

**GOVERNMENT OF INDIA
CONSUMER AFFAIRS, FOOD AND PUBLIC DISTRIBUTION
LOK SABHA**

STARRED QUESTION NO:82
ANSWERED ON:27.07.2001
EXPORT OF WHEAT
MANIBHAI RAMJIBHAI CHAUDHARY;RAMDAS ATHAWALE

Will the Minister of CONSUMER AFFAIRS, FOOD AND PUBLIC DISTRIBUTION be pleased to state:

- (a) the details of wheat, rice and other food products exported during last year against the target fixed, country-wise;
- (b) whether Iraq has rejected several shipments of wheat under food for oil scheme;
- (c) if so, the details thereof alongwith reasons therefor;
- (d) the other countries who have also rejected the import of wheat on similar grounds;
- (e) the amount of loss suffered by FCI/Government in this deal;
- (f) the steps taken to resume export of wheat to Iraq;
- (g) the action taken against the exporters and officials responsible for these exports; and
- (h) the corrective steps taken by the Government to check recurrence of such exports in the future?

Answer

THE MINISTER OF CONSUMER AFFAIRS, FOOD AND PUBLIC DISTRIBUTION (SHRI SHANTA KUMAR)

(a),(b),(c),(d), (e),(f),(g) & (h) : A statement is being placed on the Table of the House.

STATEMENT REFERRED TO IN REPLY TO PARTS (a),(b),(c),(d),(e),(f),(g) & (h) OF STARRED QUESTION NO. 82 DUE ANSWER ON 27-07-2001 IN THE LOK SABHA.

(a): According to information received from the Ministry of Commerce, agro exports including tea, coffee and marine products during the year 2000-01 were Rs.27422.98 crores. 848919 MTs of Basmati rice valued at Rs.2141.94 crores and 683194 MTs of non-Basmati rice valued at Rs.784.16 crores were exported last year. Country-wise details of exports are given in the monthly/annual numbers of Foreign Trade Statistics of India published by the Directorate General of Commercial Intelligence and Statistics, Kolkata, copies of which are available in the Parliament Library.

Information about the export of wheat and rice from the Central Pool during the year 2000-01 is given in Annex.

(b),(c),(f),(g)&(h): Iraq has recently rejected four consignments of wheat shipped by three private parties from India insisting that the cargo should be totally free from inorganic matter, such as, sand, silica, dust and asphalt, and also live insects.

As per the International CODEX standards, foreign matter in the grain is permissible upto 2%, out of which 1.5% consists of organic matter, such as, chaff, weed seeds, other edible and non-edible grains, etc. and the balance (0.5%) inorganic foreign matter, such as, stones, dust, etc. Quality specifications prescribed in the Iraqi contract provided for the presence of foreign matter upto 2%. The inspection agency agreed by the Grain Board of Iraq had inspected the cargo prior to shipment and declared the wheat consignments fit for human consumption and conforming to the quality specifications of the Iraqi order. However, on arrival of the consignments at Iraqi ports, the Grain Board of Iraq insisted on `nil` tolerance for inorganic foreign matter.

The Indian delegation that visited Iraq in May 2001 was informed by Iraqi authorities that, according to their definition, they do not count sand particles under foreign matter. In other words, inorganic matter, which is a part and parcel of foreign matter, like sand, stones, pebbles, clay particles, etc., are not accepted under this category. The explanation given by them was that only organic foreign matter (like chaff, glumes, weed seeds and other edible and inedible grains) are taken under this category. This position was not known to the exporters. They presumed that, as in the CODEX standards, the 2% foreign matter would include upto 0.5% inorganic matter. The delegation was further informed that the Iraqi flour mills were not having adequate facilities for separation of inorganic matter because of the problem of spare parts required for maintenance of such machines owing to UN sanctions. The delegation was told that the Iraqi authorities had accordingly taken a decision to reject any wheat stocks found with inorganic matter like sand, stones, etc. The delegation was further informed that Iraq had also rejected the wheat sourced from various other countries on the same grounds.

The exporters have been given the freedom to identify wheat stocks available in the Central Pool for the purpose of export. However,

on receipt of reports of rejection of wheat consignments from India, it was decided that no further consignment of wheat would be sent to Iraq, unless it was cleaned to meet the specifications of the Grain Board of Iraq.

(d): According to available information, no other country has rejected any wheat consignment from India.

(e): Government or FCI has not incurred any financial loss on account of the rejection of wheat consignment by Iraq.

ANNEXURE

ANNEXURE REFERRED TO IN REPLY TO PART (a) OF STARRED QUESTION NO. 82 DUE FOR ANSWER IN THE LOK S
ON 27-07-2001.

STATEMENT INDICATING THE EXPORT OF WHEAT & RICE FROM THE CENTRAL POOL DURING THE YEAR 2000-01.

A. EXPORT OF WHEAT

Country Quantity exported (in MTs)

Bangladesh	422935.678
Indonesia	29044
Iraq@@@	46364
Malaysia	46800
Myanmar	2923.746
Oman/Dubai	61510.398
Philippines	163607.201
Qatar	5500
Russia	17383
South Korea	305007.716
Sudan	52000
Thailand	13000
UAE/Sharjah	184907.261
Vietnam	60573
Yemen	192161
TOTAL	1603717

@@@ Diverted to other destinations in the Middle East.

FCI was initially permitted to offer 20 lakh MTs of wheat for export purposes. This quantity was subsequently increased to 50 lakh tonnes.

B. EXPORT OF RICE

The export of rice from the Central Pool started with effect from March, 2001. FCI was permitted to offer 20 lakh tonnes of rice during 2000-01. FCI has delivered (upto 18.7.2001) 1.53 lakh MTs of rice for export purposes.