

Wheat prices ease as govt allocates more under open market sale scheme

STILL ABOVE MSP. Wholesale price down to ₹2,967/ quintal on February 10 from ₹3,007 on February 1

Our Bureau

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The government's decision to increase the quantity of wheat offered under the weekly open market sales from 1.5 lakh tonnes (lt) to 4 lt has eased the grain's wholesale prices over the past 10 days. However, they are still above the Minimum Support Price (MSP) of ₹2,425/quintal for the current season. Procurement of wheat for buffer stocks will start next month in some States and from April 1 in other States.

"Unless the prices are brought to around the MSP level, it will be difficult for the government to buy targeted quantity from Madhya Pradesh and Uttar Pradesh as most of the private traders prefer to purchase in these two States due to high mandi

fees in Haryana and Punjab," said an industry source. "The government should parallelly prepare an emergency plan on what to do if procurement falls below 250 lt," an official said.

According to market data, the wholesale price of wheat on an average (All-India) dropped to ₹2,967/quintal on February 10 from ₹3,007 on February 1. But it is still higher from ₹2,953 a month ago and ₹2,764 a year ago, data maintained by the Consumer Affairs Ministry show. The price trend was similar in Uttar Pradesh, Madhya Pradesh and Rajasthan.

CENTRE OPTIMISTIC

The government recently allowed the Food Corporation of India to raise the offer quantity in weekly e-auction for the processors to 4 lt from earlier 1.5 lt. So far, the government has been able to



Wheat prices* in wholesale market (₹/qtl)

	Feb-10	Feb-01	Jan-10	Yr-ago
All India	2,967	3,007	2,953	2,764
UP	2,714	2,731	2,697	2,481
MP	2,840	2,849	2,825	2,576
Raj	2,712	2,840	2,694	2,533

Source: Consumer Affairs Ministry *Average rate

sell about 13 lt of wheat through e-auction since it started in December 2024.

But, the government is optimistic of a good procurement as a higher inflation of 17 per cent just before the harvest did not impact purchases for 2023-24 season which witnessed close to 40

per cent jump from its previous year (2022-23) when procurement had dropped to 16-year low of 188 lt.

The Union Food Minister Pralhad Joshi had already held discussions with food ministers of five states—Uttar Pradesh, Madhya Pradesh, Bihar, Gujarat and Ra-

jasthan— on increasing wheat procurement in these states. The Union Food Secretary Sanjeev Chopra is also likely to hold a meeting with officials of all wheat-growing States soon to finalise the estimate of procurement and prepare an action plan, sources said.

Last year, the Centre purchased 266.05 lt of wheat, in which these five states had a combined share of 26 per cent. The government had set a target to buy 162.1 lt from these five states in 2024, out of which it could buy nearly 70 lt, which is about 43 per cent of target.

The production target has been set at 115 million tonnes (mt) in current year, up from a record 113.29 mt during 2023-24 crop year (July-June).

The agriculture ministry may release the production estimate next month.