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ORIGINAL ARTICLE



Non-basmati rice exports of India - an analysis

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ABSTRACT

Agricultural exports play a significant role in enhancing the economy of the country as well as the farming community. Rice is one of the most important agricultural products in India with high potential for foreign trade. Though there was a fall in non-basmati rice exports after 2018, it has rebounded in the current year reviving the hopes of rice producers and domestic traders. This article attempts to analyze the export scenario of non-basmati rice in India and discusses the scope to improve the international trade.

Key words: Non-basmati rice, export, foreign exchange

At the dawn of independence, India was an agrarian economy with 70 per cent of national income generating from agriculture. Despite being the most important sector, agriculture in India faced massive stagnation and deprivation. Independence from British rule did not *per se* offer freedom from hunger and the country encountered severe food crisis. India largely relied upon imported food grains to feed its population further de-escalating the already sliding economy. Beginning the journey amid hunger storm, India moved ahead a long way towards a proud position of claiming self-sufficiency in food grains. Untiring efforts of the farmers, dedicated and focused research and more importantly, well planned and agriculture-friendly government policies played a key role in skyrocketing the productivity levels of major food crops resulting in volte-face from the direction of starvation to a path of self-sufficiency.

Today, as the country accomplishes noteworthy yields in many crops, marketing is becoming a bigger challenge to the farming community rather than crop production itself. Importance of proper planning and demand forecasting at government as well as farmer levels cannot be undermined in order to ensure assuring prices for the agricultural produce. India represents 2.2 per cent of the total estimated US\$1.37 trillion global market of agricultural products. The export quantum of agricultural products in India sharply inclined to an extent of 9 per cent between 2007 and 2016 which is a significant surge *vis-à-vis* its contemporaries like China (8 %), Brazil (5.4 %) and USA (5.1%). On the contrary, the growth is yet way behind some relatively smaller (area wise) countries like Thailand and Indonesia. In addition to being the most important food crop of India, rice is the second most important agri-product with export potential to the tune of US\$ 7.71 billion.

Rice is globally cultivated in an area of 167.13 million hectares with China, India and Indonesia occupying the top slots. China is leading India in rice production with a margin of 44.00 million tonnes though its cultivated area is 13 million hectares lesser. Nonetheless, China utilizes most of its rice for domestic consumption and hence is not a part of international trade. Thailand though produces only 4.34 per cent of world's total agricultural products, its non-basmati rice exports are 1.81 million tonnes higher than India. During 2018-19, total area under rice cultivation in India was 43.79 million hectares with production of 116.42 million tonnes. These figures indicate a sizable increase of 42 per cent in area and 465 per cent in production as compared to 1950-51 (30.81 million hectares area and 20.50 million tonnes production). However, there is immense scope for rice exports in India which has to be taken advantage of through coalesced efforts of farmers, scientists and government officials. In India, West Bengal, Uttar Pradesh and Punjab are the leading states in terms of both area and production of rice.

LARGEST RICE PRODUCING COUNTRIES WORLDWIDE (2017-18)

Country	Area ('000 ha)	Production ('000 t)	Production (%)
China	30747	212676	27.63
India	43789	168500	21.89
Indonesia	15788	81382	10.57
Bangladesh	11272	48980	6.36
Vietnam	7709	42764	5.56
Thailand	10615	33383	4.34
Myanmar	6745	25625	3.33
Philippines	4812	19276	2.50
Brazil	2008	12470	1.62
Pakistan	2901	11175	1.45

Source: Directorate of Economics and Statistics, Government of India

LARGEST RICE PRODUCING STATES IN INDIA (2018-19)

State	Area (mha)	Production (mt)	Production (%)
West Bengal	5.52	16.05	13.79
Uttar Pradesh	5.75	15.54	13.34
Punjab	3.10	12.82	11.01
Andhra Pradesh	2.21	8.25	7.08
Odisha	3.71	7.31	6.28
Telangana	1.95	6.70	5.76
Chattisgarh	3.61	6.53	5.61
Tamil Nadu	1.72	6.45	5.54
Bihar	3.18	6.04	5.19
Assam	2.46	5.14	4.41

Source: Directorate of Economics and Statistics, Government of India

Promoting export of agrarian products to other countries not only ensures profitable prices to farmers but also enhances foreign exchange reserves of the country. India's total merchandise export was around US\$ 303.7 billion during 2018-19, out of which agriculture commodities contributed around US\$ 38.5 billion (12.6 %). Indian agricultural commodities and processed foods are exported to more than 200 countries among which the top ten are Vietnam, Iran, Saudi Arabia, UAE, USA, Indonesia, Nepal, Bangladesh, Malaysia and Iraq (Source: KrishiJagran). Although, India was leading in world's rice cultivated area and production from past few decades, export of this commodity begun only after 1980. The rice exported from India can be classified as basmati and non-basmati types. Out of the total 40 to 45 million tonnes of rice traded worldwide annually, 11 million tonnes (4.4 million tonnes of basmati and 6.6 million tonnes of non-basmati rice) is exported from India.

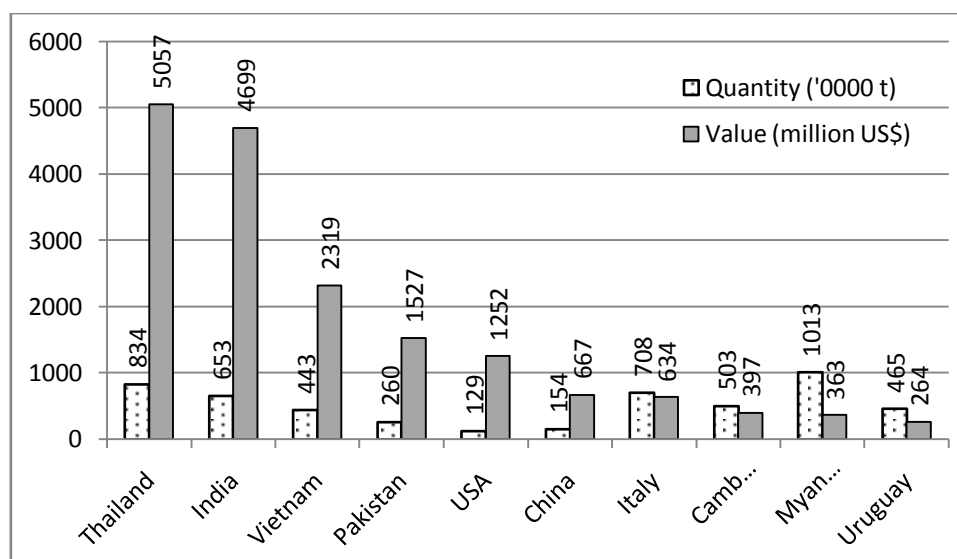
TOP FIVE EXPORTED COMMODITIES OF INDIA DURING 2018-19

S. No.	Agricultural Products Exported	Value (US\$ billion)
1	Marine products	1.50
2	Basmati rice	4.71
3	Buffalo meat	3.59
4	Spices	3.31
5	Non-basmati rice	3.00

(Source: Farmer Connect Portal, GOI)

During the financial year of 2020 (till February 2020), India exported basmati rice worth US\$ 3.88 billion, buffalo meat worth US\$ 3.01 billion, non-basmati rice worth US\$ 1.84 billion and other processed foods worth US\$ 2.71 billion (Source: www.ibef.org).

TOP TEN COUNTRIES EXPORTING NON-BASMATI RICE



(Source: www.agriexchange.apeda.gov.in)

During 2018-19, India exported 6.53 million tonnes of non-basmati rice valuing to US\$ 4699 million. The first quarter of the year 2020 witnessed a spike of 35 per cent in exports as compared to the previous year. This upsurge resulted from the increased domestic prices of rice in Vietnam and Thailand which are among the major players in international rice trade leading to higher demands from the African countries. Further, demands from Malaysia, Philippines and Russia have also picked up owing to food security reasons.

India chiefly exports non-basmati rice to Nepal, Benin and UAE duly earning a foreign exchange of US\$ 568.14 million. There is a vast potential for exporting non-basmati rice in India which is yet to be fully tapped. In order to sustain and enhance foreign trade of agricultural products, the government is actively formulating and updating policies like Agriculture Export Policy (AEP), Agricultural and Processed Food and Products Export Development Authority (APEDA), Farmer Producer Organization (FPO) to name a few. Besides, producing premium quality rice with international standards is of immense importance and all the care must be taken to meet the quality requirements (grain length - 5.0 to 6.4 mm, moisture content - 12 to 14 %, broken rice - < 5 %, inert matter - < 1 %, chalky grains - < 1 to 2%, uniformity of grain size and shape - 100 %) that define the export potential.

MAJOR NON-BASMATI RICE EXPORTS OF INDIA

Country	2017-18			2018-19			2019-20		
	Quantity (t)	Value (Rs. crores)	Value (US\$ million)	Quantity (t)	Value (Rs. crores)	Value (US\$ million)	Quantity (t)	Value (Rs. crores)	Value (US\$ million)
Nepal	623932.98	1546.15	240.16	770113.06	1965.59	281.72	678665.00	1735.32	242.60
Benin	778778.80	2022.33	314.19	699004.80	1846.75	264.66	535242.13	1376.14	195.22
UAE	273769.97	961.52	149.21	291576.06	1032.29	148.04	249532.79	930.87	130.32

Somalia	328257.0 0	808.32	125.38	326919.1 0	843.21	121.17	346059.1 5	872.08	121.57
Côte d'Ivoire	398489.7 2	958.63	148.95	438089.5 3	1149.4 1	163.65	293891.5 7	761.89	107.60
Guinea	461978.1 7	1120.2 5	173.81	467691.2 2	1229.0 2	176.27	327422.0 7	855.65	119.30
Togo	123603.2 1	309.21	47.98	252377.8 5	653.36	93.42	302824.3 3	762.87	107.62
Djibouti	220016.5 5	517.15	80.19	267183.0 0	633.59	90.91	192793.0 0	489.08	68.51
Liberia	264153.9 2	644.21	100.20	301112.4 9	818.08	117.45	219852.2 0	565.93	79.94
South Africa	142722.5 1	354.90	55.08	149879.9 9	379.12	54.52	149641.3 9	367.46	51.80

(Source: All India Rice Exporters Association)

SUMMARY

Despite the alarming situation due to Covid-19, India witnessed a 23 per cent spike in export of farm produce from April to June compared to previous year with non-basmati rice contributing the highest rise of Rs.2392 crore. In view of the larger share of rice in total national exports, concerted efforts are necessary to sustain and improve foreign trade of this crop. Ensuring appropriate environment for producing export quality rice, awareness on export of processed rice as well, bestowing special attention on organic rice are some avenues to boost Indian rice exports with the available varieties thereby rolling larger profits to the farming community.