

**GOVERNMENT OF INDIA
CONSUMER AFFAIRS, FOOD AND PUBLIC DISTRIBUTION
LOK SABHA**

UNSTARRED QUESTION NO:1953
ANSWERED ON:03.08.2001
EXPORT OF WHEAT
MOHAN RAWALE

Will the Minister of CONSUMER AFFAIRS, FOOD AND PUBLIC DISTRIBUTION be pleased to state:

- (a) whether the Government propose to export good quality wheat from the central pool at the predetermined price of Rs.1410 per tonne less than the price quoted for Australian and Argentinian wheat in the global market;
- (b) if so, the details thereof and the export price of Indian wheat vis-a vis the economic cost incurred by FCI in procurement, storage and transportation; and
- (c) the reasons for export of good quality wheat at less price especially when the consumers in the country are paying high prices for purchasing the inferior quality wheat?

Answer

THE MINISTER OF STATE IN THE MINISTRY OF CONSUMER AFFAIRS, FOOD AND PUBLIC DISTRIBUTION (SHRI CHAUHAN)

(a),(b)&(c): The wheat from the Central Pool is being offered by FCI at a price not lower than the CIP for BPL category to the PSUs/agencies etc. for export purposes. FCI has been permitted to offer 50 lakh MTs of wheat during the year 2001-2002. The wheat is being delivered @ Rs.4300/- per MT to exporters w.e.f.1.4.2001 This export price will remain applicable till 30.9.2001. The PSUs/agencies are exporting the offered wheat to prospective buyers at the mutually agreed price which differs from destination to destination. The minimum export price realized by the PSUs etc. is not less than US\$102 PMT. However, the export price for US wheat is in the range of US\$111 PMT to US\$149 PMT FOB, as per the latest International Grains Council Daily Monitor dated 25th July, 2001.

The economic cost of wheat for the year 2001-2002 is Rs.872 00 per quintal. Export of wheat is just one of the many options available with the Government to liquidate mounting stocks lying in the Central Pool which are far in excess of the prescribed buffer norm. The country also earns precious foreign exchange by exporting the surplus stocks of wheat, which also creates additional storage space for the new crop.

The price fixed is competitive when compared to other major suppliers like USA, Australia and Canada. However, when compared to the wheat of France, Turkey, Belgium origin, price is more or less equal. The impurities contained in Indian wheat is more as compared to those of USA, Australia and Canada origins and therefore the price of wheat of these origins can not be compared to that of FCI price.