



# **RICE REPORT**

**MARCH 2020**

## **OVERVIEW:**

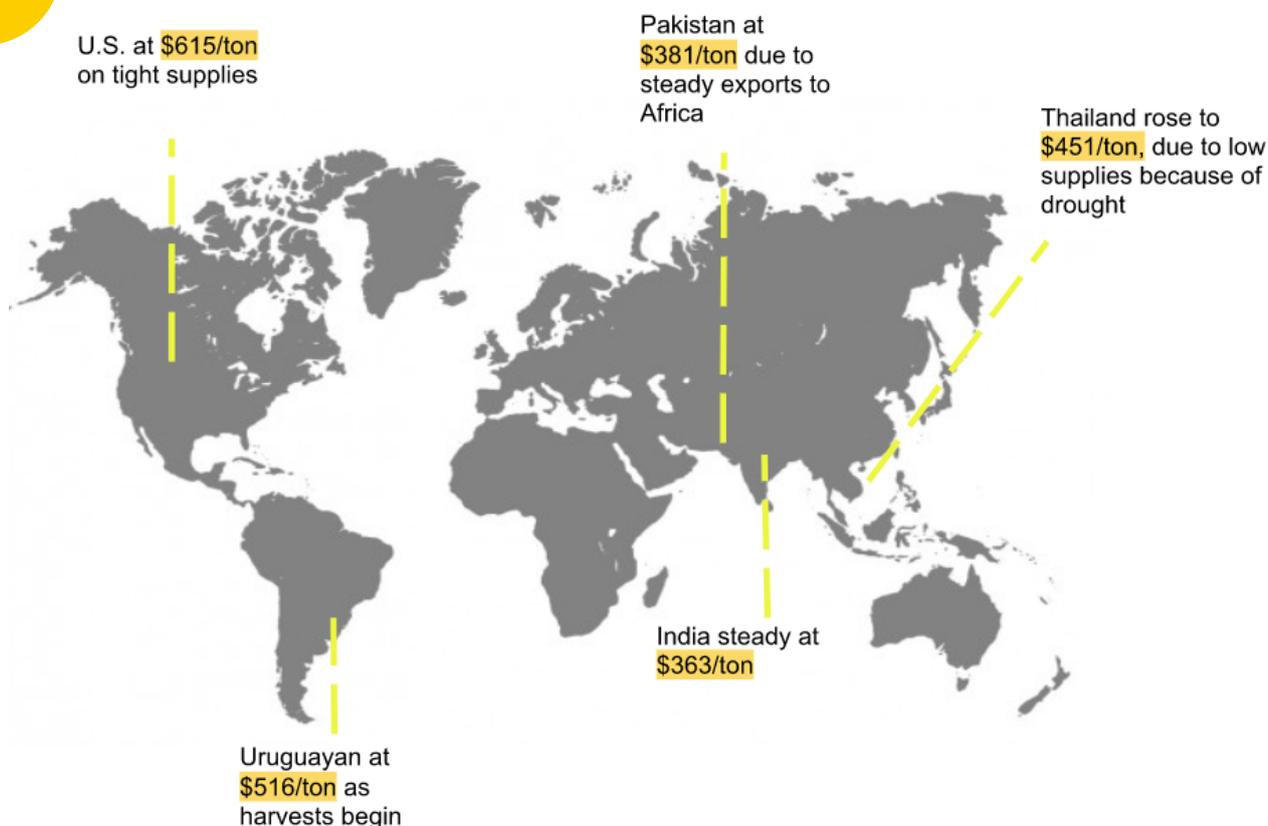
- Global rice production is raised this month primarily due to larger crop in India. Global trade is down, with lower imports forecast for several African countries including Nigeria
- African market is dominated by rice imports from China, COVID-19 poses as an immediate new opportunity to capture the same
- India's exports has been hit by COVID-19 as Iran goes in lock down. Lowering market dependency is the key to succeed
- India can turn to Angola, Indonesia, Mozambique, Madagascar, Niger, Philippines as potential markets for rice exports

**PREPARED BY:**  
**cogoport**

# KEY TRENDS

01

## GLOBAL RICE PRICES: MARCH 2020



- Thailand prices rose by 12% since Feb 2019 due to drought, and Vietnam by 11.7% due to harvest delays and strong demand from Malaysia and Philippines
- While China and Thailand is losing market share in rice exports, Vietnam is gaining swiftly from their loss
- India prices are steady, Pakistan's prices raised due to strong demand from Africa

02

## TRADE CHANGES IN MARCH 2020

### TRADE CHANGES IN 2020 (1,000 MT)

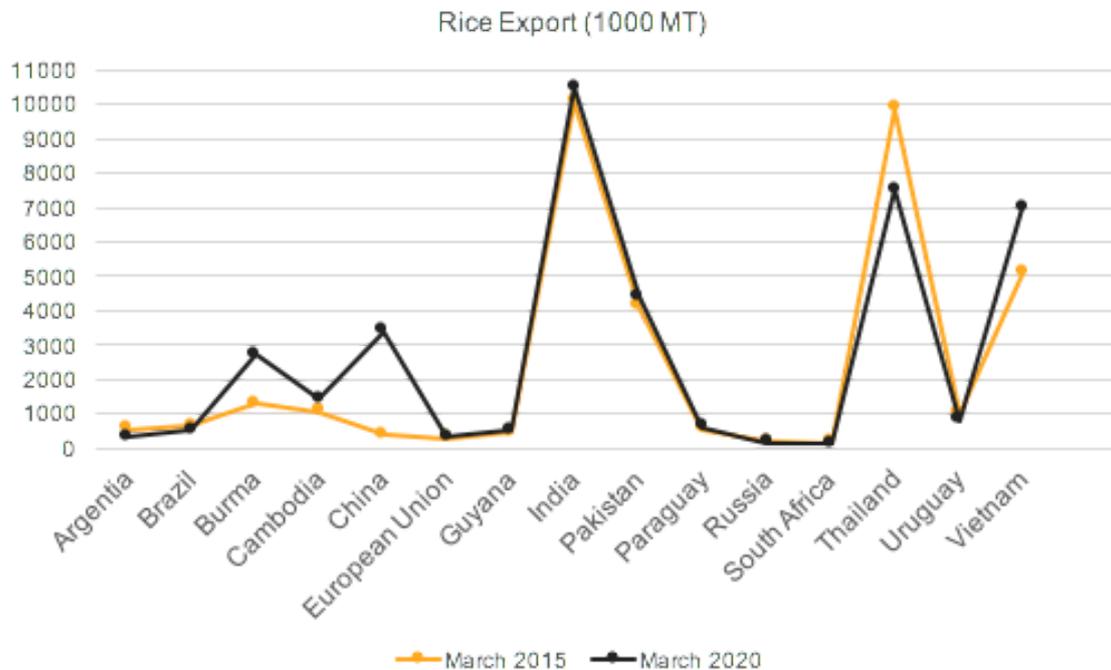
Country	Attribute	Previous	Current	Change	Reason
Korea, South	Imports	410	550	140	Timing of imports under new import regime
Nigeria	Imports	1,800	1,500	-300	Parboiled trade lagging amid challenges to access the market with border closure
Senegal	Imports	1,200	1,050	-150	Lower consumption and tighter stocks
Burma	Exports	2,600	2,700	100	Improved competitiveness in Southeast Asian and African markets
India	Exports	11,500	10,500	-1,000	Reduced demand particularly from African markets

- South Korea is a potential new market for rice exports
- Reduced demand from African countries like Nigeria and Senegal to impact overall global trade

# KEY TRENDS

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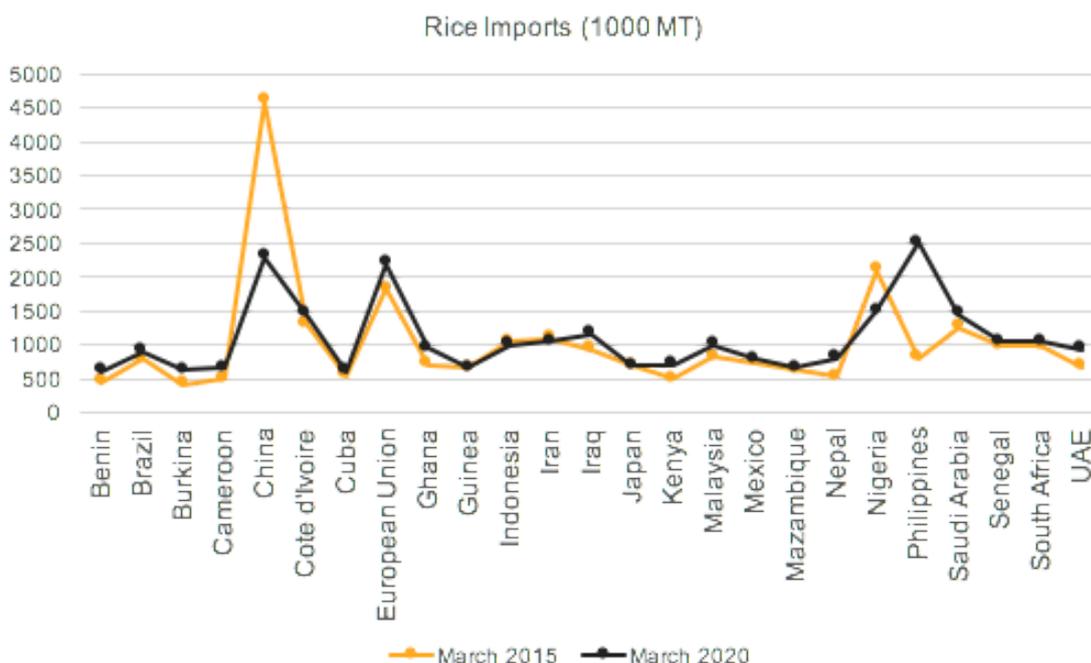
## WORLD RICE TRADE: EXPORTS



- India is the largest rice exporter followed by Thailand and Vietnam.
- Thailand position as the second largest rice exporter is threatened due to weather conditions and Vietnam is expected to surpass the exported quantity this year.
- Burma shows a healthy trend and can be an additional competition in the Asian markets

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## WORLD RICE TRADE: IMPORTS

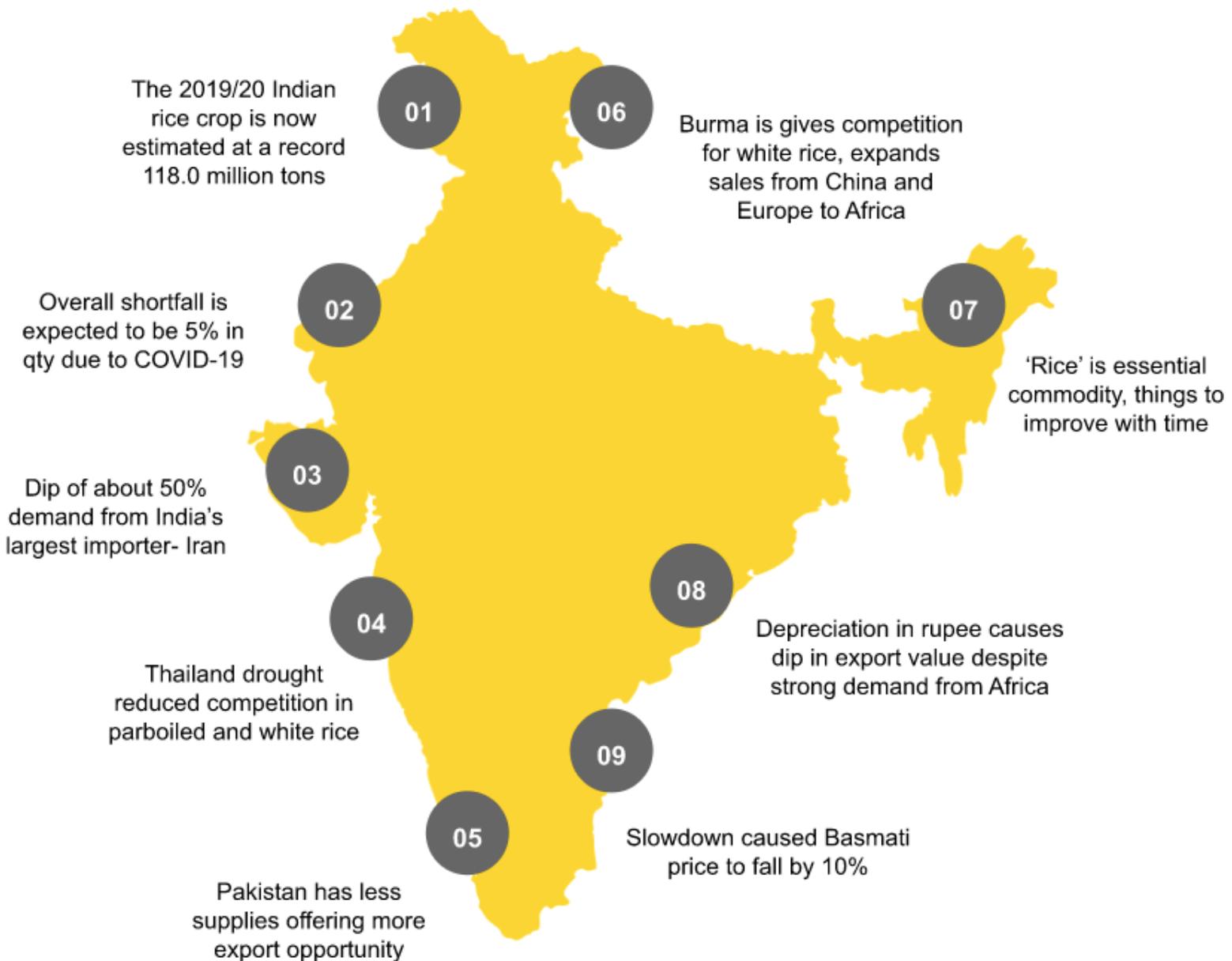


- China goes from being a net rice importer to exporter over the years.
- Benin, Brazil, Ghana, Indonesia, Kenya, Malaysia, Mozambique, Nepal, Philippines are potential markets for rice exports

# KEY TRENDS

05

## INDIA RICE EXPORTS IN MARCH 2020



# KEY INSIGHTS

## **DIVERSIFICATION IS THE KEY TO SUCCESS:**

Even when the world trade for rice is down, Vietnam is on track with their export target of 6.7 million tonnes in 2020. This is due to agricultural restructuring and lowering dependency on certain markets.

About 48.3% of India's rice export is for Gulf countries like Iran, Iraq, UAE, Yemen, Kuwait etc. India too should diversify their exports from Gulf regions to new markets.

Fastest growing rice import markets are Angola, Indonesia, Kenya, Mozambique, Madagascar, Niger, Philippines, South Africa, but India's overall export share for these market is extremely low.

## **AFRICAN MARKET SHOULD BE TOP PRIORITY:**

As per our suggestion, Africa should be the primary focus, as it has lesser restrictions and is served by Thailand and China which are both low on supplies. Example, Kenya imports 53.6% from Pakistan and 30.4% from Thailand. India is underserved at 5.4%.

Anglo's imports are growing at 57% CAGR, Thailand serves 88.9% of the market, and next is India at 4.6%.

Madagascar is growing at 20% CAGR, Pakistan serves 40% of the market and India is at 33%.

Niger is growing at 9% CAGR for the last 5 years, and Thailand serves 70.9% of the market and India is at 1.9%.

There is an urgent need to penetrate these markets, have FTA's and policies to get trade advantage, only then can India regain it's position as king of rice exports in the coming years.

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