

Status of Rice in Indian Export

Abstract

Exports have played an increasingly important role in India's economic growth in the last two decades. The All India Rice Exporters Association (AIREA) is the Apex body of Indian rice exporters worldwide. Rice is exported from India to many countries in the world. The present study has ascertained the growth and performances of India's rice exports during the past reforms period (1991-2015). It has been found that in export of certain commodities like rice and cereals, India has been able to maintain its growth rate. This paper analyzed the performances of India's exports and various economic factors which have contributed to its growth. The paper provides an overview of the export performance of rice since economic reforms from 1991. It explains the performances of export and import of rice by year. This paper also explains some suggestions for sustaining rice export. Emerging world demand for Indian agricultural commodities offers great opportunity. Rice is exported in two varieties, Basmati and Non-Basmati rice. This paper includes rice contributes to the maximum share in the total agricultural export in different periods.

Keywords: Agricultural Commodities, Stability Growth, Collection, Contribution, Composition.

Introduction

India is the largest exporter of rice and controls the second largest stock of grains in the world after China. Rice production in India is an important part of the national economy. India is one of the world's largest producers of white rice and brown rice accounting for 20 percent of all world rice production. Rice is India's pre-eminent crop, and is the staple food of the people of the eastern and southern parts of the country. Rice is one of the chief grains of India. Moreover this country has the largest area under rice cultivation, as it is one of the principal food crops. It is in fact the dominant crop of the country. India is one of the leading producers of this crop. Rice is the basic food crop and being a tropical plant. It flourishes comfortably in hot and humid climate. Rice is mainly grown in rain fed area that receive heavy annual rainfall. That is why it is fundamentally a kharib crop in India. It demands temperature of around 25 degree Celsius and above rainfall of more than 100 cm.

Rice can be cultivated by different methods based on the type of region. But in India the traditional methods are still in use for harvesting rice. Rice grows on a variety of soils like silts, loams, and gravels. It can also tolerate alkaline as well as acid soils. Rice fields should be level and should have low mud walls for retaining water. India being a land of eternal growing season and the deltas of Kaveri river, Krishna river, Godavari river and Mahanadi river. with a thick set of canal irrigation, permits farmers to raise two and in some pockets even three crops a year. Irrigation has made it feasible even for Punjab and Haryana known for their baked climate to grow rice. Rice is considered as the major crop of coastal India and in some region of eastern India where during the summer monsoon rainy season both high temperature and heavy rainfall provide ideal conditions for the cultivation of rice. The country's rice production had declined to 89.14 million tons in 2009-2010 crop year (July-June) from record 99.18 million tons in the previous year due to severe drought that affected almost half of the country. India could achieve a record rice production of 100 million tons in 2010-11 crop year on the back of better monsoon this year. The India rice production reached to a record of 104.32 million 2011-12 crop year (July-June). In India the food production and management system is characterized by a high degree of government involvement. The government's role in India's food management system has increased because of its focus on multiple objectives such as providing famine relief, ensuring food security and providing production incentives. As India is one of the major players in the world grain market today.



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Grain Exports

Year	Rice
2011-12	5028.36
2012-13	6216.01
2013-14	7784.03

Source: FAO (Food and Agricultural Organization)

Rice is exported from India to many countries in the world. India is facing stiff competition in the international markets for the export of rice. Thailand is world's largest rice exporting country. Vietnam is another exporter in rice, but currently the demand for Vietnamese rice has steeply declined in the international market due to which India is likely to become world's second largest exporter of rice.

Literature Review**Nageshwer et al (2009)**

India is amongst top ten producer in the world for rice, buffalo milk, wheat, cow milk, fresh vegetables, sugarcane, potatoes, groundnuts, pepper mint and buffalo meat. The technological developments, macro-economic reforms and Uruguay round agreement have contributed to the changes in agricultural trade. The progress of agricultural has made a lot of changes in the net trading position of India.

Shinoj p et al (2008)

Examine the comparative advantage of India in agricultural export vis-à-vis Asia in the post reform era. From 1991 to 2004, ten major agricultural commodities group are studied. India has been able to maintain comparative advantage in commodities like cashew and oil meals, but tea, coffee spices, marine products have been negatively affected.

BV Krishna Rao (2015)

India should emerge as the largest exporter of rice both basmati and non-Basmati. From 4 mt.of annual export of non-Basmati we should be able to export 7 mt.Rao said Basmati and Non- Basmati rice export should be 10-11 mt. a level last seen in 2012. Surplus rice stockpiles in the country and improved methods of production have helped position India competitively in the global rice market.

Tejinder Narang (2015)

Rice growers in Andhra Pradesh have upgraded the quality and performances of mills and rice, consumers and exporters will have a lot of cheer about. Prices of rice including Basmati will fall considerably which will boost exports.

Sheik (2012)

In his study India's export of cereals preparation explores the growth and performance of the export of one of the most important agricultural good i.e., cereals. After liberalization policy was adopted in 1991 there is shift in government of India's policy from import substitution of the agro- products to the export-promotion. Asia is the largest market, importing unprocessed cereals from India. It is necessary that India focuses on export of cereal preparations and value added products.

Datta (2010)

In his study, Problems and prospects of India, Rice trade in a WTO regime. Shows that Indian rice is only marginally competitive measured by the traditional indices of competitiveness. At the same time India must make all-out efforts to gather more competitive strength through cross-comparing her

strength and weaknesses vis-à-vis her established and neighboring rivals, especially.

Objectives

1. To study the growth and performances of rice export of India since economic reforms.
2. To study the state wise contribution of rice exports in India.
3. To study the recent direction of rice exports in India.
4. To give suggestions for sustaining rice exports.

Research Methodology

The present study is entirely based on secondary data. The information related to secondary data will be collected from various source i.e. report of the commission for agriculture, Agriculture statistics at a glance, Food and agriculture organization, Economics times, Unitedstate department of agriculture, Directorate general of commercial intelligence and statistics (DGCIS), Ministry of agriculture and cooperation and custom data.

Performance & Trends of Rice Exports since 1991

India's presence in global rice trade is a great stabilizing force. India has been top exporter in global rice trade of about 42 million tones by averaging 10.5-11 million tons annually during last four year since 2011. The sustainability in rice exports the only one with a competitive edge internationally as compared to other Indian agro-commodities is the resultant outcome of a combination of external factors, dynamics of domestic market.China's current rice imports are about 4 million tons in 2014-15 up from 0.5 million tons in 2010-11, and it has kept Indian non- basmati rice at an arm's length. Rice is one of the important cereal food crop of India rice contributes about 43% of total food grain production in the country. It continues to play vital role in the national exports.

Table-1
Trends of Rice Export Since1991

Market Year	Trade Year Export	Unit of Measure	Growth Rate
1991	596	(1000 mt)	-16.29%
1992	652	(1000 mt)	9.40%
1993	734	(1000 mt)	12.58%
1994	4162	(1000 mt)	467.03%
1995	3676	(1000 mt)	-11.68%
1996	2087	(1000 mt)	-43.23%
1997	4666	(1000 mt)	123.57%
1998	2752	(1000 mt)	-41.02%
1999	1449	(1000 mt)	-47.35%
2000	1936	(1000 mt)	33.61%
2001	6650	(1000 mt)	243.49%
2002	4421	(1000 mt)	-33.52%
2003	3172	(1000 mt)	-28.25%
2004	4687	(1000 mt)	47.76%
2005	4537	(1000 mt)	-3.20%
2006	6301	(1000 mt)	38.88%
2007	3383	(1000 mt)	-46.31%
2008	2149	(1000 mt)	-36.48%
2009	2228	(1000 mt)	3.68%
2010	4629	(1000 mt)	108.1%2
2011	10250	(1000 mt)	121.05%
2012	10480	(1000 mt)	2.24%
2013	10901	(1000 mt)	4.02%
2014	9000	(1000 mt)	-17.44%

Source: United States, Department of Agriculture

Table 1. shows that rice export since economic reforms (1991-2014) trade export by year is increasing and decreasing simultaneously. This table also shows the growth rate since economic reforms. In 1991 trade export 596(1000 mt.) and the growth rate is -16.29%. And after that the growth rate is increased year by year. After 1991 growth rate increased but decreased also. In 2014 the growth rate is -17.44%. In 2014 the trade year rice export is 9000 (1000 mt.). It shows that in 2014 the growth rate is decreased. From the year 1992 to 1994 rice export of India has shown an increasing trend. Further it follow negative trend up to period 1995-1996. But from the year 2000-2001 and 2009-2013 the rice export once again start growing. In table 1 trends depicts the growth rate from increasing and decreasing trade year export.

State Wise Analysis of Rice Exports in India

In some of the states like West Bengal, Assam, Orissa two crops of rice are raised in a year. There are many states in which rice production is increased year by year. India expected to emerge biggest rice exporter in 2015. India may become the largest exporter of rice next year amid higher demand anticipated from African and middle East countries and competitive prices. West Bengal, Andhra Pradesh and Madhya Pradesh are the major producer states of rice in India.

Table 2
State wise production of Rice in India
(Qty: Thousand tones)

State	2008-09	2009-10	2010-11
Andhra Pradesh	14241	10514	8645
Punjab	11000	11236	11000
Chattisgarh	4391.8	4110.4	5293.8
Uttra Pradesh	12097	10792.1	12202.4
Oddisha	6812.7	6895	5661
Haryana	3298	3625	3738
Tamil Nadu	5182.7	6024	5400.4
West Bengal	13097	10792.1	8320
Madhya Pradesh	1559.7	1260.6	1596.9
Uttarakhand	582	614	628
Others	n.a	1794.1	1785.4
All India	99182.4	89127.3	80412.3

Source: Ministry of Agriculture & Public Distribution.

This table shows that in 2008-09 the production of rice in Andhra Pradesh is 14241 th. tonnes. In 2009-10 the production is 10514 th. tonnes. And in 2010-11 the production of rice in Andhra Pradesh is 8645 th. tonnes. In Punjab the rice production in 2008-09, 2009-10, 2010-11 is 11000, 11236, 11000 th. tones respectively. In west Bengal the rice production in 2008-09 is 15037.2 th.tones and in 2009-10 the production of rice is 14881.7 and in 2010-11 the production is 8320 th.tones. Like this, this

(Qty. Lakhtone, Value-Rs. Crore)

Country	2011-2012		2012-2013		2013-2014		2014-2015	
	Qty.	Value	Qty.	Value	Qty.	Value	Qty.	Value
Iran	614643	2843.21	1082217	6463.50	1440454	10975.71	423437	3501.18
Saudi Arabia	721246	3380.88	681193	3659.08	826120	6717.06	427352	3689.65
Iraq	151961	672.87	204261	1076.67	219605	1599.72	82415	650.26
Kuwait	199869	1362.92	163316	1059.68	175535	1513.06	70650	677.42
UAE	726901	3432.79	234638	1311.20	147900	1185.96	98172	768.46
Other countries	754787	3756.92	1094177	5839.26	944475	7300.32	53872	4559.97
Grand total	3169407	15449.60	3459802	19409.39	3754089	29291.82	1640993	13846.95

Source: Press Information Bureau.

table shows the quantities of all states in different period. At last the rice production in India in 2008-09 is 99182.4, in 2009-10 is 89127.3 and in 2010-11 the rice production in India is 80412.3 th.tonnes respectively.

Percentage Contribution of States in Rice Exports in India

The major part of rice production in India produce in West Bengal that is 13.8%. The share of Uttar Pradesh is 13.3% and the share of Andhra Pradesh is 12.2%. Punjab has 10% share and Tamil Nadu has 7% share. The part of Bihar is 6.8%, Chhattisgarh has 5.7%. Then the shares of different states has decreased comparison to all other major states. And these are 5.5, 4.2, 3.7% in Orissa, Assam and Karnataka respectively. And in other states the share of rice production is 17.8%.

Table - 3
Contributions of States in India's Rice Production

States	2012-2013
West Bengal	13.8%
Uttar Pradesh	13.3%
Andhra Pradesh	12.2%
Punjab	10%
Tamil nadu	7%
Bihar	6.8%
Chhattisgarh	5.7%
Orissa	5.5%
Assam	4.2%
Karnataka	3.7%
Other state	17.8%

Source: Deptt.ofAgriculture and Cooperation
Recent Direction and Composition of India's rice Export

Major destinations for India's non- basmati rice exports are Bangladesh, Australia, Bahrain, Ethiopia, France, Djibouti, Germany, U.K. Hong-Kong, Korea, Sri Lanka, Nepal, Mauritius, Malaysia, Nigeria, Ivory coast, Indonesia, Oman, Russia, South Africa, Saudi Arabia and Singapore.

India is the leading exporter of basmati rice to the global markets. The country has exported 37,02,260.12 million tons of basmati rice to the world for the worth of rs. 25,597.87 crores during the year 2014-15. Major export destinations (2014-15) : Saudi Arabia,, Iran, united Arab, Iraq and Kuwait.

Exports of Basmati Rice

There are many countries where India exports of basmati rice. These are Iran, Saudi Arabia, Iraq, Kuwait, UAE and many other countries. India's rice stocks in the central pool as of august 1, 2015 stood at about 18.6 million tones including a million tones recorded during the same period from the food cooperation of India.

The table depicts that the quantities of rice export in Iran is 614643 lakh tones in 2011-12. And the value of this quantities is 2843.21 cr. In 2012-13 the value of the rice export is 6463.50 cr. In 2012-13 the quantities of rice export is 1082217 lakh tones. Then the value of rice export in 2013-14 is 10975.71cr. for the quantities of 1440454 lakh tones. Like wise in all the countries the quantities of rice export and the value of rice export in cr. is different in different period of time. And the grand total of rice export quantities is 3169407 lakh tones in 2011-12 and the value for this quantities is 15449.60 cr. In 2012-13 the quantities of grand total is 3459802 lakh tones, and the value is 19409.39 cr. In

2013-14 the qty. is 3754089 lakh tones and the value is 29291.82 cr. In 2014-15 the qty. is 1640993 lakh tones and the value of rice export is 13846.95 cr.

Export of Non –Basmati Rice

Exports of non-basmati rice in India increased to 19777 INR million in January from 14774 INR million in December of 2014. Exports of non-basmati in India averaged 3498.37 INR million from 1991 until 2015, reaching an all time high of 24098 INR million in Sep. 2014 and a record low of 15 INR million in Dec. of 1992. Exports of non – basmati rice in India is reported by the Centre for monitoring Indian economy.

Qty. Lakhtone, Value-Rs. Crore

Country	2011-2012		2012-2013		2013-2014		2014-2015	
	Qty.	Value	Qty.	Value	Qty.	Value	Qty.	Value
Benin	213720	452.75	576545	1302.45	1166844	2945.56	374543	951.90
Bangladesh	144704	271.98	31333	83.36	662833	1551.33	412506	949.69
Senegal	333929	589.34	854559	1463.43	651984	1185.92	405450	728.83
South Africa	192121	407.97	430700	926.50	394306	970.64	194996	467.78
Liberia	31278	59.37	166306	334.28	323391	767.77	105410	246.68
Other countries	3076003	6877.72	4628372	10338.79	3949070	10373.99	2163452	5969.77
Grand total	3991755	8659.13	6687815	14448.81	7148428	17795.21	3656357	9314.61

Source : Press Information Bureau.

This table shows the trends of rice export in different period of time .in 2011-12 in Benin the qty. of rice export is 213720 lakh tones and the value is 452.75 cr. In 2012-13 the qty. is 576545 lakh tones and the value is 1302.45 cr. In 2013-14 the qty. is 1166844 lakh tones and the value is 2945.56 cr. And in 2014-15 the qty.in Benin is 374543 lakh tones and the value is 951.90. Likewise all the data shows different qty. and values in different period of time in this table. And the grand total of rice export in qty, in 2011-12,2012-13,2013-14 and 2014-15 is 3991755 ,6687815,7148428 and 3656357 lakh tones respectively. And the value is 8659.13, 14448.81, 17795.21and 9314.61 in different period of time.

Suggestions for Sustaining Rice Exports in India

The following are few of the measures suggested to sustain the export of rice in future.

1. Breeding program may be initiated to develop high yielding export quality rice (Basmati, Non-basmati, long grain rice etc.) to enable the exporters to sustain their requirement of exports.
2. Extension activities may be strengthened to educate the cultivators for production of quality rice to match the standards of international markets.
3. Low cost production technology may be made for procurement and processing of rice export purpose as per the requirement of international markets.
4. Proper arrangements may be made for production of pure quality seeds and making them available to the farmers at subsidized rates.
5. In case of basmati varieties, crop should not be allowed to lodge and there should be proper water management in the fields. If these are not attended properly, such situation may affect both aroma and kernel elongations.
6. Post harvest operation is also very importance after harvesting, produce is allowed to remain at higher moisture level for a longer period .it will impair the intensity of aroma.
7. Export friendly trade policies may be adopted with improvement of infrastructure facilities for promoting export.
8. Quality of rice may be maintained keeping in view the requirements of the international markets.

Conclusion

Rice production in India is an important part of the national economy. Rice is one of the chief grains of India. In this paper we study the growth and performances of rice export of India since economic reforms. It explains state wise rice procurement in India. It also explains contribution of top ten states in India's rice production. We analyzed some suggestions for sustaining rice export. India is the largest exporter of rice and controls the second largest stock of grains in the world after China. More and more exporters of rice should be encouraged in India by every year. Tables depicts that export of rice from India has been divided into two category: Basmati rice and Non- Basmati rice. All the trends show the different quantities of rice export in different period of time.

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