

RSIS Commentary is a platform to provide timely and, where appropriate, policy-relevant commentary and analysis of topical and contemporary issues. The authors' views are their own and do not represent the official position of the S. Rajaratnam School of International Studies (RSIS), NTU. These commentaries may be reproduced with prior permission from RSIS and due credit to the author(s) and RSIS. Please email to Editor RSIS Commentary at RSISPublications@ntu.edu.sg.

The Dual Mandate of Food Exporting States: India's Roles in the Global Food Order

By Jose M. L. Montesclaros

SYNOPSIS

Criticisms of India's rice export ban must be balanced with the recognition of its responsibility to ensure food affordability for its constituents. Finding a middle ground that addresses India's predicament could help to prevent the impending international food price crisis from escalating.

COMMENTARY

Much has been written critiquing India's July 2023 ban on rice exports (non-basmati rice) which made up a third of its milled rice exports. Given that India is the world's largest rice exporter, critics argue such a move could damage its claim to [lead the Global South](#), as it falls far from its promises of addressing global food challenges when it assumed its [G20 leadership in 2023](#).

However, such discourses have not proven effective in convincing India to normalise its rice trade. The situation has in fact worsened with India's further constraints on parboiled rice exports in [August 2023](#), which account for another 42% of India's milled rice exports. Rice prices continue to spiral to the same levels as in the [2007-2008 global food price crisis](#).

A more constructive approach to engaging India would be to recognise the complex balancing act it undertakes within the global food order, in particular, its dual mandate of serving as a reliable food source in the international food trade on the one hand while meeting the food security needs of its domestic constituents on the other. The same balancing act is faced by other food exporting states today. Building on this understanding, this commentary proposes a "middle way" to prevent an international food price crisis from [escalating](#).

Local Hunger as a World Problem: India's Roles

According to the 1996 [World Food Summit](#) (WFS) organised by the Food and Agriculture Organization (FAO), "local hunger is a world problem." Within this framing, global governance and international cooperation are needed to address hunger across countries. This builds on the universal right to food recognised in the United Nations Charter and the 2030 Sustainable Development Goals.

India had been a good global citizen in this regard, serving as a reliable food source in international food trade. To meet the needs of the growing global population, India has significantly increased its grain exports over the past decade; by 2022 it was the world's largest rice exporter and 2nd largest wheat exporter. India's milled rice exports of over 9.6 million tonnes to Africa contribute to the diets of over 277 million individuals, based on the continent's 2020 per-capita consumption levels.

The country had also been a stalwart source of food during disruptions. When Russia's war in Ukraine started in early 2022, India stepped up to fill the gap in international wheat exports left by these two countries. It increased its wheat exports to more than 1.4 million tonnes in April 2022, roughly [five times](#) the previous year's April exports.

World Hunger as a Local Problem: India's Justifications

However, India's efforts to support the global community when the war started led to a worsening in food security within its borders due to higher food prices, consequently necessitating export bans on wheat and rice as key staples, further bans on onions, and a potential ban on sugar.

While India's export bans have led to criticisms that it was putting global food security at risk and "exporting" its food price inflation, such moves align with the other ideal espoused by the WFS that acts as a counterbalance to the first: "World hunger is a local problem" as it emanates from food insecurity at the local levels. This framing puts state governments as responsible for ensuring the availability and affordability of food of their local constituents.

India's reasons for its export bans are not unfounded. Firstly, greater wheat exports amid the war led to domestic shortages and a surge in wheat prices. This culminated in India's wheat export ban in May 2022, which [remains in place today](#). As wheat is a substitute for rice in making up India's grain stockpiles, the wheat shortage further fed into the rice shortage, leading to fast-rising food price inflation domestically in mid-2022, and the need for a minimum rice export price restriction in September 2022. However, food price inflation continued to increase to [11.51%](#) in July 2023, leading the government to place stronger rice export restrictions in July and August.

As such, while the surge in India's wheat exports amid the Ukraine war prevented a global wheat price crisis from escalating, these actions led to a sequence of events which eventually endangered the food security of its own constituents. Contrary to the argument that India was "exporting" its food price inflation, India was in fact *importing* more of the global wheat inflation that resulted from the war, by continuing to export.

Supporting India: A Multilateral Proposal

India's current approach in fulfilling its dual mandates is to provide state subsidies to its poorer consumers even as it continues exporting grains. What makes India's traditional approach increasingly unviable today is the recent upsurge in India's exports (and thus the reduction in grain stocks) and in international grain prices. Given its lower-income country status, it has become less financially viable to continue the state's model of exporting while providing economic support for its local consumers. Its upcoming elections have given further weight to the need to be financially prudent in protecting food security within its borders.

A potential approach moving forward lies in providing international capital assistance to bridge the financing gaps faced by India in subsidising domestic constituents. This would allow it to sustain consumer support programs to its poorer constituents and remove the need to ban grain exports. Grain supplies in international markets would be less disrupted as India would continue exporting, premised on the support it expects to receive in exchange. This approach thus compensates India for playing its role as a net food exporter in the current global food order.

Such an approach can potentially build on the [Global Food Import Financing Facility](#) (FIFF) proposed by the UN FAO to the International Monetary Fund, to support poorer importing countries who face balance of payments constraints or budget shortages, only that instead of supporting lower-income food importing countries, it would be further extended to lower-income food *exporting* countries.

Way forward

The situation in India and across the region is set to worsen given the [projected reductions](#) in crop harvests amid the intensifying El Niño seasons. As both the war in Ukraine and the weather disruptions are ongoing challenges, India's bans are therefore likely to remain for the rest the year or longer. In fact, [Myanmar](#) has already banned rice exports since August 2023 and more countries may yet join the bandwagon as international prices spiral up. A multilateral solution which would allow for India and other exporting countries to continue to export grains while also protecting their own constituents' rights to affordable food is therefore much needed.

Granted, global grain prices would still increase with such a solution. But this would serve to eliminate the prospects for a worse crisis should a prolonged ban by India spur countries dependent on the rice trade to [speculate on prices as they seek to maximise profits and minimise costs](#), leading to a repeat of the 2008 global food price crisis. The proposed alternative would therefore offer an improvement for the current scenario in which India has banned rice exports. Overall, it would allow the world to focus on mitigating the impacts of the Ukraine war issue with one less headache amid the already embattled global food supply chain.

Jose M. L. Montesclaros is a Research Fellow with the Centre for Non-Traditional Security Studies (NTS Centre), S. Rajaratnam School of International Studies (RSIS), Nanyang Technological University (NTU), Singapore.

S. Rajaratnam School of International Studies, NTU Singapore
Block S4, Level B3, 50 Nanyang Avenue, Singapore 639798
T: +65 6790 6982 | E: rsispublications@ntu.edu.sg | W: www.rsis.edu.sg