

CENTRE BANS EXPORT OF BROKEN RICE DUE TO DOMESTIC DEMAND

Relevant for: Indian Economy | Topic: Issues of Buffer stocks and Food Security

On a rise: The domestic price of broken rice increased to Rs. 22 per kg because of higher international prices.

The Centre has banned the export of broken rice, mostly used as animal feed and as a component for ethanol production, in view of the domestic demand and the production scenario of rice.

The export of broken rice rose 4,178% in the period April-August 2022, compared with the corresponding period in 2019.

India exports broken rice mainly to China, Senegal, Vietnam, Djibouti and Indonesia. It exported about 21.31 lakh tonne of broken rice in the past five months.

Justifying the reason to ban export, Sudhanshu Pandey, Secretary, Department of Food and Public Distribution, said on Friday that the move would ensure adequate availability of broken rice for consumption by the domestic poultry industry and for other animal feedstock; and to produce ethanol for successful implementation of the Ethanol Blending Programme.

Mr. Pandey said the country was likely to witness a shortfall of about 6% in area and production of paddy during the ongoing kharif season.

“The final area for kharif in 2021 was 403.58 lakh hectares. So far, an area of 325.39 lakh hectares has been covered,” Mr. Pandey said.

Poultry feed

Approximately, 50 to 60 lakh tonnes of broken rice is produced annually in India, which is mainly used as poultry feed and feed for other animals. It is also used as a feedstock by the grain-based distilleries for producing ethanol, which is used for blending with petrol.

“There has been a rise in global demand for broken rice due to geo-political scenario which has impacted price movement of commodities. The export of broken rice has increased by 43 times in the past four years,” he said, adding that about 21.31 lakh tonne of broken rice was exported from April-August 2022 compared with just 0.41 lakh tonne in the corresponding period in 2018-19,.

He said in the current ethanol season year, against the contracted quantity of 36 crore litres, only 16.36 crore litres had been supplied by distilleries due to low availability of broken rice. Also, domestic price of broken rice, which was Rs. 16 per kg in the open market, had increased to Rs. 22 per kg because of higher international prices.

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