rao said the railways have recently accorded a higher priority in allotment of rakes for rice exports with some conditions. Rice exporters had faced difficulties during the lockdown period as FCI was given priority in rail traffic movement for transportation of food grain. Even though export volume has increased, there is a decline in realisation as the per tonne unit price has declined this year. Many exporters are lowering the prices in their eagerness to get orders. The export price/tonne of basmati rice fell to \$890 in H1 FY21 from \$1,064 a year ago, while that of non-basmati dropped to \$385 from \$403.