

# Govt allows duty-free broken rice export

**PROVIDING RELIEF.** Valid till March 31, shipments of 3.97 lakh tonnes will be allowed for exporters who opened LCs before Sept 8

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The Government has decided to permit duty-free exports of fully broken rice consignments for which letters of credit (LCs) were opened before September 8, when it banned its shipments. The measure follows representations from exporters and traders.

In a notification issued late on Wednesday evening, the Directorate-General of Foreign Trade said 3.97 lakh tonnes (lt) of fully broken rice will be allowed for exports till the end of the current fiscal.

Exporters, in particular, led by The Rice Exporters Association had written to the

Commerce Ministry to allow nearly four lt of fully broken rice for which LCs had been opened but were stranded at ports or during transit.

## MOVE LAUDED

“This is a welcome relief for the entire rice exporting community. In particular, African countries that depend on Indian broken rice will be thankful to the Centre.

“Not just that, a lot of consignments would have been wasted had this order not come,” said New Delhi-based exporter Rajesh Paharia Jain.

In his letter to the Commerce Ministry, TREA President BV Krishna Rao urged that duty-free exports of about four lt of fully broken rice be allowed, for which



**QUICK DESPATCH.** Broken rice is mainly consumed by China, Vietnam and Senegal

LCs had been opened well before September 9 when the ban came into force. Apart from banning broken rice, the Government imposed a 20 per cent export duty on non-basmati white rice.

The latest notification has been welcomed by the trade

in general with M Madan Prakash, President, Agri Commodities Exporters Association, terming the development as “great news”.

The DGFT said 3,97,627 tonnes of fully broken rice would be permitted for exports and it will be applicable

for only LCs opened before September 8, when the curbs on rice exports were announced.

It said the date of the message between the Indian or foreign bank and SWIFT date should also be before September 8.

The volume that will be allowed to be shipped will be distributed amongst applicants who had opened LCs before September 8, the notification said.

## REASONS FOR CURBS

India came up with curbs on rice exports after the sowing of paddy in the kharif season dropped by about 5 per cent this year as deficient rains affected the cereal’s coverage.

Besides, rice and paddy stocks with the Food Corporation of India (FCI) dropped to a three-year low.

Broken rice is mainly consumed by China, Vietnam and Senegal. China uses broken rice for noodles manufacturing and animal feed, while Vietnam uses it for noodles and wine-making.