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**PRESS RELEASE**

## **Pesticide's use did not affect Basmati rice export. Analysis by CCFI shows.**

India is a global leader in rice exports - both Basmati and non-Basmati. In the last 10 years from 2012-13, India's Basmati rice export (in volume terms) has grown **46%** at a CAGR of **4%**.

The Basmati rice export steadily grew from **346** lakh tons to **463** lakh tons between 2012-13 and 2020-21. The slight decline witnessed in the last financial year (2021-22) came mainly on account of reduced purchase by Saudi Arab.

Data from the WTO show that during 2021 when the Covid was epidemic, Saudi Arab's import of rice from all sources drastically declined by nearly 6 lakh tons. Purchase from India declined too. However, the current FY (2022-23) year, the trend shows a significant increase in import of Indian Basmati rice by Saudi Arab.

Highlighting these facts, Mr. Deepak Shah, Chairman of Crop Care Federation of India (CCFI) asserted that the recent move by the Punjab and Haryana governments to suspend use of 10 generic pesticides was ill-conceived, unwarranted and would in no way help increasing Basmati rice export. Instead, it would only increase the cost of cultivation as the farmers would be forced to use expensive alternatives. He further observed that the decision to suspend the use of 10 pesticides was taken by the Punjab and

Haryana governments without any material evidence under Section 27 of the Insecticides Act. Mr. Shah said that CCFI has made a detailed analysis and submitted to the Punjab Government.

The report prepared by CCFI has several interesting facts.

As regards the rice trade with European union (EU), the data show that Pakistan received more notifications of rejections from the EU than India for reasons of sanitary and phytosanitary noncompliance. However, Pakistan managed increase its share in the EU rice market from **5%** to as high as **25%** in the last ten years mainly on account of lower price and aggressive promotion. India's share in the EU rice market has fallen from **31%** to **11%** during the same period. India must work on both the price and promotion front.

Data from the European Commission show that the Maximum Residue Levels (MRLs) for pesticides frequently get revised. For instance, in the last month (July 22) alone the EU notified as many as **33** revisions in the MRLs. Monitoring such volatile changes in the MRLs and their compliance is a costly affair with no guarantee of sustaining the export.

The EU has set 507 MRLs for paddy. Out of this 304 (i.e., 60%) are set at 0.01 ppm (0.01 mg/kg). **The MRL. 0.01 mg/kg equals 1 gm of residue for every 100 tons of rice.** At this trace level, a pesticide residue would not be biologically, toxicologically, and environmentally relevant. It merely acts as a powerful non-tariff barrier.

Many countries including the USA and China have voiced their opposition to the EU's unscientific and arbitrary trade barriers.

It is important to recognize that the EU is not a rice consuming region. The EU's per capita rice consumption is just 6 kgs/year as against the world average of 54 kgs. The EU accounts for a mere 2% share in our total Basmati rice exports.

Banning rice pesticides in India to meet the EU MRLs would amount to trimming the feet to fit the shoes!

CCFI's urges our food safety authority in India (FSSAI) to create a level playing field under the WTO- SPS Agreement. India must subject food imports from the EU to 0.01 ppm MRL analysis. **The EU uses 6 times more pesticides than India.** Therefore, food imports from the EU would be carrying residues of pesticides not approved in India. India must reject such imports from the EU. *Quid pro quo* pays in the international trade. It would make the other party to act rationally and reasonably.

Link to CCFI analytical paper: [https://cropcarefed.in/wp-content/uploads/India-Rice-Trade-and-SPS-Barriers-from-EU.-Final-Rev\\_19-Aug-2022.pdf](https://cropcarefed.in/wp-content/uploads/India-Rice-Trade-and-SPS-Barriers-from-EU.-Final-Rev_19-Aug-2022.pdf)

Link to Punjab notification: <https://cropcarefed.in/wp-content/uploads/Govt-of-Punjab-Notification-No.-9654-dated-18-08-2022.pdf>

Link to Haryana notification: <https://cropcarefed.in/wp-content/uploads/Govt-of-Haryana-Notification-No-2617-dt-17-08-2022.pdf>

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