FPOs taste success exporting watermelons to Dubai

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Subramani Ra Mancombu

Chennai

SOUGHT AFTER. Indian watermelon enjoys a premium in the Dubai market due to its quality and taste PTI

Indian watermelons are earning a premium over those from Iran in Dubai with a few farmer producer organisations (FPOs) beginning to ship the fruit to the United Arab Emirates (UAE) following initiatives taken by exporters.

"We exported two containers of black watermelon to Dubai on a trial basis. It fetched a premium in the markets there. FPOs fetch double the domestic price in the Gulf," said Mukesh Singh, Director of Mumbai-based MuBala Agro Commodities Pvt Ltd.

M Angamuthu, outgoing Chairman of Agricultural and Processed Food Products Export Development Authority (APEDA), another company, IG International, took up the initiative to export watermelon produced by an FPO, Swasangharsh Organic Farmer Producer Organisation. It shipped 25 tonnes of seedless watermelon to Dubai.

HOLDING ADVANTAGE

"It was the first consignment sent and the FPO got ₹10/kg, which is almost the double of what they get in the domestic market," he said.

Tarun Arora, Director, Single Family Office, IG International, said, "Indian watermelon enjoys a premium in the Dubai market due to its quality and taste. Our watermelons are known for their sweetness, juiciness, and excellent texture."

"The size of Indian watermelon is small, weighing between 3 and 5 kg. It, thus, holds an advantage over Iranian ones that weigh up to 10 kg, which is better for, probably, mass consumption," said MuBala's Singh. Singh said multinational retailers were ready to pick Indian watermelons and willing to pay a premium over Iranian watermelons.

Indian watermelon commands over 4 UAE dirham (₹89.25) in super stores, whereas Iranian ones, which till now enjoyed a monopoly, cost around 3 dirham (₹67) at retail outlets. In the wholesale market, the Indian fruit fetches at least 1.7 dirham (₹38).

Exporters are sourcing watermelons from FPOs on a commission basis.

The landed cost of watermelon in Dubai could come to about ₹20. According to exporters, the daily demand for watermelon in UAE is about 15 containers and at least a couple of containers are landing from India everyday. "Iran's advantage is that it can reach its watermelon in Dubai in four hours," Singh said.

"Exporting watermelon to Dubai has been a positive experience for us. We have received a good response from the Dubai market, and our watermelons have been well received. We have been able to fetch a good price for our produce," said IG International's Arora.

"We are likely to export around 500 tonnes of watermelon to Dubai in the upcoming season. However, the amount may vary depending on the demand and supply dynamics of the market," Arora said.

Angamuthu said IG International has signed an agreement with Swasangharsh for cultivating watermelon on 50 acres of land. "It is providing all support to the FPO to develop new varieties of watermelons. Such efforts are likely to bring watermelon as a potential fruit in the export basket of horticulture produce," he said.

Electronics exports grew a whopping 50% in FY23

Smartphones alone accounted for 23% of the rise

SURAJEET DAS GUPTA
New Delhi, 25 April

A surge in electronics exports, including smartphones, accounted for a massive 31 per cent of the rise in India's merchandising exports in FY23 over the previous year, in value terms based on the Commerce Ministry's latest figures.

Merchandise exports increased by $25 billion, hitting $447 billion in FY23 over $422 billion in the previous year. Of this, the increase in smartphones and Apple iPhone exports alone contributed 23 per cent and 15 per cent respectively.

The growing importance of electronics exports can also be reflected in the fact that it has now overtaken readymade garments (RMG) of all textiles, occupying sixth position among the top 10 merchandising exports.

Electronics exports grew over 50 per cent in FY23, reaching $23. 5 billion in the current fiscal year. RMG of all textiles grew merely by 1. 1 per cent to reach $16.1 billion in FY23.

If the trend continues, many experts believe that electronics exports could overtake drugs and pharmaceuticals which were the fifth largest export at $25 billion in FY23, a growth of over 3 per cent.

Electronics could even overtake organic and inorganic chemicals by FY24. The latter are the fourth largest with exports of $30 billion and growing at only 3.2 per cent in FY23.

The growing importance of electronics has been fueled by the gigantic increase in mobile exports, thanks in large measure to the production-linked incentive scheme to encourage manufacturing in India, as well as Apple Inc's aggressive strategy to shift production for exports from China to India.

Indian smartphone exports doubled to touch $11.5 billion in FY23, accounting for half the export value of electronics exports.

Smartphone exports added $S5.8 billion in the current fiscal year over the previous year and this growth accounts for 73 per cent of the overall increase in electronics exports over last year.

The government has, of course, set up a stiff target for electronics production and exports by FY26. This entails achieving a production value of $300 billion out of which exports would be $120 billion.

More importantly, in mobile devices, the projection is to export between $52-58 billion worth of phones from the country by FY26. The production value expected is to the tune of $120 billion.

DIALLING UP

- Increase in smartphone exports accounts for 23% of the total increase in merchandising exports of $25 bn in FY23 over FY22
- Increase in India's smartphone exports by $5.8 bn accounts for 73% of the increase in electronics exports by $7.9 bn in FY23 over previous year
- Electronics has become the 6th-largest merchandising export segment for India, ahead of readymade garments in FY23
- Many expect it to become the 4th-largest export segment by FY24

Export prices of white rice gain

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RISING ENQUIRIES. Rates up on tight supplies, overseas demand; parboiled drops on ample stocks

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Subramani Ra Mancombu
Chennai

Non-basmati white (raw) rice prices for exports have increased by over $25 a tonne during the past fortnight on tight domestic supplies and demand from markets abroad, traders and exporters said.

However, parboiled (boiled) rice prices have dropped by $5 a tonne and Indian white rice continues to be competitive by $20-30 over the nearest competitor in the global market. In the case of parboiled rice, the Indian cereal is at least $100 a tonne competitive.

"We are facing problems in getting white rice supplies in the domestic market as the Centre is procuring it for the central pool stocks. On the other hand, parboiled rice availability has increased, pulling down its prices," said VR Vidya Sagar, Director, Bulk Logix.

NEW CROP ARRIVALS BEGIN

"Though our prices have increased, we are still competitive in the global market. Arrivals of new rabi paddy crop have begun in Odisha, Telangana and Andhra Pradesh. Exporters are paying farmers prices closer to the minimum support price (MSP)," said BV Krishna Rao, President, The Rice Exporters Association (TREA).

The MSP for paddy this year is ₹2,040 a quintal. India is quoting $453-57 a tonne for 5 per cent broken white rice against $432-36 two weeks ago. The 25 per cent broken white rice is offered at $438-442 compared with $417-22. India's nearest competitor Vietnam is quoting at least $25 higher for both these varieties.

"There is good demand for 5 per cent broken white rice from Vietnam. We are getting enquiries from East Malaysia and Timor too," said M Madan Prakash, President, Agricultural Commodities Exporters Association (ACEA).

"It is all down to demand-supply. The next crop in Thailand will arrive only in September. Vietnam may have to fulfill demand from China in case El Nino strikes and affects the Indian monsoon," said a New Delhi-based trade analyst.

ENQUIRIES FROM AFRICA

Sagar said parboiled rice was available even at $370 a tonne from India. "Now that Ramzan is over, we expect some movement in rice to Africa and West Asia," he said.

"This year, our exports are likely to match last year's volume. We will be meeting all requirements," said Rao. "We are getting enquiries from Africa, while demand for South-East Asia is in small volume," said Prakash. The analyst said China has maintained silence over its stock situation. "Vietnam and Thailand are expecting a bigger crop. There is no cause for worry with regard to India," he said.

Data from Agricultural and Processed Food Products Development Authority (APEDA) show that non-basmati rice exports during the April-February period of 2022-23 fiscal were marginally higher at 16.09 million tonnes (mt) compared with 15.64 mt a year ago.

CURBS ON SHIPMENT

The rise was despite India imposing a 20 per cent export duty on non-basmati white rice from September and banning shipments of fully broken rice. The Government took these measures to curb exports as it feared rice production could be hit by deficient rain during the south-west monsoon. Though kharif rice production dropped to 108 mt against 111 mt a year ago, overall production of the cereal has been estimated higher at a record high of 130.83 mt during the current crop year to June against 129.47 mt last crop year.

Current Asian rice prices

Countries	5% broken		25% broken		Parboiled	
	April 10	April 25	April 10	April 25	April 10	April 25
India	432-36	453-57	417-21	438-42	378-82	373-77
Thailand	505	499	493	489	517	511
Pakistan	483-87	513-17	443-47	477-81	473-77	518-22
Vietnam	463-67	483-87	438-42	463-67	-	-

Source: Thai Rice Exporters Association *Price in $/tonne

Crude imports from Russia up a tad in April;

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Rishi Ranjan Kala
New Delhi

India remained the largest buyer of seaborne Russian crude oil in April 2023 for the fifth consecutive month, with inbound shipments growing by a little over 1 per cent month-on-month to 1.63 million barrels per day (mb/d).

The world's third-largest energy resources guzzler imported around 1.61 mb/d in March this year, according to data shared by energy intelligence firm Vortexa with *businessline*. India became Russia's largest buyer of seaborne crude in December last year, with imports of around 1.22 mb/d. Since December, inbound shipments have been consistently over 1.22 mb/d.

Private refiners such as Reliance Industries (RIL) and Russian state-run oil giant Rosneft-backed Nayara Energy accounted for almost 46 per cent of the total imports from Russia, according to Vortexa.

They imported 524,000 barrels per day (b/d) of Ural grade, followed by 123,000 b/d of ESPO; Varandey (67,000 b/d); and Arco (35,000 b/d) in April.

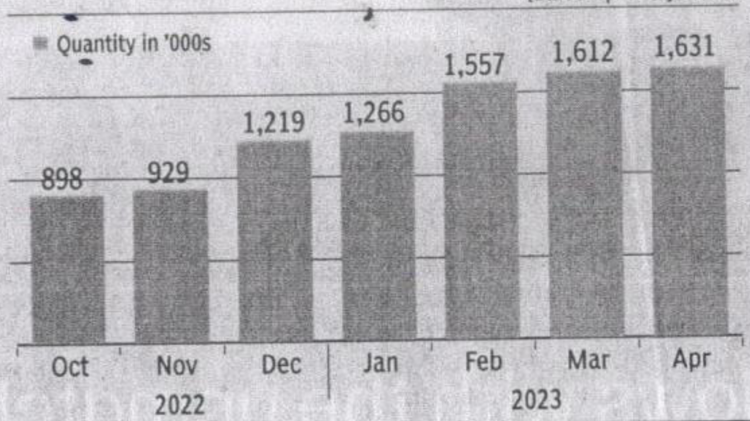
CRUDE PRICE RALLY

Analysts said that as global crude oil prices have started to to cool down again after the rally witnessed in April due to OPEC+ production cuts, it will help Indian refiners protect their margins.

Besides, it will also bring down instances of prices breaching the G7 cap of $60 per barrel. However, at present, only some of the supplies, largely of lighter grades such as Sokol, have breached the cap. Oil Marketing company (OMC) sources said it seems the April 2 production cut has not been able to support

India's crude oil imports from Russia

(Barrels per Day - b/d)



Source: Vortexa