

Rice exporters may not seek duty rollback

GOOD GOING. Shippers unlikely to approach Govt unless volume suffers

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Indian rice exporters will unlikely demand a rollback of the 20 per cent export duty by the Government as long as the volume of shipments does not drop.

“Demand for Indian rice has picked up despite the export duty. Some buyers might have converted from buying white (raw) rice to parboiled (boiled). The duty has helped the government,” said BV Krishna Rao, President, The Rice Exporters Association (TREA).

CENTRE'S EARNINGS

On September 8, 2022, the Centre imposed a 20 per cent duty on exports of white and brown rice in order to keep domestic prices on a leash following fears of the crop being affected by deficient rains.

The move came at a time when demand for Indian rice was high in the global market as other origins such as Thailand and Vietnam were offering the cereal at far higher prices.

Rao said even if the Centre had earned \$50 a tonne on average since September, it could have easily earned \$0.5 million (₹414 crore).

“If there is a drop in the volume of exports in any quarter then we might approach the Government for some remedy. Until then, we may not seek a duty cut,” he said.

RISING ENQUIRIES

According to data from the Agricultural and Processed Food Products Export Development Authority

Stabilising rates*

Countries	5% broken		25% broken		Parboiled	
	Feb 23	Mar 15	Feb 23	Mar 15	Feb 23	Mar 15
India	440-44	432-36	427-31	417-21	395-99	383-87
Thailand	474	476	465	468	480	485
Pakistan	473-77	448-52	443-47	431-35	513-17	508-12
Vietnam	458-62	448-52	438-42	428-32	-	-

Source: Thai Rice Exporters Association *Price in \$/tonne

(APEDA), non-basmati exports during the April-January period of the current fiscal were 14.56 million tonnes (mt) against 14.01 mt in the year-ago period. Between September and January, exports were 5.48 mt, down marginally from 5.8 mt a year ago.

According to M Madan Prakash, President, Agricultural Commodities Exporters Association (ACEA), enquiries for Indian rice, particularly 5 per cent white, are good. “Vietnam is seeking 5% white rice. We are quoting around \$430 a tonne cost and freight,” he said.

VR Vidya Sagar, Director, Bulk Logix, said demand for Indian rice continues, particularly for parboiled rice. “Prices have stabilised now after a fall. There is decent demand for 25% broken white rice from Vietnam for use as feed,” he said.

MAY RISE FROM APRIL

Indian parboiled rice is quoted at around \$390 a tonne, while white rice prices were over \$400. The 25% white rice is quoted between \$380 and \$410 depending on the variety.

For parboiled rice, demand is good from Cotonou, Casablanca and Jordan.

Though demand is decent for Indian rice, exporters continue trading with

their regular old buyers, Sagar said. A Delhi-based analyst said rice prices are ruling stable now as the new crop arrivals have begun in Vietnam and Thailand. But prices could begin increasing from April onwards and they could continue their northward journey until September.

“Prices will be firm at least till September,” said the analyst.

RECORD INDIAN CROP

In the global market, rice prices in Thailand dropped by one per cent last week as the Thai Baht gained. However, Indian rice is still competitive by over \$10 a tonne compared to other origins such as Vietnam and Thailand.

“The price difference will increase once Thailand and Vietnam arrivals get over,” the analyst said.

India will likely be helped by a record-high crop this season to June despite kharif output being lower.

The Ministry of Agriculture has estimated rice production this year at 130.83 mt compared with 130.5 mt last year.

Rabi production has been projected at 22.76 mt this year against 18.5 mt a year ago. Rice output is estimated higher in the rabi season in view of higher acreage in States such as Telangana.