

● **SHIPMENTS SEEN AT \$10-12 BILLION IN FY23**

Rice exports to surge on global crunch, good crop

Key competitors Thailand and Vietnam facing cost pressures

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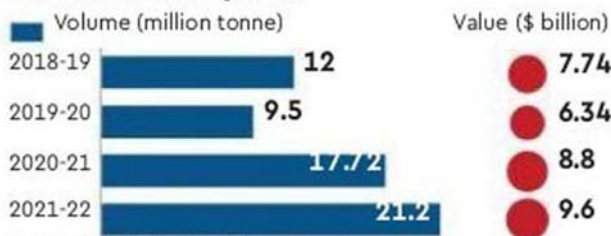
THE DECLINE IN rice crop yields in Thailand and Vietnam and their increased costs of production may turn out to be bonanza for India's rice exports in the current fiscal year, trade sources said. India is exporting rice at around \$360 a tonne to key markets at present while Thailand and Vietnam are offering the grain at around \$420 a tonne.

The gap, according to the sources, is expected to widen in the coming months. Besides, prospects of a reasonably strong kharif crop could enable Indian exporters to fetch higher realisations. Even in volume terms, India's rice exports in the current year could match or slightly exceed last year's record level of 21 million tonne, according to V Krishna Rao, president, All India Rice Exporters Association.

The prospects of another record in rice shipments come at a time when the country has imposed strict curbs on export of wheat due to depleting domestic stocks.

According to the United

India's rice exports



Source: Commerce ministry

Global rice trade

53 MT

India's share

40%

Share of Thailand, Vietnam & Pakistan

35%



Top five destinations for India's rice
(in terms of volume/MT)



Source: APEDA, (2021-22)

States Department of Agriculture (USDA) rice outlook report released in June, the global rice trade in 2022 calendar year are projected at a record 54.3 MT. "India's exports are projected to a record 22 MT and account for almost 41% of global shipments," said the report. The USDA also stated that India's projected rice exports are likely to exceed the combined shipments of the next three-largest exporters—Thailand, Vietnam, and Pakistan this year.

Trade sources said major rice producers such as Vietnam, China and Thailand have

been raising the issue of high production and freight costs which would make their rice much costlier than what India offers. Exports in value terms this year could be \$10-12 billion, an all-time high.

India has been the world's largest rice exporter in the last decade — export earnings stood at \$8.8 billion in 2020-21 and \$9.6 billion in 2021-22. According to commerce ministry data, India's value of rice exports rose by 12% to \$2.6 billion in the first quarter of the current fiscal.

"We will sustain the

momentum in rice exports in the current fiscal through shipment of quality rice," M Angamuthu, Chairman, Agricultural and Processed Food Products Export Development Authority (APEDA) said.

The Food Corporation of India (FCI) as of July 1, 2022, had rice stocks of more than 31.7 MT against the buffer norm of 13.54 MT. However, this stock excludes 15 MT of rice yet to be received from the millers by FCI.

An agriculture ministry official said widespread monsoon rains are expected to give a boost to rice production which is predominantly a kharif crop. The official said rice sowing, which was lagging behind by more than 22% last week compared to last year, has picked up pace and rice sowing will reach normal levels soon.

"India is in a position to cater to the world market in a big way and exports are expected to pick up pace after two months, currently earlier orders for shipments are being executed," Vijay Setia, former president of All India Rice Exporters Association and an exporter, said.

As per DGCIS data, India exported rice to over 150 countries in 2021-22. "It indicates the diversification of India's rice export over the years," a commerce ministry official said.