

**AN OUTLOOK OF EXIM PROCEDURE FOLLOWED BY RICE EXPORTERS IN
TAMILNADU -AN ANALYTICAL STUDY**

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ABSTRACT

Rice is one of the important cereal food crops of India. Thailand, Vietnam, Myanmar, China and Japan are the important countries besides India growing rice. Among the exporting countries Thailand, Vietnam, India and Pakistan are the important countries exporting rice in sizeable quantity. India ranks first in the export of rice in the world followed by Thailand and Vietnam. The Government of India has also fixed the export price of rice quite competitive in the international market. The multi-functionality of agriculture in terms of environmental, social and cultural concerns is being used to defend the permanence of blue and green box payments. Rice production sites are often the natural habitat of a wide variety of birds and plants. Water management in rice lands ensures that the soil desalination process to the maintenance of land fertility takes place. For century's rice have been the cornerstone of their food and culture. Rice is one of the important aspects of life in south east and other parts of Asia. It is also helps in development of the national economy of the country. Rice from Kangayam is been exported to Asian, African and European countries.

Keywords:

rice export, international market, rice production, water management, Kangayam rice and national economy.

PREAMBLE OF THE STUDY

Rice is one of the important cereal food crops of India. Thailand, Vietnam, Myanmar, China and Japan are the important countries besides India growing rice. Among the exporting countries Thailand, Vietnam, India and Pakistan are the important countries exporting rice in sizeable quantity. India ranks first in the export of rice in the world followed by Thailand and Vietnam. The Government of India has also fixed the export price of rice quite competitive in the international market. These measures are expected to contribute in boosting the export of rice from India.

According to market sources, rice prices are expected to remain high at least until the first half of 2024 after India enacted export restrictions that shocked the world market in 2023 and sent prices to multi-year highs. Before the general election, which is anticipated to take place in April or May of 2024, the majority of trade sources stated that they do not see the government loosening the limitations. Prior to lifting the export restrictions, the government may wish to ensure that a healthy rice harvest is harvested in the 2024 monsoon season.

The Basmati Export Zone in Punjab aims to tap into the international market potential of high-quality Indian basmati rice. The Government of India has launched an aggressive export promotion policy, focusing on improved production technology and new seed varieties. The scheme covers specific districts in Punjab known for basmati rice cultivation. Its goal is to enhance basmati rice exports, generate foreign exchange, and support local agricultural communities. The scheme has a budget of Rs. 23.3 crore, with the central government contributing Rs. 11.85 crore, the Punjab State Government contributing Rs. 1.85 crore, and private entrepreneurs providing the remaining Rs. 9.6 crore. Its main aim is to increase the export of basmati rice and enhance the overall export of rice.

The Directorate of Rice Development in Patna has compiled a comprehensive analysis of rice exports from India. This compilation covers the problems, prospects, strategies, and list of rice exporters. The analysis aims to provide valuable insights into the challenges faced in exporting rice, including basmati, to various countries. It also explores the potential opportunities for rice exports and offers strategies and suggestions to increase export volumes, thereby earning more foreign exchange for the country's development. Navigational links are available under the title to facilitate easy access to the specific information of interest.

STATEMENT OF THE PROBLEM

India is currently facing tough competition in the global export market. Numerous rules and regulations need to be adhered to, posing a challenge for exporters. Insufficient infrastructure facilities and the lack of high-quality seeds are major hurdles in cultivation and exportation. Proper post-harvest handling procedures are also vital but often overlooked. Farmers typically harvest crops at different moisture levels, and storing the produce at higher moisture levels for prolonged periods can diminish the intensity of aroma. Rice mills have yet to undergo full modernization, resulting in lower milling recovery rates and a higher percentage of broken rice. Transportation costs via seaways are expensive but remain the most cost-efficient option, leading to higher loading charges. Although it takes longer to reach the buyer, it is the preferred method. Despite these challenges, India has experienced significant growth in rice exports. As the largest exporter of rice, India's plays a crucial role in the national economy and foreign exchange earnings.

Cultivation and export in Tamil Nadu have a significant impact on the state's agriculture and economy. Benefiting from favorable climatic conditions and abundant water resources, Tamil Nadu cultivates a variety of rice, including local and hybrid varieties. The state government supports farmers through subsidies, credit access, and agricultural extension services. Tamilnadu contribution to India's rice production is substantial due to its fertile lands and efficient irrigation systems. The state's exports, notably high-quality varieties like Ponni rice, have gained recognition in international markets. With the establishment of modern rice mills and processing units, Tamil Nadu ensures adherence to export quality standards. Rice from Tamil Nadu reaches diverse markets in the Middle East, Africa, Southeast Asia, and Europe. The government provides export promotion schemes and market linkages to bolster the exports, which in turn strengthen the state's economy, create employment opportunities, and contribute to foreign exchange earnings.

Kangayam, located in the Tirupur district of Tamil Nadu, is known for its rice cultivation and export. The region's favorable agricultural conditions and dedicated farmers contribute to the production of high-quality.. Kangayam's farmers cultivate various varieties, including traditional and hybrid types, to cater to both local and international markets. The rice produced in Kangayam is renowned for its taste, aroma, and superior quality. Through efficient post-harvest handling and modern processing techniques, the region ensures the export standards. As a result, Kangayam plays a significant role in the export market, contributing to the economic growth of both the district and the state of Tamil Nadu.

OBJECTIVES OF THE STUDY

The objectives of this study are to investigate the challenges faced by rice exporters, assess the prospects of export-import procedures followed by rice exporters from India, determine the mode of transportation commonly used by them, and observe the various varieties exported from the study area to overseas markets. By accomplishing these objectives, the study aims to provide insights into the obstacles encountered, evaluate the effectiveness of export-import procedures, analyze transportation methods, and understand the range of varieties exported by exporters in the study area.

SHORT COMINGS OF THE STUDY

This present study has few short comings. Firstly, the time allocated for the research was limited, which may have constrained the depth and scope of the investigation. Secondly, the study was confined to the Kangayam district in Tamilnadu, potentially limiting the conception of the findings to a broader context. Finally, the accessibility and availability of respondents, particularly the exporters, posed another limitation, potentially impacting the diversity and representativeness of the sample. It is important to consider these limitations when interpreting the study's results and their applicability to other areas.

AREA OF THE STUDY

The study focused on the Kangayam district, which is a prominent commercial center in Tamil Nadu, known for its rice hulling activities. Situated on the National Highway, Kangayam is

METHODOLOGY USED FOR THE STUDY

The present study employed a specific methodology to investigate its research objectives. The chosen methodology served as a framework for conducting the research and gathering relevant data.

SOURCE OF DATA

The primary source of data for this study was collected through the use of a well-structured questionnaire method. The questionnaires were circulated among the rice exporters, allowing them to provide their responses conveniently and without encountering any difficulties.

SAMPLING DESIGN

The present study employed a convenient sampling method to collect data from 50 rice exporters located in the Kangayam, Tirupur district. The nature of the study was descriptive analysis, with the aim of providing a comprehensive description of the research variables. To analyze the data, the researcher utilized statistical tools such as the simple percentage method, weighted average score analysis method, and average rank analysis. These tools allowed for the transformation of quantitative data into qualitative insights, contributing to a deeper understanding of the research findings.

REVIEW OF LITERATURE

i) The study titled "Impact of liberalizing trade in the world rice market" (1993) by Gail L. Cramer, Eric J. Ailes, and Shangan Shuri, published in the American Journal of Agricultural Economics, employs a multi-product quadratic programming model to examine the effects of trade liberalization on the global rice market.

ii) The study "The US rice exporter market" (1999) by N. Childs and N. Burdett examines the US rice export market. While the US remains a major supplier of bulk shipments in the combined brown and milled rice market, it has experienced a decline in market share. In the 1999/2000 period, the US saw a notable share of rough rice exports, with Latin America accounting for nearly 30% of the total.

iii) The study "Rice trade liberalization and poverty" (2003) by Ashok Gulati and Sudha Narayanan, published in Economic and Political Weekly, examines the relationship between rice trade liberalization and poverty, with a specific focus on Asia. The paper aims to address two key questions: Firstly, it investigates the effects of rice trade on trade flow patterns. Secondly, it explores how rice trade liberalization and subsequent price equalization across countries impact poverty prevalence.

iii) In the study by Rahman Atowar (2006), the focus was on the marketing channels for rice and the sale of marketed surplus by farmers in the study area. The research identified eight significant marketing channels, with small and medium farms primarily utilizing the primary wholesaler channel, while large farms opted for direct sales through the processor-cum-wholesaler channel.

iv) The American Journal of Agricultural Economics (2007) published a study examining the impact of the Uruguay Round Agreement on Agriculture (UR) on rice trade. It found that since 1994, the UR agreement has contributed to increased rice trade in the United States and globally.

v) The International Journal of Research-Rice Export from India: Trends, Problems and Prospects (2016), Ramakrishna. B., Dr. Chaya K Degaonkar, published the study Agriculture is a crucial occupation in India, with around 58 percent of the population depending on it. Rice, as one of the most important food crops, plays a significant role in Indian agriculture and feeds over 50 percent of the world's population. India is a major player in rice exports, reaching the top spot in world markets. This study analyzes the trends and variability of rice exports from India, assesses export prospects, and identifies the problems and constraints faced in exporting rice to various countries. The research is based on secondary data, specifically time series data on rice exports from 2001-02 to 2013-14.

vi) Commodities 2024: Indian rice exporter's brace for a challenging year amid policy risks, high prices, Mugunthan kesavan (2024), studied as in 2023, the Indian government implemented restrictions on rice exports, including a ban on non-Basmati white rice, a 20% duty on parboiled rice exports, and a minimum export price for Basmati rice.

AN OVERVIEW OF RICE EXPORTERS

Rice holds significant importance in India, being one of the primary staple grains. The country boasts the largest area dedicated to cultivation, making it a dominant crop. India is also a major producer globally. As a tropical plant, rice thrives in hot and humid climates. It is primarily grown in rain fed regions with substantial annual rainfall, making it a kharif crop in India. It requires temperatures of approximately 25 degrees Celsius and above, along with rainfall exceeding 100 cm. As of 2024, exports from Tamil Nadu, a state in India, have shown significant growth and contribution to the overall export sector. According to available data, Tamil Nadu has emerged as a prominent player in rice exports, both in terms of volume and value. In recent years, the state has witnessed a steady increase in rice exports, with notable destinations including countries in the Middle East, Europe, and Southeast Asia. The quality of Tamil Nadu rice, particularly the aromatic Basmati variety and other non-Basmati varieties, has gained recognition in the international market, leading to a rise in demand. This has further boosted the state's rice export industry, contributing to the economic growth and development of Tamil Nadu. As of 2024, Kangayam, a region in the state of Tamil Nadu, has established itself as a significant contributor to the export industry. With its favorable agricultural conditions and expertise in rice cultivation, Kangayam. The region boasts a strong network of producers, traders, and exporters, facilitating the smooth flow of exports from Kangayam to various international markets.

STUDY AREA PROFILE

Kangayam, a second grade municipality in Tamilnadu Tirupur district, stands as a bustling commercial hub along National Highway 67. Its economic activities revolve around rice hulling, coconut oil extraction, ghee production, and groundnut cultivation. Renowned for its Kangayam bull, famed for its robust draught strength and resilience to harsh conditions, the town serves as its namesake. Approximately 28 km from Tirupur, 45 km from Erode, and 70 km from Coimbatore, Kangayam hosts a population of 32,147 as of 2011. The agricultural process here follows a structured path, from seed selection to post-harvest activities, encompassing land preparation, crop establishment, water and nutrient management, crop health, harvesting, and post-harvest care.

TYPES OF RICE IN KANGAYAM

Brown basmati rice	Rice Grain
Golden sella basmati rice	Indian rice
Organic rice	Unpolished rice
Steamed rice	Surekha rice
Indian sella rice	Katarni rice
Paddy rice	Poongar rice
Puffed rice	Jeerakasala rice
Ponni boiled rice	Ambemohar rice
Flattened rice	IR8 rice
Basmati rice	
Parboiled rice	
Polished rice	
Non basmati rice	

CHALLENGES OF RICE EXPORTERS

India's rice export industry faces significant hurdles, both domestically and internationally. State government taxes, including Purchase Tax and various fees, inflate the cost of Indian rice in global markets, rendering it less competitive against countries with lower duty rates like Pakistan. Inadequate infrastructure at sea ports exacerbates logistical challenges for exporters, leading to additional expenses and operational setbacks. Rising production costs, driven by increased input expenses and Minimum Support Price hikes, further elevate the price of Indian rice, diminishing its international competitiveness. Subsidies on production in other countries undercut Indian prices, while lack of modernization in mills results in lower milling recovery and higher broken rice percentages, reducing export quality. Basmati rice, a prized Indian export, grapples with aroma issues and inconsistent grain development due to lodging, impacting its market appeal. Furthermore, post-harvest practices, such as improper moisture levels and lack of genetically pure seeds, contribute to diminished rice quality, highlighting the need for systemic reforms to bolster India's export potential.

MEASURES TAKEN BY THE GOVERNMENT OF INDIA FOR OVERCOMING THE CHALLENGES OF INDIAN EXPORTERS

The following are few of the measures suggested to increase the export of rice in future:

- Breeding programme may be initiated to develop high yielding export quality rice (Basmati, Non-Basmati, Long Grain Rice, etc.) to enable the exporters to sustain their export in future.
- Survey may be conducted to identify export quality belts/zones for production of rice to meet the requirement of exports.
- Extension activities may be strengthened to educate the cultivators for production of quality rice to match the standards of international markets.
- Low cost production technology may be developed to bring down the cost of production to enable the exporters to compete with competing countries in the international markets.
- Proper arrangements may be made for procurement and processing of rice export purpose as per the requirement of international markets.

DATA ANALYSIS

Table : 1
SIMPLE PERCENTAGE ANALYSIS

S. N o.	Factors	Statement s	Statements	Statements	Statements	T ot al
1.	Number of years involved in Rice exports	Less than 5 Years	5-10 Years	10-15 Years	15-20 years	T ot al
	Number	8	18	16	8	50
	Percentage	16%	36%	32%	16%	100 %
2.	The type of the organization.	Sole proprietor ship	Partnership	Private limited	Others	T ot al
	Number	11	37	2	0	50
	Percentage	22%	74%	4%	0	100 %
3.	The yearly turnover of the organization.	Below 10 lakhs	10 to 50 lakhs	50 lakhs to 1 crore	1 crore to 20 crores	T ot al
	Number	3	26	13	8	50

	Percentage	6	52	26	16	100%
4.	The source of working capital	Own fund	Borrowed from bank	Borrowed from friends and relatives	other sources	Total
	Number	9	21	16	4	50
	Percentage	18%	42%	32%	8%	100%
5.	State the services and facilities used by your organization	Global rice trade	Project	Forms & Guidelines	Trade event and sale discount instructions	Total
	Number	12	5	25	8	50
	Percentage	24%	10%	50%	16%	100%
6.	Mode of transport preferred by your organization.	Road ways	Sea ways	-	-	Total
	Number	1	49	-	-	50
	Percentage	2%	98%			100%
7.	Challenges faced while transporting your goods	Lack of labour	Transportation cost	Distance of transportation	Loading and unloading problems	Total
	Number	5	19	20	6	50
	Percentage	10%	38%	40%	12%	100%
	Time taken for the transportation of goods.	2-4 Weeks	4-6 Weeks	6-8 Weeks	8-10 Weeks	Total
	Number	9	28	11	2	50
	Percentage	18%	56%	22%	4%	100%
8.	Challenges faced during the customs clearance process.	Packing methods used	Complexities of documents	Strict policies and regulations	Time taken in clearing customs	Total
	Number	7	16	22	5	50
	Percentage	14%	32%	44%	10%	100%
9.	State your port of loading place.	Chennai	Cochin	Tuticorin	others	Total
	Number	16	10	20	04	50

	Percentage	32%	20%	40%	8%	100%
10.	Which countries you are exporting?	Asian countries	European countries	Australia	African countries	Total
	Number	20	14	14	02	50
	Percentage	40%	28%	28%	4%	100%
11.	Marketing methods followed by you for exporting rice.	Trade fair	Advertisement	Online Portal	Exhibits	Total
	Number	12	14	21	3	50
	Percentage	24%	28%	42%	6%	100%
12.	Payment terms used during the rice exports.	Payment on delivery	Bank	Letter of Credit	Others	Total
	Number	15	15	19	01	50
	Percentage	30%	30%	38%	2%	100%
13.	Tonnes of rice you export on average.	Below 10	10-15	15-20	Above 20	Total
		8	17	19	6	50
		16%	34%	38%	12%	100%
14.	varieties of rice available in your area	Boiled Tanjore Ponni	Ponni Rice	Basmati Rice	Idly Rice	Total
	Number	7	26	14	3	50
	Percentage	14%	52%	28%	6%	100%
15.	varieties that are demanded by the importers	One year old Ponni	Two year old Ponni	New Ponni	Other Rice	Total
	Number	11	21	15	3	50
	Percentage	22%	42%	30%	6%	100%
16.	Challenges faced by you during the marketing.	Undetermined Demand	Marketing Cost	Unable to reach wider customers	Other hurdles	Total
	Number	6	25	13	6	50

	Percentage	12%	50%	26%	12%	100%
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Source: Primary Data

WEIGHTED AVERAGE SCORE ANALYSIS WITH RANK

TABLE: 2

STATE YOUR AWARENESS LEVEL ABOUT THE FOLLOWING SCHEMES

Schemes	V.H	H	M	L	V.L	W.A	Rank
National Food Security Scheme	18	15	10	5	2	3.84	2
Gramin Bhandaran Yojana	-	5	10	20	15	2.1	4
Merchandise Export from India Scheme	20	10	10	10	-	3.8	3
Agricultural and Processed Food product Development Authority	15	25	6	4	-	3.92	1
Other Schemes	-	2	15	15	18	2.02	5

V.H-Very High, H-High, M-Medium-Low, V.L-Very Low, W.A-Weighted Average.

Source: primary data

TABLE 3

OPINION REGARDING TRANSPORTATION COST

	V.H	H	M	L	V.L	W.A	Rank
Problems in transporting							
Fuel charges	12	25	8	5	-	3.88	1
Labour fare	10	12	18	5	5	3.34	4
Distance	20	10	10	10	-	3.8	2
Logistics cost	10	17	10	10	3	3.42	3

V.H-Very High, H-High, M-Medium-Low, V.L-Very Low, W.A-Weighted Average.

Source: primary data

TABLE 4

RANK THE BEST SELLING VARIETY OF RICE FROM YOUR ORGANIZATION.

Varieties that are preferred	1 (L)	2 (M)	3 (H)	4 (V.H)	W. A	Rank
Par boiled Tanjore Ponni	20	15	10	5	15	2
Ponni rice	25	10	10	5	15.5	1
Basmati rice	10	10	15	5	11.5	4

Idly rice	3	17	23	7	11. 6	3
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L-Low, M-Medium, H-High, V.H-Very High, W.A-Weighted Average

Source: Primary Data

MAJOR OBSERVATIONS OF THE STUDY

The present study observed several key insights into the characteristics and challenges faced by rice exporters. Significant portions (36%) of respondents have been exporting for 5 to 10 years, predominantly operating as partnership businesses (74%) with yearly turnovers ranging from 10 to 50 lakhs (52%). The majority (86%) are registered under export associations, while 42% rely on borrowed funds for working capital. Seaways are preferred by a vast majority (98%) for transportation, though challenges such as distance (40%) and customs regulations (44%) persist. Tuticorin port serves as the primary export point (40%), with Asian countries (40%) and Saudi Arabia (42%) as major target markets. Online portals (42%) are favored for marketing, while letter of credit (38%) is the preferred payment method. Ponni rice (52%) is the dominant export variety, with two-year-old Ponni being cultivated by the majority (42%). Climatic conditions (76%) significantly impact production, with poor yield (34%) and marketing costs (50%) emerging as common challenges. To gather customer feedback, email (56%) and feedback.com website (76%) are the preferred channels. Insect prevention is predominantly achieved through thorough drying (38%) of the rice.

RECOMMENDATIONS OF THE STUDY

The researcher has proposed the following recommendation for managing the challenges of rice exporters in the study area. They are as follows.

Packing: Proper packaging is crucial to maintain optimal moisture levels and protect the rice from insect infestations. Effective packing methods can significantly enhance the quality and longevity of the product.

Marketing: Extensive marketing efforts are essential to reach a wider audience and maximize profits. Employing diverse marketing strategies such as trade fairs, seminars, billboards, and advertisements can help create demand and attract potential customers.

Cordial Relationships: Building and maintaining positive relationships with customers is paramount. Customer satisfaction is key to business success, and fostering a healthy rapport helps prevent competition and encourages repeat business.

Feedback: Feedback is invaluable for business growth. Improving feedback channels allows for continuous improvement and enhances the company's reputation and customer satisfaction levels.

Government Schemes: Keeping abreast of government schemes introduced by the Tamil Nadu government can benefit rice exporters. These schemes offer opportunities to manage capital effectively, improve product quality, and navigate pricing strategies, ultimately enhancing business operations.

CONCLUSION OF THE STUDY

India is one of the richest countries in terms of possessing tremendous diversity in rice export and India is one of the top exporters in the world. There are different varieties of rice produced and exported to different countries of the world. There are different problems and prospects in exporting such as fuel charges, transportation cost, soil fertility, Labour cost. There are different schemes also discussed in the project for the betterment of the rice exporters by which they can be benefitted. Finally we can say that this sector has potential to grow and there are people willing to be a part of this sector, all they need is help from the government which can effectively contribute to establishment of this business and make this sector as other organized sector are working. The multi-functionality of agriculture in terms of environmental, social and cultural concerns is being used to defend the permanence of blue and green box payments. Production sites are often the natural habitat of a wide variety of birds and plants. Water management in rice lands ensures that the soil desalination process to the maintenance of land fertility takes place. For century's rice have been the cornerstone of their

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