



Publication	The Hindu Business Line	Language	English
Edition	New Delhi	Journalist	Subramani Ra Mancombu
Date	06/09/2023	Page no	10
CCM	51.23		

Centre's move to permit NCEL to export white rice to 3 nations evokes mixed reaction

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The Centre's decision to allow exports of 1.43 lakh tonnes (lt) of white rice to Singapore, Mauritius and Bhutan through the National Cooperative Exports Ltd (NCEL) has been welcomed as a boost to the co-operative sector.

But a section of the trade is of the view that NCEL, which was allowed to be set up by the Union Cabinet in January this year, lacks experience in the export market and may not stand up to the demands of buyers abroad. "The Centre's move to allow exports of white rice through NCEL is a welcome step. It will further boost the co-operative societies and also farmer producer organisations (FPOs)," said Rajesh Paharia Jain, a Delhi-based exporter. NCEL has

been set up under the Multi-State Cooperative Societies Act, 2002. All co-operatives are eligible to become its members.

PADDY FPOS TO BENEFIT
NCEL will have an authorised share capital of ₹2,000 crore in which the initial paid-up share capital will be ₹500 crore. The initial contributions for the capital have been shared equally by Indian Farmers Fertilizer Cooperative (IFFCO), Krishak Bharati Cooperative (Kribhco), National Agricultural Cooperative Marketing Federation of India (Nafed), Gujarat Cooperative Milk Marketing Federation (GCMMF) and National Co-operative Development Corporation (NCDC).

"There are 160 FPOs that deal with paddy. Haryana co-operative federation HAFED trades in Basmati. Nafed and Kribhco purchase from the



IN DOUBT. Experts are concerned as to whether the NCEL can withstand the challenges in global market

open market. And GCMMF is well-versed with not just procuring from farmers but also ensuring remunerative payment for them. In such circumstances, giving NCEL permission to export rice is a good decision," said an agricultural expert who did not wish to identify.

A Kribhco official said rice exports would be done

through procurement of rice from cooperatives and FPOs only as mandated by NCEL bylaw.

GOVT'S OBJECTIVE

"The Centre is wrong in allowing only NCEL to export white rice to the three countries. Bureaucrats do not know much about trading. We can only pray that they will not damage our reputation," said a South India-based trader without wishing to identify.

NCEL could probably handle exports now since there is no competition and it is the sole agency permitted. But when exports open up, the organisation could stand exposed, said the trader.

"The Indian government's objective of floating the NCEL is to make the co-operative sector strong so that farmers can begin to be directly involved in exports," an agricultural expert said.
