

## **Need to exclude Areca nut from the Duty Free Quota Free Preferential Trade Scheme-Laid**

**CAPTAIN BRIJESH CHOWTA (DAKSHINA KANNADA):** I would like to draw the attention of the Government towards the issue of large-scale imports of arecanut into India from Least Developed Countries such as Bhutan, Myanmar, and Sri Lanka, which presently enjoy zero customs duty under the Duty-Free Quota-Free (DFQF) Preferential Trade Scheme. While this exemption was intended to support LDC economies, it has had the unintended consequence of flooding India's domestic market with low-cost, inferior-quality arecanut, destabilising farmer incomes and pushing cultivators into distress. Between September 2023 and August 2024, Bhutan accounted for nearly 57 per cent of arecanut import shipments, followed by Myanmar with 39 per cent and Sri Lanka with around 2 per cent. Despite India being self-sufficient in arecanut production, these imports at zero duty, have created a steep and unfair price disparity, eroding the competitiveness of Indian farmers in regions such as Dakshina Kannada, Shivamogga, Udupi, and Chikkamagaluru. Normal imports attract 100 per cent basic customs duty, yet DFQF exemptions nullify this protection, resulting in price crashes and market distress. I urge the Government to consider excluding arecanut from the DFQF scheme and restore normal customs duty on imports from these countries to safeguard the livelihoods of lakhs of arecanut farmers across India.