

Global rice prices plunge after India lifts export curbs

MOUNTING PRESSURE. Arrival of new crop in Pakistan and Myanmar add to the declining trend after an over 10% drop in rates in the last fortnight

Subramani Ra Mancombu
Chennai

Rice prices in the global market have dropped by over 10 per cent over the past fortnight mainly because of India lifting all curbs on exports and the arrival of the new crop in Pakistan and Myanmar, traders said.

“Rice cargo is being offered at discounts as the strong dollar has helped against local currencies. India’s opening up of exports has come when the new crop from Pakistan and Myanmar has arrived. For buyers, the situation has become a blessing in disguise,” said New Delhi-based exporter Rajesh Paharia Jain.

CURRENT PRICES

On Wednesday, Thailand’s

5% broken white rice was quoted at \$507 a tonne, down from \$529 on October 16. Vietnam’s quote is unchanged at \$537-\$541 but it is expected to cut it.

Pakistan’s offer price is at \$463-\$467 against \$481-\$485 a fortnight ago. Against these, India’s prices have dropped to \$444-\$448, compared with \$488-\$492.

In the 25% broken white rice category, India is offering at \$434-\$438 a tonne, compared with \$491-\$495. Pakistan is more competitive in this at \$424-\$428, compared with \$440-\$444 a fortnight ago.

Thailand is quoting \$491 (\$508) and Vietnam \$497-\$502 (\$509-\$513).

In the parboiled sector, Thailand is quoting its 100% sortexed at \$522 (\$561) while Pakistan is offering the



REAL ISSUE. The government has to shift 4 million tonnes of rice by rail rakes from Punjab over the next few weeks

rice at \$493-\$497 (\$500-\$504). India’s price is the most competitive at \$439-\$443 (\$490-\$494).

“Our white rice shipments to Vietnam have dropped to

\$475 a tonne from \$495 a tonne cost and freight in the container,” said M Madan Prakash, President, Agricultural Commodities Exporters Association.

LOW CONTAINER RATES
Besides a weak dollar, lower container rates are helping buyers. “Lack of shipments has resulted in container prices dropping sharply to \$100. You can even get it at \$50,” he said.

However, the trade has slowed in the past week as traders are waiting to see the extent of the fall in the prices.

“Demand is good. The rice market is trying to find its level. Prices are likely to move up a little,” said BV Krishna Rao, President, The Rice Exporters Association (TREA).

Prices could rebound a little as traders in the Philippines are interested in stocking up and Thursday’s Indonesia Bulog tender could be an eye-opener on the trend, he said.

Jain said the Bulog tender could see \$450-\$480 a tonne bids. Traders from the Philippines are purchasing rice at \$475-\$480 cost and freight in containers.

MOVING FROM PUNJAB

The real issue for the Indian government will be in moving 4 million tonnes of rice by rail rakes from Punjab over the next few weeks. “Thanks to India, cheaper food will be available to the global community,” Jain said.

A trade analyst from New Delhi said countries such as Malaysia could try and import rice when the price is lower to build stocks in the pipeline. China is also expected to buy a good quantity of rice for feed and other purposes, such as making noodles.

The Centre on October 23-24 removed all curbs on rice exports that were in force since September 2022.

However, it retained the ban on export of broken rice. It reduced the Customs duty on parboiled rice to zero from 10 per cent and scrapped the \$490 per tonne minimum export price (MEP) on white rice.

Earlier, on September 26, the Ministry had cut the export duty on non-basmati parboiled rice, husked (brown) rice and rice in the husk to 10 per cent from 20 per cent with immediate effect.

Also, semi-milled or wholly-milled rice, whether or not polished or glazed (other than parboiled rice and Basmati rice) was allowed duty-free. It also fixed the \$490 MEP on white rice.