

Amira Foods gets 60,000-t rice order from Bangladesh

Prabha Jagannathan

NEW DELHI

INDIA'S largest private rice firm Amira Foods has clinched a significant 60,000-tonne parboiled rice supply order from Bangladesh through its Dubai arm Amira Foods DMCC.

Worth \$30m, the deal entails supply of rice in two consignments of 30,000 tonnes each by December to Dhaka, which has become an aggressive shopper in the global market because of floods.

Significantly, the grain will not come from India's massive rice stockpile of over 180 lakh tonnes due to the ban on export of non-aromatic rice varieties since 2007-08. Amira expects to source most of its consignment from Thailand.

"This is an important deal for us and we quoted the lowest price," the group MD Karan A Chanana told ET, but acknowledged that if exports were open in India prices would have been more competitive. Supply price was clinched at \$492.60/tonne and \$482.65/tonne respectively for the tender finalised on October 10.

The price is higher than the \$444/tonne at which earlier imports were contracted.

Historically, Indian parboiled prices have been more competitive compared to Thai prices, something that could have given Indian rice firms the cutting edge on exports had they been open.

On Thursday, Dhaka issued yet another tender for import of another 30,000 tonnes of rice for which, too, Amira and other Indian rice majors have bid, with the intention of sourcing rice from elsewhere. With global rice trade tight on the back of lower US rice and corn output projections and on account of floods in China and Bangladesh, traders and exporters believe that it is an ideal time to ease the two year old export strictures.

"Checks and balances on exports will be necessary and opening up cannot be at one go. But it will be advantageous for the government especially in view of the storage problems that will erupt by next month, besides easing pressure on support prices to farmers for both rice and wheat," a Delhi-based rice exporter said.

Rice marketing season began October 1 and the industry expects that side-splitting stocks with the government will bring more pressure to bear on it by next month.

A minimum export price on the lines of the \$900/tonne MEP for Basmati exports could prevent any possible leakage of lesser variety rice through exports in the name of high value types, a practise not uncommon among traders and exporters.