

India has no plans to curb rice exports as local supplies surge

India does not plan to curb rice exports as the world's biggest exporter of the staple has sufficient stocks and local rates are lower than state-set support prices, trade and government sources said.

India banned wheat exports on May 14, just days after New Delhi forecast record shipments of 10 million tonnes this year, as a heat wave hit output and sent domestic prices to record highs.

"We have more than sufficient stocks of rice and there is no concern at all in terms of either prices or availability for exports and domestic requirements," said a senior government official involved in the decision making.

At this stage, there is no consideration at all to prohibit rice exports. Rice prices are falling, even as exports rise, as India has massive stocks and local purchases by the Food Corporation of India (FCI) - the state stockpiler - are increasing.

There is no need to put any restriction on rice exports. "Wheat output and prices were affected due to the war in Ukraine, but ... the Black Sea region is neither a major producer nor consumer of rice."

Higher output has forced FCI to buy more rice from domestic farmers, taking a record 80.4 million tonnes of rice paddy from growers so far this year against 77 million tonnes over the same period last year.

FCI's procurement is going up, and that is an indication that there's no shortage, so there is no logic for any ban on rice exports.

Source: The Business Standard