

Low paddy prices may buoy Basmati exports

TREADING WITH CAUTION. Farmers report 15 per cent drop in yield in Uttar Pradesh; millers resort to cautious purchases

Prabhudatta Mishra
New Delhi

Farmers are selling Basmati (paddy) at an average ₹2,200-2,500/quintal with over 15 per cent moisture level this year in Uttar Pradesh. This is causing distress as last year they fetched over ₹3,000/quintal. Uttar Pradesh usually gets Basmati crop first among all the growing States since Pusa Basmati 1509 is comparatively a short duration variety and is transplanted earlier than in Punjab and Haryana.

This will likely help exporters as it will make shipments of the fragrant rice from the country competitive vis-a-vis Pakistan.

"I am expecting the same price as last year. I sold at ₹3,200/quintal in my village," said Devender Singh of Shamli district in Uttar Pradesh.

Singh, who transplanted the PB 1509 variety around mid-May and is hopeful of harvesting after another 15 days, said the yield might fall by a quarter as no farmer has got more than 3 quintals from one bigha (1 acre = approximately 6 bigha) whereas last year it was over 4 quintals.

Bhushan Tyagi, another farmer from Aligarh district, who sold the PB 1509 variety at Khair mandi at ₹2,500/quintal last week, said there was a drop of 15 per cent in yield from last year. He said traders did not offer "rates" in the auction at the mandi this year and he was forced to sell as he could not take the crop back home.

FEARS OF PRICE FALL

Singh said he reduced the Basmati area to 6 bighas this year from 9 bighas last year as he feared prices might be



LOSING STEAM. Per Agmarknet portal, Basmati (in the form of paddy) prices were ruling in the range of ₹2,100-2,600/quintal in Uttar Pradesh during August 1-5

lower. "When prices are high in a year, usually the next season's sowing area also goes up and prices crash," Singh said.

According to the Agmarknet portal, Basmati (in the form of paddy) prices

were ruling in the range of ₹2,100-2,600/quintal in Uttar Pradesh during August 1-5. "We do not know the reasons, but exporters are not ready to buy above ₹2,500/quintal," said a commission agent in Khair

mandi. He added that the moisture level was quite high at 20 per cent. But some traders said the average moisture could be around 15 per cent.

Farmers of UP's Shamli district, who sell their pro-

duce in the neighbouring Karnal mandi in Haryana, said the rates were not more than ₹2,400/quintal this year.

CAUTIOUS PURCHASE

Explaining the reasons for lower rates, Rajinder Gupta, vice-chairman of the Association of Commission Agents, said millers were buying cautiously as they had incurred losses last year after buying Basmati paddy at high prices. Besides, supplies are also higher since farmers expanded the area in anticipation of another year of high rates, Gupta said.

India's Basmati rice exports, allowed at a minimum export price (MEP) of \$950/tonne, registered a 16 per cent growth at 9,65,128 tonnes (worth \$1,037 million) in the first two months of the current fiscal against 8,30,872 tonnes (worth \$917 million) a year ago.