

APEDA suspends certification body, exporter for 'illegal organic' rice export

CRACKING DOWN. Sikkim certification body and private exporter fined ₹10 lakh each

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Subramani Ra Mancombu
Chennai

The Agricultural and Processed Food Products Export Development Authority (APEDA), the nodal agency for the National Programme on Organic Production (NPOP), has suspended the accreditation of an organic certification agency and an exporter, besides penalising both.

The action follows a report by *businessline* that irregularities had been reported in the shipments of organic rice from India since the last fiscal when the government banned white rice exports and imposed a 20 per cent export duty on parboiled consignments.

According to sources in the know, the decision to suspend the Sikkim State Organic Certification Agency and Reliteaur Foods Private Limited was taken last week.

The suspension will be for one year. Besides, both have been fined ₹10 lakh each by

APEDA. Consignments of Reliteaur in merchant vessel *mv Della* have been detained by the Customs authorities since August. The company has moved the Gujarat High Court, and the next hearing has been scheduled for October 17.

Data show that Reliteaur shipped 71,131 tonnes, the highest volume, during April-July this fiscal. Organic rice exports in the first four months of the fiscal were 1,46,585 tonnes compared with 1,07,727 for the entire 2023-24 fiscal. Of this, white rice made up 1,27,120 tonnes, broken rice 8,000-odd tonnes and parboiled rice made up the rest.

The majority of the shipments took place from JNPT (60,809 tonnes), Sonapat Inland Container Depot (30,624 tonnes), Mundra (26,049 tonnes) and Kandla (25,100 tonnes).

Most of the consignments were headed to countries such as Vietnam (22,166 tonnes), Angola (22,100 tonnes), Mozambique (16,457 tonnes) and Kenya (11,801 tonnes), which do



DUPING AUTHORITIES. Most of the consignments were headed to countries such as Vietnam, Angola, Mozambique and Kenya, which do not import organic rice from India PTI

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DECLINING PRICES

The US and the Netherlands, India's principal organic rice buyers, bought 13,626 tonnes and 16,457 tonnes respectively during the period. Vietnam, Madagascar, Kenya, Mozambique, other African countries and Malaysia are not traditional importers of organic rice. African nations have never imported Sona masoori and organic rice in such volumes, but they were found to have

purchased them.

In view of the irregularities, the price of organic rice exports declined constantly since October 2023 — the timing coincides with the ban on exports of white rice in July. From \$940/tonne in September 2023, the price declined to \$529 in June 2024.

S Chandrasekaran, a Delhi-based trade analyst, said, "Unfortunately, the profiteering motto has overshadowed the integrity of organic agriculture. Though penalty has been imposed on

offenders, we are repeatedly witnessing such incidents recur. The government should introspect over such recurrence."

Traders wondered how organic rice could be sold at prices less than \$500 a tonne when it fetches a premium. A source said the directors of Reliteaur are the same as Elite Green Private Limited, whose organic certification was withdrawn by the NPOP and penalised ₹5 lakh in December 2023.

"Action against Elite Green was taken as the NPOP found major non-compliances and violations. Why did the authorities not check the antecedents of the company when it was registered?" the sources wondered.

BAN VIOLATION

While exporting white rice in the garb of organic rice, the shippers are reported to have violated the ban on white rice. (The ban was lifted on September 28, 2024). In the case of parboiled rice, they had dodged the 20 per cent export duty.