

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

LOK SABHA  
UNSTARRED QUESTION NO. 642  
TO BE ANSWERED ON 06/12/2023

CAPPING PRICES OF BASMATI RICE

**642. SHRIMATI HARSIMRAT KAUR BADAL:**

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

- (a) whether the Government is aware that imposing an economic curb on the export of Basmati rice by capping Minimum Export Price at \$1200 per tonne has impacted the income of Punjab farmers adversely, if so, the details thereof;
- (b) whether the Government is aware that farmers sow Basmati because of its demands in foreign markets
- (c) if so, the reasons for the Government taking regressive steps to limit the sale of Basmati within the country;
- (d) whether the Government is aware that this will resultantly bring down prices of Basmati in the country and Basmati of Pakistan will be available to foreign buyers at competitive prices;
- (e) if so, the long term rationale and exigency behind the decision;
- (f) whether the Government is planning to give relief to the farmers by allowing them to earn by sale of their produce instead of imposing unilateral arbitrary restrictions on sale of farm produce like Basmati; and
- (g) if so, the plan chalked out in this regard?

**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) to (g)** The price cap on export of Basmati rice was not aimed at restricting its exports. The Government had received credible field reports to the effect that non-basmati white rice, export of which has been prohibited with effect from 20<sup>th</sup> July 2023, was being exported under the HS code of Basmati rice. In order to control illegal exports of non-basmati rice, the Government, on 26<sup>th</sup> August 2023, issued directions to the Agriculture & Processed

Food Products Export Development Authority (APEDA) to register contracts for Basmati exports only with the value of USD 1200 per MT and above. After extensive stakeholders' consultations, the Government has decided to reduce the base price for registration of contracts by APEDA to USD 950 per MT, with effect from 26<sup>th</sup> October 2023.

The price restriction on export of Basmati rice has not impacted its exports, as is reflected in month-wise comparison of exports during 2022-23 and 2023-24 (up to October) detailed below:

<b>Export of Basmati Rice</b>				
Qty. in lakh MT; Value in USD Million				
	<b>2022-23</b>		<b>2023-24</b>	
	<b>Qty.</b>	<b>Value</b>	<b>Qty.</b>	<b>Value</b>
April	3.20	324.16	4.25	470.23
May	3.66	374.09	4.05	446.88
June	4.40	459.43	3.42	381.43
July	3.80	409.31	4.37	475.07
August	3.70	408.15	4.01	451.09
September	2.80	303.21	2.98	365.29
October	2.54	266.18	3.01	368.54
<b>TOTAL</b>	<b>24.10</b>	<b>2544.53</b>	<b>26.08</b>	<b>2958.52</b>
Source: DGCI&S				

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