

Centre may lower Basmati MEP, tightens stock limits on tur, urad

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New Delhi, 25 September

The Centre may look to ease some of the curbs imposed on basmati rice exports in a bid to help farmers.

This comes even as it tightened the stock limits on tur and urad just in time of their harvest and showed an inclination to release more wheat in the open market to tame inflation.

On basmati rice, traders said the central government was actively considering lowering the minimum export price (MEP) from \$1,200 per tonne to around \$900-1,000.

A top official is believed to

EXPORT NUMBERS

Basmati exports from July 20 to August 25



NOTE: Centre imposed a minimum export price of \$1,200 per tonne on basmati rice on August 25
Source: Traders

have held a high-level meeting with exporters and others to understand the ground situation. However, there has been no official confirmation of any

such meeting.

Data shows that a month before the MEP on basmati exports was imposed at \$1,200 per tonne, a bulk of the over-

seas shipments had taken place at prices above \$1,000 per tonne and very few quantities went below that rate.

A back-of-the-envelope calculation shows that assuming a procurement price of ₹3,300-3,800 quintal for basmati rice, the export comes to around \$1,168-\$1,167 per tonne.

Sources said the Centre is looking to lower the MEP on basmati rice.

This would ensure that farmers get a better price for their produce, which has started hitting the market. A drop in exports is pulling down their realisations.