

Govt procures over 26 MT wheat

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AFTER A SLUGGISH start following a delayed harvest, the purchase of wheat by government agencies in the current rabi marketing season — 2024-25 (April-June) — has crossed 26 million tonnes (MT) and is likely to surpass last year's purchase of 26.2 MT in the next couple of days.

Officials said that overall procurement this season by the Food Corporation of India (FCI) and state government agencies is likely to be around 27 MT, adequate to meet requirements for supplies under the Pradhan Mantri Garib Kalyan Anna Yojana and maintain a buffer.

While overall procurement of grain until Saturday was 26.07 MT, marginally below last year's level, procurement will continue until the end of the month. At the beginning of the season, the food ministry had projected 30-31 MT of wheat purchase during the current season.

Five agencies entrusted with procurement in Punjab, the biggest contributors to central pool stock, are set to procure a record 12.5 MT of wheat in the current season, out of which 12.4 MT has already been purchased

THE WHEAT STORY

Wheat procurement under MSP operations (in million tonne)

2020-21	38.99
2021-22	43.3
2022-23	18.8
2023-24	26.2
2024-25	26.07*



Source: Food ministry
Marketing season (April-June), *as on May 18th, 2024 against target of 30 MT

from the farmers.

In Haryana, 7.14 MT of wheat has been purchased under the minimum support price (MSP) operations for central pool stock so far, and the purchase operations have been completed in the state.

However, in Madhya Pradesh, which commenced MSP operations early, procurement has so far been 4.71 MT of wheat, much less than the 7 MT purchased from farmers last season. The state is likely to procure around 5 MT of wheat against the initial projection of 8 MT.

Sources said more than ₹50,000 crore has been paid to more than 2.1 million farmers' bank accounts so far

against the wheat purchase under the MSP operation.

"We need around 18.4 MT of grain for social welfare schemes, and any additional procurement in the current season would help us in carrying out open market sales to curb a possible spike in prices," Ashok Meena, chairman and managing director of FCI, said.

To curb prices, the government has sold a record 10 MT of wheat in the open market through weekly e-auctions to bulk purchasers and flour millers in FY24.

Current wheat stocks in the central pool are 26.84 MT against the buffer of 26.58 MT for July 1.

After achieving a record procurement of 43.3 MT in the 2021-22 season, the purchase by the government agencies under the MSP operations fell to a record low of 18.8 MT in the 2022-23 season. However, it rose by around 40% to 26.2 MT in 2023-24.

The government has announced an MSP of ₹2,275/quintal for the 2024-25 season, which is an increase of ₹150/quintal over the previous season.

In addition, Rajasthan and Madhya Pradesh have announced a bonus of ₹125/quintal over the MSP.

To boost purchases in Rajasthan and Madhya Pradesh where crops had been hit due to adverse weather conditions, the food ministry has relaxed the norm for grain purchase and the agencies will buy wheat if it's "shrivelled and broken" up to 15% without value cut against normal criteria of up to 6%.

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