

## THE RICE TRADE OF MADRAS

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**Introduction.** India is the largest rice growing country in the world. Among the several provinces of India, Madras ranks fourth having 11.7 millions acres under rice and producing about 5.4 million tons. Though Burma produces just a little less than Madras, it occupies an eminent position in the rice export trade of India, monopolising nearly 88 per cent. of the exports while the shares of Bengal and Madras are only 5 and 4 per cent. respectively. Although her small share in the Indian rice exports at first sight leads one to believe that the trade situation of rice in Madras is above anxiety, the situation assumed a serious aspect when large imports of rice from Siam and Indo-China started arriving into Madras. This paper deals mainly with the question of foreign markets for Madras rice.

**The output.** The areas of largest production for commercial purposes are in Tanjore, Godavary and Kistna deltas. Though other districts e. g., Ganjam, Vizagapatam, Malabar etc., claim as much as and even more area under rice, than the delta districts, they do not participate in the export trade of rice either external or internal, to the same extent as the former. Probably owing to the concentration of the rice area and similarity of conditions in the delta districts, the number of paddy varieties cultivated is fewer than in other districts. Conversely, the larger number of varieties in the other or non-delta districts indicates the diversity of existing conditions, to which the several varieties have admirably adapted themselves. It is precisely for this reason that these districts, with a large number of varieties are unable to occupy a prominent position in the trade. Therefore the greater uniformity of conditions, in the deltaic area resulting in the growing of fewer varieties, constitute weighty factors in the rice trade of the province.

The following statement shows at a glance the relative importance of some of the tracts for commercial purposes.

Tracts.	Paddy in thousand tons.	Sea ports of the tracts.
Godavary and Kistna deltas. (East and West Godavary, Kistna and Guntur).	1824.6	Cocanada, Masulipatam.
Vizagapatam and Ganjam.	1152.4	Vizagapatam.
Cauvery delta and valley. (Tanjore, Trichinopoly and Salem)	1120.3	Negapatam.
Coastal districts. (North and South Arcot, Chingleput).	1281.0	Madras.
West Coast. (Malabar and South Kanara).	935.1	Calicut.
Other districts.	1535.1	—
Total.	7848.5	

The above abstract of the relative importance of the several tracts needs no explanation.

Srinivasan (1934) has critically examined the sufficiency of the output to meet the needs of the province and has reported, in detail the movements of the rice from tract to tract within the province.

**The external trade.** In any country, trade is the bed-rock of prosperity. Until the Great War, politicians used to believe in the value of the external trade; and the potential wealth of the country used to be reckoned in terms of the value of exports and the balance of trade. Since the war, the impetus has grown towards self-sufficiency in the matter of production commensurate with local requirements. In addition to the self-sufficiency, the post-war period has seen a greater and wider use of another powerful weapon, to wit, tariff walls, directed to this end. The problem is here presented in its commercial perspective.

(a) *Export trade with foreign countries.* The average value of rice exports from India including Burma to foreign countries is about 32 crores of rupees. The value of exports to the principal foreign countries is given below.

Country.	Average (1921-31)* value in lakhs of rupees.
1. Ceylon.	660
2. Germany.	446
3. Straits Settlement	285
4. China.	252
5. Japan.	160
6. Cuba.	141
7. West Indies.	136
8. Sumatra.	123
9. Netherlands.	115
10. Java.	109
11. United Kingdom.	102
12. Other countries.	702
	Total. 3231

\* (Agricultural statistics of India.)

It is not only the average value of exports that is of use in these considerations, but it is the trend of trade relations between India and other importing countries, that is of greater significance. From a scrutiny of the published annual export figures it is found that the demand from

- (a) China is slightly increasing.
- (b) Ceylon, Sumatra, Straits Settlements, Cuba, West Indies and Netherlands is being maintained.
- (c) Germany, Japan and United Kingdom is declining.
- (d) Java is rather unsteady.

The rice exports of India are reported under the following forms (a) Paddy (b) Rice not in husk (boiled rice and cleaned rice) (c) broken rice (d) and other sorts.

Now we will proceed to consider the volume and value of the trade of India under the several forms of rice in detail and the share of Madras in the same. It will be appropriate to consider the fluctuations of trade with reference to the Great War and the present economic depression. The periods may be classified as below.

1. *Pre-war period.* 1909-10 to 1913-14. 2. *War period.* 1914-15 to 1918-19. 3. *Post-war period.* 1919-20 to 1922-23. 4. *Grand period when the prices were very favourable.* 1923-24 to 1927-28. 5. *Depression period.* 1928-29 upto the present day (Figures dealt with are only upto 1931-32).

It is not the magnitude of the export alone that counts, but the form in which the different importing countries take in the commodities. This will help towards a clear realisation as to which importing country requires more of paddy or rice not in husk, or broken rice etc. This knowledge is quite necessary in catering to the requirements of importing foreign countries, and the tables given below furnish the concerned figures.

Pre-war annual average exports of rice may be briefly summarised thus.

Quantity of total exports.	2398 thousand tons.
Value of total exports.	2266 lakhs of rupees.
Share of Madras.	121 thousand tons.
Share of Burma.	1814 thousand tons.

*War Period.* Rice in its several forms is exported mainly to countries in British Empire like United Kingdom, Ceylon, Straits Settlements and Marutius and to foreign countries like Austria, Germany, Holland and Japan, as seen in table I.

Table I.

Form of export.	Countries.	War period		Post-war period		Grand period		Depression period	
		Quantity 1000 tons.	Value lakhs Rs.	Quantity 1000 tons.	Value lakhs Rs.	Quantity 1000 tons.	Value lakhs Rs.	Quantity 1000 tons.	Value lakhs Rs.
Paddy	British Empire	32	20	36	32	31	29	29	22
	Foreign countries	—	—	—	—	—	—	14	6
	Share of Madras	12	8	1	1	4	4	4	4
	Share of Burma	20	12	35	31	25	24	39	24
Rice not in husk	British Empire	1093	1257						
	Foreign countries	591	631						
	Share of Madras	175	289						
	Share of Burma	1271	1204						
Cleaned rice	British Empire	—	—	432	730	334	532	325	373
	Foreign countries	—	—	414	672	1134	1754	1063	1160
	Share of Madras	—	—	1	2	0.5	0.9	0.7	1.6
	Share of Burma	—	—	752	1190	1412	2161	1347	1160
Boiled rice	British Empire	—	—	—	—	527	1138	582	787
	Foreign countries	—	—	—	—	59	113	60	96
	Share of Madras	—	—	—	—	78	156	88	162
	Share of Burma	—	—	—	—	311	490	420	488
Broken and cleaned rice	British Empire	—	—	49	66	82	102	45	39
	Foreign countries	—	—	12	22	—	—	33	26
	Share of Madras	—	—	—	—	—	—	—	—
	Share of Burma	—	—	61	87	81	100	76	64

(b) *The Markets for Madras Rice—Foreign Markets—Paddy.* Before the war a good deal of Indian paddy used to be exported to Germany

and Holland, where it was cleaned, polished, oiled or glazed according to the tastes and requirements and exported to the United Kingdom. But Madras does not figure in this export.

*Boiled rice.* For boiled rice there is no market in Europe, but there is a considerable demand within India and also in countries where Indian labour is employed such as Ceylon, Federated Malay States etc., as that commodity forms the staple diet of the working classes. It will be found that the trade of Madras consists only in boiled rice, and that her trade is practically confined to Ceylon.

Ceylon is the chief country purchasing boiled rice and its total market demands are to the extent of 450-490 thousand tons per annum. Of this quantity, about three quarters are supplied by India. It is strange to observe that Ceylon though nearer to Madras than any other Indian province is not monopolised by Madras. Probably only one fifth of the Indian imports into Ceylon is contributed by Madras. The following figures indicate how the Ceylon market has been gradually captured by Burma.

*Exports of rice from Burma to Ceylon.*

1913-14	44 thousand tons.
1922-23	268 ..
1931-32	305 ..

*Cleaned Rice.* Straits Settlements and Federated Malay States have demands for a large amount of cleaned rice on account of the large number of Indian residents there. There is of late a good demand in China as well. Germany is the largest purchaser for manufacturing purposes and at times for re-export to the United Kingdom after repolishing and oiling. The following are the total demands of the chief importing countries.

Country.	Quantity in thousand tons.*			
	1929.	1930.	1931.	1932.
Germany	294	245	400	379
China	...	...	...	1339
Java	340	245	282	147

\* (Year book of Agriculture 1932—U. S. Dept. of Agriculture).

*Inter-provincial markets.* Though the movement of rice to other provinces is not as encouraging as it might be, the prospects of good inter-provincial trade are rosy as the demands are fairly large enough.

Province.	Demand in* thousand tons.	How supplied at present.
Bengal	125	Chiefly Burma.
Bombay (Including Sind)	255	do.
United Provinces	400	do.
Bihar and Orissa	80	Bengal.
Mysore	150	Madras.
Hyderabad	200	do.

\* (Press report of the Crop Planning Conference, Simla).

The possibilities of Madras securing a firm hold on some of the markets noted above are fair enough as the deliberations of the Crop Planning Conference have revealed that none of the importing provinces are pleased with the quality of Burma rice.

Before we proceed to examine the suitability of Madras rice for home trade in India and for foreign countries the import trade also may be considered.

(c) *Rice Imports into Madras.* The imports are generally in the form of rice and seldom in the form of paddy. In the pre-war period there were no imports at all. During the war period there used to be an average annual import of 600 tons of "Rice not in husk". During the post-war and grand periods there were imports. Again in the depression period there has been considerable imports of paddy, as well as rice "not in husk", Siam and Indo-China taking a great share in this trade.

**Table 2.**  
*Rice Imports (in thousand tons) into Madras.*

From.	1931—32.		1932—33.		1933—34.	
	Paddy.	Rice.	Paddy.	Rice.	Paddy.	Rice.
Siam	...	2	...	13	1	28
Indo-China.	4	12	...	15	...	22
Burma	106	446	61	377	75	523
Total.	110	460	61	405	77	574
Paddy equivalent to rice not in husk.	...	73	...	41	...	51
Total quantity of rice import.	...	533	...	446	...	625

The above figures open up the interesting and vital economic question, as to how Siam, Indo-China and Burma are able to export such large quantities to Madras.

**The nature of rices in Foreign Markets Boiled Rice.** Ceylon is the largest purchaser of rice from foreign countries. Most of her demand is for boiled rice. For a long time in the past, Madras used to supply her requirements. Cheaper Burma rice, now available, has effected a decrease in her demand for Madras rices. Par-boiling in Burma was usually confined only to long, slender types of grain as the *Emata* and *Letywezian* groups. The prices of the Burma rice, Rangoon No. 2, compare as below with those of the Madras rices.

**Table 3.**

Year.	Price per Imperial maund.				
	Burma Rice.	Madras rices.		Difference in price from Burma rice of	
		Godavari.	Tanjore.	Godavari.	Tanjore.
	R.	R.	R.	R.	R.
1929	5/1	6/4	7/11	1/3	2/10
1930	4/5	5/14	6/13	1/9	2/8
1931	2/12	3/11	5/14	-/15	3/2
1932	2/15	3/14	4/5	-/15	1/6

(Season and crop reports Dept. of Agri. Madras. Year book of Agriculture, U. S. Dept. of Agriculture).

The figures relate to the prices in the districts referred to above. Kolandaswami Pillai (1932) also found a difference of Rs. 3 in the price per bag of Madras Rice and Burma rice in the Ceylon market. It will be seen that the difference is covered by the variation in price prevailing in the producing districts themselves.

*Cleaned rice (Raw Rice).* Cleaned rice is required both in the Eastern and the Western markets. The eastern markets comprise Straits Settlements, China and Federated Malay States. They require large quantities of cheap rice for labourers, with smaller quantities of medium quality and fancy rices for the middle and upper classes. (containing 38-32% and 40-45% 'Big Mill Specials' (containing 44-45% broken rice) 'Small Mill Specials' (broken rice) and 'Straits quality' (containing 32-36% broken rice) are the main grades exported from Burma. The 'Big Mill Specials' are of the lowest grade exported and they are milled from the smaller types of *Ngasein*, *Laty wezin* and other types that do not fit into any other grade. These lack uniformity in size, shape and hardness, in addition to red grain being present in considerable quantities. 'Small Mill Specials' is milled from a better quality of grain of much the same type as *Big Mill Specials*.

Siam and Indo-China also occupy prominent parts in these markets. Indo-China grows largely *Hukey* and *Ramay*. These are also long and broad. The rice of Indo-China, according to Copeland has had no status in the matter of quality and has had to be content with a price based on its nominal designation. She competes mainly in the 'Big Mill Specials' grade. Siam competes with Burma in the 'Small Mill Specials' and 'Straits quality' grades in the Straits Settlements, China etc.

The principal western markets viz. Germany and United Kingdom are supplied with Indian (mostly Burmese) rice up to nearly two-thirds to three-fourths of their demand. Qualities designated as *Rangoon Nos. 0, 1, 2, 3* are taken in these markets. They contain 5, 10, 25 and 27 per cent broken rice respectively. The first two are of the highest quality of rice milled and polished in Burma from specially selected quantities of grain of uniform size, shape and hardness of *Ngascin* or *Emata* types, Nos. 2, 3 being of lower grades in quality either from point of boldness of grain or polish.

America, Spain, Italy and Indo-China are some of the active competitors for Burma. Of the American varieties, *Blue Rose* is the largest grown with a prominent place in the trade. It is of a bold type, and takes easily a fine polish. *Garden Siam* and Japanese types (*Shinriki*, *Aikokku*, etc.) produced in America in increasing quantities have apparently set a severe competition for the best Burma rices. The Spanish (*Bellach*, *Oiled*) and Italian (*Italian good*, *oiled*) rices are of high grade quality of polish and find easy sale in the western markets in preference to rices of about the same quality from other countries.

*Broken cleaned rice.* This is largely used for manufacturing purposes in the western markets and for consumption by poorer classes of people in the Eastern markets.

*Paddy.* The markets for paddy are meagre and the increasing freight rates do not permit a large movement of paddy.

**Summary.** Madras ranks fourth among the provinces in the acreage under rice and third in the output of paddy. Her share in the external trade is very meagre on account of little exportable surplus left after meeting the home needs, unlike other provinces like Burma which produces an equal quantity. The rice exports to other countries from India and the share of Madras are discussed during several periods with particular reference to Great War, and Economic Depression. During the 'Grand' and 'Depression' periods the rice exports (boiled and raw or cleaned) have fallen to about half the exports in the war-period. There were no exports during the post-war period (1919-20 to 1922-23). The demands of the several markets and the nature of rice from the several competing countries in the above markets have been studied. A list of grain measurements is appended to furnish a comparative idea of the boldness and coarseness of rice in the foreign markets.

The rice imports into the province have mounted to the astounding figure of 500-650 thousand tons, nearly a tenth of the total production of rice in the Presidency. The quantity imported from Siam and Indo-china is not so alarming as that from Burma. Since the imports from the above countries have increased suddenly it was a matter of grave concern. The Government of India have recently imposed an import tariff of Rs. 0-12-0 per Imperial Maund on broken rice the chief form in which the imports from Siam and Indo-china are found. But the measures are not calculated to prevent the unduly excessive imports from Burma, which contribute to a great extent in disturbing the local prices of paddy. It is left to the Government of India to limit production of crops in the several provinces and to prevent undue imports tending to deflation of prices in the importing province.

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## APPENDIX

Table 4. Measurements in Millimeters of grains.

Country.	Name of Variety.	Paddy		
		Length.	Breadth.	Thickness.
<i>Burma—</i>	A Emata	Over 9.40	Over 3.30	
	B Letzwezin	8.40 } 9.80 }	2.80 } 3.30 }	
	C Ngaseim	7.75 } 9.00 }	2.40 } 2.80 }	
	D Medon	7.35 } 8.60 }	2.00 } 2.40 }	
	E Byat	9.00 Upwards.	2.25 } 3.00 }	
<i>Indo-China</i>	Hukey and Ramay	7.8	3.3	2.1
<i>America</i>	Blue rose	8.7	3.3	2.3
	Fortuna	10.1	2.8	1.9
	Honduras	9.7	2.9	1.9
<i>Japanese Types.</i>	Shinriki	7.5	3.1	2.2
	Aikokku	7.4	3.2	2.2
	Early prolifics— Wateribune	7.4	3.3	2.2
<i>Bengal</i>	Patnai	10.1	2.6	2.1
<i>Madras</i>	G. E. B. 24	7.9	2.4	1.7
	Co. 1.	8.3	2.5	1.8
	Co. 2.	7.5	2.7	1.9
	Co. 3.	8.3	2.6	1.9
	Adt. 1	6.5	3.1	2.2
	" 2	6.2	3.0	2.1
	" 3	7.7	3.0	2.0
	" 4	7.9	3.1	2.0
	" 5	8.3	3.1	2.1
	" 6	7.6	3.1	2.1
	" 7	7.6	3.1	2.1
	" 8	6.1	3.0	2.1
	" 9	8.2	2.9	1.9
	" 10	7.4	2.9	1.9
	" 11	7.7	2.8	1.9
Mtu 1	8.0	2.8	1.9	
" 2	8.0	2.6	1.9	
" 3	8.1	2.8	2.0	
" 4	8.4	2.6	2.0	
" 5	7.9	2.6	1.8	
" 6	8.0	2.8	2.0	
" 7	8.6	2.8	2.0	
" 8	8.4	2.5	1.9	