

**GOVERNMENT OF INDIA
COMMERCE AND INDUSTRY
LOK SABHA**

STARRED QUESTION NO:380

ANSWERED ON:29.08.2011

EXPORT OF FOODGRAINS

Botcha Lakshmi Smt. Jhansi;Pradhan Shri Amarnath

Will the Minister of COMMERCE AND INDUSTRY be pleased to state:

- (a) whether the Government has taken any decision to lift the ban on the exports of wheat and non-basmati rice and if so, the details thereof and the reasons therefor;
- (b) whether the State Government of Andhra Pradesh has requested the Union Government for the grant of permission to export paddy and other para-boiled rice and if so, the reaction of the Government thereto;
- (c) whether the Government proposes to frame new norms and prices for the export of foodgrains including wheat and non-basmati rice replacing the system of quota fixation; and
- (d) if so, the details thereof?

Answer

MINISTER OF COMMERCE AND INDUSTRY (SHRI ANAND SHARMA)

a) to d): A Statement is laid on the Table of the House.

STATEMENT REFERRED TO IN REPLY TO PARTS (a) TO (d) OF LOK SABHA STARRED QUESTION NO. 380 FOR ANSWER ON 29TH AUGUST 2011 REGARDING "EXPORT OF FOODGRAINS "

(a) Madam, the Empowered Group of Ministers (EGOM) has allowed export of 10 lakh tons of non-basmati rice, subject to a Minimum Export Price(MEP) of USD 400 per ton, in its meeting held on 11th July, 2011 taking into account various factors including stocks of food grains available in the country, surplus over and above the buffer stock norm and strategic reserve requirements, the concerns of food security, availability of food grains to common man at reasonable price and remunerative prices to the grower and price competitiveness in the international market.

(b) The Government has received letters from Chief Minister of Andhra Pradesh requesting for permission to export limited quantities of parboiled and raw rice. The Empowered Group of Ministers(EGOM) on Food takes into account various factors including the stocks of food grains available in the country, surplus over and above the buffer stock norm and strategic reserve requirements, the concerns of food security, availability of food grains to the common man at reasonable prices and remunerative prices to the grower, on a continuous basis and decides on the export of food grains as and when required

(c& d) The Empowered Group of Ministers (EGOM) has allowed export of 10 lakh tons of non-basmati rice, subject to a Minimum Export Price(MEP) of USD 400 per ton. It was also decided that the export of non-basmati rice would be done by private parties from privately held stocks on a purely commercial basis. Besides, prior registration of all export contracts would be done by DGFT on a first-come-first served basis subject to the following conditions:

(1) Applications for allotment must be accompanied by irrevocable and confirmed letters of credit.

(2) An applicant must submit a performance bank guarantee, along with the application, for a value equivalent to a value of 10% of applied quantity. In case of non-completion of exports, within a stipulated time frame, this bank guarantee is liable to be confiscated. However, a flexibility of + or - 5% in performance will be provided.

(3) Maximum quantity per applicant may be set at 1.25% of the total quantity released, i.e., 12,500 MT.

This decision has been notified by Directorate General of Foreign Trade(DGFT) vide Notification No. 60(RE-2010)/2009-14 dated 19th July, 2011. However, Hon'ble High Court of Delhi in its interim order passed on 27-07-2011 in W.P. No. 5237/2011 filed by Kannu Aditya(India) Ltd. has directed that no allotment shall be made till the next date of hearing.