

PRICING STRATEGIES OF RICE EXPORTERS IN INDIA (WITH SPECIAL REFERENCE TO STATE OF PUNJAB)

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Abstract

Foreign trade has an important place in the national economy of any country. It is an engine of growth and development. Among the agricultural products, rice is one of the commodities which are exported to many countries in the world and contributes considerable share in the total national exports and agricultural exports. Both types of rice, basmati as well as non-basmati rice fetch good export price in the international market. India may become the largest exporter of rice in next few years amid higher demand anticipated from African and Middle East countries. In the proposed research paper an attempt shall be made to analyze the different pricing strategies adopted by Indian rice exporters in the changed national and international scenario. For conducting present research the primary data was collected from a sample of 100 Rice Exports/Millers from Punjab State. The collected data was classified, processed and analyzed with the use of appropriate statistical tools. The cost based factors and market based factors of price competitiveness in the above study depicted that the "Price of Competitors" was the main factors effecting the pricing decision of the Indian rice exporters.

Keywords: Basmati Rice, Non-Basmati Rice, Pricing Strategies, Exporters, Millers.

Introduction

Rice is the principal staple food for more than two-third of the world's population. Around 90 percent of rice is produced and consumed in Asia. The world population is expected to reach approximately 11 billion people by the year 2050, of which 90% will reside in the developing countries. Since rice is considered as the important staple food in the majority of the tropical and subtropical regions of the world, it poses a formidable task to meet the future demand. It is projected that rice production must be increased by 60% by 2025 in order to feed the additional rice consumers of the growing population. Rice has fed more people over a longer period of time than any other crop. As far back as 2500 B.C. rice has been documented in the history books as a source of food and for tradition as well. Beginning in China and the surrounding areas, its cultivation spread throughout Sri Lanka, and India. It was then passed onto Greece and areas of the Mediterranean.

Foreign trade has an important place in the national economy of any country. It is an engine of growth and development. Among the agricultural products, rice is one of the commodities which are exported to many countries in the world and contributes considerable share in the total national exports and agricultural exports. Both types of rice, basmati as well as non-basmati rice fetch good export price in the international market. India may become the largest exporter of rice in next few years amid higher demand anticipated from African and Middle East countries. From 4 million tones of annual export of non-basmati rice, India should be able to export 7 million tones. Rice exports from India constitute the major share of basmati rice. Nearly 2/3rd of basmati rice produced in India is exported. The export of non-basmati rice has an immense place in the development of Indian economy. As India is a developing

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