



FOOD CORPORATION OF INDIA

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PRESS RELEASE

Indian wheat secures attractive price in global market

New Delhi, June 27: Riding on the strictest multi-layer quality checks mounted by the Food Corporation of India (FCI), Indian wheat has secured comparatively better price in the international market, with the latest lot up for sale crossing the CBOT (Chicago Board of Trade) price by nearly 50 dollars per tonne.

According to the latest tender opened, India got 300.10 dollars per tonne for the lot offered for export as compared to the July future price of CBOT (260 dollars) as on June 3. About four million tonnes (MT) of wheat, exported so far by the FCI, have got an average price of 311.69 dollars per tonne.

An FCI official said the exports this year have proved that the corporation's wheat has a wider and higher acceptability in the international market. "We got a very good response to our wheat despite a drop in the global demand," he added.

After a long gap, the government had this year allowed export of 4.5 million tonnes of wheat, thanks to a stupendous rise in the production and the excess stock in the country. Earlier, during 2002-04, India had exported it on a commercial basis. However, prices were not so attractive then.

Of the export target, 4.03 million tonnes has already been despatched. The reserve price for export of the initial lot of 2 million tonnes was just 228 dollars per tonne, while for the second lot it was fixed at 300 dollars per tonne.

"There is a huge demand for our wheat now," said the FCI official. "We get prices as good as that of Australian Soft Wheat, one of the best in the world. The exports have proved the acceptability of our wheat in the international market," he said.

The main buyers for Indian wheat are South Korea (10,01,789 mt), Ethiopia (6,80,358 mt), Bangladesh (6,75,432 mt), Yemen (3,06,519 mt), Thailand (2,71,767 mt) and Indonesia (2,10,700 mt). Besides, the buyer-countries also included Sharjah, Dubai, Sudan, Oman, Qatar, Vietnam, Malaysia and the Philippines.



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FCI has exported the wheat through agencies like STC, PEC and MMTC. Mundra port in Gujarat handled the largest quantify of export, followed by Kandla — also in the Kutch area of the western Indian state. The main players in the international wheat market are USA, Canada, Ukraine, Australia, Russia and Argentina.

“We have a multi-layer quality check to ensure that the Indian wheat gets a credible brand,” the official explained. “The samples were first sent for tests at the Directorate of Wheat Research at Karnal (Haryana) for chemical parameters. Besides the tests by the buyer-representatives, FCI also made sure of tests to prevent rejection of shipments. We exported the wheat only after the buyers got satisfied themselves about the product.”

He said FCI could secure better price if the handling process was fully mechanised. “Non-mechanisation of the handling process is one factor that makes us uncompetitive in the international market. Otherwise, we get highly encouraging feedbacks from the buyers when we meet them,” he noted.

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