GOVERNMENT OF INDIA MINISTRY OF COMMERCE AND INDUSTRY DEPARTMENT OF COMMERCE RAJYA SABHA UNSTARRED QUESTION NO-704 ANSWERED ON 25/07/2025

CLASSIFICATION OF RICE

704 SHRI R. GIRIRAJAN DR. KANIMOZHI NVN SOMU

Will the Minister of **COMMERCE AND INDUSTRY** be pleased to state :-

- (a) whether Government has classified all varieties of rice as basmati rice and non-basmati rice for commerce and trade activities, if so, the details thereof and the reasons therefor;
- (b) the reasons for showing indifference to other specialty rice varieties and efforts taken by Government to provide a level playing field for rice exporters to export all types of rice varieties;
- (c) whether Government has any agenda to help and facilitate exporters of basmati rice and not the other varieties; and
- (d) the appropriate remedial measures taken by Government to stop this discriminatory practice to classify other speciality rice as non-basmati rice?

ANSWER

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE AND INDUSTRY

(SHRI JITIN PRASADA)

(a) to (d): As per the Harmonized system (HS), which serves as the international product nomenclature, rice is classified under tariff heading 10.06 at 4-digit level, with further subclassification into four tariff sub-headings, at the 6-digit level. At the national level, countries further sub-classify their products into tariff items, on a host of different factors, primarily to record trade and commerce and for regulatory requirements. In India, various products are classified into tariff items at 8-digit, notified under the Customs Tariff Act, 1975.

India is amongst the world's top producers of rice and is having a significant number of varieties of rice, with around thirty varieties having been registered as Geographical Indication (GI) in India, along with Basmati. Basmati is a GI variety of aromatic rice, with the designated GI area falling in 7 States/Union Territories. For policy purpose and to accurately capture international trade of Basmati rice, a separate tariff item for Basmati rice was notified by the government, at 8 digit with HS Code 1006.30.20, as a further sub-classification of Tariff Sub-Heading 1006.30 (Semi-milled or wholly milled rice, whether or not polished or glazed).

To enable accurate record of trade and to enable specific interventions for the growth of commerce and trade of specialty and other GI varieties of rice, the Government has created new tariff items for rice, based on process (Parboiled, others) and on variety (rice recognised by the Geographical Indication Registry, Basmati, others), vide the amendment in the Customs Tariff Act, 1975, effected

through the Finance Act 2025, passed on 29th March 2025. This measure has come into force on 1st May 2025, and covers around 30 GI varieties of rice, as defined and recognised by the Geographical Indications Registry under the Geographical Indications of Goods (Registration and Protection) Act, 1999, which are grown in more than 15 States/UTs of India.

Each GI variety of rice has its own distinct taste profile, physical characteristics, aroma and corresponding demand in the international market. To tap this demand and to promote exports of India's diverse rice varieties, the Department of Commerce, through the Agricultural & Processed Food Products Exports Development Authority (APEDA) is taking various measures for the export promotion of rice in the international market, which includes assistance to the exporters under APEDA's Financial Assistance Scheme, which is sub-divided into three categories:

- i. **Scheme for infrastructure Development**: Support for development of infrastructure for processing facilities (process food sector) for addressing missing gaps which may include equipment like X-ray, Screening, Sortex, filth / metal detector, sensors, vibrators or any new equipment or technology for food safety and quality requirements.
- ii. **Scheme for Quality Development**: Support for purchase of laboratory testing equipment, installation of quality management system, handheld devices for capturing farm level coordinates for traceability and testing of water, soil, residues and pesticides etc.
- iii. **Scheme for Market Promotion:** The assistance covers participation of exporters in international trade fairs, organizing buyer seller meets and developing packaging standards for new products and upgrading the existing packaging standards.

The details of financial assistance guidelines are available at APEDA Website www.apeda.gov.in under the "Scheme" tab.

In addition to the above, the Department of Commerce through APEDA, has also awarded research projects to the International Rice Research Institute (IRRI), South Asia Regional Centre (ISARC) for comprehensive profiling of non-basmati rice varieties across India in terms of quality and nutrition, and for developing innovative value-added rice products. Additionally, the government is targeting key potential export markets for promoting GI-tagged and other specialty rice varieties to enable higher value realization for the stakeholders in the rice export supply chain, including farmers.
