

Business Standard

Basmati exports may rise 55%, says industry body

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India's basmati rice exports in the financial year ending March are likely to grow nearly 1 million tonnes (mt), or 55.5 per cent, over last year amid a rapid increase in global demand for the premium variety, a senior industry official said on Thursday.

"Basmati exports can touch anywhere around 2.5-2.8 mt, as against 1.8 mt last year as demand for Pusa 1121 is rising all over the world," Vijay Setia, former President of All India Rice Exporters Association said on Thursday.

The Indian Council of Agricultural Research has certified Pusa 1121 as basmati after conducting detailed analysis from samples obtained from the market.

The Pusa 1121 variety, which accounts for 60 per cent of basmati exports, was developed by ICAR and released for commercial cultivation in 2003.

At present, Pusa 1121 covers nearly 0.9 million hectares, accounting for 60 per cent of the total area under basmati cultivation.

Currently, basmati in the international market is being traded at \$1,000-\$1,400 a tonne, compared with \$1,600 a tonne last year. In the domestic market, basmati is being sold at Rs 45-80 a kg, as against Rs 60-200 quoted last year.

India exports basmati rice to 40 countries, including Iran, US, and European nations. The Gulf nations also have high demand for this rice to cater to the high percentage of ethnic population.

Better returns

"The country is likely to produce 4 mt basmati in 2009-10 (July-June), as against 3 mt last year largely because of increase in area under the crop due to better returns for farmers," Setia said.

According to studies, area under basmati this year has increased by 30 per cent over last year since it also requires less water, he said.

Haryana, Punjab and Uttar Pradesh are the major basmati producing states.

Farmers had shifted to cultivation of basmati after a poor monsoon in 2009.

The country witnessed 23 per cent below normal monsoon rains in 2009, the worst in 37 years, paring output of kharif crops, mainly rice.

According to government's second advance estimate, India's rice output in 2009-10 is pegged at 87.56 mt, down 11.7 per cent from 99.18 mt from a year ago mainly due to a sharp fall in kharif rice output.