



Global Rice Market and Export Restriction

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Timeline of India's export actions on rice

Date	Action
9 September 2022	20% levy on unmilled and milled rice (excluding parboiled rice)
9 September 2022	Ban on broken rice
20 July 2023	Ban on non-basmati white rice (excluding parboiled rice)
25 August 2023	20% levy on parboiled rice
27 August 2023	Imposition of minimum export price for basmati rice



India's current export restrictions on rice

HS	Description	Export restriction	2022 Export Level (Mil MT)
1006	Rice	na	22,263,563
100610	Rice in the Husk (paddy or rough)	20% export duty	474,670
100620	Rice, Husked (Brown)	20% export duty	16,341
100630	Rice, Semi-Milled Or Wholly Milled, Whether Or Not Polished Or Glazed	na	17,876,128
10063010	Rice, parboiled	20% export duty	7,467,938
10063020	Basmati rice	Minimum export price	4,400,070
10063090	Rice, excepting parboiled (excluding basmati)	Ban	6,008,119
100640	Rice, Broken	Ban	3,896,424

Potential impact of bans: ~10 million MT (20% of world rice trade)

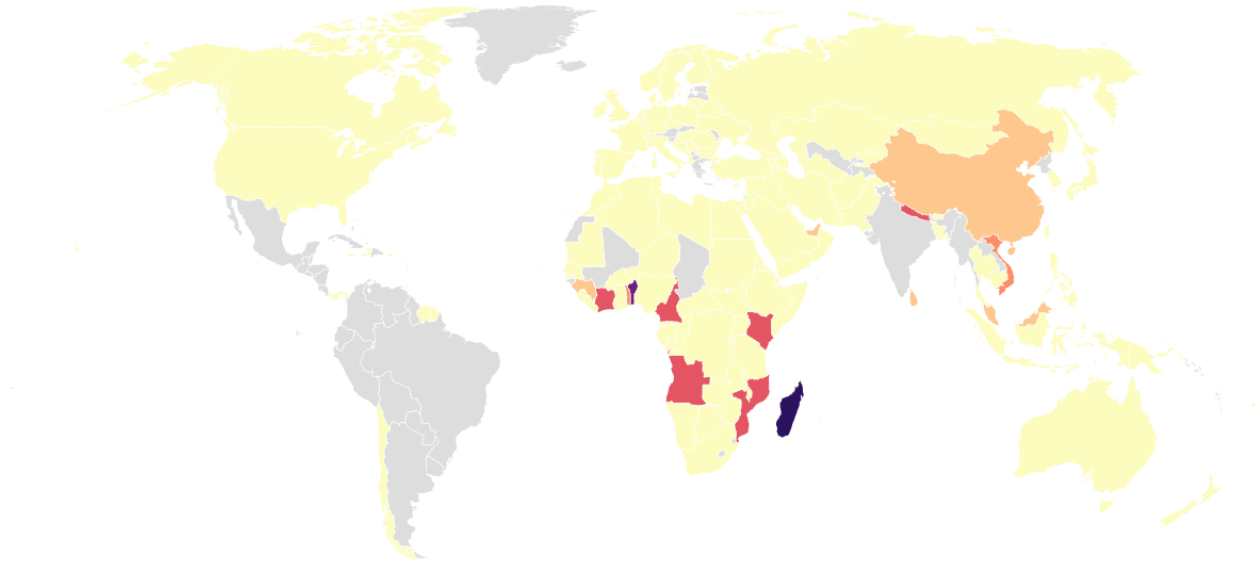


India rice export ban on non-basmati rice

India exports of non-basmati white rice exports, 2022

Metric tons

< 100K 100K–200K 200K–300K 300K–400K 400K–500K 500K–600K ≥ 600K



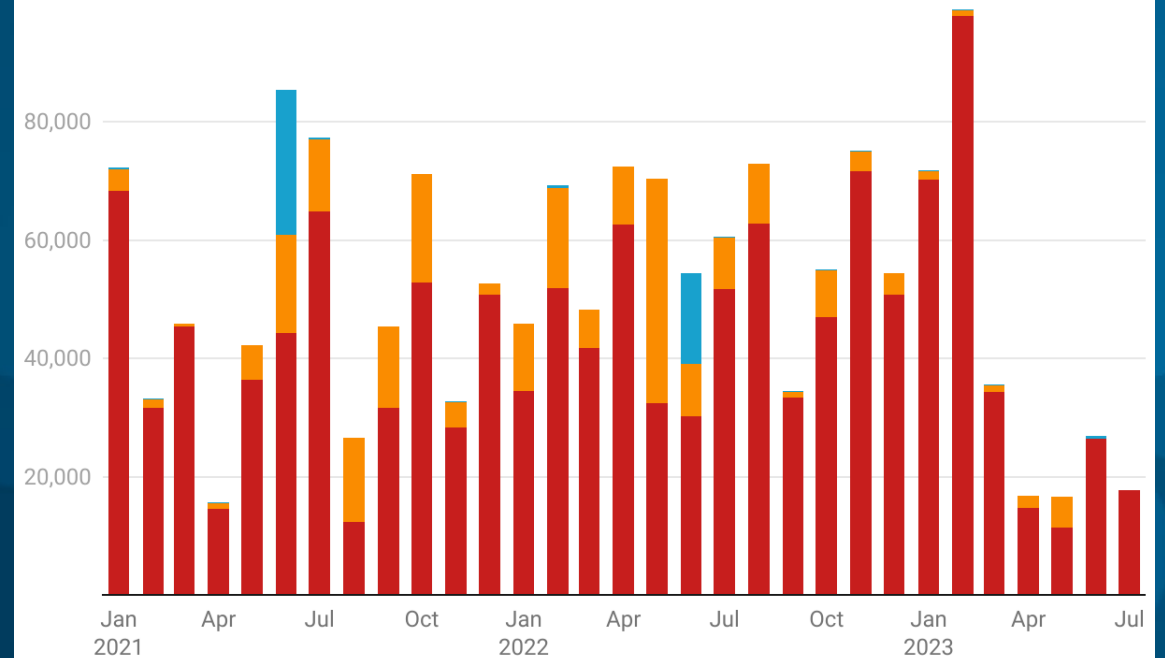
HS 10063090 (excludes parboiled and broken rice)

Map: Joseph Glauber • Source: TDM

Madagascar non-basmati rice imports

Metric tons

India Pakistan Rest of world



HS 10063090

Chart: Joseph Glauber • Source: TDM

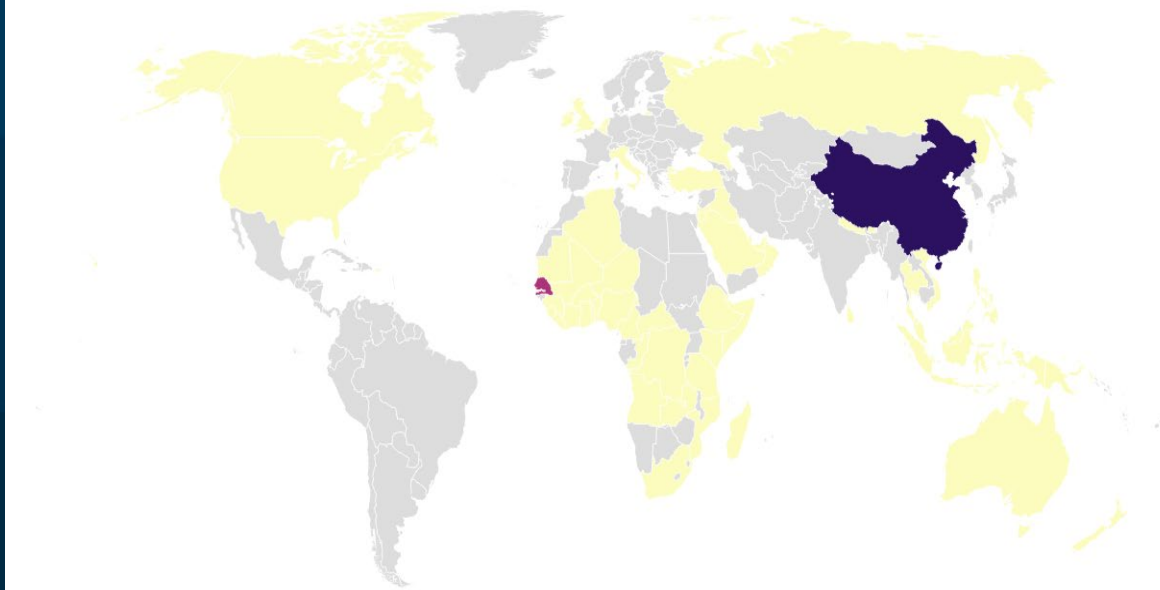


India ban on broken rice exports

India exports of broken rice, 2022

Metric tons

< 500K 500K–1M 1M–2M ≥ 2M



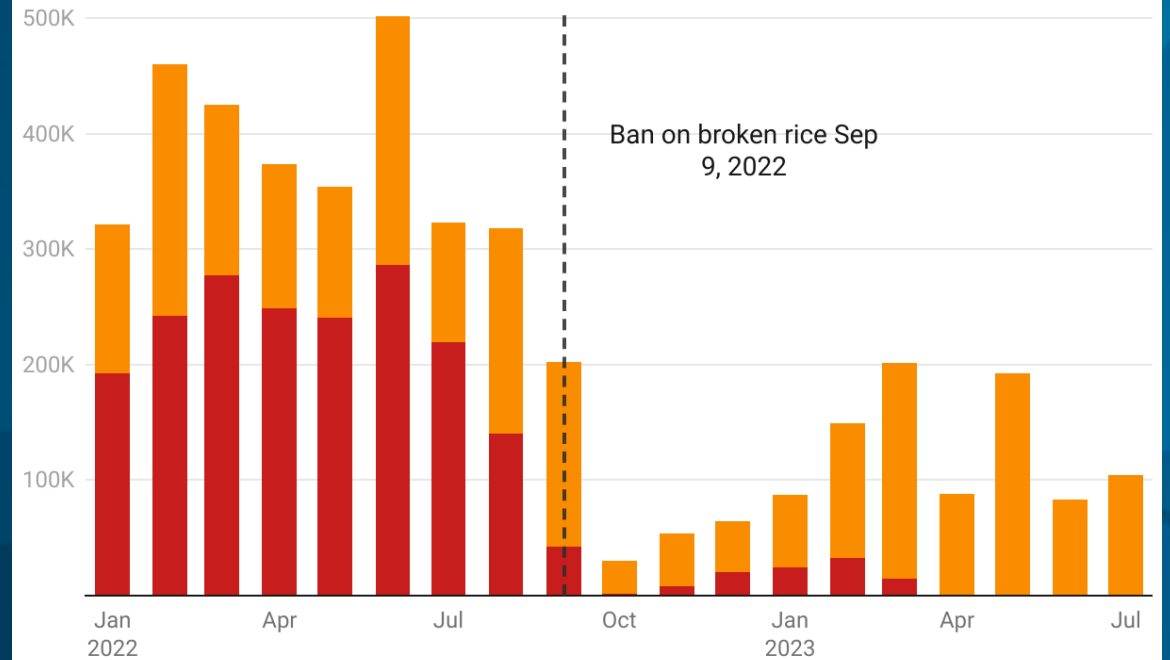
HS 100640

Map: Joseph Glauber • Source: TDM

India exports of broken rice

Metric tons

China Sub-Saharan Africa



HS 100640

Chart: Joseph Glauber • Source: TDM



Other rice actions

- On Sep 2, Myanmar Ministry of Commerce stated that they have started to use the export license system, even though the rice export license will not be suspended <https://www.gnlnm.com.mm/moc-introduces-innovative-rice-export-licensing-system/#:~:text=The%20Ministry%20of%20Commerce%20stated,licence%20will%20not%20be%20suspended.>
- Philippines initially put price cap on retail rice prices and lifted it after one month. <https://asia.nikkei.com/Economy/Marcos-lifts-Philippines-cap-on-rice-prices-after-one-month#:~:text=The%20measure%20capped%20prices%20at,they%20had%20not%20been%20consulted.>
- On September 6, ASEAN leaders commit to refrain from using “unjustified” trade restrictions to ensure ample rice supplies and to facilitate use of ASEAN PLUS THREE Emergency Rice Reserve (APTERR) if needed. <https://www.bloomberg.com/news/articles/2023-09-06/asean-vows-to-refrain-from-trade-curbs-amid-rice-supply-concerns?sref=9MxnqlQ7#xj4y7vzkg>



Rice ending stocks

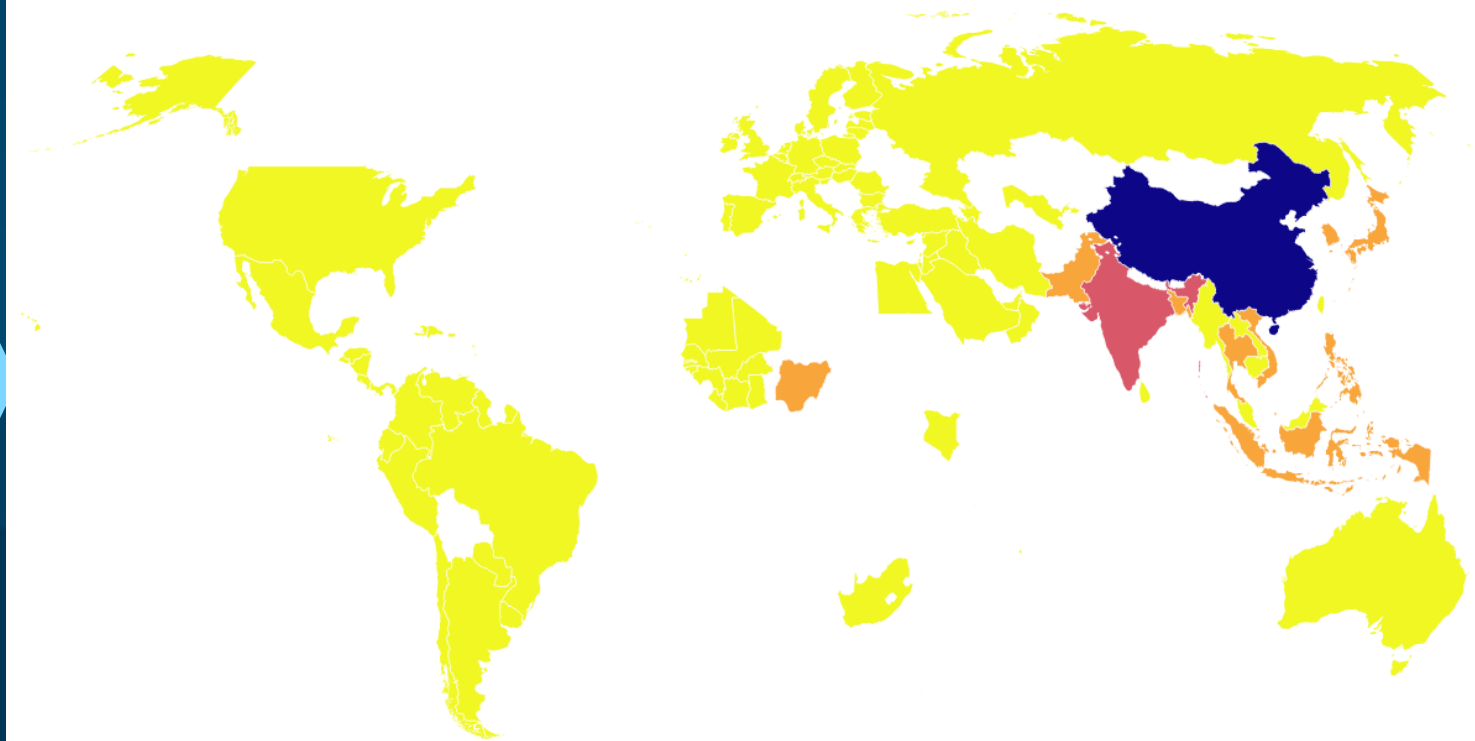
Projected rice stocks, 2023/24:

Global:	171.8 MMT
China	105.6
India	36.0
ASEAN	11.6
Japan/Korea	3.0
Nigeria	1.8
Bangladesh	1.8
Pakistan	1.3

Projected rice ending stocks, 2023/24

Metric tons

< 1M 1M–5M 5M–60M 60M–80M ≥ 80M



Ending stocks for EU estimated at 770,000 MT.

Map: Joseph Glauber • Source: USDA PSD Online, Aug 12, 2023

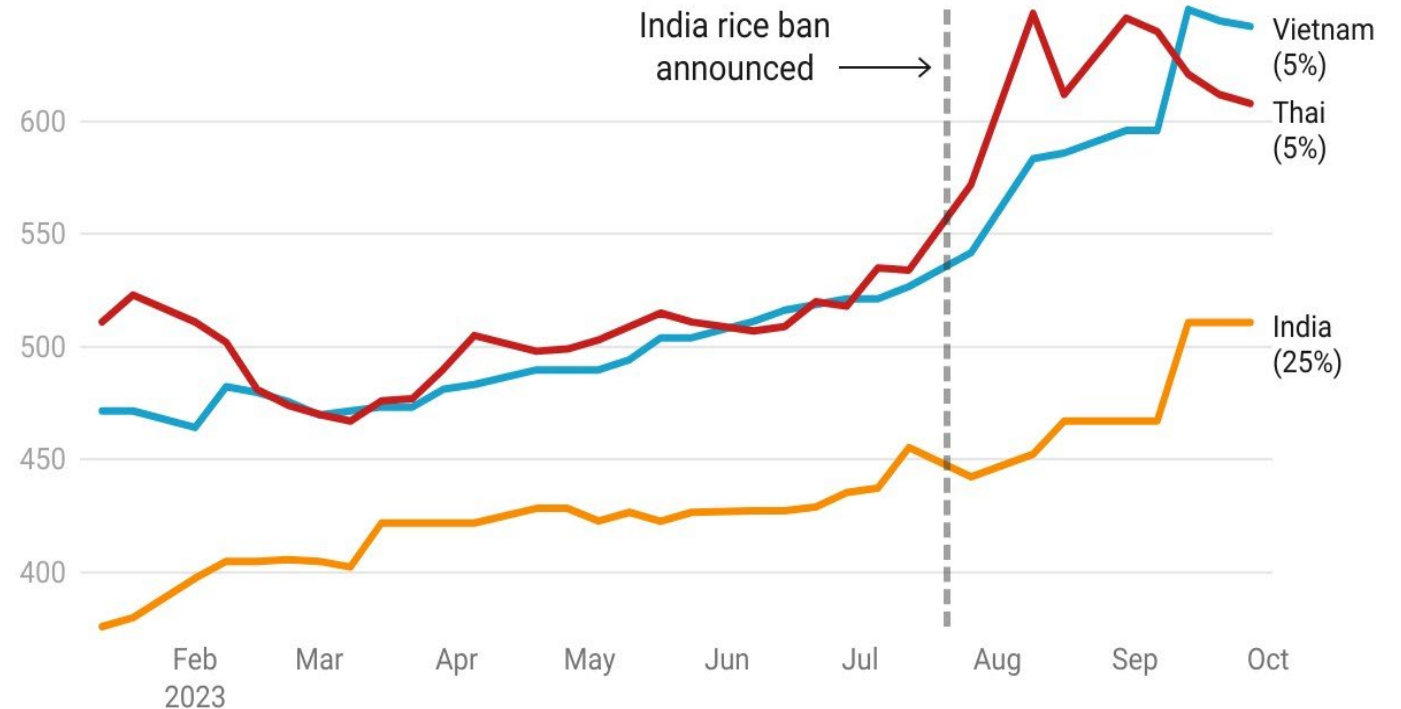


International rice prices

Global rice prices up 20% since ban on exports of non-Basmati rice was announced by India on July 20.

Rice prices

USD/metric ton



Thai white rice (5% broken); Vietnam white long grain rice (5% broken); India white long grain rice (25% broken)

Chart: Soonho Kim and Joseph Glauber • Source: Bloomberg

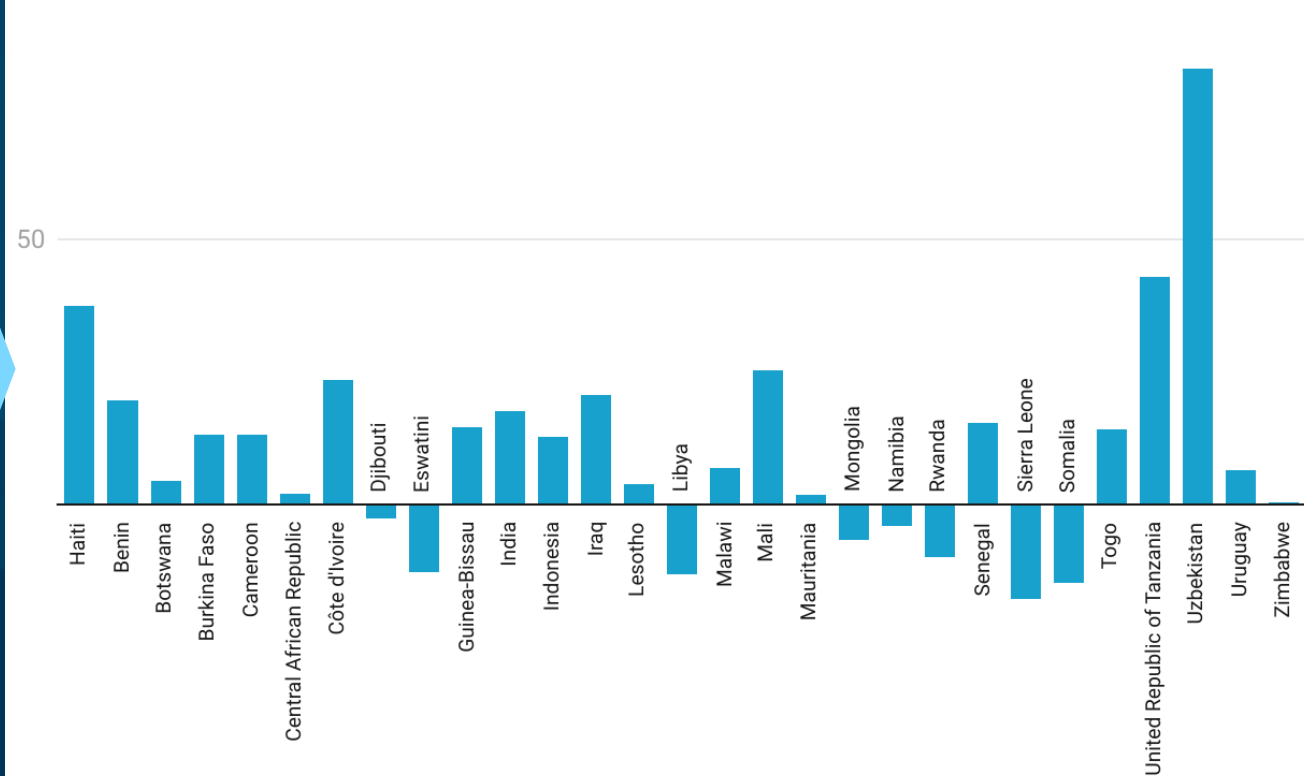


Retail rice prices up in most rice-consuming countries

Retail rice prices up in most markets, even before India's recent announced export ban

Year over year change in rice prices, selected markets

Percent





Bangladesh: where rice market remains stable

- In 2023, rice price in Bangladesh has stayed stable,
- Even dropped by Tk 4-5 per kg, though food inflation climbed 12-year high of 12.5%
- Consecutive good harvest of paddy, smooth supply of inputs
- This year's *aman* production outlook is good
- Strict implementation of anti-hoarding law
- Import decisions taken in advance
- Subsidized rice supply to 10 million low-income households

<https://www.tbsnews.net/economy/how-good-policies-help-keep-rice-price-right-714182#lnlvl2t05wdd8y9cvz8>



Summary

India's rice ban has been followed by actions on basmati and parboiled rice. Ban on non-basmati rice and broke rice will affect about 50% of its exports (and 20% of world trade). Myanmar's restrictions will also affect supply availability.

Rice prices already have increased 20% but much will depend on 1) El Nino's impact on SE and South Asian rice production and 2) whether other rice suppliers follow suit with restrictions. Recent statement by ASEAN members that members will refrain from taking disrupting actions is a welcome sign, but in meantime countries are resorting to price controls (e.g., Philippines).

Domestic food price inflation remains high .

Please visit:

<https://www.ifpri.org/landing/war-ukraine-blog-landing-page>