

Rice prices increase up to 30% due to demand from West Asia, Dhaka

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Prices of all varieties of rice have increased by up to 30% since the beginning June, due to higher demand from Bangladesh, Iran, Iraq and Saudi Arabia and also a shortage in paddy acreage in several states.



India rice production, including the winter harvest, in fiscal 2022 was 130 million tonnes, and exports were 21 million tonnes.

The costlier staple grain will pinch the Indian households that are already facing the brunt of high inflation.

The area covered under paddy, the primary crop during the kharif season, was 13.3% less across the country till July 29 from the same period last year, as farmers in the major producer states of Uttar Pradesh, Bihar, Jharkhand and West Bengal slowed sowing due to poor rains. Odisha and Chhattisgarh too have witnessed lower sowing. While this has raised concerns about a shortage in grain output, higher export demand fanned prices further.

"Bangladesh has started importing rice from India which has impacted the preferred varieties of rice in Indian households like sona masoori, whose prices have gone up by 20%," BV Krishna Rao, president of the Rice Exporters Association, told ET.

As on July 29, the area under paddy cultivation in the six northern and eastern states mentioned earlier is lagging by 3.7 million hectares compared with the same time last year. The deficit is close to a tenth of India's kharif rice acreage of 39.7 million hectares.

At an average yield of 2.6 tonnes per hectare, the lower acreage has put close to 10 million tonnes of production at stake. India rice production, including the winter harvest, in fiscal 2022 was 130 million tonnes, and exports were 21 million tonnes. The country is targeting an output of 112 million tonnes of rice in the ongoing kharif season. Suraj Agarwal, CEO of Kolkata-based Tirupati Agri Trade, said:

"Prices of all India rice production, including the winter harvest, in fiscal 2022 was 130 million tonnes, and exports were 21 million tonnes. varieties of rice have gone up by 30%. The ratna variety of rice, whose price was ₹26 per kg, has shot up to ₹33 ... Prices of basmati rice have also shot up by almost 30%, from Rs 62 per kg to Rs 80, as demand is very strong from Iran, Iraq and Saud Arabia."

Source: <https://economictimes.indiatimes.com/news/economy/agriculture/rice-prices-increase-up-to-30-due-to-demand-from-west-asia-dhaka/articleshow/93258853.cms>