

# Centre asks states to get ready early for MSP purchase of wheat

Stock to fall close to buffer by April 1

**SANDIP DAS**  
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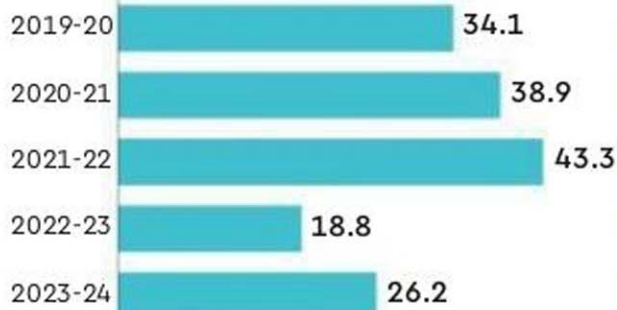
**TO BOLSTER CENTRAL** pool grain stocks, the government has asked key wheat-growing states, including Uttar Pradesh, Punjab, Haryana, Madhya Pradesh and Rajasthan, to start registering farmers and setting targets for procurement under the Minimum Support Price (MSP) operations early.

Sources said although wheat purchase from the farmers by the Food Corporation of India (FCI) and state agencies for rabi marketing season (2024-25) officially commences on April 1, states have been asked to start preparations and commence purchase under MSP operation next month.

The government is aiming to boost wheat stock held with FCI, which is likely to fall close to the buffer of 7.4 million tonne (MT) by April 1, because of aggressive selling in the open market aimed at curbing spikes in prices.

Uttar Pradesh, the largest wheat producer in the country, has been

## WHEAT PROCUREMENT (in million tonne)



Source: Food ministry, Marketing season (April-June)



directed to start the purchases from March 1. Madhya Pradesh, the second biggest contributor to the central pool stock after Punjab, has been urged to commence MSP purchase operation by March 15, a week ahead of the usual date. Officials said talks are on with MP, which has promised a bonus over the MSP of ₹2,175/quintal on quantum of grain to be purchased.

Despite a sharp fall in procurement by government agencies in the last two seasons, Madhya Pradesh purchased over 7 MT of wheat in 2023-24 rabi marketing season (April-June), which is 27% of total purchase of 26 MT across key producing states.

Meanwhile, the food ministry has given approval to purchase wheat in Rajasthan at ₹2,400/quintal, which includes the bonus of ₹125/quintal over MSP. "The state government has agreed to transfer the bonus amount within two days of procurement as per the norm for MSP payment," an official told *FE*.

The state agencies in Punjab and Haryana, start MSP operations for wheat from April 1, while the grain purchase picks up after Baisakhi on April 14.

The Centre has called a meeting of food secretaries of wheat-producing states on February 28 to work out modalities for purchase for the 2024-25 marketing season.

Sources said the FCI is likely to continue with the open market sale of wheat to bulk buyers till March 15. In the current fiscal, the corporation has sold 8 MT of wheat in the market to bring down prices so far.

At present, FCI has wheat stock of 12.67 MT, the lowest since 2016 against the buffer of 7.4 MT for April 1. According to an assessment, following the offloading of 10 MT of wheat in the market, the government stock is likely to fall to around 7.7-7.8 MT by April 1.

The government has set a higher wheat production target of a record 114 MT for the 2023-24 crop year (July-June) against an estimated output of 110.5 MT in 2022-23.