



Ministry of Consumer Affairs, Food & Public Distribution



Export policy of broken rice amended to ensure adequate domestic availability: Shri Sudhanshu Pandey

Move to ensure availability of broken rice for animal feedstock and Ethanol Blending: Shri Sudhanshu Pandey

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Shri Sudhanshu Pandey, Secretary, Department of Food & Public Distribution (DFPD), Ministry of Consumer Affairs and Food & Public Distribution, today emphasized that in order to ensure adequate availability of broken rice for consumption by domestic poultry industry and for other animal feedstock; and to produce ethanol for successful implementation of EBP (Ethanol Blending Programme) program, Government has amended the export policy of broken rice. He said this while briefing the Media today.

About 50-60 LMT of broken rice is produced annually in India which is mainly used as poultry feed and feed for other animals. It is also used as a feedstock by the grain based distilleries for producing ethanol which is supplied to Oil Marketing Companies (OMCs) for blending with petrol.

Need for amendment:

Significant rise in export of broken rice: There has been a rise in global demand for broken rice due to geo-political scenario which has impacted price movement of commodities including those related to animal feed. The export of broken rice has increased by more than 43 times in past 4 years (~21.31 LMT exported from April-August, 2022 compared to 0.41 LMT in the same period in 2018-19).

Meet domestic requirement under Ethanol Blending Programme: Sugar based feed stocks alone cannot meet the requirements of 1100 crore litres of ethanol for 20% ethanol blending by 2025. Since Ethanol Season Year (ESY) 2018-19, India has allowed grain based ethanol and in ESY 2020-21 has also allowed Food Corporation of India to sell rice to ethanol plants for fuel ethanol production. However, in the current ESY 2021-22, against the contracted quantity of 36 crore litres, only about 16.36 crore litres (till 21.08.2022) have been supplied by distilleries due to low availability of broken rice for ethanol production.

Contain impact on poultry sector due to rising prices: Domestic price of broken rice, which was Rs. 16/Kg in the open market has increased to about Rs. 22/Kg in States because of exports due to higher international prices. Poultry sector and animal husbandry farmers were impacted the most due to price hike of feed ingredients as about 60-65% inputs cost for poultry feed comes from broken rice and any increase in prices will be reflected in poultry products like Milk, Egg, Meat etc.

Domestic production scenario of Rice: The likely shortfall in area and production of Paddy for the Kharif season 2022 is 6% approx. The final area for Kharif in 2021 was 403.58 lakh ha. So far an area of 325.39 lakh ha has been covered. In domestic production 60-70 LMT estimated production loss is anticipated but due to good Monsoon rains in some pockets, the production loss may reduce to 40-50 LMT, however, this would be at par with last year's production.

The domestic prices of Rice are showing increasing trend and it may continue to increase due to low production forecast by about 10 MMT of Paddy and 11% increase in export of Non basmati compared to corresponding period of last year. However, with export of 212 LMT last year, it can be said that India is still surplus in rice production.

Amendment in export policy of Broken Rice: In order to ensure adequate availability of broken rice for consumption by domestic poultry industry and for other animal feedstock; and to produce ethanol for successful implementation of EBP program, Govt. of India has amended the export policy of broken rice (under HS Code 10064000) w.e.f 9th Sep, 2022 from "Free" to "Prohibited" as per Notification No. 31/2015-2020 dated 8th Sep, 2022 with certain relaxations during the period 9th-15th Sep, 2022 only for cases where loading of consignment has commenced before this Notification, shipping bill is filed and vessels have already berthed or arrived and anchored in Indian ports and their rotation number has been allocated before this Notification, consignment has been handed over to the Customs before this Notification and is registered in their system

Amendment in export policy of Non Basmati Rice (Others) (HS Code 1006 - 3090), Rice In Husk (Paddy Or Rough) (HS Code 1006 - 10), Husked (Brown Rice) (HS Code 1006 - 20), Non Basmati Rice (Parboiled Rice) (HS Code 1006 - 3010)

International price of Indian rice (non-basmati others HS Code 10063090) is selling around Rs. 28-29/kg which is higher than the domestic price. An export duty of 20% on Rice in Husk (Paddy or Rough), Husked (Brown Rice) and Semi-milled or Wholly milled Rice whether or not polished or glazed other than par-boiled rice and basmati rice has been imposed by the Government. This would lead to lowering of prices of rice.

No change in Export policy of Non Basmati Rice (Par Boiled Rice) and Basmati Rice

The government has not made any changes in the policy relating to par-boiled rice (HS CODE = 1006 30 10) so that farmers continue to get good remunerative prices. Further, dependent and vulnerable countries will have adequate availability of par-boiled rice as India has significant share in the global rice export.

Similarly, no change in policy in Basmati rice (HS CODE = 1006 30 20) has been done as basmati rice is premium rice which is majorly consumed by the Indian Diaspora in different countries and its export quantity is very less compared to other rice.

AD/KP/MS



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