

# Govt may lift curbs on rice exports

Prices have started to soften in the domestic market

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**THE GOVERNMENT IS** actively considering lifting some of the restrictions imposed on rice exports in the wake of the improved stock position.

Paddy procurement by the Food Corporation of India and state agencies in the current season (October 2022-September 2023) rose 8% on year to 57.4 million tonne (MT) till Monday, which has given a boost to the buffer.

In September, India, the world's biggest rice exporter with 40% share in global trade, had imposed ban on broken rice exports and put 20% export tariffs on the non-basmati and non-parboiled rice, a measure that was aimed at improving domestic supplies amid expectation of a decline in production in 2022-23 crop season (July-June).

Sources told FE that with the robust procurement by FCI, ban on broken rice exports may be lifted soon. Subsequently, the government may also have a relook at the export tariffs.

Officials said that rice prices have started to soften in the domestic market.

"The restriction on shipment of rice was a temporary provision, with higher procurement of paddy by government agencies, supplies have improved, thus lifting restrictions on exports is imperative," V Krishna Rao, president, Rice Exporters



## INDIA'S RICE EXPORTS



Source: Commerce ministry

Association, said.

Officials said that with the government deciding against extending the free ration scheme or Pradhan Mantri Garib Kalyan Anna Yojana, the rice stocks with FCI is currently comfortable and there are ample stocks for ensuring supplies under the National Food Security Act (NFSA).

As on January 1, FCI had 12.4 MT of rice along with 32.5 MT to be received from millers which was far more than the buffer requirement of 7.6 MT.

Meanwhile, the United States Department of Agriculture (USDA), in its global rice outlook for November,

2022, had projected that India's exports are projected to decline by 1.5 million tonne in the current fiscal from 21 MT achieved in 2021-22.

"Despite India's September-announced 20% tariff on non-basmati and non-parboiled exports, India remains the most competitively-priced source of Asian rice," the USDA has stated.

India has been the world's largest rice exporter in the last decade — export earnings stood at \$9.6 billion (21 MT) in 2021-22.

In the April-November period of the current fiscal, India exported \$6.9 billion worth of rice (14.29 MT).

In 2021-22, India exported more than 17 MT of non-basmati rice and the rest of the volume was aromatic and long grain basmati rice. In terms of volume, Bangladesh, China, Benin and Nepal are five major export destinations of rice.

India exports rice to over 100 countries.

In September last year, as per the first advance estimate of the food grain production for the 2022-23 crop year (July-June) by the agriculture ministry, rice output was to decline by 6.77 MT from a record production of 130 MT in the previous year.

The second advance estimate of foodgrains production is expected next month.

Rice inflation was reported at 10.51% in November, 2022.

According to the price monitoring cell of the department of consumer affairs, the modal retail prices of rice has moderated marginally to ₹36 a kg on Tuesday from ₹38 a kg prevailing four months back.