

'Farmers not cultivating rice to cater to needs of consumers'

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One of the reasons for the supply shortage witnessed in rice is that farmers are trying to grow paddy varieties that are procured by the Food Corporation of India (FCI).

A Delhi-based trade analyst, who did not wish to be identified, said as a result, farmers are trying only to boost the yield of these varieties.

Seed industry sources say over 430 paddy varieties are grown in various agro-climatic conditions across the country. This is actually down from the 15,000 vari-

eties grown before Independence. "But the focus is more on the varieties that farmers can offload with the FCI," the analyst said.

A North India-based exporter said traders are not looking to buy from FCI as additional costs are involved in buying from the parastatal agency.

"There are logistics costs of lifting the consignment. Traders have to pay an earnest money deposit to FCI once the sale is completed," he said.

POOR PROCUREMENT

The response to FCI auctions is poor as a major section of the rice-eating population will not consume the



THE TREND. The focus is to grow rice procured by the Food Corporation of India from growers

cereal sold by the agency through open market sale. "FCI rice is basically distributed through the public distribution system. How many people actually consume rice issued through ration

shops?," the analyst wondered. "The other issue is FCI has set a target to procure 52 million tonnes (mt) from October 2023. But its procurement is 14 per cent lower than last year. The

agency trying to compete with traders to procure is also pushing up prices," he said. Rice procurement by FCI for the Centre's buffer stocks during October 1-December 31 fell to 29.93 mt from 34.79 mt a year ago.

Planning on cultivating drought-tolerant varieties is being done out of "ignorance" and officials have to focus on "consumers preference", said the analyst. The Centre will also has to re-evaluate production estimates of previous years to reflect the ground reality rather than simply look at food security, he said.

COST FACTOR

Traders said the price of

non-basmati rice is ₹42 a kg mainly due to infrastructure and other costs such as labour and milling. Many traders rely on the Central Warehousing Corporation to store rice and it charges ₹14 a bag per month.

"With rice traders operating on a thin 2-3 per cent margin, such costs have to be lowered or controlled," a South India-based exporter said.

The Centre can get a clear picture on production by asking the States to provide data since they collect cess for the cereal traded in their State. Also, the Agricultural Produce Marketing Committees can help with the data they have.