

Wheat prices surge to record high

COSTLY GRAIN. This despite higher arrivals in Oct; global rates up 5% as Russia pulls out of UN-brokered deal

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Wheat prices in India have soared to a record high in agricultural produce marketing committee (APMC) yards and wholesale outlets despite arrivals during October 1-30 increasing to a 7-year high.

The development comes amidst global wheat prices rising five per cent on Monday after Russia said it was withdrawing from the UN-brokered deal to permit grain exports in the Black Sea region.

“Wheat is delivered to flour mills in Delhi at ₹2,700 a quintal. For mills in Bengaluru, the price is ₹2,900-2,980,” said Pramod Kumar, President, Roller Flour Mills Federation of India.

“Haryana is currently feeding the country with wheat.



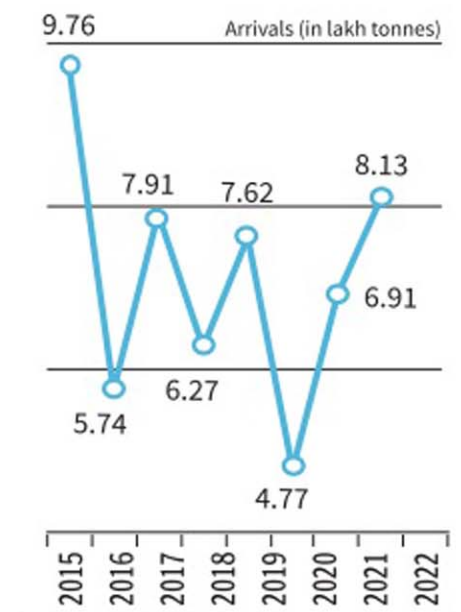
Punjab has no wheat and we are not able to understand where the wheat from Uttar Pradesh has gone,” said Adi Narayan Gupta, a Delhi-based flour miller.

According to Agmarknet, a unit of the Agriculture Ministry, arrivals during October

1-30 were 8.13 lakh tonnes (lt) — the highest after 9.76 lt in 2015. For the entire season starting April 1, arrivals at 21.71 million tonnes (mt) are at a three-year high since the 23.73 mt inflow in 2019.

Wheat prices at APMC yards in the third week of Oc-

7-year high arrivals*



Source: Agmarknet (October 1-30)

tober increased to ₹2,570.3 a quintal compared with ₹2,400.74 in the last week of September and ₹2,465.17 in the third week of September.

According to the Department of Consumer Affairs, the retail price of wheat on October 30 was ₹30.37 a kg —

down from ₹30.99 a month ago.

REASONS FOR SURGE

Millers and analysts attribute two reasons for the surge despite higher arrivals. One is many mills do not have stocks that can help them manage the situation till the new wheat crop is harvested in February-end or early March. The Centre not releasing wheat under the open market sale scheme (OMSS) this year is the other reason for the spike. OMSS helped mills procure the raw material at a low cost and thus control market prices and inflation.

“Overall wheat availability is low since we are discounting the amount of the food-grain that was exported during March-May before the Centre banned shipments,” said S Chandrasekaran, an analyst.