

Non-basmati rice exports in H1 top FY20 shipments

Exports of non-basmati rice have more than doubled to top 5 million tonnes (mt) in the first half of the current financial year on robust demand. Exporters see shipments touching a new high — even 10 mt — as buyers such as China and Bangladesh have started showing interest in the Indian cereal.

Non-basmati shipments stood at 5.07 mt during April-September this year against 2.5 mt in the same period last year. In value terms, non-basmati rice emerged the No 2 agri product exported in H1 of this year, clocking \$1.95 billion (\$1.01 billion during the corresponding period last year).

Non-basmati rice pushed buffalo meat to the third slot during H1. Buffalo meat shipments fell 13 per cent to \$1.36 billion on lower demand.

However, basmati rice continued to remain the largest agri product exported from the country, with shipments estimated at 2.38 mt (1.87 mt), valued at \$2.12 billion (\$1.99 billion).

In addition to the lower output in Thailand (a major exporter of the cereal), panic buying by some countries due to the spread of Covid during the early part of the year, coupled with lower prices and demand from existing buyers in Africa and Asia have pushed up Indian rice shipments.

China turns buyer

Meanwhile, China, the largest producer and also buyer of rice and which approved some Indian mills for exports about two years ago, has finally started buying. China has started physical buying of Indian rice over the past one month and they have purchased a few thousand tonnes.

India produced a record 118.43 mt of rice in 2019-20. The production is expected to be higher than last year as farmers have brought more area under rice this kharif and also in the ongoing rabi planting season.

Source: The Hindu Business Line