

## Tardy progress in wheat procurement

**Procurement in first 20 days of 2015-16 crop season is 62% lower than in year-go period; unseasonal rains may force lowering of full-season target**

Sanjeeb Mukherjee | New Delhi April 21, 2015 Last Updated at 00:40 IST



India's annual wheat procurement in the first 20 days of the 2015-16 crop season was 62 per cent less than what was purchased in the corresponding period of the previous year, triggering fear that the government might have to lower its full-season target in view of unseasonal rains.

Till Monday, India procured 3.61 million tonnes (mt) of wheat against 5.87 mt purchased during the corresponding period last year.

The government had planned to purchase 30 mt of wheat in 2015-16, two million tonnes more than the actual purchase in 2014-15.

However, unseasonal rain and hailstorm in large parts of north and central India seem to have affected the plan. The poor quality of wheat might also discourage private players, increasing the burden on Food Corporation of India (FCI) and state agencies.

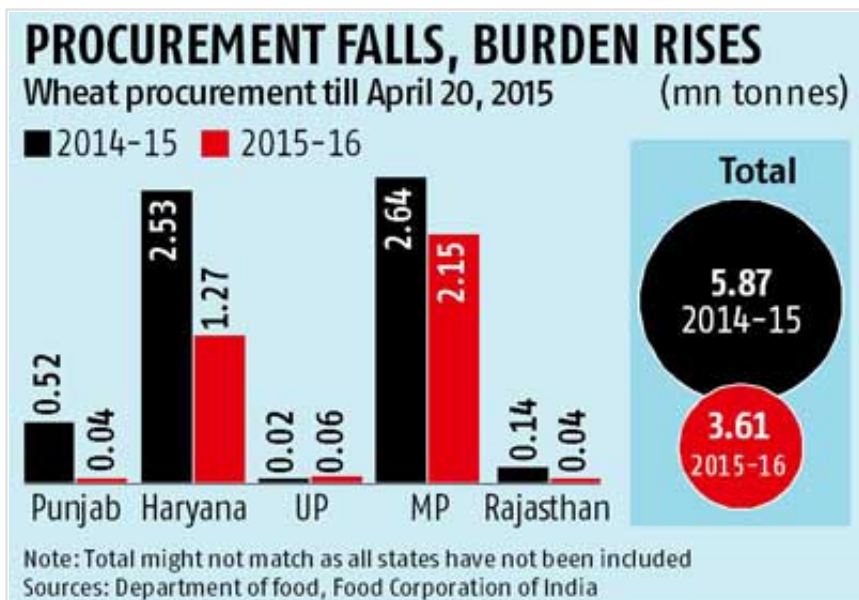
The highest shortfall in procurement has been in Punjab, where wheat purchase by state agencies and FCI has been eight per cent less than last year's.

The unseasonal rain and hail, which started from late February and continued into April, has damaged standing wheat in 3.86 million hectares of the total crop sown in 30 million hectares, according to estimates as on April 7.

According to agriculture minister Radha Mohan Singh, the overall production of wheat — the biggest foodgrain grown during the rabi season — might fall four to five per cent against the earlier estimates of 96 mt.

“We feel the overall wheat procurement might have to be lowered by at least two million tonnes as output might get impacted in crucial producing states,” said a senior food ministry official.

According to the official, purchases are unlikely to be significantly less than last year's as the Centre has relaxed the



quality parameters to enable more farmers to sell wheat to the government.

“That apart, the private traders who had been big buyers for the past few years might not be very enthusiastic this year to purchase from farmers because of poor quality, leaving FCI and state agencies being the only big buyers in the market,” said the official.

Already, private traders have placed export order for import of 70,000-80,000 tonnes of wheat over fears of poor quality in the domestic crop. The imports are the highest since 2010. The

imports are for April and May, the two months when domestic procurement is the highest.

The Centre on its part has relaxed the quality norms for procurement of wheat, but has done them with a reduction in their value.

The Centre had on April 8 relaxed the procurement norms for the 2015-16 marketing season in Madhya Pradesh, Gujarat and Haryana and expressed its willingness to do the same in other states as well.

According to the new norms, the FCI would henceforth procure wheat having "lustre lost grains" up to 25 per cent in Gujarat, 40 per cent in Madhya Pradesh and 50 per cent in Rajasthan. The current norms prohibit procurement of a single wheat grain, which has lost lustre.

Similarly, it will purchase any amount of broken rice in Gujarat, but will do so if these are 10 per cent in Madhya Pradesh and nine per cent in Rajasthan, against the current practice of buying these even if broken rice is six per cent.

However, farmers whose below-par wheat is purchased for the Central pool will face a cut of Rs 14.5 a quintal in the minimum support price (MSP) for their produce.

The MSP is fixed for the fair average quality of grain that is purchased by the FCI and its agencies. For the 2015-16 marketing season, it is set at Rs 1,450 a quintal.