

India could export between two million and five million tons of rice after recently ending its export ban, the country's agriculture minister said.

Rice exports have been brisk since resuming last month, although wheat exports, which also recently resumed, have stalled as India's price moved above world prices. Agriculture minister P.K. Basu said wheat exports could remain sluggish, but he told Dow Jones Newswires on the sidelines of a conference he expects rice exports to total two million to five million tons. Basu didn't specify a time period for when he expects that total to be reached.

Exports of five million could top current assumptions. Two top industry executives recently said India could export as much as 2.5 million tons by March.

India is expecting an all-time high rice output of 105 million tons in the crop year that began July 1.

Some wheat traders have said the country has been too slow to allow exports, and missed an opportunity with wheat. Basu said that the country's priority is to ensure stable food prices, and that releasing exports too soon would have "huge" political implications.

Two straight years of favorable monsoons have boosted the country's agricultural production, and shifted concerns from whether the country could produce enough grain to whether it had enough storage space to prevent it from spoiling. Basu said an initiative to increase storage space should resolve the country's shortage in two or two-and-a-half years.

Improving production remains a focus, however. Basu said that while the national government's regulatory approval process for genetically modified crops is "flawless," changes announced this summer that give provinces authority on whether to approve field trials subject the matter to politics and could slow adoption.

But he added that while some states in India are more cautious about genetically modified crops, "I don't think there are any states that are standing against the technology."

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