

Pakistan's rice exports to Indonesia boost in 2017-18

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In Pakistan rice are an important cash crop of the country and the overall national economy. Rice accounts for 3.1% in the value added in agriculture and 0.6% of GDP. Rice ranks as second amongst the staple food grain crop in Pakistan and it has been a major source of foreign exchange earnings in recent years. Rice provides 21% of global human per capita energy and 15% of per capita protein. Although rice protein ranks high in nutritional quality among cereals, protein content is modest. Rice also provides minerals, vitamins, and fibre, although all constituents except carbohydrates are reduced by milling. On the other hand rice contains no additives or preservatives, making it an excellent inclusion in a healthy and balanced diet.

Year	Area	Production	Yield
	(000 Hectares)	(000 Tonnes)	(Kgs/Hec.)
2012-13	2,309	5,536	2,398
2013-14	2,789	6,798	2,437
2014-15	2,891	7,003	2,422
2015-16	2,739	6,801	4,483
2016-17	2,724	6,849	2,514
2017-18	2,899	7,442	3,567

Source: Pakistan Economic Survey 2017-18

Rice also contains resistant starch, which is the starch that reaches the bowel undigested. This encourages the growth of beneficial bacteria, keeping the bowel healthy.

Production

Pakistan is the world's largest producer of rice. Each year, it produces an average of 7 million tonnes and together with the rest of South Asia; the country is supplying 25% of the world's paddy rice output.

The share of Basmati rice in total rice production in Pakistan has gone down from 74% in 2008 to 50% last season. The reason for this drop in production has been, among other things, due to the illegal adoption of the Indian variety, Pusa. Small farmers are adopting the Pusa variety as it opens an opportunity to grow a third crop between rice and wheat. This variety gives a superior yield, consumes less water and grows in a short duration.

Table 2: Exports of Rice From Pakistan

Value: US\$ Million

Year	Basmati	Other Varieties	Total
2012-13	667	1,256	1,923
2013-14	770	1,393	2,163
2014-15	601	1,434	2,035
2015-16	447	1,413	1,860
2016-17	453	1,153	1,606
2017-18	582	1,454	2,036

Source: Trade Development Authority of Pakistan

Exclusive on Rice

However, this breed is illegal in Pakistan; an industry source said that the seed is not registered and not approved by the KSK Rice Institute. Indeed, a lack of research and development is a key reason for the decline of Basmati exports.

Most of these crops are grown in the fertile Sindh and Punjab region with millions of farmers relying on rice cultivation as their major source of employment. Among the most famous varieties grown in Pakistan include the Basmati, known for its flavour and quality. Rice production comprises 40% of Basmati (Fine) type and 60% of coarse types.

Rice is grown in many areas of Pakistan. In Punjab it is cultivated in Sialkot, Wazirabad, Gujranwala, and Sheikhpura, district Gujrat, Sargodha, Faisalabad and Kasur. In Sindh, Jacobabad, Larkana, Badin, Thatta, Shikarpur and Dadu districts are important in rice cultivation. District Nasirabad and Baluchistan are also a rice producing area. The areas, production and yield of rice for the last five years are shown in **Table 1**.

Basmati predominates in traditional rice tracts of Punjab. In Swat at high altitude mountain valleys, temperate Japonica rice is grown. In the South of KPK, Sindh and Balochistan Irri type long grain heat tolerant tropical rice are grown.

Exports

The world rice market is growing at 12.2% annually and Pakistan's share in this market is increasing since 2015. Export of rice from Pakistan decreased

Table 3: Country-wise Exports of Rice From Pakistan

Value: US\$ 000

Country	2017-18	2016-17	2015-16
Kenya	201,499	215,632	192,780
U.A.E	129,146	187,986	130,271
Afghanistan	131,864	129,837	119,484
China	127,786	107,821	271,369
Mozambique	44,375	51,564	80,874
Saudi Arabia	69,527	54,805	81,539
Madagascar	114,089	48,865	40,228
Yemen	41,084	40,182	62,047
Tanzania	68,802	58,348	64,663
Oman	28,080	52,255	57,632
Kazakistan	62,866	40,698	18,914
Malaysia	24,258	27,241	44,426
U.K.	74,332	33,468	40,877
U.S.A	22,093	20,723	28,194
Indonesia	133,375	38,190	42,836
Sri Lanka	18,114	18,576	7,738
Philippines	16,543	29,196	39
All others	727,838	451,447	576,586
Total	2,035,671	1,606,834	1,860,497

Source: Trade Development Authority of Pakistan

from US \$1.6 billion in 2016-17 to US \$2.04 billion in 2017-18, thus showing an increase of 27%. About 2 million tonnes of Basmati has grown annually in Pakistan, of which around 0.6 million tonnes are exported.

The size of the international Basmati market is around US\$ 6 to US\$ 6.8 billion. Exports of rice from Pakistan are given in **Table 2**.

Pakistan mainly exports rice to Kenya, UAE, China, Saudi Arabia, and Afghanistan. Kenya is the largest importer of rice with a market share of about 10% while UAE and Afghanistan are second and third largest importers of rice.

Exporters also hope to partly regain the lost ground in Saudi Arabia, where rice exports declined to US\$ 69 million in 2017-18 from US \$81 million in 2015-16.





Some exporters say that regaining lost status in Afghanistan (where Pakistan's rice exports increased to US\$ 131.9 million in 2017-18 from US\$ 130 million a year ago) and China (where exports decreased to US\$ 108 million in 2016-17 from a peak of around US\$ 271 million in 2015-16). In the case of Afghanistan, political tension between Islamabad and Kabul, and repeated, closure of border trade are blamed by exporters for the decline in exports of not only rice but of other commodities as well. However, rice exports to China suffered last year mainly due to depressed demand. It is hoped that exports to Afghanistan and China will increase this year.

During the previous fiscal year, Pakistani exporters penetrated into such non-traditional markets as Nigeria, Philippines, Sierra Leone, Somalia and

Thailand, which itself is a big rice-exporting country. Combined earnings from these markets totaled about US \$ 80 million. Besides, rice exporters are also making efforts to sustain markets like Kenya, Chile, Denmark, Djibouti, Haiti, Kazakhstan, Madagascar, Mauritania, Mauritius and Zimbabwe, where their exports saw phenomenal growth in 2017-18. Pakistan's rice exports to Indonesia got a boost since January 2017 when the two countries signed a deal to enable exporters to ship US\$ 400 million of rice in four years. Under that agreement, rice exports to Indonesia are going to increase during this fiscal year which may fetch US\$ 133 million. Country-wise exports of rice are given in **Table 3**.

Basmati rice export had been facing severe competition from India. Due to lack of research and non-availability of

new seeds has caused low yields and high input costs have made Pakistani Basmati rice totally uncompetitive. In this connection government to extend financial support to rice exporters the second biggest exporting sector) in line with other export-oriented industries) enabling them to be price competitive in the international market to bridge the ever increasing gap of trade deficit of the country.

The government should intervene and ensure that rice prices should remain close to regional competitors, particularly India so that exporters could keep their share in the world market.

References

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