



RICE

Overview

Rice is the quintessentially Asian crop because 90% of rice production and consumption is concentrated in this region. It is the staple food for 50% of the world and 75% of the world's poor. In Pakistan, it is the second staple food after wheat. Pakistan is the 11th largest producer and 5th largest exporter of rice. Rice is the second largest earner of foreign exchange after cotton. Rice accounts for 4.9% of value added in agriculture and 1% of GDP of Pakistan. Major varieties produced in Sindh are Irri-6, Irri-9, D-98 while minor varieties include Super Basmati. Lateefy variety developed in Sindh is called "Sindhi Basmati." Irri-6 and Irri-9 are long-grain varieties while D-98 and Super basmati are extra long-grain varieties. Major rice growing areas in Sindh are Larkana, Dadu, Shikarpur, Qambar-Shahdadkot, Jacobabad, and Kashomere districts in upper Sindh while Thatta, Badin, and Tando Muhammad Khan are major areas in lower Sindh.

Market Analysis

In Sindh, rice is grown on about 2 million acres of land with per acre yield at 45 – 50 maunds, which like all crops in Pakistan does not reflect actual potential. Rice sector employs about half a million of rural labour force. Overall, Sindh produces 35% of the country's rice with annual production at around 3.5 million tons of which 2 million tons of milled rice is produced by more than 800 rice mills. The main Irri-6 variety produced in Sindh is not consumed locally because it does not appeal to local culinary tastes. As such, rice produced in Sindh is by and large exportable surplus. Annual export earnings are about \$ 1 bn with the price of Irri-6 hovering around \$450 per metric ton on average.



Irri-6



Irri-9



D-98



Super Basmati



The major export destinations of Sindhi rice varieties are Africa, the Middle East and Eastern Europe alongside Russia and Ukraine. Parboiled rice is considered nutritionally much superior to white milled rice because of distribution of nutrients uniformly across the grain. It also offers ease of cooking because it does not stick to utensils. Parboiling also strengthens the rice grain resulting in less breaking. Parboiled rice is in high demand in Nigeria, Saudi Arabia, and Russia. Parboiled rice fetches better price in the world market. Price per ton for parboiled rice is \$470 for Irri-6, \$720 for Irri-9, and \$1170 for Super Kernel Basmati.

Investment Opportunities

■ Modernized Rice Mills

State-of-the-art rice mills can be established in Sindh to produce high-quality milled rice at competitive price for profitable export to various destinations especially under buyback arrangements.

■ Rice Mill Manufacturing Plants

Local capacity for manufacturing of rice mill machinery is limited and a significant proportion of components is imported from China, the UK and Japan. Machine tools plants can be established in Sindh for local manufacturing of high-quality milling machinery. A vast internal market exists in this regard.

■ Rice Bran Oil Extraction

Rice bran oil is produced from rice bran, the brown upper layer of rice grain mainly being used for animal feed, is considered to be a great health food across the world. The price of rice bran oil is at least Rs 2000 (\$ 20) per kg. Currently, there is a vast unmet demand for rice bran oil across the world. Rice bran oil plants can be set up in Sindh which are so far non-existent for extraction of this most valuable exportable product.





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