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Centre may curb maize exports

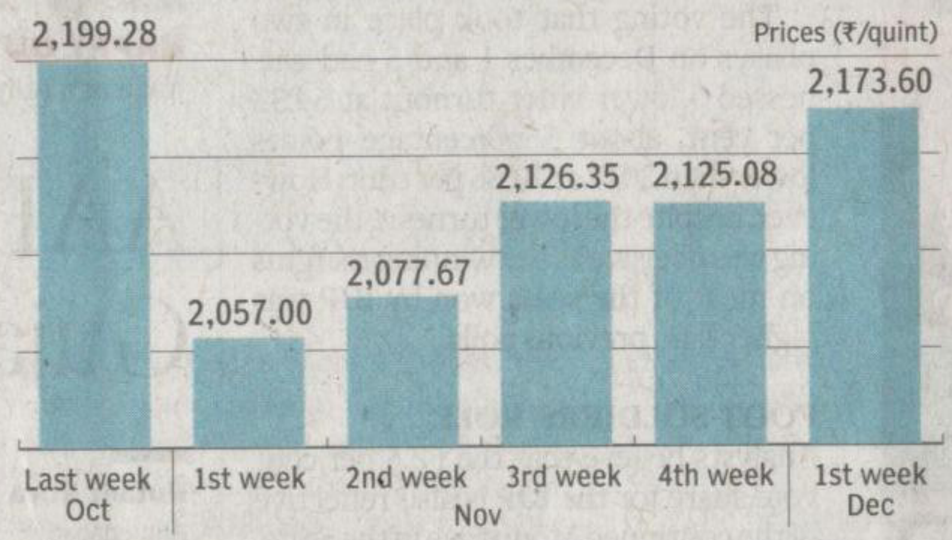
TURNING SCARCE. Industry complains of non-availability; prices up on demand from S-E Asia

Subramani Ra Mancombu
Chennai

The Centre is mulling curbs on the export of maize (corn), including a ban, with its prices ruling above ₹2,150 a quintal and demand from the poultry and starch manufacturing sector increasing.

Sources in the know said the Ministry of Food Processing Industry has written to the Commerce Ministry seeking a ban after starch manufacturers took up the case of higher prices and non-availability. "The issue is under consideration," sources, who did not wish to be identified as they are not authorised to speak, said.

Bullish trend*



Source: Agmarknet; *Weekly weighted average price

PRICE UPTREND

According to data from Agmarknet, an arm of the Ministry of Agriculture, the weighted average of maize prices during December 1-8 is ₹2,173.66 a quintal. This is higher than the minimum support price (MSP) of ₹1,962 and the price of ₹1,653.88 that prevailed during the same time a year ago.

"We are currently getting maize at ₹2,400 in Namakkal. This is because of good export demand that has resulted in some exporters building inventories around key ports," said Vangili Subramanian, President, Tamil Nadu Egg Poultry Farmers Marketing Society.

"There is demand for export to South-East Asia. But stocks are available at over ₹2,200 only. Multinational exporters are buying in bulk," said Mukesh Singh, Director, MuBala Agro Commodities Pvt Ltd.

"We are getting enquiries from Vietnam and Sri Lanka. There is demand from Indonesia and Taiwan also. We are shipping at $305-310 a tonne," said M Madan Prakash, President, Agri Commodities Exporters Association. Prakash's firm, Rajathi Group, is sourcing maize from Maharashtra at ₹2,150 a quintal, though many buyers abroad are holding on in view of the New Year holidays. "Demand will resume after New Year. It now takes 9-10 days for a vessel to set sail to Vietnam," he said.

"There is a shortage of maize due to demand from the poultry sector as also the starch industry," he said.

"We are sourcing our maize requirements from Karnataka and Andhra Pradesh but the problem is high moisture in the crop due to rains, said Subramaniam.

However, there is no worry over the condition of the kharif crop. "The kharif crop is good, though it needs time to dry," said Singh.

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Scrap 11% import duty on cotton, CAI urges Goyal

Our Bureau
Chennai

The Cotton Association of India (CAI), the apex body of the trade, has urged Commerce, Food and Textiles Minister Piyush Goyal to scrap the 11 per cent import duty on cotton with immediate effect.

In a letter to Goyal, CAI President, Atul S Ganatra, said the government must remove the duty as domestic cotton prices are 15 per cent higher than in competing nations in the global market. "Due to this, the availability of raw materials to our textile industry at a competitive rate has been severely impacted. This has eroded the competitiveness of our value-added products in the international market and the textile industry is only working at 50 per cent capacity," he said in the letter.

Currently, ginned cotton in the domestic market is offered at ₹66,750 a candy (356 kg). The weighted average price of raw cotton across the APMC yards is currently ₹8,309 a quintal.

ICE FUTURES PRICE

In comparison, cotton at the Intercontinental Exchange is quoted at 82.7 US cents a pound (₹53,850/candy) for delivery in March. Removing the duty will go a long way in stabilising cotton prices and help the textile industry function at its optimum level, he said.

Economic Times dt. 9.12.22

Thanks to Fewer Orders, Tiruppur Textile Exporters to Seek Emergency RBI Credit

Exports from Tiruppur have fallen at 34.1% yoy to ₹20,420 crore in the first seven months of FY22

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Kolkata: Textile units of Tiruppur, which are now working for three days a week due to fewer orders from the United States and Europe, have sought emergency credit from the Reserve Bank of India (RBI) to run the units.

Tiruppur Exporters Association (TEA), which has 1,183 exporting units within its fold, has approached the central bank to provide them with financial support.

The move comes after the US buyers reduced orders following the Thanksgiving Day sales, which have not been encouraging, and a continuous slide in exports over the past four months. Some units in Tiruppur are working only two days a week now.

In its letter to RBI governor Shaktikanta Das, the association said, "The major requirement for Tiruppur is increasing of the interest subvention provided under Interest Equalization Scheme from 3% to 5% across the board as it was during the pre-Covid period and we request the governor to issue the notification at the earliest."

Comes after the US buyers reduced orders following the Thanksgiving Day sales and slide in exports over the past four months

In the first seven months of this financial year, exports from Tiruppur have fallen 34.1% year-on-year to ₹20,420 crore.

"Tiruppur knitwear exporting sector is facing a challenging unusual business scenario in the global markets due to the twin impact of Russia-Ukraine war and the Covid-19 pandemic,"

KM Subramanian, president, Tiruppur Exporters Association, told **ET**. "If the banks resort to increasing export credit rate at this juncture, then naturally the competitiveness of Tiruppur knitwear export sector will get reduced at a time when our competing countries have reduced the rate of interest and there is also deep depreciation of their currencies."

The association has also requested the RBI to extend the export refinance scheme to banks to augment export credit.

"We have asked for emergency export credit as under such a mechanism, banks may be encouraged to provide export credit in rupee to exporters and the same the amount can be refinanced by the RBI at the repo rate," said Subramaniam.

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Customs Board streamlines procedure for export of goods through post offices

Our Bureau
New Delhi

As part of measures to improve ease of doing business, the Central Board of Indirect Taxes and Customs (CBIC) has streamlined exports through post offices. Now, the bill of export can be entered electronically.

According to a notification by CBIC, postal authorities will set up, operate and maintain the PBE (Postal Bill of Export) Automated System for filing of electronic declaration for the export of goods through post.

NEW SCHEME. The postal authorities will, after consultation with CBIC, authorise certain post offices to book export goods

An exporter who wishes to export goods through post or his/her authorised agent will be required to register on the PBE Automated System. It will validate and recognise the registered person and enable him/her to file an electronic declaration and upload supporting documents.

Two forms – PBE III and PBR IV – have been prescribed out of which the first one can be used for export through e-commerce while the second one will be for others.

The postal authorities will, after consultation with CBIC, authorise certain post offices to accept and book export goods. These post offices will be linked to foreign post offices.

Upon filing of electronic declaration for export, the exporter shall present the export goods to the postal authorities at a booking post office at a foreign post office.

The export goods will bear a declaration from the exporter regarding the contents of each of the packages, the value and other particulars. The postal authorities will provide for secure transfer or movement of the export goods from the booking post office to the corresponding foreign post office, where customs clearance will take place.

SECURE TRANSFER

On arrival in the foreign post office, no person will, except with the permission of proper officer of Customs, open any package of export goods. The Customs officer may call for clarification of documents, electronically on the PBE Automated System, from the exporter or his/her authorised agent. Once satisfied and duty is paid, the goods will be cleared.

The exporter or his/her authorised agent will retain, for a period of five years from the date of filing an electronic declaration on the PBE Automated System.

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US DUTY ON STEEL INCONSISTENT WITH GLOBAL NORMS: WTO PANEL

A dispute panel of the World Trade Organisation (WTO) has ruled that the US decision to impose customs duties on certain steel and aluminium products is inconsistent with the global trade norms. This ruling was given in the cases brought by China, Norway, Switzerland and Turkey against these duties. The WTO report assumes significance for India also, as it had in 2018 approached the WTO against the US move to impose these duties. According to sources, this ruling will help strengthen the Indian case. In 2018, the US imposed 25 per cent and 10 per cent import duties on certain steel and aluminium products, respectively, on the grounds of national security. In retaliation, India had increased customs duty on a number of American products such as almonds, walnut, iron and steel items. PTI