

Testwale Current Affairs PDF

Current Affairs search results for: "India bans export of broken rice and impose 20% duty on non basmati rice "

1. Government removes export ban on organic non-basmati rice (Nov. 30, 2022)

Government removes export ban on organic non-basmati rice

The Directorate General of Foreign Trade (DGFT) under the Union Ministry of Commerce and Industries has issued a government notification allowing the **export of organic non-basmati rice, including broken rice, on 29 November 2022**. The move is expected to boost the export of rice from India.

Organic rice means chemical fertilizers and pesticides are not used by the farmer while cultivating the rice.

The government in [September](#) this year had banned the export of broken rice with an aim to increase domestic availability. It also imposed a 20% export duty on the export of non-basmati rice.

The price of rice has increased marginally in the domestic market and the government is confident that there is no possibility of a sharp increase of rice in the domestic market. Hence it has allowed the export of **organic non-basmati rice, including broken rice**.

Export of Rice from India

According to the Union Ministry of Commerce the rice export from India during **April-September 2022 was USD 5.5 billion**.

The country exported **21.2 million tonnes of rice in 2021-22**, of which 3.94 million tonnes were basmati rice. It exported non-basmati rice worth USD 6.11 billion in the same period and the total export of rice was USD 9.7 billion.

India is the **largest exporter of rice** in the world with a **40% share** in the world rice market. Thailand, Vietnam and Pakistan are the other major exporters of rice in the world.

2. India bans export of broken rice and impose 20% duty on non-basmati rice (Sept. 9, 2022)

The Directorate General of Foreign Trade (DGFT) under the Union Ministry of Commerce and Industries has issued a government notification banning the export of broken rice on 8 September 2022. Earlier in the day the Finance Ministry imposed a 20% duty on the export of non-basmati rice except for parboiled rice.

Both the decisions are effective from 9 September 2022.

IMPORTANT FACTS -

Why this has been done by the government ?

- Government hopes that these steps will increase the availability of rice in India and curb the rise in the price of rice which is a staple diet for many Indians.
- According to the Agriculture Ministry, the area under the paddy crop has been down by **5.62 per cent to 383.99 lakh hectare** in the ongoing Kharif season (2022-23) so far due to deficiency in monsoon rainfall in key growing states of West Bengal, Bihar, Jharkhand and Uttar Pradesh.
- **West Bengal is the largest** rice producing state in India followed by Uttar Pradesh and Punjab.
- According to the 4th Agricultural advance estimates of the Agricultural ministry, in the 2021-22 agricultural season (July-June) the estimated rice production in India is **130.29 million tonnes**.
- However the rice production in the next crop year (2022-23) could decline by around 10 million tonnes.

India a major rice exporter :

- India is the **second largest producer of rice** in the world after China.
- However it is the **largest exporter of rice** in the world with a **40% share** in the world rice market. Thailand, Vietnam and Pakistan are the other major exporters of rice in the world.
- **In terms of volume, Bangladesh, China, Benin and Nepal are five major export destinations of Indian rice.**
- The country exported **21.2 million tonnes of rice in 2021-22**, of which 3.94 million tonnes were basmati rice. It exported non-basmati rice worth USD 6.11 billion in the same period.

ADDITIONAL INFORMATION -

Impact on the world :

- The decision of India has contributed to the immediate rise in the price of rice in the world market. It has also affected the price of wheat and maize in the international market as rice importing countries are expected to shift to maize and wheat.
- China and the Philippines will be immediately affected by the Indian decision.
- **China is the largest buyer** of the broken rice from India which is used as animal feed in the country. Both China and the Philippines will have to buy rice from other sources at higher prices or shift to other crops.
- Thailand and Myanmar will benefit from the Indian decision as the buyer of India will shift to these countries.