

Govt to assess rice output, consumption

SANDIP DAS

New Delhi, May 26

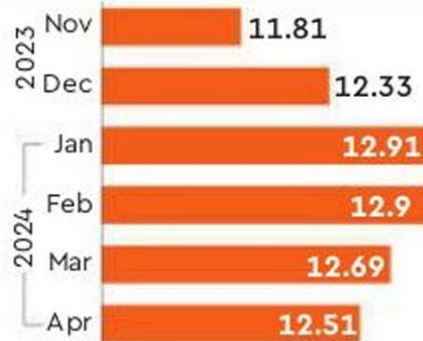
WITH INFLATION in rice ruling in the double digits since October 2022 despite the government having a huge surplus stock and imposing export restrictions, the food ministry has started a comprehensive assessment to map consumption and production patterns of various high-value non-basmati rice varieties in the country.

Officials said the assessment is expected to identify gaps in the demand and supply of non-basmati white rice varieties such as Sona Masuri and Ponni, which are not supplied under the free ration scheme, Pradhan Mantri Garib Kalyan Anna Yojana (PMGKAY).

“We want to understand whether farmers are producing more common varieties of rice procured by

STICKY INFLATION

Retail inflation in rice (% , y-o-y)



Source: MoSPI



government agencies under minimum support price (MSP) operations against overall demand,” a food ministry official told *FE*.

The official stated that the proposed research aims to identify whether there is a shift in the con-

sumption pattern of high-value non-basmati rice varieties as well as their production.

According to traders, there is a gap between the demand and production of major rice varieties, which is pushing up overall rice

prices. The lack of market data on variety-wise rice production and consumption has been a significant challenge. “We are working out the modalities to launch the assessment of non-basmati rice consumption and production patterns,” an official said.

The government has also initiated measures, including selling rice at a subsidised rate of ₹29/kg under the Bharat rice initiative. The government is concerned about the inflation in rice, which has been in double digits for the last 19 months, despite two-thirds of the country’s population receiving free rice under the PMGKAY. The FCI attempt to sell subsidised rice at ₹29/kg under the open market sale scheme to bulk buyers received lukewarm response as traders said quality of rice offered under the sale is not preferred by consumers.

Currently, the agriculture ministry does not provide variety wise rice output data at the same time retail inflation is measured on the prices of the commonly used rice variety collected from various consuming points in the country.

Overall cereal inflation in April rose to 8.63% from 8.37% in March 2024, driven by the rise in rice prices. Retail rice prices rose by 12.51% in April on a year-on-year basis.

The rice stocks held by the FCI are currently close to four times the buffer for July 1, despite a 7% fall in procurement in the current season (October-September) compared with the same period last season.

Currently, FCI holds 50.2 million tonnes (MT)—31.97 MT of rice stocks and 18.23 MT of grain receivable from millers. The stock is against the buffer of 13.54 MT for July 1.