# Centre procures 46.3 mt rice as kharif purchase ends

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The procurement of kharif-grown rice in the 2023-24 season (October-September) ended on June 30 with the Food Corporation of India (FCI) buying 46.3 million tonnes (mt) since October 1, 2023, which is 6.5 per cent lower than 49.53 mt procured a year ago due to a drop in most of the States.

According to the latest Food Ministry data, a total quantity of 52.08 mt of rice was procured until June 30 which includes 5.78 mt from the rabi crop. Though the purchase of kharif-grown paddy was already over in all the States, it continued in Assam till June 30.

The government's rice procurement target was 52.49 mt from the kharif-grown crop and 10.12 mt from the rabi season for 2023-24.

Last month, *businessline* reported a deficit of nearly 6 mt (against the target) in procurement from the kharif season was unlikely to be made good as Assam had reported a 55 per cent drop in official purchase.

**PURCHASE PLAN.** The government's rice procurement target was 52.49 mt from the kharif-grown crop and 10.12 mt from the rabi season for 2023-24

### WELFARE SCHEMES

The government needs about 40-41 mt of rice annually to run all the welfare programmes including the obligation under the National Food Security Act (NFSA).

Considering that the opening stock of rice (including paddy in terms of rice) with the Food Corporation of India (FCI) on October 1, 2023, was at 31.5 mt the surplus quantity purchased over the requirement will be good enough to build a robust buffer, which may be around 43-44 mt, sources said.

The government had purchased a total of 56.87 mt of rice in 2022-23 from all kharif, rabi and zaid seasons.

Meanwhile, the Food Ministry on Wednesday said paddy procurement during the 2023-24 season exceeded 77.5 mt, benefiting over 10 million farmers with payments of over ₹1.74-lakh crore made to them by buying at minimum support price (MSP).

The substantial procurement has boosted India's rice stock to over 49 mt, surpassing both the buffer stock norms and the country's annual requirement, it said.

"The achievement underscores the robustness of FCI's procurement and storage infrastructure, crucial for maintaining food security in the country," it said.

### EXPLORING OPTIONS

However, experts said the lower procurement will help the government that is exploring options to offload the surplus rice. The government last month started discussion with stakeholders to dispose of the surplus rice, estimated to be 17-18 mt in 2024-25, so that the retail prices are brought down.

The government's options include extra allocation under public distribution system, resumption of weekly e-auction under open market sale scheme and direct sales to states with a rider on maximum retail price, sources said.

The Food Ministry officials have been discussing with millers, exporters and corporates to gather the industry's views on various options. Exporters have urged the government to remove the export duty of 20 per cent and remove the ban on shipments of white rice.

The stockpiles of rice in the Central Pool, as on June 1, was 21.8 per cent higher at 50.46 mt against 41.42 mt a year ago. The rice stock also includes 17.94 mt in terms of rice (in the form of paddy yet to be processed). There is 18 per cent jump in stock of paddy this year from year-ago.