

Wheat Trade Hits Pause Button as Exporters, Sellers Await Policy Clarity

Large exporters hold on to stocks; prices back at pre-ban levels of ₹2,250-2,300/quintal

Shambhavi Anand
& Jayashree Bhosale

New Delhi | Pune: India's wheat trade has almost ground to a halt following the restriction on exports last week as traders and exporters await policy clarity, causing local prices of the staple to rebound to pre-ban levels. Large exporters continue to hold on to their stocks but have stopped taking further deliveries from suppliers, caught unawares by the curbs.

"Since the government had been pushing exports of wheat, we had made our strategies accordingly," said a senior executive at a large wheat exporting company.

ITC, Cargill, and Viterra are big corporate exporters of wheat

On Halt

India had banned wheat exports on May 13

Exports allowed in case of prior commitment through LCs and if other govts ask for supplies

But have recovered to ₹2,250-2,300/quintal due to lack of volumes

Move aimed at curbing rising prices of wheat and atta

Wheat prices had fallen about 8% post ban

Large cos holding on to stocks but not taking further deliveries

4.5 MT already contracted for 2022-23

from India. "The government's move to restrict wheat exports to ensure equitable distribution to countries, particularly those vulnerable or in the neighbourhood, is a judicious step to bal-

ance interests of all stakeholders," an ITC spokesperson said, without giving details on wheat purchases or stocks.

A representative of another large exporter said that there is a

India to WTO: Unfair to Blame Ban for Prices



India on Friday told the World Trade Organization (WTO) that it is

unfair to blame its export restriction on wheat for the surge in global prices of the commodity, and asked member countries to stop "naming and shaming" it.

Kirtika Suneja reports. ►► 11

"stalemate" in the wheat market. "There is hardly any buying or selling. Everyone is trying to hold on to their stocks," he said.

Staple Rates now 5% Above MSP ►► 6

Staple Rates Now 5% Above MSP

►► From Page 1

Another executive at an exporter said, "We have stopped taking deliveries from our suppliers till further clarification."

The lack of volumes has pushed up domestic wheat prices again.

Wheat prices had fallen about 8% just after the government banned exports and smaller traders dumped their stocks. Prices have since recovered to pre-ban levels of about ₹2,250-2,300 per quintal, about 5% above the minimum support price (MSP).

"While large companies are holding on to their stocks, some smaller traders have sold their wheat to millers at lower prices due to panic," said Mohit Upadhyay, managing director of HVM Agro.

The government banned wheat exports on May 13 citing food security risks for India and its neighbours and

other vulnerable countries, while allowing contractual commitments to be met. The government expects these measures to tame domestic wheat and atta prices that have risen sharply following demand for exports and likely lower production in the current year.

Retail inflation in wheat and atta spiked to 9.59% in April from 7.77% in March.

According to government data, about 4.5 million tonnes (MT) of wheat was contracted for export in 2022-23 of which 1.4 MT was exported in April.

"With nearly 5 million tons already contracted by the overall industry, this move will help calibrate additional exports in the months ahead and meet the complementary needs of domestic food security, exports and farmer realisation," the ITC spokesperson said.