

EXPORT OF BASMATI AND NON-BASMATI VARIETIES OF RICE FROM INDIA: SOME PROBLEMS

***DR. M. RAGHAVA REDDY**

**Lecturer in Economics, S.R Government Degree College, Punganur, Chittoor district, Andhra Pradesh, India*

ABSTRACT

Agriculture is the most important occupation in India. Majority of the population depends upon agriculture sector and it is the backbone of the Indian economy. In agriculture sector, rice is one of the significant food crops of India. Rice continues to play a pivotal role in the national exports. India is one of the important countries in the world in the export of basmati and non-basmati rice. This study analyses the trends of basmati and non-basmati varieties of rice export and the different problems of rice export from India to different countries in the world. The study is based on secondary data. The secondary data pertains to the export of basmati and non-basmati rice from India for the period 1991-92 to 2018-19. In India, basmati and non-basmati varieties are generally produced in states like Rajasthan, Tamil Nadu, Uttar Pradesh, Punjab, Madhya Pradesh, Andhra Pradesh and Bihar. The article mainly analyses about export of basmati and non-basmati varieties of rice in India. Exports of basmati and non-basmati varieties of rice have been playing an increasingly important role in Indian economic growth for the last more than twenty years.

Key words: Exports, Basmati, Non-basmati, Problems and India.

INTRODUCTION

Exports play a pivotal role in the economic development of a country. The anticipation of India in export is largely confined to primary products, particularly of the agricultural sector. Indian export strategy for agricultural commodities is guided by the twin objectives of ensuring national food security and building export markets for enhancing the farmer's revenue. In 2019, India was on the main share in agriculture and food exports in the world. Basmati and non-basmati varieties rice are two of the most important exportable agricultural

commodities from India. The steady increase in production, availability of buffer stock and rising demand for basmati rice in the international market has helped India in increasing rice export. In 1991-92, India was able to export only 678.47 thousand tonnes of both bath basmati and non-basmati varieties with a total value of 755.59 Crores and this amount increased to 53989.72 Crores in 2018-19. Now India is the biggest exporter of basmati and non-basmati varieties of rice with its market majority share from global output. India exports basmati and non-basmati rice to almost 132 countries across the world every year and the major export destinations for Indian basmati rice are Kuwait, Iran, Iraq, Saudi Arabia and United Arab Emirates. Share of basmati rice in the total exports has been hovering in the range of 30 per cent to 40 per cent while non-basmati rice contributes to 60 per cent to 70 per cent of rice exports.

OBJECTIVES OF THE STUDY

- To study the export of basmati and non-basmati varieties of rice from India during 1991-92 to 2018-19
- To analyze the different problems of rice exports from India to other countries in the world.

RESEARCH METHODOLOGY

The study is based on secondary data only. The data pertaining to different aspects in rice exports were collected for 28 years from 1991-92 to 2018-19 and the collected data are used to analyze the influence on the value of exports of basmati and non-basmati rice in India. The different publications and reports such as Directorate General of Commercial Intelligence and Statistics, Ministry of Commerce and industry, Govt. of India, Handbook of Statistics on the Indian Economy, RBI Bulletin, Economic Survey of India, Agricultural Statistics at a Glance, Magazine, Journals, News Papers and Internet etc., have been referred for collection of the secondary data. The data were analyzed with suitable statistical tools like Linear Growth Rate, and 't' value.

RICE EXPORTS FROM INDIA

India is one of the significant countries in the world in the export of basmati and non-basmati rice. Now Indian basmati and non-basmati rice exports have reached the first place in the international market. India has been exporting substantial quantities of basmati and non-basmati rice to different parts of the world since 1990-91. The particulars of Export of Basmati and Non-Basmati Rice during 1991-92 to 2018-19 from India are furnished in the Table 1.

Table 1
Export of Basmati and Non-Basmati Rice during 1991-92 to 2018-19

Quantity: 000 tonnes, Value: Rs. Crores

Sl. No	Year	Basmati		Non- Basmati		Total	
		Quantity	Value	Quantity	Value	Quantity	Value
1	1991-92	266.53	499.18	411.94	256.41	678.47	755.59
2	1992-93	324.79	800.64	255.62	174.96	580.41	975.60
3	1993-94	527.23	1061.26	565.19	225.46	1092.42	1286.72
4	1994-95	442.13	865.32	448.5	340.47	890.63	1205.79
5	1995-96	373.31	850.67	5040.7	3717.41	5414.01	4568.08
6	1996-97	523.16	1247.64	1989.04	1924.72	2512.20	3172.36
7	1997-98	593.32	1685.62	1795.74	1985.38	2389.06	3671.00
8	1998-99	597.79	1876.91	4365.89	4403.85	4963.68	6280.76
9	1999-00	638.38	1780.34	1257.79	1345.58	1896.17	3125.92
10	2000-01	849.02	2154.94	682.27	777.26	1531.29	2932.20
11	2001-02	667.07	1842.77	1541.49	1331.37	2208.56	3174.14
12	2002-03	708.79	2058.47	4259.08	3772.77	4967.87	5831.24
13	2003-04	771.49	1993.05	2640.57	2174.94	3412.06	4167.99
14	2004-05	1163.00	2823.9	3615.1	3945.02	4778.10	6768.92
15	2005-06	1166.57	3043.1	2921.6	3178.17	4088.17	6221.27
16	2006-07	1045.73	2792.81	3702.22	4243.1	4747.95	7035.91
17	2007-08	1183.36	4344.58	5286.08	7410.03	6469.44	11754.61
18	2008-09	1556.41	9477.03	931.89	1687.37	2488.3	11164.40
19	2009-10	2016.87	10889.46	139.54	365.3	2156.41	11254.76
20	2010-11	2370.68	11354.77	100.68	231.29	2471.36	11586.06
21	2011-12	3178.18	15449.60	3997.72	8659.13	7175.90	24108.73
22	2012-13	3459.89	19409.39	6688.00	14448.81	10147.89	33858.20
23	2013-14	3754.09	29291.82	7136.14	17795.21	10890.23	47087.03
24	2014-15	3702.26	27598.71	8225.53	20336.00	11927.79	47934.71
25	2015-16	4044.83	22714.30	6374.40	15085.90	10419.20	37800.20
26	2016-17	3985.11	21512.91	6770.31	16929.87	10755.42	23205.78
27	2017-18	4056.85	26870.16	8648.12	22967.82	12704.97	49837.98
28	2018-19	4415.61	32804.12	7599.61	21185.06	12015.22	53989.72

Source: Agricultural Statistics at a Glance & DGCIS, D/O Commerce

It is quite obvious that the export of Basmati rice was lowest at 266.53 thousand tonnes in 1991-92 and highest at 4415.61 thousand tonnes in 2018-19 which shows a gradual increase in the export. The value of Basmati rice was lowest at Rs.499.18 Crores in 1991-92 and highest at Rs.32804.12 cores in 2018-19 and shows a gradual increase in value. In case of Non-Basmati rice, the minimum quantity of rice exported was 411.94

thousand tonnes and the maximum was 8648.12 thousand tonnes in 2017-18. It is also observed that there was lot of variations in the export of non-basmati rice. The value of non-basmati rice varied from Rs.174.96 Crores in 1992-93 to Rs.22967.82 Crores in 2017-18. The total export of both Basmati and Non-basmati rice was highest at 12704.97 in 2017-18 and lowest at 580.41 thousand tonnes in 1992-93. The value of total basmati and non-basmati rice was lowest at 755.59 Crores in 1991-92 and highest at Rs.53989.72 Crores in 2018-19. It is concluded that the export of both basmati and non-basmati rice was observed to be in a fluctuating trend in the study period.

Linear Growth Rates of Basmati Rice in India

The details of Linear Growth Rates of Basmati and Non-Basmati rice in India during 1991-92 to 2018-19 are presented in the Table 2.

Table 2
Linear Growth Rates of Basmati and Non-Basmati rice in India during 1991-92 to 2018-19

Sl. No.	Year	Basmati	Value	Non-Basmati	Value	Total	Value
1	1991-92 to 2000-01	8.82 (4.78)**	14.03 (6.52)**	18.33 (1.56)	23.11 (2.20)*	16.33 (1.80)	19.25 (3.25)*
2	2001-02 to 2010-11	10.86 (5.08)**	21.38 (4.00)**	- 0.36 (0.04)	4.70 (0.56)	3.03 (0.62)	14.53 (7.21)**
3	2011-12 to 2018-19	8.56 (4.94)**	14.05 (2.60)*	23.45 (2.71)*	25.22 (2.95)*	17.69 (3.05)*	18.28 (2.90)*
4	1991-92 to 2018-19	10.43 (9.68)**	14.12 (7.19)**	6.71 (3.58)**	11.96 (4.92)**	7.92 (5.64)**	13.25 (6.59)**

Source: Table – 1.

- Note** : 1. Figures in brackets are 't'-values
2. * Significant at 5 per cent level of Significant
3. ** Significant at 1 per cent level of Significant

Table 2 presents that the linear growth rate of Basmati rice during 1991-92 to 2000-01 was 8.82 per cent and the 't' value was significant at 1 per cent level. During 2001-02 to 2010-11 it increased to 10.86 per cent and the 't' value was significant at 1 per cent level and later during 2011-12 to 2018-19 it again decreased to 8.56 per cent but the 't' value was significant at 1 per cent level. The linear growth rate of Basmati rice during 1991-92 to 2018-19 was 10.43 per cent and the 't' value was significant at 1 per cent level. The linear growth rate of the value of Basmati rice during 1991-92 to 2000-01 was 14.03 per cent and the 't' value was significant at 1 per cent level. During 2001-02 to 2010-11 it increased greatly to 21.38 per cent and the 't' value was significant at 1 per

cent level and later during 2011-12 to 2018-19 it decreased to 14.05 per cent but the 't' value was significant at 5 per cent level. The linear growth rate of the value of Basmati rice during 1991-92 to 2018-19 was 14.12 per cent and the 't' value was significant at 1 per cent level.

The linear growth rate of Non-Basmati rice during 1991-92 to 2000-01 was 18.33 per cent and the 't' value was not significant. During 2001-02 to 2010-11 it decreased drastically to -0.36 per cent and the 't' value was not significant and later during 2011-12 to 2018-19 it again increased to 23.45 per cent and the 't' value was significant at 5 per cent level. The linear growth rate of Non-Basmati rice during 1991-92 to 2018-19 was 6.71 per cent and the 't' value was significant at 1 per cent level. The linear growth rate of the value of Non-Basmati rice during 1991-92 to 2000-01 was 23.11 per cent and the 't' value was significant at 5 per cent level, during 2001-02 to 2010-11 it decreased heavily to 4.70 per cent and the 't' value was not significant and later during 2011-12 to 2018-19 it increased to 25.22 per cent but the 't' value was significant at 5 per cent level. The linear growth rate of the value of Non-Basmati rice during 1991-92 to 2018-19 was 11.96 per cent and the 't' value was significant at 1 per cent level.

The linear growth rate of both Basmati and Non-Basmati rice during 1991-92 to 2000-01 was 16.33 per cent and the 't' value was not significant, during 2001-02 to 2010-11 it decreased drastically to 3.03 per cent and the 't' value was not significant and later during 2011-12 to 2018-19 it again increased to 17.69 per cent and the 't' value was significant at 5 per cent level. The linear growth rate of both Basmati and Non-Basmati varieties of rice during 1991-92 to 2018-19 was 7.92 per cent and the 't' value was significant at 1 per cent level.

The linear growth rate of the value of both Basmati and Non-Basmati varieties during 1991-92 to 2000-01 was 19.25 per cent and the 't' value was significant at 5 per cent level, during 2001-02 to 2010-11 it decreased highly to 14.53 per cent and the 't' value was significant at 1 per cent level and later during 2011-12 to 2018-19 it increased to 18.28 per cent but the 't' value was significant at 5 per cent level. The linear growth rate of the value of both Basmati and Non-Basmati rice during 1991-92 to 2018-19 was 13.25 per cent and the 't' value was significant at 1 per cent level.

PROBLEMS OF RICE EXPORTS FROM INDIA

India is facing rigid competition in the global market of both basmati and non-basmati varieties of rice. Besides, there are several domestic problems for basmati and non-basmati rice exporters. If these internal problems are relaxed to the extent possible, the exporters can find simple ways to boost the basmati and non-

basmati rice and such measures will go a long way to sustain the exports. Several of the most important problems for exporting the rice are discussed below:

- Now-a-days basmati rice is facing smell problem, because the intensity of smell in traditional basmati varieties is not as high as it used to be. In fact, basmati varieties are highly prone to lodging and lodging affects the natural grain development. In such condition both the smell and linear kernel elongation are exaggerated.
- The main rice producing countries have decreased the price to capture the global markets but Indian rice prices are inelastic due to relatively high cost of production and hence become uncompetitive in the global markets.
- There is lack of suitable arrangements for producing sufficient quantity of quality seeds needed for cultivation of basmati rice for export purposes.
- According to State Government strategy, several taxes are imposed on the export of both basmati and non-basmati rice varieties, such as the states are imposing purchase tax, administrative charges and markets fees. These type of taxes are rendering the pricing of rice globally in competitive. Thus, Indian rice becomes costlier in the global market as compared to other competing countries in the world and Indian rice exports get setback many times.
- In the absence of genetically pure seed of basmati varieties in majority of basmati and also non-basmati rice fields, a variation in plant height, grain size and maturity of the crop is found. These are the main reasons for the poor quality of basmati rice.
- Infrastructural facility is one of the major problems. Many a time, when the exporters bring their stock to sea port and if the stock is not loaded due to some reason, exporters do not find suitable place to store their stocks suitably and safely at the sea port, exporters have to face lot of difficulties, besides, it adds extra expenditure to the basmati and non-basmati rice exporters.
- Owing to increase in the inputs cost used for paddy production cost goes up and the MSP for paddy is enhanced every year by the central government to safeguard the interest of the growers. When paddy is converted to rice, it becomes costlier and thus makes it globally uncompetitive.
- Lack of appropriate arrangement is observed in production of adequate quantities of quality seeds for planting basmati and non-basmati rice for target markets.
- India faces major problem in both basmati and non-basmati rice production, examples., fertilizers, pesticides, seasonal labour, electricity and irrigation water and even lack of quality gem-plash, frequently intensified by environmental impacts on agriculture leading to serious stress and damage.

CONCLUSION

The study has observed that rice contributed substantially to the national income through exports of both basmati and non-basmati rice varieties. The study has revealed that Indian rice exports had a great performance during the study period 1991-92 to 2018-19. India is one of the countries doing currently well in the global market in the export of basmati and non-basmati rice. In 2019 both basmati and non-basmati rice exportation in India generated an export value of Rs. 53989.72 Crores. The export of Basmati rice shows a gradual increase in India. Non-Basmati rice is observed to be having lot of variations in its export. The exports value of total basmati and non-basmati rice varieties was lowest at 755.59 Crores in 1991-92 and highest at Rs.53989.72 Crores in 2018-19. In the export of both basmati and non-basmati rice varieties increasing and decreasing trends in the study period have been noticed. The analysis indicates that there is good market for Indian rice varieties, particularly basmati rice in the global market. It is concluded that the linear growth rates of both Basmati and Non-Basmati rice varieties had been 7.92 per cent and the 't' value was significant at 1 per cent level during 1991-92 to 2018-19.

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