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Centre Tightens Rice Stock Monitoring Amid Rising Prices, Allows Five Southern States to Impose Stock Limits

Mandatory weekly stock disclosure introduced nationwide as deficient monsoon, declining paddy acreage and rising prices raise concerns over domestic rice supplies.

The Government of India has stepped up its monitoring of rice and paddy stocks amid rising prices, allowing five southern states to impose stock limits on the commodities until January 31, 2027. It has also made weekly stock declarations mandatory for all traders, wholesalers, retailers, large retail chains and rice millers across the country.

In an order issued on November 6, the Ministry of Consumer Affairs, Food and Public Distribution directed all entities holding rice and paddy stocks to register on the government's Food Stock Portal and update their stock positions every Friday.
The mandatory disclosure will cover six categories: basmati rice, non-basmati premium rice, non-basmati rice, parboiled rice, broken rice and paddy.
Entities failing to register or violating prescribed stock limits will face punitive action under Sections 6 and 7 of the Essential Commodities Act, 1955.
The government has also conveyed its concurrence to Andhra Pradesh, Karnataka, Kerala, Tamil Nadu and Telangana to impose stock limits on rice and paddy through appropriate control orders wherever necessary. The restrictions will remain in force until January 31, 2027.
The measures come amid rising rice prices, particularly in southern India, following deficient and uneven monsoon rainfall and concerns over the upcoming harvest. Premium non-basmati varieties have witnessed significant price increases in several markets.

Rice Prices Rise Amid Production Concerns
The price pressure has been particularly pronounced in southern India, where popular varieties such as Sona Masoori, Samba Masuri and Ponni have become more expensive. Wholesale prices of Sona Masoori rice in southern markets have reportedly risen to Rs. 65-70 per kg from around Rs. 50 per kg a month earlier.
The deficient monsoon has also affected paddy cultivation. Kharif paddy acreage during the 2026-27 season declined by around 4% to 42.68 million hectares compared with the previous year.
Trade estimates suggest that India's rice production could fall to around 147 million tonnes in the 2026-27 crop year (July-June), against a record 154 million tonnes in 2025-26.
The impact of adverse weather is not confined to India. The El Niño weather pattern has disrupted crop production prospects in several Asian rice-growing regions. The US Department of Agriculture (USDA) has forecast that global rice production could decline in the current season for the first time in more than a decade, adding to concerns over international supplies.
However, the current price pressure does not necessarily indicate a nationwide shortage in India. Government rice stocks remain comfortable, while supply constraints and price increases are more pronounced in particular regions and premium rice varieties.

Centre Expands Bharat Rice Supply
Alongside stock monitoring, the government has announced additional allocations of Bharat Rice to three agencies — the National Agricultural Cooperative Marketing Federation of India (NAFED), the National Cooperative Consumers' Federation of India (NCCF) and Kendriya Bhandar.
These agencies have been directed to expand distribution through all possible channels, particularly in southern states, to improve consumer access to rice at affordable prices and moderate retail prices.
The Centre has also doubled the rice sale target under the Open Market Sale Scheme (Domestic) [OMSS (D)] for 2026-27 from 25 lakh metric tonnes (LMT) to 50 LMT.
According to the ministry, 25 LMT of rice had already been sold to private buyers through OMSS (D) e-auctions up to October 31, 2026. This compares with 11 LMT during the corresponding period of the previous financial year.
The increased allocation is intended to strengthen market supplies and provide an additional source of rice for private traders and processors.

Broken Rice Crosses USD 360 Per Tonne; Export Curbs Possible
Rising broken rice prices have added another dimension to the government's concerns over domestic availability, particularly because of growing competition between exporters and domestic industries, including ethanol manufacturers and poultry-feed producers.
International prices of Indian 100% broken rice have crossed USD 360 per tonne, reflecting tightening supply conditions and stronger demand. The benchmark Asian rice price has also climbed to its highest level in almost two years.
The Indian Rice Exporters' Federation (IREF) has indicated that the possibility of renewed restrictions on 100% broken rice exports cannot be ruled out if domestic prices continue to rise.
According to market reports, broken rice exporters have been advised not to sign fresh forward contracts amid uncertainty over the government's possible intervention. This indicates growing caution among exporters over the availability of supplies and the risk of fresh export restrictions.
Domestic wholesale prices of broken rice have also increased from Rs. 2,883 to Rs. 3,036 per quintal in three weeks, adding to concerns over the rising cost of raw material for industrial users.
India had prohibited broken rice exports in September 2022 amid concerns over domestic availability and food security. The government subsequently restored broken rice to the free export category on March 7, 2025.
However, no fresh export restrictions have been announced so far. The developments indicate that the government is increasingly focused on balancing domestic food availability, consumer prices and industrial demand for rice.

Source: https://eng.ruralvoice.in/national/centre-tightens-rice-stock-monitoring-amid-rising-prices-allows-five-southern-states-to-impose-stock-limits.html