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Minimum Export Price

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About Minimum Export Price:

- It is the **price below which an exporter** is **not allowed to export** the commodity from India.
- It is imposed in view of the rising domestic retail / wholesale price or production disruptions in the country.
- It is a kind of **quantitative restriction to trade.**
- Government fixes MEP for the **selected commodities with a view to arrest domestic price rise** and augment domestic supply.
- This is intended to be imposed **for short durations** and is removed when situations change.
- The removal of MEP helps farmers / exporters in realising better and remunerative prices.
- MEP was first implemented on basmati rice in FY11 to deter exports, and is typically implemented to contain surging domestic prices because of production disruptions.
- **Legal backing**

- As per section 5 of **the The Foreign Trade (Development And Regulation) Act, 1992,** the Central Government may, from time to time, formulate and announce by notification in the Official Gazette, the export and import policy and may also, in the like manner, amend that policy.

Q1) What is Minimum Support Price

It is the price at which the government of a country guarantees to purchase crops from farmers to ensure they get a certain level of income for their produce.

Source: Centre may consider introducing a minimum export price for rice exports