

India turns major wheat supplier in South, West Asia as global prices soar

India has turned a major wheat supplier for countries in South Asia and the Indian Ocean Region, mainly West Asia, as prices in the global market have surged near eight-year high, according to officials and industry experts. Rising freight charges have also resulted in these countries turning to India to meet their wheat demand.

According to **Agricultural and Processed Food Products Export Development Authority** (APEDA), India exported 19.86 lakh tonnes (lt) of wheat during April-August fiscal compared with 2.63 lt during the year-ago period.

USDA projection

The United States Department of Agriculture, in its “Grain: World Market and Trade” report, projected India’s wheat exports at 45 lakh tonnes (lt), the highest since it shipped 55.72 lt in 2013-14. The foodgrain’s shipments is estimated to have topped last year’s total shipments of 20.86 lt by now.

India wheat has not just gained in volume but in price too. The higher prices in the global market are reflected in domestic prices too, which are ruling around this year’s minimum support price (MSP) level of ₹ 1,975.

Shipments by road

Most of the wheat consignments go by road to the neighbouring country and trucks carrying wheat account for almost a third of the total vehicles crossing the Ghojadanga border. For example, on October 19, 92 trucks carried wheat to the neighbouring country out of the 312 that passed through the border. One major reason for Indian wheat to make inroads in the global market is that besides being competitive, its quality has also improved.

Prospects good till March

The USDA has projected global wheat consumption to increase sharply than production this year. As a result, global wheat exports would be at record levels resulting in stocks dropping to a five-year low. Global output will be only marginally higher as production

in the US, Canada, Kazakhstan and Iran have been affected. The decline in Canadian production will result in the North American nation shipping 15 million tonnes of wheat lower this year. India is seen gaining a chunk of the gap, with Australia and Europe being projected as the other gainers.

Source: The Business Line