

Wheat export ban likely to continue, govt to scale up procurement

FCI to offer 1.5 mt of grain in second e-auction on Feb 15

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THE GOVERNMENT IS likely to extend the ban on wheat exports imposed last year till the end of the 2023-24 marketing season (April-June). It will also scale up procurement operations to ensure that the grain stocks remain at a comfortable level through the coming summer.

Sources said that the current situation doesn't warrant a review of the exports ban imposed in May 2022. Instead, they said, the focus would be on MSP purchases, especially in Punjab, Haryana, Madhya Pradesh and Rajasthan. "Currently our main priority is to carry out procurement operations to build up the FCI's wheat stock which has depleted significantly," a food ministry official told *FE*.

WHEAT INFLATION



Source: MoSPI, data for 2022



Even though wheat exports are banned, India allowed small consignments via government channels to meet food security needs of developing countries. India has exported 4.6 million tonne (mt) of wheat so far in the current fiscal against 7 mt shipped in the whole of FY22.

To curb a spike in prices, the food ministry on Friday approved e-auction of 1.5 mt of wheat from the FCI's stock to be held on February 15, 2023 for bulk buyers like flour millers. The average floor price fixed for e-auction

has been revised to ₹2,300-2,350/quintal, which includes transportation cost; in the first e-auction held at the beginning of the month, the average floor prices was ₹2,401/quintal, which excluded the freight costs.

In its earlier auction, the FCI had sold 0.92 mt of wheat in the open market against an offer of 2.2 mt of grain. The government had earmarked 2.5 mt of wheat for e-auction from the central pool stocks to bulk buyers.

Wheat output in the last crop year (July-June), had declined by around 3% on year to 106.8 mt because of heat waves during the flowering stage of the crop in March.

Due to lower production and higher global demand, the FCI's procurement in the 2022-23 marketing season fell by more than 56.6% to only 18.8 mt against 43.3 mt purchased from the farmers in the previous year.

On the current season's crop prospects, Pritam Singh, a wheat farmer from Panipat, Haryana, said that the prevailing day time temperature has been slightly on the higher side, but a drop in night temperature is at present conducive for the crop.

According to agriculture ministry data, wheat has been sown in 34.3 million hectares (MH) this season, is marginally higher than the previous year.

The agriculture ministry will release the first advance estimate of wheat output for the 2022-23 crop season (October-September) later this month.