

FCI wheat buy may touch 27 mt

FALLING SHORT. Despite missing target, purchases likely to be 8.5 mt more than demand

Prabhudatta Mishra

New Delhi

The daily wheat procurement by the Food Corporation of India (FCI) has dropped to 0.2 million tonnes (mt) since Wednesday (May 10) from about 0.5 mt on May 2 with arrivals of the grain declining at agricultural produce marketing committee (APMC) yards and procurement centres. Despite this development, the government hopes to procure around 27 mt of wheat this year, which is about 8.5 mt more than the annual demand under the food security law and other welfare schemes.

Though it (27 mt) is lower than estimated procurement (34.15 mt), it is much more than the requirement (18.4 mt), Food Corporation of India Chairman Ashok K Meena told *businessline*. He said, for the first time, there was no distress call from any quarter to ensure procurement as farmers this year were getting either minimum support price (MSP) or more. "As much as 85 per cent of arrivals

Declining arrivals

All-India daily procurement (tonnes)



in Uttar Pradesh are purchased by the private sector, who are offering more than MSP. The arrivals will henceforth dwindle slowly as those who wanted to sell to the government have already done," Meena said. "It is a good situation that while farmers are getting good prices for their wheat, the government is also able to buy more than its requirement," he said.

UP FROM 15-YEAR LOW

Asked if the surplus leaves scope to make provision for open market sale scheme (OMSS), he said, "Of course,

there will be some quantity for it." Wheat procurement in the on-going season has surged 42.8 per cent to 25.41 mt as of May 10 in the ongoing season (April-June) against 17.8 mt a year ago, according to the latest official data.

Out of 28.7 mt targetted from three States — 13.2 mt in Punjab, 8 mt in MP and 7.5 mt in Haryana — almost 87 per cent has been achieved, so far.

Punjab has shown a 26 per cent increase in purchases at 11.93 mt as of May 10 from 9.47 mt a year ago, Haryana has reported a 53.3 per cent

jump at 6.24 mt, and in Madhya Pradesh, wheat purchase is up by 67.7 per cent at 6.76 mt.

Procurement in Uttar Pradesh, the largest wheat producer, reported a 16.9 per cent fall to 0.18 mt from 0.21 mt, official data show. But Rajasthan contributed 0.3 mt to the Central Pool stock so far.

MP OFFERS SCOPE

Punjab, which had a share of over 70 per cent in total daily arrivals of wheat a week ago, has reported a 20 per cent share on May 10, whereas, on the same day, 55 per cent of total arrivals was reported from Madhya Pradesh. Since Uttar Pradesh and Rajasthan have little scope amid the private sector's aggressive buying and near exhaustion of stocks in Punjab and Haryana, only MP offers some scope, experts said.

Navneet Chitlangia, senior vice-president of the Roller Flour Millers Federation of India said, "Mills in the Southern States are procuring wheat from MP. So, the government will end up at 27-28 mt."