

GOVERNMENT OF INDIA
MINISTRY OF COMMERCE & INDUSTRY
(DEPARTMENT OF COMMERCE)

LOK SABHA
UNSTARRED QUESTION NO. 3380
ANSWERED ON 09/08/2023

BAN ON EXPORT OF NON-BASMATI RICE

**3380. SHRI VENKATESH NETHA BORLAKUNTA:
DR. G. RANJITH REDDY:**

Will the Minister of **COMMERCE & INDUSTRY** (वाणिज्य एवं उद्योग मंत्री) be pleased to state:

- (a) whether in spite of imposing 20 percentage export duty, India's broken and paraboiled rice is much cheaper than rice from Vietnam, Thailand, Pakistan and other countries;
- (b) if so, whether African countries are interested to buy broken and paraboiled rice from India;
- (c) if so, the steps taken by the Ministry to export paraboiled rice available in States like Telangana, Odisha, etc.;
- (d) whether it is true that Government has banned export of non-basmati rice; and
- (e) if so, the reasons therefor in spite of huge demand for Indian non-basmati rice in USA, EU, Africa and Middle East countries?

ANSWER

वाणिज्य एवं उद्योग मंत्रालय में राज्य मंत्री (श्रीमती अनुप्रिया पटेल)

**THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE AND INDUSTRY
(SMT. ANUPRIYA PATEL)**

(a) & (b): Export duty of 20% on paddy of seed quality (HS Code-1006 10 10), Normal paddy (HS Code- 1006 10 90), Brown rice (HS Code- 1006 20 00) and Non-basmati white rice (HS Code- 1006 30 90) was imposed on 08.09.2022 to ensure sufficient availability in the domestic market. The export of Broken rice (HS Code- 1006 40 00) was made "prohibited" w.e.f. 08.09.2022 to ensure its supply to domestic Ethanol Programme and Poultry/ Cattle feed. However, there was no change in policy for export of Parboiled rice (HS Code- 1006 30 10) and Basmati rice (HS Code- 1006 30 20) i.e. it has been kept as "Free" and there is no imposition of 20% export duty on Parboiled rice and Basmati rice.

As per the International Price of Broken Rice (25%), the Indian price is still cheaper than the International Price of Vietnam, Thailand and Pakistan. India offers rice (Broken or White or Parboiled) at the cheapest

rate to the global market. There is increasing demand of Indian parboiled rice and broken rice (25%) in the African market. The export of parboiled rice to African countries has increased from 1740.44 Million USD in 2021-22 to USD 2052.52 Million in 2022-23.

Similarly, the export of wholly milled or semi-milled rice (25% broken) is increasing in the countries like Kenya and Mozambique. The export of wholly milled or semi-milled rice (25% broken) has also increased from 1006.33 Million USD in 2021-22 to 1386.88 Million USD in the year 2022-23.

(c): Ministry of Commerce and Industry through APEDA has taken the following initiatives for promotion of export of agricultural products including Parboiled rice from all States including Telangana, Odisha etc. :-

- (i) Interaction with Regulatory Bodies in the importing countries such as European Food Safety Authority (EFSA), GACC, China and SFDA in Saudi Arabia.
- (ii) Sensitization of Trade towards compliance of standards prescribed by importing countries.
- (iii) In order to attain quality of the produce to be exported, 191 Labs has been recognised across India to provide services of testing to wide range of products and exporters.
- (iv) APEDA assists in up-gradation and strengthening of recognised laboratories for export testing and residue monitoring plans.
- (v) Assistance is provided under APEDA's financial assistance schemes of Infrastructure Development, Quality Development and Market Development for boosting export of agricultural products including rice.
- (vi) Sensitization of farmers towards Good Agricultural Practices and judicious use of pesticides for export oriented production of rice.
- (vii) APEDA organises participation of exporters in the International Trade Fairs, which provides platform to the exporters to market their food products in International Market. APEDA also organizes National events like AAHAR, Organic World Congress, BioFach India etc. to promote agri exports.
- (viii) To augment the visibility of Indian products including rice in International market, APEDA has been able to establish B-2-B relations of food products exporters with Importers by regular participation in Major food exhibitions in US, UAE, EU and South East Asian markets. New potential markets in Africa, East Europe, South America have also been explored through product specific and general marketing campaigns by active involvement of Indian Embassies/ High Commissions in the past.

(ix) APEDA has been conducting Outreach Programmes as one of the important activities in various parts of the country for sensitizing of stakeholders in the supply chain of exports.

(d) & (e): Non-basmati white rice (HS Code- 1006 30 90) which constitutes about 26.66% of total rice exported during 2021-22 and 2022-23 increased from 33.66 LMT (Sept-March 2021-22) to 42.12 LMT (Sept-March 2022-23) even after imposition of 20% export duty on 08.09.2022. In the current F.Y. 2023-24 (April-June), about 15.54 LMT of this variety of rice was exported against only 11.55 LMT during F.Y. 2022-23 (April-June), i.e. the export has increased by 34.54%. In addition, due to delay in the monsoon arrival, the sowing area under the rice as on 09.07.2023 in current Kharif season declined by 13.26%. Further, as per Third Advanced Estimate of Department of Agriculture & Farmers Welfare, during the Rabi Season 2022-23, the production was only 158.95 LMT against 184.71 LMT during Rabi Season of 2021-22 i.e. there was a decline of 13.84%. Moreover, rice prices in Asia had increased to a very high level on fears of possible adverse effect of the onset of El Nino. The international prices of Indian rice (25% broken) and Indian rice (5% broken) had increased about 30% and 34% respectively in the past one year. In view of the above circumstances, the Government has “prohibited” export of non-basmati white rice (HS Code- 1006 30 90) (semi-milled or wholly milled rice, whether or not polished or glazed: Other) w.e.f. 20th July, 2023 to check the increase in domestic prices.
