

Wheat reserve price cut to ₹2,150 a quintal

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With purchase of wheat slowing down, the Centre on Friday, in a bid to check prices, further reduced the reserve price of FCI wheat to ₹2,150 per quintal for bulk consumers under the Open Market Sale Scheme (OMSS). The move brought the reserve price closer to the 2023-24 minimum support price (MSP) of ₹2,125 per quintal.

According to the food ministry, the reserve price of fair and average quality (FAQ) wheat has been reduced to ₹2,150 per quintal, and ₹2,125 for under relaxed specifications (URS) wheat. These rates will be applicable till March 31, the ministry said.

State-run Food Corporation of India (FCI) is offloading 2.5 million tonnes of wheat to bulk users under the OMSS. "Reduction in reserve price will help reduce market price of wheat and wheat products for consumers," the ministry said.

States are allowed to purchase wheat from FCI for their own scheme at the proposed reserve prices without participating in e-auction, it added.

On February 10, the ministry did away with freight charges and kept the reserve price of FCI wheat at ₹2,350 per quintal for bulk users through e-auction. It also reduced the price of FCI wheat offered to institutions like Nafed, NCCF and Kendriya Bhandar to ₹21.50/kg from ₹23.50. These institutions were offered wheat for converting the grain into flour and sold it at a maximum retail price of ₹27.50/kg instead of ₹29.50.

FCI has already sold 1.31 million tonnes of wheat out of 2.5 million tonnes to traders, flour mills, etc, during the first two e-auctions from February 1-2 and again on the 15th. The next auction will be held on February 22.



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Last month, the government announced plans to sell 3 million tonnes of wheat in the open market from its buffer stock under the OMSS to check rising wheat and wheat flour prices. FCI, the government's nodal agency for procurement and distribution of food-grains, had around 15.69 million tonnes of wheat as of January 26 in the buffer stock.

On April 1, the country would have a wheat stock of 9.6 million tonnes, just above the buffer norm requirement of 7.5 million tonnes.

Under the OMSS policy, the government allows FCI to sell foodgrain, especially wheat and rice, at predetermined prices in the open market from time to time to bulk consumers and private traders.

The country's wheat production fell to 106.84 million tonnes in the 2021-22 crop year (July-June) from 109.59 million tonnes in the previous year due to heat waves in a few states. Wheat production this year is projected to be at a new record of 112.18 million tonnes. Procurement of new wheat crop would commence from March 15.

TEMP TO RISE 2-4°C OVER NEXT 5-6 DAYS

Minimum temperature across northwest and central India, along with Maharashtra, is expected to rise by 2-4 degrees over the next 5-6 days, according to the IMD. A big reason for the early onset of high temperature is the



near absence of any rain in the winter months and very few western disturbances. Between January 1 and February 17, rainfall has been almost 35 per cent below normal. The Centre in its second estimate has said wheat production in the coming rabi marketing season could be at an all-time high of 112.18 million tonnes, up 4.12 per cent from last year on the back of a sharp increase in acreage. **COMPILED BY SANJEEB MUKHERJEE**

STEEP DROP

Rainfall during winters

Region	Actual	Normal (in mm)	% change
East and NE India	9.5	32.8	-71.0
North-West India	52.9	58.7	-9.9
Central India	1.9	12.5	-84.8
South Peninsular India	6.1	12.6	-51.6
All India	19.6	30.0	-34.7

Source: India Metreological Department