

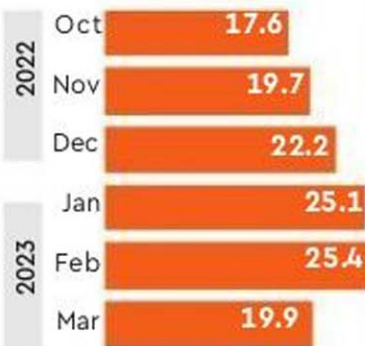
Lifting of ban on wheat export ruled out

SANDIP DAS
New Delhi, May 5

TO ENSURE SUPPLIES and rule out any possibility of spike in domestic prices, the government has dismissed lifting ban on exports of wheat and products such as atta this year and is also considering imposition of stockholding limits against possibility of hoarding of the commodity.

Sources told FE that the aim is to ensure that inflation in cereals, which had witnessed a spike in the last few months, is kept in check. "There will be no lifting of the ban on wheat exports this year while we are keeping the option of imposing stockholding limits to improve supplies," an official said. A high-level inter-ministerial

RETAIL WHEAT INFLATION (%)



Source: MoSPI



committee has been monitoring prices of essential commodities on a regular interval. India had imposed a ban on wheat exports except on shipments under government-to-government arrangements for food security — in May, 2022. The ban

on shipment of wheat was necessitated by a drop in the rabi production of the cereal in the 2021-22 crop year (July-June) and procurement by government agencies dropping 56.6% to only 18.8 million tonne (MT) against 43.3 MT purchased from the

farmers in the 2021-22 season (April-June).

Retail wheat inflation rose by 19.91% in March 2023, a moderate decline from a high of 25.37% in the previous month. The inflation in wheat had been in the double digit since June, 2022. Currently, the mandi prices of wheat are ruling around the minimum support price (MSP) of ₹2,125/quintal for 2023-24 season. Sources said that with the government buying more than 24 MT from farmers under the MSP operations so far, up 40% on year, there would be sufficient grain available at the disposal to carry out open market sale of the commodity for bulk purchasers if prices rise.

Officials said that overall wheat purchase in the current season is likely to be around 27 MT.