

Govt exploring options to dispose of surplus rice stock to rein in prices

MEETING WTO NORMS. Shippers urge Centre to scrap 20% export duty, remove curbs on white rice shipments

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The Government has started discussions with stakeholders to dispose of surplus rice, estimated to be 17-18 million tonnes (mt) in 2024-25 from the official reserves so that the retail prices are brought down. The government's options include extra allocation under the public distribution system, resumption of weekly e-auction under open market sale scheme and direct sales to States with a rider on maximum retail price, sources said.

The Food Ministry on Friday met with some exporters and rice millers to gather the industry's views on various options. According to sources who participated in the deliberation, ex-

porters urged the government to remove export duty of 20 per cent and remove the ban on shipments of white (raw) rice.

"We told the government not be more realistic on rice price and not take it as an isolated food item. When State governments are buying paddy at ₹31/kg, it is highly unrealistic to expect millers to sell rice at ₹30-35/kg," said an exporter who participated in the meeting. After Chhattisgarh paid ₹3,100/quintal to purchase paddy from farmers, the BJP is likely to implement it in Odisha as it was an election promise there in recent Assembly poll, the exporter said adding, this would percolate to other States soon.

The stockpiles of rice in the Central Pool as on June



HIGHER INVENTORY. There is an 18 per cent jump in paddy stock this year compared with a year ago.

It was 21.8 per cent higher at 50.46 mt against 41.42 mt in the year-ago period.

PADDY STOCKS UP

The rice stock also includes 17.94 mt in terms of rice (in the form of paddy yet to be processed). There is an 18

per cent jump in stock of paddy this year from a year ago.

The government need 40-41 mt of rice annually to meet the requirement under National Food Security Act (NFSA) and other welfare schemes. As many as 81

crore ration card holders are entitled to receive 5 kg of rice or wheat, each, per month free.

"The procurement in current season (October-September) has already crossed 50 mt until May 31 and more rice would be added by September 30 when the purchase is finally closed for 2023-24," an official source said. If there is no off take for open sales, the government has very limited options to dispose of the stock without contravening WTO rules, sources said.

But foreign trade policy analyst S Chandrasekaran said: "The compliance of WTO subsidy is a matter of interpretation. There are provisions available to administer and stay within the limits."