

FCI procures 100,000 tonnes of wheat

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The Food Corporation of India (FCI) has procured over 100,000 tonnes of wheat domestically in the current 2024-25 rabi marketing season after advancing the start of annual purchases by more than a fortnight.

The rabi market season runs from April to September.

The Centre started procuring wheat on 13 March this year as opposed to the usual 1 April, amid falling stocks. Additionally, the government wanted to align procurement more closely with production levels.

Production in the key states of Uttar Pradesh, Rajasthan and Bihar was low in the past two seasons. However, Madhya Pradesh and Rajasthan have made a recovery this year – just ahead of general elections which kick off on 19 April.

As of now, wheat stocks with the FCI, which maintains the government's granaries, stand at 7.71 million tonnes (mt), a 16-year low, against the buffer norm of 7.46 mt as of 1 April. The last time wheat stocks were below this level was back in 2008 when it had dropped to 5.8 mt.



The Centre aims to procure 30-32 mt of wheat in the 2024-25 Rabi marketing season against 26.2 mt in the last season. PTI

After procuring 43.3 mt under the minimum support price (MSP) operations in the 2021-22 season, such purchases by government agencies fell to record low of 18.8 mt in 2022-23. However, it rose by around 40% to 26.2 mt in the 2023-24 rabi marketing season.

The recent procurement of wheat is attributed to the advancement of procurement period, with procurement having already started in Madhya Pradesh,

Rajasthan, Uttar Pradesh and Bihar. It will kick off in Punjab, Haryana, Uttarakhand, Gujarat, Himachal Pradesh and Jammu & Kashmir from April onwards, the FCI said on Thursday.

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“Wheat procurement under Central Pool for RMS (rabi marketing season) 2024-25 is progressing smoothly with purchase of over 1 lakh tonnes of wheat up to 27.03.2024, with Madhya Pradesh as the major contributor followed by Rajasthan, as against the last year's

corresponding purchase of 10,727 MT. Over 14,000 farmers have already been benefited from the ongoing RMS procurement operations with MSP outflow of ₹209.825 crores with transfer of payment directly into farmers' account,” the FCI said in a statement.

“The first purchase of wheat was done on 13.03.2024 making it the earliest procurement of wheat in recent time. The MSP value and bonus has been disbursed in the farmer's account same day of the purchase. MSP payment to farmers is to be made within 48 hours of purchase preferably as per procedure.”

The Centre aims to procure 30-32 mt of wheat in the 2024-25 Rabi marketing season against 26.2 mt in the last season on expectations of a bumper wheat crop of 114 million tonnes in the 2023-24 (July-June) crop year.

Wheat production was a record 110.55 mt in the 2022-23 crop year, compared to 107.7 mt harvested the previous year.

India is the world's second-largest wheat producer and consumer after China. However, the past two years have seen India's wheat production suffer due to severe heatwaves during harvest