Dr. Kalyan B. Goswami

Executive Director

Ref. NSAI/2017/025

Shri S K Sarangi
Joint Secretary
Department of Commerce & Industry
Ministry of Commerce & Industry
New Delhi

Dear Sir,

Office of Agric of India
Ministry of Agriculture
(Deptt. of Agri. & Coopu.)
Krishi Bhawan, New Delhi

National Seed

Date: 29.03.2017

(Registered under the Societies Registration Act.)

Association of India

Subject:

Appeal to remove Hybrid Rice Seed from restricted export category (Chapter 10 of

schedule 2 of ITC (HS) Classification of Export & Import Items)

Reference:

1. Notification No: 23/2015-2020 Dated October 7, 2015, Ministry of Commerce &

Industry

2. NSAI Letter "Export of Hybrid Rice Seed" dated, 3rd, November, 2015

Greetings from NSAI!!

This is with reference to the DGFT Notification No. 23/2015-2020 dated, October 7, 2015 classifying export of rice seed in the restricted category and our earlier representation submitted to you.

We would like to apprise you that hybrid seed industry in India is emerging as a significant supplier of hybrid seeds to South and South East Asia. Indian Hybrid rice seeds have carved a niche for themselves in these countries with a strong brand presence.

Hybrid rice seeds are exported to Bangladesh, Indonesia, Nepal, Philippines, Thailand and Vietnam, etc. Hybrid rice seed exported cannot be multiplied to further use as seeds, therefore, there is no danger of Indian germplasm of rice going out through these exports. Some of the critical facts about hybrid rice seed exports, that need to be considered, are:

- a. Hybrid rice seed is produced under a specific contract exclusively for a target country. The seed produced for export can be used exclusively in the respective countries / zones only.
- **b.** Several Indian seed companies are to export hybrid rice seed under contracts signed earlier with foreign buyers who have made onward commitments. The foreign buyers are exerting pressure on the Indian seed companies to comply and complete with shipment.
- c. The export order agreements are signed before 1 year in advance by companies, to take a production in India and they have to deliver the seed by agreed date. In this scenario if companies don't deliver the seeds, there will be penalties and will miss lot of opportunities in exports and some other country will take advantage of this situation.

Though the Hybridization is increasing in India, the share of Hybrid rice acreage is too small, compared to total rice acreage in the country. Total area under rice cultivation is approximately 44

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million hectare and the share of area under Hybrid rice cultivation is only 5-6% of the total rice acreage.

Moreover, the quantity of Hybrid Rice Seeds exported from India every year (approx. 10,000 tons) is negligible in overall scenario of rice seed supply in India. Therefore, there cannot be an apprehension that hybrid rice seed availability in the country will fall below the required hybrid rice seed quantity in the country due to such exports.

On the other hand if the export of hybrid rice seeds from India is adversely affected due to the restriction, Indian seed companies would lose their market share and brand presence in the region. The void caused by lack of export from India would naturally be filled by export from China or other country. This would be extremely detrimental to growth of hybrid seeds companies in India. It would not be out of place to mention that establishing India as hub of seeds production for export is an important theme under 'Make in India' effort.

Therefore, we humbly request you to remove HS Code 1006-10-10 from the list of restricted Items in the Notification issued by the DGFT and allow Indian Seed Companies to Export Hybrid seeds to the foreign countries.

With regards,

Yours sincerely,

Kalyan B. Goswami

Copy:

Shri R K Singh, Joint Secretary (Seeds), Department of Agriculture & Cooperation, Ministry of Agriculture & Farmers Welfare, New Delhi