

# Red Sea Crisis Hits Basmati Rice Exports

Imports of sunflower oil from Russia and Ukraine also impacted

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**Kolkata:** Exports of basmati rice and import of sunflower oil from Russia and Ukraine have been impacted due to the Red Sea crisis with prices of basmati rice falling by 5-10 percent in the domestic market due to sluggish exports. On the other hand, prices of sunflower oil, which is imported from the Russia-Ukraine region, are likely to go up by 3-4 per cent as international prices have inched up by \$30 per tonne due to the crisis in Suez Canal.

Basmati exporters said that the export market has become sluggish and the shipping cost of basmati rice to places like Jeddah, Yemen, Beirut, Durban in South Africa has shot up to as high as \$2400 per container. Prior to the Red Sea crisis, the freight charges to Yemen was \$850 per container, but now it has jum-



ped to \$2400. Similarly, freight charges for Jeddah in Saudi Arabia have shot up to \$1500 from \$300 per container. The freight rate to Durban has jumped to \$1200 per container from \$700 per container after the Red Sea crisis. Vijay Setia, former president of All India Rice Exporters Association said "Due to this freight hike, buyers are not taking cargo this time. As a result, prices of basmati rice have fallen in the domestic market now." India annually exports 4-4.5 million tonnes of basmati rice to the global markets. Gulf countries are the biggest buyers of basmati rice accounting for nearly 80% of the India's exports. Even though Maesk,

the shipping company, has said that it will resume operations in the Red Sea route, the exporters said that the shipping line is yet to declare when it will start operations. Sunflower oil importers said that the import price of sunflower oil has shot up by \$30 per tonne to \$940 per tonne which will impact domestic prices of sunflower oil. Sandeep Bajoria, CEO of Sunvin Group, an edible oil importer said that if the import of sunflower oil has to be diverted through other routes then the arrival time of sunflower oil from the Russia-Ukraine region will go up to 40 days instead of 28 days. "Though there is good supply of edible oils in the Indian markets, but the delay and price rise in imported oil will have to be passed on to the consumers by the edible oil companies." he said. According to the Solvent Extractors Association of India, India's edible oil imports increased to 15.47 million tonnes (mt) in the first 11 months of the oil year 2022-23 (November 2022 to October 2023) from 12.66 mt in the corresponding period a year ago, registering a growth of 22.15 %.