



**Trade Development Authority of Pakistan**  
Report on  
*Potential Markets of*  
***RICE***



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# Introduction

## Rice

Rice is the [grain](#) with the second highest worldwide production, after [maize](#) ("corn"). In Pakistan it's the 3<sup>rd</sup> largest crop in term of area after wheat and cotton.

By and large average rice yield in Pakistan, ispite of technological development, is comparatively low than China, USA, North Korea, South Korea, India, Bangladesh, Vietnam, Philippines, Brazil, Egypt, Iran, etc. It needs to increase in order to sustain food security at home and maintain our share in world markets. The quality of produce also suffers due to defective harvesting methods and out-dated processing technology and admixtures during various stages of processing and marketing.

Basmati is a premium long grain variety of rice, highly valued for its aroma and flavor and exclusively grown in certain parts of the Punjab. The adulteration of basmati rice with other cheaper varieties has become an area for potential exploitation. There is a need a develop a method that enables the differentiation of basmati varities from other long-grain rice in order to ensure consumer protection and for use in regulation of rice trade.

The demand of parboiled rice is increasing day by day because **Parboiled rice** is rice that has been boiled in the husk. Parboiling makes rice easier to process by hand, improves its nutritional profile, and changes its texture.

Polishing rice by hand, that is, removing the bran layer is easier if the rice has been parboiled. It is, however, somewhat more difficult to process mechanically. The bran of parboiled rice is somewhat oily, and tends to clog machinery. Most parboiled rice is milled in the same way as white rice.

Parboiling rice drives nutrients, especially thiamine, from the bran into the grain, so that parboiled white rice is 80% nutritionally similar to brown rice. Because of this, parboiling was adopted by North American rice growers in the early 20th century. The starches in parboiled rice become gelatinized, making it harder and glassier than other rice. Parboiled rice takes more time to cook, and the cooked rice is firmer and less sticky. In North America, parboiled rice is generally partially or fully precooked by the processor.

Trading in rice both in domestic and international markets has become more quality conscious. Even in the local markets buyers now demand quality rice. In order to meet the challenges under the WTO regime, it is now very essential for the country to put together its rice production and marketing strategies to match the demand of international markets.

### Varieties of Rice grown in Pakistan

Pakistan produces varieties of rice, out of which following are the popular export varieties.

#### Basmati:

- 1) Basmati 2000
- 2) Basmati – 385
- 3) Basmati – 198
- 4) Super Basmati
- 5) Basmati 370
- 6) Kernal
- 7) Shaheen ( Basmati)

#### Rice Other Varieties

- 1) IRRI – 6
- 2) IRRI – 9
- 3) PG ( IRRI)
- 4) KS 282
- 5) DR

### Provincial Shares in Area and Production

The annual production of rice from 2006-07 to 2008-9 has an average of 5.984 million tones and area of 2679 thousand hectare. The provincial shares in area and production of rice by variety are as under

**Provincial Shares in Area and Production of Rice**  
**Average of 2006-07 to 2008-09**

Variety	Pakistan		Punjab	Sindh	NWFP	Balochistan
Area	000 Hectare	Percent	Percent			
Total	2678.93	100	67.27	23.96	2.30	6.47
Basmati	1458.57	54.45	100	-	-	-
IRRI	880.55	32.87	18.76	61.54	-	19.69
Others	339.80	12.68	5245	2941	18.14	-
Production	000 tons					
Total	5983.93	100	55.50	34.28	2.12	8.10
Basmati	2502.47	41.82	100	-	-	-
IRRI	2692.67	45.00	15.50	66.51	-	17.99
Others	788.79	13.18	50.85	33.03	16.12	-

**Source:** Rice Export Association of Pakistan (REAP)

Above table shows that the average total rice production in Pakistan was 5984 thousand tons from 2006-07 to 2008-09 on a total area of 2679 thousand hectare. Basmati rice production was 2502 thousand tons on area of 1459 thousand hectare, IRRI was 2693 thousand tons on an area of 880 thousand hectare, and other Varieties of rice was 789 thousand tons on an area of 340 thousand hectare . The provincial shares of production of rice in percentage i.e. Punjab 56 % , Sindh 34 % , NWFP 2 % , and Balochistan 8 % .

**Short-term changes: 2007-08 and 2008-09**

The provincial changes in area, yield and production of rice for 2008-09 crop over 2007-08 crop are as under.

**Area, Yield and Production of Rice by Variety: 2007-08 and 2008-09 Crops**

Country/Province	Area			Yield			Production		
	2007-08	2008-09	Percent Change	2007-08	2008-09	Percent Change	2007-08	2008-09	Percent Change
	000 hect			Kgs/hect			000 tones		
<b>Pakistan</b>	<b>2515.4</b>	<b>2940</b>	<b>16.9</b>	<b>2212</b>	<b>2364</b>	<b>6.9</b>	<b>5563.4</b>	<b>6950</b>	<b>24.9</b>
Basmati	1377.1	1524.4	10.7	1781	1680	(5.7)	2453.1	2560.7	4.4
IRRI	827.1	947.6	14.6	2977	3309	11.1	2462.3	3135.4	27.3
Others	311.2	468.2	50.5	2083	2678	28.6	648	1253.9	93.5
<b>Punjab</b>	<b>1723.5</b>	<b>1954.2</b>	<b>13.4</b>	<b>1907</b>	<b>1843</b>	<b>(3.3)</b>	<b>3286</b>	<b>3601.3</b>	<b>9.6</b>
Basmati	1377.1	1524.4	10.7	1781	1680	(5.7)	2453.1	2560.7	4.4
IRRI	159.8	197.1	23.3	2593	2553	(1.5)	414.4	503.2	21.4
Others	186.6	232.7	24.7	2243	2309	2.9	418.5	537.4	28.4
<b>Sindh</b>	<b>594</b>	<b>733.5</b>	<b>23.5</b>	<b>3060</b>	<b>3510</b>	<b>14.7</b>	<b>1817.7</b>	<b>2574.7</b>	<b>41.6</b>
IRRI	531.1	560.3	5.5	3232	3549	9.8	1716.5	1988.5	15.8
Others	62.9	173.1	175.2	1609	3386	110.5	101.2	586.2	479.3
<b>NWFP (others)</b>	<b>61.7</b>	<b>62.4</b>	<b>1.2</b>	<b>2079</b>	<b>2087</b>	<b>0.4</b>	<b>128.3</b>	<b>130.3</b>	<b>1.5</b>
<b>Balochistan (IRRI)</b>	<b>136.2</b>	<b>190.1</b>	<b>39.6</b>	<b>2433</b>	<b>3385</b>	<b>39.1</b>	<b>331.4</b>	<b>643.7</b>	<b>94.3</b>

*Source:* Rice Export Association of Pakistan (REAP)

The above table shows that during 2008-09, the total production of rice at the country level increased by 24.9 percent solely due to 16.9 percent expansion in area and 6.9 percent improvement in yield. The production of basmati rice has increased by 4.4 % entirely because of expansion in area whereas the yield fell down by 5.7 %. The production of IRRI has increased by 27.3 % as a result of 14.6 % increase in area and 11.1 % improvement in yield. Similarly production of other varieties of rice has gone up by 93.5 % as result of 50.5 % increase in area and 28.6 % improvement in yield.

According to United States Department of Agriculture (USDA) Foreign Agricultural Service the World rice yield in year 2009 is 4.25/MT/Hect, while China 6.56, India 3.38, Bangladesh 4.01, Vietnam 5.05, Philippines 3.77, Egypt 10.04, Iran 3.95.

**Target Vs Achievement: 2008-09 Crop**

During 2008-09 crop year, the rice production exceeded the target by 21.5 % mainly due to increase in area by 13.3 % and yield by 7.2 % over the respective targets. The basmati production has fallen short of the target by 4.0 % because of decline in yield by 6.2 % though the area has gone beyond the target by 2.4%. The production of IRRI and Other Varieties has exceeded their target by 43.7 %, because area and yield have gone up by 28.1 and 12.2 % respectively.

During 2008-09 in the province of Punjab the production exceeded the target by 9.5 %. The yield target fell down by 2.3% and area target exceeded the the target by 12.1 %.

In the Province of Sindh the production exceeded the target by 44.7 %, the yield by 14.2 % and area by 26.9%.

In the province of NWFP the target was achieved during the year 2008-09. While in the Balochistan Province the production exceeded the target by 22 .6%, the yield by 35.4% while the area decreased by 9.5%.

### ***Targets and Achievements: 2008-09***

Country/ Province	Area			Yield			Production		
	Target	Achievements	change	Target	Achievements	Change	Target	Achievements	Change
	---000 hect---		Percent	---000 kgs/hect---		Percent	---000 tones---		Percent
Pakistan	2494.0	2940.2	13.3	2205	2364	7.2	5720.5	6950	21.5
Basmati	1489	1524.4	2.4	1791	1680	(6.2)	2666.4	2560.7	(4.0)
IRRI/Others	1105	1415.8	28.1	2764	3100	12.2	3054.1	4389.3	43.7
Punjab	1744	1954.2	12.1	1886	1843	(2.3)	3288.8	3601.3	9.5
Basmati	1489	1524.4	2.4	1791	1680	(6.2)	2666.4	2560.7	(4)
IRRI/Others	255	429.8	68.5	2441	2421	(0.8)	622.4	1040.5	67.2
Sindh	578	733.5	26.9	3074	3510	14.2	1776.9	2574.7	44.9
NWFP	62	62.4	0.7	2094	2087	(0.3)	129.8	130.3	0.4
Balochistan	210	190.1	(9.5)	2500	3385	35.4	525	643.7	22.6

*Source:* Rice Export Association of Pakistan (REAP)

### **World Production, Consumption, Stocks and Trade in Rice:**

World production, consumption, stocks and trade in rice are as under:-

S.No	Items	2007	2008	2009	Change in 2009 over 2008
		----- 1,000 MT -----			
1	Production	420,625	433,398	445,667	2.8
2	Consumption	421,515	428,116	435,339	1.7
3	Ending Stocks	75,100	80,382	90,710	12.8
4	Trade	32.3	31.0	30.5	-1.6

*Source:* World Market & Trade, USDA

The world rice production in 2009 increased to 446 million MT from 433 million MT in 2008 showing an increase of 2.8%. The consumption increased from 428 Million MT in 2008 to 435 Million MT in 2009 – thus registering an increase of 1.7 %. The ending stocks in 2009 is 90 million MT showing an increase of 12.8% over the last year while the trade is expected to decline by 0.5 million tones i.e. from 31 million to 30.5 million tones.

### **World Top Exporter of Rice**

The world ten top rice exporting countries in the year 2008 in term of export value were Thailand, India, Pakistan, USA, Vietnam, Italy, UAE, China, Uruguay and Brazil. Pakistan was at number three position in the World rice exporting countries. (**Annex: A**)

### World Top Importer of Rice

The world ten top rice Importing countries in the year 2008 in term of import value were Philippines, UAE, Saudi Arabia, Iran, Malaysia, Senegal, UK, USA, France and Bangladesh(Annex: B)

### Analysis: Pakistan Rice Export for last five years

The below mentioned table presents an analysis of exports of rice from Pakistan for last five financial years in term of quantity, value and average unit price.

Value in `000` US\$

Commodities	July – June					Value % Change
	2008-09	2007-08	2006-07	2005-06	2004-05	
<b>Rice</b>	<b>8</b>	<b>63</b>	<b>(3)</b>	<b>24</b>		
Qty. M.T	2,729,360	2,809,148	3,129,142	3,688,742	2,891,253	
<b>Value</b>	<b>1,983,231</b>	<b>1,836,063</b>	<b>1,125,819</b>	<b>1,157,814</b>	<b>932,549</b>	
A.U.P. per M.T	726.63	653.60	359.79	313.88	322.54	
<b>Rice Basmati</b>		<b>92</b>	<b>16</b>	<b>9</b>		<b>Value % Change</b>
Qty. M.T	974,274	1,138,093	907,906	839,002	814,857	
<b>Value</b>	<b>1,070,338</b>	<b>1,068,862</b>	<b>556,320</b>	<b>479,616</b>	<b>439,240</b>	
A.U.P. per M.T	1,098.60	939.17	612.75	571.65	539.04	
<b>Rice Other Varieties</b>	<b>19</b>	<b>35</b>	<b>(16)</b>	<b>37</b>		<b>Value % Change</b>
Qty. M.T	1,755,086	1,671,055	2,221,236	2,849,740	2,076,396	
<b>Value</b>	<b>912,892</b>	<b>767,200</b>	<b>569,499</b>	<b>678,198</b>	<b>493,309</b>	
A.U.P. per M.T	520.14	459.11	256.39	237.99	237.58	

*Source:* Statistic Division, TDAP.

The above table shows that the quantity of rice decreased to 2.7 million MT in financial year 2008-09 from 2.9 million MT in 2007-08 showing a decrease 79,788 metric tons. On the other hand, the export value increased to US\$ 1983 million in financial year 2008-09 from US\$ 1836 million in 2007-08. The Average Unit Price per Metric ton increased to US\$ 726.63 in 2008-09 from US\$ 653.60.

The quantity of basmati rice decreased to 0.974 million MT in financial year 2008-09 from 1.138 million MT in 2007-08 showing a decrease of 163,819 metric tons. The export value of basmati rice increased to US\$ 1070 million in year 2008-09 from US\$ 1068 million in 2007-08. The Average Unit Price per Metric ton of basmati rice increased from US\$ 939 to US\$ 1098.

The quantity of rice (other varieties) increased from 1.67 million MT in 2007-08 to 1.755 million MT in 2008-09 showing an increase by 84,031 metric tons. The export value of rice (other varieties) witnessed an increase to US\$ 912 million in 2008-09 from US\$ 767 million in 2007-08. The Average Unit Price per Metric ton also showed an increase from US\$ 459 to US\$ 520.

### **Analysis of Pakistan Rice Export: Increasing/Decreasing trends in different countries**

The exports of Pakistani rice have increased in Iran, Afghanistan, Saudi Arabia, Qatar, Kenya, Mozambique etc. in year 2008-09. On the other hand exports of our rice have registered a declining trend in U.A.E, Oman, UK, Kuwait, South Africa, USA, Belgium, Sri Lanka, Philippines, Indonesia etc. (**Annex – D**)

### **Reasons/Problems for decrease in export of rice**

#### **Decrease in demand:**

In the year 2008, the importing countries purchased huge quantities of rice on the perception that international prices would go up. Due to availability of stocks in the importing countries, demand of rice has decreased considerably.

#### **Decrease in International price of Rice.**

Due to decrease in demand of rice, the price in the international market has also gone down. Pakistan's exports of rice are also passing through this phase.

#### **Government Intervention in the local market:**

Pakistan's exports of rice are controlled by the Private Sector; however, recently TCP has floated an international tender for the sale of Rice. Owing to this, the prices of rice will decrease and the Private Entrepreneurs will not be able to compete in international market with other exporting countries like Thailand/Vietnam.

#### **Decelerating trend in Private Sector disbursement Credit:**

Due to bumper production of rice in 2008, the stocks have piled up due to lower international prices and lesser demand. The exporters have also faced problems in repayment of loans due to this reason. After the new crop in 2009, there is also a cash flow problem for traders.

#### **Supply Chain Issues:**

- Lack of supplies of certified seeds.
- To acquire the desired number of plants per acre, skilled labor is not engaged for transplanting of nursery under strict vigilance.
- Lining of irrigation canals, distributaries and on-farm water channels are not properly managed.
- Power tariffs are on higher side which makes the tube-well irrigation expensive.
- Proper machinery is not being used by the farmers in harvesting and threshing, which results in damage to the quality of rice.
- The storage capacities for exports are insufficient.
- Prices of fertilizers and pesticides are on higher side.
- Old traditional system to dry the paddy rice on open space is still in practice.
- Lack of marketing strategy.



## SWOT ANALYSIS

### Strength:

- i) Pakistan is producing around 2.5 Million MT of basmati rice. Basmati is a premium long grain variety of rice which is highly valued for its aroma and flavor and has a big demand in international market.
- ii) Other varieties of rice are competitive in international market due to good quality and lower prices.

### Weaknesses

- **Mixing of rice**  
Pakistan rice is famous in world but mixing of one variety with another affects the quality of rice which results in loss of market.
- **Technology**  
The use of low technology both at harvesting/threshing and milling level results in huge quantity of broken rice.
- **Brand**  
Mostly Pakistani exporting companies are selling rice without any brand name. Due to this the exporters do not get good price of even high quality product.
- **Value Added**  
Pakistan is selling rice in bulk quantity. Pakistani exporters are not selling rice in packing of 1Kg, 2Kg & 5Kg which results in lower price.
- **Seeds and yield**  
All seeds varieties being used by private sector are not approved by the Government which results in poor quality and lesser yield.

### Opportunities:

- **Ban on non-basmati rice by India.**  
India has imposed ban on exports of non-basmati rice this year because of low production. To meet its local demand, India is planning to import non-basmati rice from other countries. India is also negotiating with 3 countries for import of rice, which will increase the demand of rice in the international market. Further India has fixed the minimum export price of Basmati rice @ US\$ 900 MT. Pakistan can avail this opportunity and export the rice below this price.

### **Philippines**

Pakistan has already won a tender for supply of 50,000 MT rice to Philippines as a result of bidding held on December 2, 2009. Philippines have also announced another tender for purchase of 600,000 MT rice. Pakistan can avail this opportunity.

- **Potential of exports of Pakistani rice**

Despite the demand of rice in South Africa, Senegal, Saudi Arabia, Kuwait, USA, Turkey, Sri Lanka, Australia, Malaysia, Indonesia, Philippines, Pakistan has a small share in these markets.

**Threats:**

- The devaluation of Vietnamese currency may affect the price of rice in international market.
- Indian living abroad especially in Dubai purchase basmati rice from Pakistani exporters and after value addition they export it to other countries on high price with their own brand name.

**Analysis: Potential of rice importing countries for exports of rice from Pakistan**

A series of meetings were convened with Rice Exporters Association of Pakistan and prominent individual exporters, which included, Mr. Hamid Garib, Fawad Garib, Mr. Abdul Shams and Mr. Abdul Saboor to discuss the reasons for decline in the exports of rice and the export promotional activities, TDAP may take in the second half of this financial year and next financial year to further the exports of rice from Pakistan. Import potential of various big importing countries was examined so as to ascertain, whether they offer any opportunity to our exports. The detailed analysis is as under. **(Annex – E)**

**South Africa:**

South Africa imported rice worth US\$ 464 million in the year 2008 . Thailand was the top supplier of rice to South Africa with value of US\$ 374 million and share of 80.7% in South African rice import. Vietnam was the 2<sup>nd</sup> top supplier of rice with value of US\$ 47 million and share of 10.03%. While China was 3<sup>rd</sup> the top supplier with value of US\$ 15 million and share of 3.3%. Pakistan was on 4<sup>th</sup> position but export value of its rice was only US\$ 3.9 million, with share of 0.8% in South African's total import of rice.

**Senegal**

Senegal's import of rice stood at worth US\$ 646 million in the year 2008. Thailand with value of US\$ 394 million and share of 61.1% was the top supplier. Vietnam was the 2<sup>nd</sup> top supplier of rice to Senegal with value of US\$ 63 million and share of 9.8% in Senegal's rice import. Brazil was 3<sup>rd</sup> the top supplier with value of US\$ 56 million and share of 8.8%. Pakistan was at 5<sup>th</sup> position but its export was only US\$ 24 million, with share of 3.7% in Senegal total rice imports.

**U.A.E**

U.A.E imported rice worth US\$ 1,517 million in the year 2008. India was the top supplier with value of US\$ 967 million and share of 63.8%. Pakistan was the 2<sup>nd</sup> top supplier of rice to UAE with value of US\$ 423 million and share of 27.9%. Thailand was 3<sup>rd</sup> the top supplier of rice with value of US\$ 103 million and share of 6.8 in UAE's rice imports.

**Kuwait**

Import of rice by Kuwait during the year 2009 was US\$ 244 million. India was the top supplier of rice to Kuwait with value of US\$ 189 million and share of 77.7%. Pakistan was the 2<sup>nd</sup> top supplier of rice to Kuwait with value of US\$ 44 million and share of 18.1%. Thailand was 3<sup>rd</sup> the top supplier of rice to Kuwait with value of US\$ 6 million and share of 2.7%. Pakistan's share in this market is small as compared to India.

### **Saudi Arabia**

Saudi Arabia imported rice worth US\$ 1,150 million in the year 2008. India was the top supplier of rice to Saudi Arabia with value of US\$ 786 million and share of 68.3%. Pakistan was the 2<sup>nd</sup> top supplier of rice to Saudi Arabia with value of US\$ 136 million and share of 11.8%. USA was 3<sup>rd</sup> the top supplier of rice to Saudi Arabia with value of US\$ 117 million and share of 10.2%. Despite being 2<sup>nd</sup> top supplier, Pakistan's share is very small as compared to India.

### **U.K**

U.K's imports of rice in 2008 were to the tune of US\$ 638 million. India was the top supplier of rice to UK with value of US\$ 158 million and share of 24.8%. Pakistan was the 2<sup>nd</sup> top supplier of rice to UK with value of US\$ 92 million and share of 14.5%. Italy was the 3<sup>rd</sup> top supplier of rice to UK with value of US\$ 91 million and share of 14.4% in UK's rice imports.

### **Belgium**

Belgium's imports of rice were US\$ 318 million in the year 2008. Italy was the top supplier of rice to Belgium with value of US\$ 84 million and share of 26.6%. Spain was the 2<sup>nd</sup> top supplier of rice to Belgium with value of US\$ 53 million and share of 16.7%. Pakistan was the 3<sup>rd</sup> top supplier of rice to Belgium with value of US\$ 35 million and share of 11.1% in Belgium's rice imports. Despite being at 3<sup>rd</sup> top position, Pakistan's share in this market is negligible.

### **Germany**

Germany imported rice worth US\$ 372 million in the year 2008. Italy was the top supplier of rice to Germany with value of US\$ 89 million and share of 24%. Thailand was the 2<sup>nd</sup> top supplier of rice to Germany with value of US\$ 67 million and share of 18.2%. Netherland was 3<sup>rd</sup> the top supplier of rice to Germany with value of US\$ 41 million and share of 11.1% in Germany's rice imports. Pakistan was on 8<sup>th</sup> position with value of US\$ 17 Million with share of 4.7%. Pakistan's share in this market is negligible.

### **Turkey**

In the year 2008, Turkey's total imports of rice were US\$ 172 million. USA was the top supplier of rice to Turkey with value of US\$ 57 million and share of 33%. Italy was the 2<sup>nd</sup> top supplier of rice to Turkey with value of US\$ 46 million and share of 26.8%, while Egypt was the 3<sup>rd</sup> top supplier of rice to Turkey with value of US\$ 37 million and share of 21.7% in Turkey's rice imports. Pakistan is at sixth position with value of US\$ 3 Million with share of 1.8%. In Turkey's total imports, Pakistan's share is negligible.

### **USA**

USA imported rice amounting to US\$ 597 million in the year 2008. Thailand was the top supplier of rice to USA with value of US\$ 375 million and share of 62.79%. India was the 2<sup>nd</sup> top supplier of rice to USA with value of US\$ 132 million and share of 22.11%, whereas, Pakistan was the 3<sup>rd</sup> top supplier of rice to USA with value of US\$ 31 million

and share of 5.21% in US import. This is a big market and has potential for exports of our rice.

### **Australia**

Australia imported rice worth US\$ 171 million in the year 2008. Thailand was the top supplier of rice to Australia with value of US\$ 98 million and share of 57.7%. India was the 2<sup>nd</sup> top supplier of rice to Australia with value of US\$ 21 million and share of 12.3% and Pakistan was the 3<sup>rd</sup> top supplier of rice to Australia with value of US\$ 20 million and share of 11.7% in Australia's rice import.

### **Indonesia**

Indonesia's imports of rice stood at US\$ 124 million in the year 2008. Thailand was the top supplier of rice to Indonesia with value of US\$ 64 million and share of 52.1%. Vietnam was the 2<sup>nd</sup> top supplier of rice to Indonesia with value of US\$ 47 million and share of 38.2%, while China was the 3<sup>rd</sup> top supplier of rice to Indonesia with value of US\$ 6 million and share of 5.4% in Indonesia's rice imports. Pakistan was on rank 4 with a total value of US\$ 259 thousand with the share of 3.4% in Indonesia rice import. Pakistan's share in this market is very small.

### **Malaysia**

Malaysia imported rice worth US\$ 811 million in the year 2008. Thailand was the top supplier of rice to Malaysia with value of US\$ 439 million and share of 54.2%. Vietnam was the 2<sup>nd</sup> top supplier of rice to Malaysia with value of US\$ 332 million and share of 40.9% and Pakistan was the 3<sup>rd</sup> top supplier of rice to Malaysia with value of US\$ 33 million and share of 4.1% in Malaysia's rice import. Our share in this very big market is negligible.

### **Philippines**

Philippines imported rice worth US\$ 1,956 million in the year 2008. Vietnam was the top supplier of rice to Philippines with value of US\$ 1,292 million and share of 66%. Thailand was the 2<sup>nd</sup> top supplier of rice to Philippines with value of US\$ 504 million and share of 25.8% while USA was the 3<sup>rd</sup> top supplier of rice to Philippines with value of US\$ 86 million and share of 4.4% in Philippines's rice import. Pakistan was on rank 4 with the value of US\$ 67 million with the share of 3.2% Philippines is the top importer of rice. Pakistan's share in this market, which has potential for export of our rice, is negligible.

### **Suggestion/ Recommendations:**

In view of potential of above mentioned markets for exports of our rice, there is a need to enhance our export promotional activities in these markets. It is, therefore, suggested that

- 1) TDAP may send four delegations to the following countries in the next six months.
  - i. South Africa
  - ii. UAE, Saudi Arabia, Kuwait,
  - iii. UK, Germany, Turkey
  - iv. Indonesia, Malaysia and Philippines
- 2) TDAP is participating in five (5) exhibitions during the financial year 2009-10. To promote the exports of this very important sector, TDAP may increase participation in exhibitions related to Agro Food sector in the above countries.
- 3) a) TDAP organized a seminar on “Rice Cultivation and Harvesting” in Larkana on November 25, 2009.  
b) TDAP may organize following seminars;
  - i. Harvesting and Cultivation in Mureed Kay in January 2010.
  - ii. Marketing Potential for Rice Exports in Lahore in April 2010.
  - iii. Marketing Potential for Rice Exports in Karachi in June 2010.
  - iv. Marketing Potential for Fruits and Vegetables exports in Karachi in May 2010.
  - v. Marketing Potential for Mango Exports in Multan in June 2010.
  - vi. Marketing Potential for Dates in Khairpur and Sukkur in March 2010.

### **Other Suggestions**

- Import of rice harvesters without duty be allowed from any country of origin.
- Harvesting of immature paddy to be discouraged with punitive action.
- Information on proper harvesting, methods and its importance must be added to the awareness program.
- Imported and locally manufactured Paddy dryers must be given relief in taxes, levies and duties to meet the needs of millers all over Pakistan.
- Millers are encouraged to install parboiled rice units to meet the demand of parboiled rice in the world.
- To promote rice exports, the storage capacity at the export point should be enhance.

- Proper system of disbursement of private sector credit for Rice exporters may be developed.
- Ministry of Food and Agriculture Islamabad may be requested to seek technical advice from International Rice Research Institute Philippines for increasing production yield/Hectare of rice in Pakistan.

References:

- Rice Exporters Association of Pakistan (REAP)
- Thailand Rice Exporters Association
- Federal Bureau of Statistics
- International Trade Centre
- Food and Agriculture Organization
- United States Department of Agriculture

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**Annex: A**

**WORLD TOP EXPORTERS OF RICE**

Value in 000 US\$

Exporters	Export in 2006	Export in 2007	Export in 2008	Share in world exports	Top buyer			2nd top			3rd top			share of three suppliers
					Country	Export	Share	Country	Export	Share	Country	Export	Share	
World	10,686,684	13,177,025	20,351,524		Country	Export	Share	Country	Export	Share	Country	Export	Share	
Thailand	2,579,060	3,470,015	6,107,572	30.01	Nigeria	623,693	10.21	Benin	392,739	6.43	Philippines	369,087	6.04	22.69
India	1,552,102	2,352,946	2,843,305	13.97	Saudi Arab	786,160	27.65	UAE	634,507	22.32	Bangladesh	493,413	17.35	67.32
<b>Pakistan</b>	<b>1,151,880</b>	<b>1,145,677</b>	<b>2,439,562</b>	<b>11.99</b>	<b>UAE</b>	<b>383,111</b>	<b>15.70</b>	<b>Iran</b>	<b>367,515</b>	<b>15.06</b>	<b>Oman</b>	<b>208,566</b>	<b>8.55</b>	<b>39.32</b>
USA	1,284,854	1,396,031	2,213,917	10.88	Mexico	353,046	15.95	Haiti	197,068	8.90	Japan	174,394	7.88	32.73
Viet Nam	1,275,895	1,490,180	2,046,301	10.05	Philippines	468,157	31.42	Indonesia	378,980	25.43	Cuba	184,389	12.37	69.22
Italy	437,272	543,396	818,107	4.02	France	155,060	18.95	Germany	133,434	16.31	Belgium	90,686	11.08	46.35
UAE	121,663	181,465	518,807	2.55	Iran	456,261	87.94	Iraq	16,089	3.10	India	6,068	1.17	92.22
China	408,739	478,583	482,101	2.37	Cote d'Ivoire	83,009	17.22	Korea	80,785	16.76	Liberia	55,286	11.47	45.44
Uruguay	218,559	280,632	444,268	2.18	Iran	96,366	21.69	Brazil	91,966	20.70	Peru	61,069	13.75	56.14
Brazil	59,872	53,360	311,635	1.53	Benin	71,372	22.90	Cuba	47,685	15.30	Senegal	41,305	13.25	51.46
Others	1,596,788	1,784,740	2,125,949	10.45										

Source: <http://www.trademap.org/>

Annex B

WORLD TOP IMPORTERS OF RICE

Value in 000 US\$

Importers	Import in 2007	Import in 2008	Share in world imports	Top supplier			2nd top			3rd top			share of three suppliers	Pakistan		
				Country	Export	Share	Country	Export	Share	Country	Export	Share		export	rank	share
World	13,802,472	21,125,740														
Philippines	653,511	1,956,779	9.26	Vietnam	1,292,216	66.04	Thailand	504,904	25.8	USA	86,985	4.45	96.29	67,129	4	3.43
UAE	684,661	1,517,459	7.18	India	967,838	63.78	<b>Pakistan</b>	423,394	27.9	Thailand	103,036	6.79	98.47			-
Saudi Arabia	626,095	1,150,988	5.45	India	432,268	37.56	USA	78,268	6.8	<b>Pakistan</b>	46,583	4.05	48.4			-
Iran	444,507	1,120,487	5.3	UAE	456,261	40.72	<b>Pakistan</b>	367,515	32.8	Uruguay	96,366	8.6	82.12			-
Malaysia	312,882	811,919	3.84	Thailand	439,696	54.16	Vietnam	332,122	40.91	<b>Pakistan</b>	33,274	4.1	99.16			-
Senegal	363,904	646,209	3.06	Thailand	394,889	61.11	Vietnam	63,194	9.78	Brazil	56,843	8.8	79.68	24,204	5	3.75
UK	389,515	638,412	3.02	India	158,460	24.82	<b>Pakistan</b>	92,323	14.46	Italy	91,739	14.37	53.65			-
USA	435,207	597,485	2.83	Thailand	375,160	62.79	India	132,104	22.11	<b>Pakistan</b>	31,104	5.21	90.11			-
France	368,799	541,905	2.57	Italy	151,490	27.96	Thailand	128,214	23.66	Spain	78,995	14.58	66.19	7,695	7	1.42
Bangladesh	393,886	519,418	2.46	India	374,218	72.05	China	11,429	2.2	<b>Pakistan</b>	4,138	0.8	75.04			-
others	9,129,505	11,624,679	55.03													

Source: <http://www.trademap.org/>



## Potential of some focused Rice Importing Countries

Value in `000` US\$

Importers	Import in 2008	Share in world imports	Top supplier			2nd top			3rd top			share of three suppliers	Pakistan		
			Country	Export	Share	Country	Export	Share	Country	Export	Share		export	rank	share
World	21,125,740		Country	Export	Share	Country	Export	Share	Country	Export	Share				
South Africa	464,578	2.2	Thailand	374,857	80.7	India	47,762	10.3	China	15,125	3.3	94.3	3901	6	0.8
Senegal	646,209	3.06	Thailand	394,889	61.1	Vietnam	63194	9.8	Brazil	56,843	8.8	79.7	24,204	5	3.7
U.A.E	1,517,459	7.18	India	967,838	63.8	<b>Pakistan</b>	423,394	27.9	Thailand	103,036	6.8	98.5	-	-	-
Kuwait	244,066	1.16	India	189,594	77.7	<b>Pakistan</b>	44,117	18.1	Thailand	6,693	2.7	98.5	-	-	-
Saudi Arabia	1,150,988	5.45	India	786,160	68.3	<b>Pakistan</b>	136,173	11.8	USA	117,724	10.2	90.3	-	-	-
U.K	638,412	3.02	India	158,460	24.8	<b>Pakistan</b>	92,323	14.5	Italy	91,739	14.4	53.7	-	-	-
Belgium	318,238	1.51	Italy	84,525	26.6	Spain	53,111	16.7	<b>Pakistan</b>	35,262	11.1	54.4	-	-	-
Germany	372,810	1.76	Italy	89,336	24	Thailand	67,990	18.2	Holland	41,377	11.1	53.3	17,601	8	4.7
Turkey	172,790	0.82	USA	57,011	33	<b>Italy</b>	46,383	26.8	Egypt	37,571	21.7	81.5	3,132	6	1.8
USA	597,485	2.83	Thailand	375,160	62.79	India	132,104	22.11	<b>Pakistan</b>	31,104	5.21	90.11	-	-	-
Australia	171,233	0.81	Thailand	98,823	57.7	India	21,012	12.3	<b>Pakistan</b>	20,102	11.7	81.7	-	-	-
Indonesia	124,143	0.59	Thailand	64,721	52.1	Vietnam	47,392	38.2	<b>China</b>	6,642	5.4	95.7	259	8	0.2
Malaysia	811,919	3.84	Thailand	439,696	54.2	Vietnam	332,122	40.9	<b>Pakistan</b>	33,274	4.1	99	-	-	-
Philippines	1,956,779	9.26	Vietnam	1,292,779	66	Thailand	504,904	25.8	USA	86,985	4.4	96.5	67,129	4	3.4

Source: <http://www.trademap.org/>