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# India Mulls Wheat Export Curbs in Latest Food Supply Squeeze

*Pratik Parija*

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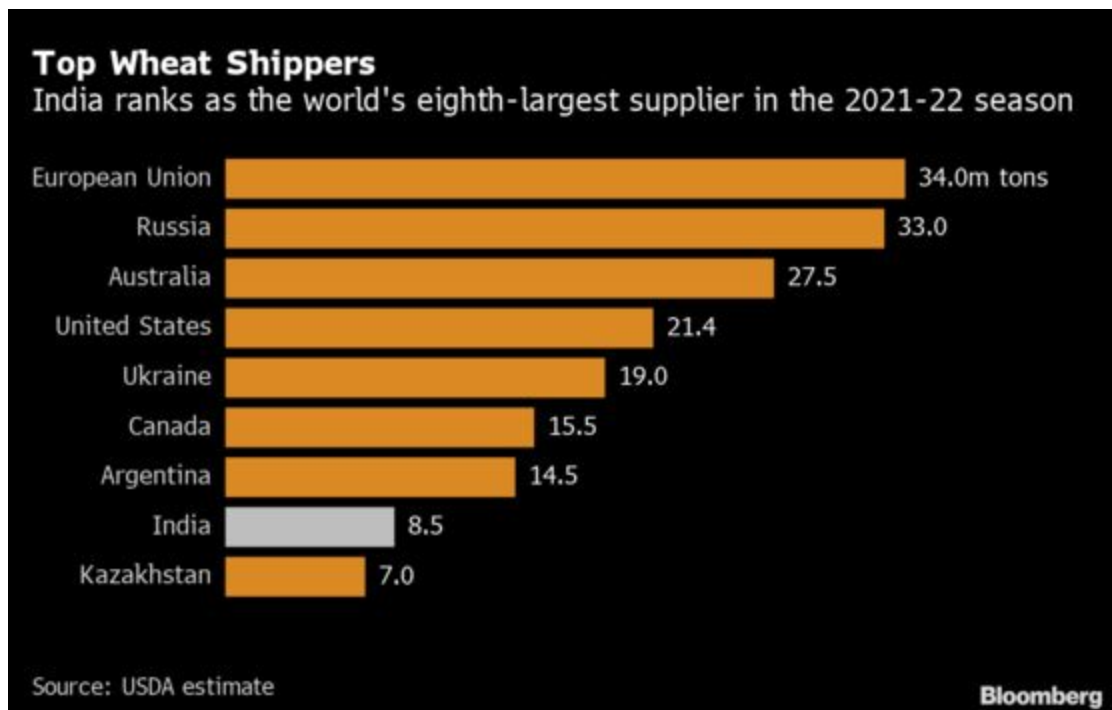
(Bloomberg) -- India is considering restricting wheat exports as severe heat waves have [damaged crops](#), exacerbating tight global supplies after the war in Ukraine sent food inflation soaring.

The South Asian nation experienced its hottest March on record, shriveling the wheat crop that the world was relying on to alleviate a global shortage. To safeguard domestic supplies, the government is considering limiting wheat exports, according to a person with knowledge of the matter.

Top officials are discussing the move and will recommend it to Prime Minister Narendra Modi, who will then make the decision, said the person, who asked not to be identified as the information is private.

There's no need to curb exports for now as the country has enough supply to meet domestic demand, Food Secretary Sudhanshu Pandey said at a briefing on Wednesday. A finance ministry spokesperson didn't answer calls, while the trade ministry

didn't immediately respond to an email seeking comment on the government's plan to restrict wheat exports. Benchmark wheat futures jumped as much as 4.2% in Chicago.



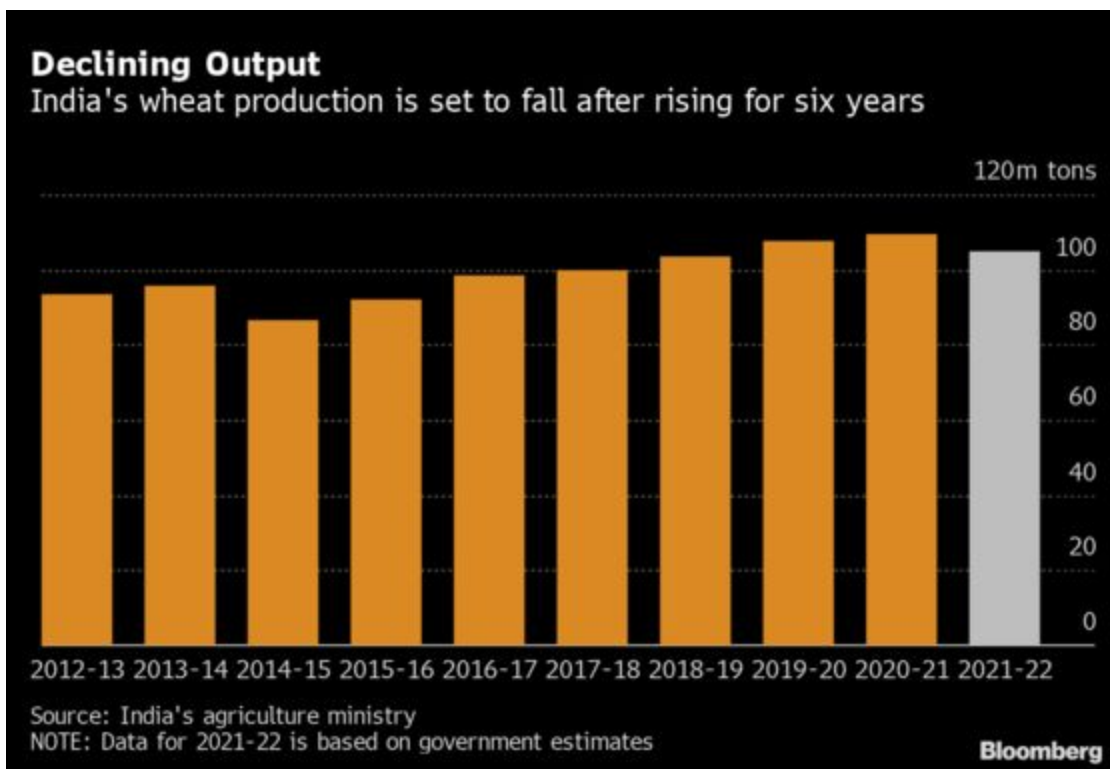
Curbing exports would be a hit to India's ambition to cash in on the rally in global wheat prices after Russia's war in Ukraine upended trade flows out of the critical Black Sea breadbasket region.

Importing nations have looked to India for supplies, with top buyer Egypt recently approving the South Asian nation as an origin for wheat imports.

The move would also add to a wave of crop protectionism around the world as governments seek to protect their own food supply amid soaring prices and fears of shortages. That has the potential to worsen global food inflation, which is already at a record and surging at a rampant pace.

One of the strategies, the person said, could be setting a minimum export price so wheat cannot be shipped overseas below this level. This way, without outrightly banning it, the government can boost

domestic supply and keep a check on prices, according to the person.



The food ministry on Wednesday slashed its estimate of India's wheat output this season to 105 million tons. That's down from a record 111 million tons forecast previously and 109.6 million tons produced a year earlier.

The fall in production is raising concerns for the domestic market, with millions depending on farming as their main livelihood and food source. Weaker output will hurt farmers' incomes. The government also buys wheat for its welfare program, which provides subsidized food to two-thirds of the population.

Wheat purchases by the Indian government may slump to 19.5 million tons in 2022-23, less than half of 43.3 million a year earlier, Pandey said. Farmers are selling more to private firms that are offering higher prices than the government-set minimum rates due to higher demand in domestic as well as overseas markets, he

said.

Still, the opening reserves are estimated to be about 8 million tons at the start of April next year, compared with the government's stockpile target of 7.5 million, Pandey said. Traders have already contracted to export 4 million tons so far in 2022-23, according to the food ministry. After Egypt, Turkey has also given approval to import wheat from India, it said.

In a sign that Indian authorities are worried about surging inflation, the central bank raised its key interest rate in a [surprise move](#) Wednesday, sending bonds and stocks tumbling. Persistent inflation pressures are becoming more acute, particularly on food, Governor Shaktikanta Das said in an online briefing, adding there's a risk that prices stay at this level for "too long."