

Steamed-rice shipments come to a standstill

Subramani Ra Mancombu

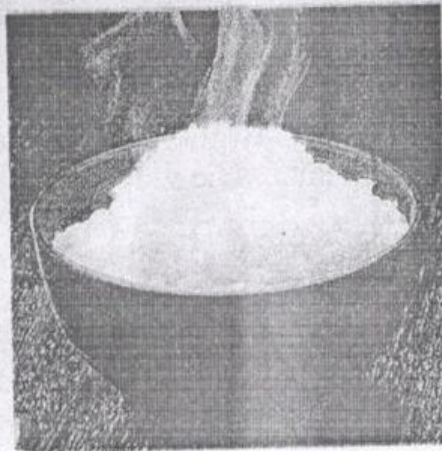
Chennai

Exports of steamed rice from India have come to a halt even as the trade tries to find its footing after the Centre imposed curbs on the cereal's shipments. "Exports of steamed rice are treated as non-basmati white rice since it does not come under par-boiled rice. Therefore, the shipments have to bear the 20 per cent export duty," said BV Krishna Rao, President, The Rice Exporters Association of India.

India imposed curbs on rice exports from September 9 with non-basmati white rice attracting a 20 per cent export duty along with brown rice and paddy, while shipments of broken rice have been totally banned.

HOW IS IT PREPARED?

Exports of parboiled and basmati rice have been exempted from any curb.



Exporters expect trade in steamed rice to resume soon

Steamed rice is different from parboiled rice but similar to white rice. Steam is passed through white rice to ensure that a coating forms on the grain and starch from inside the kernel doesn't come out. This process prevents the rice from turning sticky.

NEPAL, MAIN BUYER

Steamed rice sells at a premium of \$600 a tonne. "The 20 per cent export tax is a welcome move since the

Centre will get additional income for this premium rice variety," said an exporter, who did not wish to be identified.

Nepal is the main buyer of steamed rice from India. "It buys around one million tonnes (mt)," said Rao.

Traders could have exported paddy instead of steamed rice to Nepal but it also attracts the 20 per cent import duty. "So, the trade got stuck there on the point," said the exporter.

Though trade in steamed rice has come to a halt, exporters expect it to resume soon. "Once the buyers get used to the new development, trade should resume," said the exporter. Exporters said buyers are willing to pay the export duty to get the premium steam rice which are Ponni and Sona Masuri varieties. A section of the trade hopes that the Centre may review its decision once the picture on kharif rice production becomes clear.

Curbs on rice exports: Global trade adopts a 'give and take' policy

Subramani Ra Mancombu
Chennai

Buyers, sellers and freight firms have adopted a "give and take" policy to overcome the curbs imposed by India on rice exports even as Thailand and Vietnam are mulling increasing the price of the cereal in the global market.

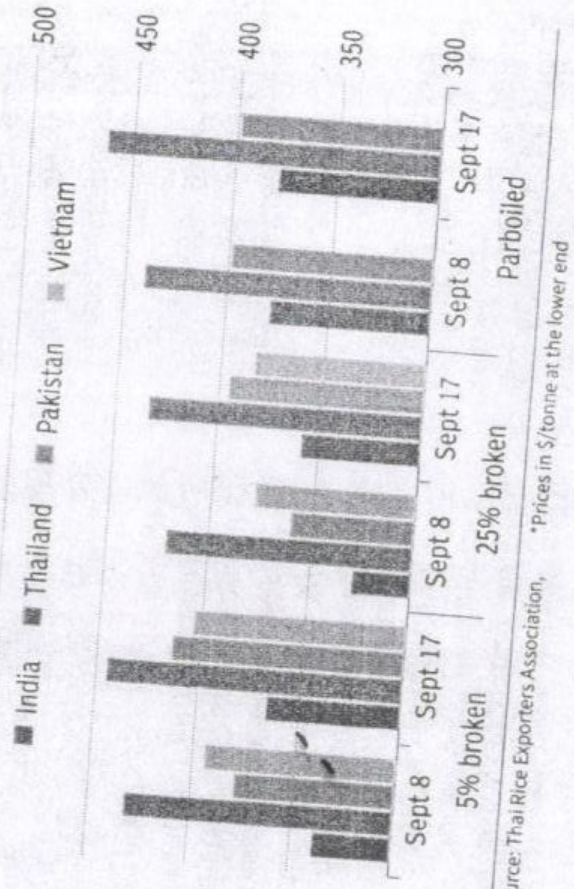
BUYERS WILLING

"India's curbs on rice exports have disturbed the market heavily. But my experience is that sellers have cut the prices by \$30 a tonne, buyers have increased the offers by \$20 a tonne, while freight firms have reduced charges by \$250 per container," said VR Vidya Sagar,

Director, Bulk Logix. "Rice within port premises are moving. But new consignments are not being taken inside since the trade has to

come to grips with the new development. The curbs have brought down prices of premium variety rice," said BV Krishna Rao, President,

Taking advantage of export curbs*



Source: Thai Rice Exporters Association, *Prices in \$/tonne at the lower end

The Rice Exporters Association of India (TREA). "Buyers in Sri Lanka, Singapore and Indonesia are willing to pay the export tax," said S Chandrasekaran, a trade analyst. Amidst this development, Thailand Thailand and Vietnam jointly plan to increase price by 20 per cent.

REVIEW LIKELY

"If the Indian paddy crop turns out to be good, India will review its duty, which has a net effect of 26% as there are additional charges apart from the basic customs duty," said Delhi-based exporter Rajesh Paharia Jain. "We also expect the Centre to review the curbs and relax once the picture becomes clear," TREA's Rao said.

Exports of broken rice in transit allowed till Sept 30

Our Bureau

New Delhi

The Directorate General of Foreign Trade has decided to extend the last date for allowing exports of certain specified consignments of broken rice to September 30, 2022, from September 15, 2022, as per an official notification. "Export of consignments of broken rice as permissible under notification...dated September 8 2022, has been extended till September 30 2022," the notification pointed out.

The notification issued on September 8 placed a prohibition on the export of broken rice from September 9 but allowed consignments of broken rice to be exported under specific conditions between September 9, and



September 15, 2022. Those allowed to be exported were the ones where loading of broken rice on the ship had commenced before the issue of the notification, where the shipping bill had been filed and vessels had already berthed or arrived and anchored in Indian ports and their rotation numbers allocated prior to the notification and where consignment had been handed over to the Customs before the notification.

Tea exports may regain flavour as orthodox shipments rise

Shobha Roy
Vishwanath Kulkarni
 Kolkata/Bengaluru

After touching a 15-year low of 195.5 million kg (mkg) in calendar year 2021, India's tea exports will likely rebound this year by about a sixth to around 230 mkg on the back of rising demand from Iran and UAE.

The industry and the Tea Board are optimistic about the growth prospects of exports this year, which are aided by improving logistics and container availability.

Shipments during the first half of 2022 in volume terms stood at 96.89 mkg as per the provisional estimates by the Tea Board — an increase of

12 per cent over the same period last year's 86.46 mkg.

Sujit Patra, Secretary, Indian Tea Association (ITA), said there is a good demand both for the Indian CTC and orthodox teas in the international markets.

INCREASING ENQUIRIES

"This year we expect to recover to some extent the losses made in certain markets. The unprecedented economic crisis in Sri Lanka has given some hope to Indian tea in the international market.

"Though initially Russia-Ukraine war put some road blocks, the situation is rapidly turning into normalcy and exporters are getting a lot of queries. I expect, India

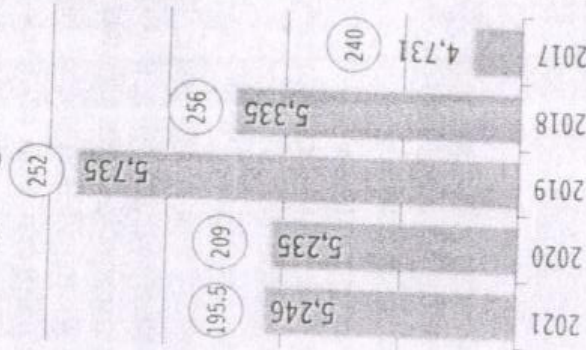
Iran, Iraq, UAE, Saudi Arabia, Russia, USA, Turkey, and Poland," Patra said.

In value terms, shipments for the period registered a growth 9.79 per cent at ₹2,532.67 crore.

Sourav Pahari, Deputy Chairman, Tea Board, said the exports have actually picked up despite large buyers such as the CIS and Iran facing problems due to the current international situation.

"The Russians are picking up more orthodox teas at premium prices and so is the case with Iran. Once the currency thing is regularised, the exports will pick up. We are optimistic of growth in exports," Pahari told *BusinessLine*.

Zigzag trend



○ Quantity in million kg
 ■ Value in ₹ crore
 Source: Tea Board

can achieve a level of 225-230 mkg in 2022 with higher exports to key markets like

GOVT AIMING AT REDUCING IMPORTS BY 25-30%

Edible oil prices likely to be stable in short term

Sunflower oil imports from Ukraine restart

SANDIP DAS
Agra, September 22

TO CURB RISING edible oil imports, which are threatening to put pressure on the current account, the government should aim at increasing domestic edible oil production for meeting around 0.7 million tonne (MT) of incremental increase in demand annually, Atul Chaturvedi, President, Solvent Extractors' Association of India (SEA) said on Thursday.

"Our focus should be to meet the annual rise in consumption of edible oil so that our imports are capped at around 13 MT and subsequently we reduce our imports gradually through increasing domestic production," Chaturvedi told FE on the sidelines of Globoil India 2022 being held here.

He said through capping edible oil import, India can reduce volatility in the domestic prices and reduce import bills. "In 2018-19, the country imported 15 MT of cooking oil worth ₹65,000 crore which rose to ₹1.5 trillion in 2021-22 against import volume of 14 MT," Chaturvedi said.

On the future prospects of global edible oil supplies, he said prices are likely to be sta-

EDIBLE OIL SUPPLY

	Demand	Production	Import (million tonne)
2017-18	24.2	10.3	13.9
2018-19	25.5	10.5	15.1
2019-20	25.1	10.6	14.6
2020-21	24.5	11.1	13.5
2021-22	25.7	11.6	14

Source: Agriculture ministry

In 2018-19, the country imported 15 MT of cooking oil worth ₹65,000 crore which rose to ₹1.5 trillion in 2021-22 against import volume of 14 MT

As India imports 56% of edible oil requirements, Russia-Ukraine conflict and Indonesia imposing a ban on exports have impacted global prices



ble in next 4-6 months, adding that sunflower oil import from Ukraine using ports, which were disrupted earlier, have commenced to India which would ease supplies further.

As India imports 56% of its edible oil requirements, Russia-Ukraine conflict and Indonesia, the biggest exporter of palm oil, imposing a ban on exports in May (which was lifted after three weeks), have impacted global edible oil prices.

Out of the total annual edible oil import of 13-14 MT, the country imports around 8 MT of palm oil from Indonesia and Malaysia. The domestic production of palm

oil is around 0.5 MT.

While other oils, such as soya and sunflower, come from Argentina, Brazil, Ukraine and Russia. According to Chaturvedi, while palm oil prices have moderated since June, import price difference between palm oil and soyabean oil has been around \$350 a tonne which is not sustainable in the long run. A week back, the landed cost at Mumbai of crude palm oil was \$950/tonne against \$1,335/tonne for soyabean oil and \$1,320/tonne for sunflower oil.

To curb rising inflation, the government on May 24 allowed tariff-free imports of crude soyabean and sun-

flower oils during this financial year and the next.

The tax waiver is subject to an annual cap of 2 MT for each oil, which will more than suffice to meet the needs of domestic refiners and ease supplies in the domestic market. The government also removed a residual 5% agriculture infrastructure development cess on the two crude edible oils.

Meanwhile, the government is aiming at reducing imports by 25-30% through production of 2.8 MT of palm oil by 2030 under the national edible oil mission - Oil Palm.

Currently, around 0.35 million hectare (MH) is under palm plantation and under the national mission on edible oils, Oil Palm, launched last year, an additional area of 0.65 MH is being brought into palm plantation by 2025-26.

"Through bringing in more area under palm plantation in the next three years, especially in Andhra Pradesh, Telangana, Assam, Tripura and Mizoram, we plan to reduce our palm oil import dependence by 2030," an official, who is involved in the national oil palm mission, said.

Godrej Agrovet, Patanjali Foods and 3F Oil Palm Agrotech Industries account for a major chunk of the country's oil palm plantations.

Mustard, soyabean and groundnut are key edible oil produced in the country.

Defence exports grew by 334% in last 5 yrs'

PRESS TRUST OF INDIA
New Delhi, September 25

DEFENCE EXPORTS HAVE grown by 334% in the last five years and India is now exporting to over 75 countries due to collaborative efforts, the government said on Sunday.

The Press Information Bureau (PIB) said in a tweet: "The Indian Defence sector, the second largest armed force is at the cusp of revolution. Defence exports grew by 334% in the last five years; India now exporting to over 75 countries due to collaborative efforts."

The PIB India Twitter handle also shared some data in a poster attached with the tweet to underline the indigenisation and boost of production in the defence sector.

It mentioned the recent commissioning of India's first indigenous aircraft carrier INS Vikrant in Kochi.

It also mentioned about the indigenous Advanced Light Helicopter Mk-III's squadron being commissioned into the Indian Coast Guard, and successful testing of new generation nuclear-capable ballistic missile 'Agni P'.

Defence secretary Ajay Kumar, during an interaction held at an event on Thursday, had said efforts were being made to



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"unleash the energy" of the Make-in-India initiative as a whole in the defence sector and the country's Amrit Kaal vision is to see it among the top five countries globally in defence production.

In the last 75 years, India has continued to be one of the largest importers of defence products in the world, and this is the situation the government wishes to change, he had said.

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