



Ban of Wheat Export from India

For Prelims: Wheat, Director General of foreign Trade (DGFT), FCI

For Mains: Rising Inflation and issues, Growth & Development, Government Steps to Tackle Inflation

Why in News?

Recently the [United Arab Emirates \(UAE\)](#) **suspended re-export of wheat and flour from grain originating in India** is basically an assurance that whatever it imports will be used only for domestic consumption.

- The development comes a month after India banned wheat exports to meet the demand of its domestic market, neighbouring countries and vulnerable nations.
- UAE's Ministry of Economy explained that this decision comes in view of the international developments that have affected trade flows and in appreciation of the solid and strategic relations that bind the UAE and India, especially after the signing of the [Comprehensive Economic Partnership Agreement](#) between the two countries and the Indian government's approval to **export wheat to the UAE for domestic consumption**.

What is the Status of Wheat Export of India?

- **India** is the **world's second-biggest wheat producer** after China. But it accounts for less than 1% of the global wheat trade. It keeps a lot of it to provide subsidised food for the poor.
- Its **top export markets** are Bangladesh, Nepal and Sri Lanka - as well as the United Arab Emirates (UAE).
- **Reasons for Banning of Export of Wheat:**
 - India has **suspended the export of wheat effective 13 May 2022**. In a notification published in the government gazette, the [Directorate General of Foreign Trade \(DGFT\)](#) justified the ban by giving reasons that soaring global wheat prices have put pressure on food security, not only in India, but also in neighbouring and vulnerable nations.
 - However, export will be allowed on the basis of permission granted by the Government of India to other countries to meet their food security needs and based on the request of their governments.
 - The **ban was also prompted decrease in wheat production, after its production was affected by a heatwave** that swept across the country during March-April, while the [Food Corporation of India \(FCI\)](#) was unable to mop up ample stocks for buffer stocks.
 - **The rising inflation also prompted this step. The [WholeSale Price Index \(WPI\)](#) in India has moved up from 2.26 per cent at the start of 2022 to 14.55 now. Retail inflation, too, hit an eight-year high of 7.79 per cent in April, driven by rising food and fuel prices.**

What will be the Impact of India's Ban on Wheat Export?

- **Impact on India:**

- The impact of the wheat export ban on India's domestic food inflation is likely to be muted. This export ban is a pre-emptive step and may prevent local wheat prices from rising substantially.
- However, with domestic wheat production likely limited by the heatwave, local wheat prices may not moderate materially.
- **Impact on the World:**
 - The [Ukraine-Russia war](#) has led to a **slump in wheat production** from a region known as the **world's bread basket**. Russia and Ukraine together account for 25% of the world's wheat exports. It has led to hike in prices of wheat and supply side glitches.
 - India is the world's second largest wheat producer and one of its biggest consumers. When the government decided to ban wheat exports in the face of climbing prices, there were many protests from the international community.
 - **In Asia, except for Australia and India, most other economies depend on imported wheat** for domestic consumption and are at risk from higher wheat prices globally, even if they do not directly import from India.
 - This recent export ban will drive prices across the globe and will **hit the poor consumers in Africa and Asia**

What is the Significance of Wheat Exports for India?

- **Net Forex Earner:** It would help India to bring down languishing stock of wheat in FCI's Godowns and provide the opportunity of capturing foreign markets by increasing exports.
 - The increase in export will lead to increase in [forex reserves](#) and decrease of [Current Account Deficit \(CAD\)](#) of India.
- **Goodwill Image of India:** India by exporting wheat to needy and vulnerable countries can strengthen its ties with countries with whom it had see-saw relations and will help to normalise the ties.
- **Diverse Opportunities:** The opportunities included the export of food grain such as wheat and the possibility of manufactured goods being exported to destinations for which supplies had become unreliable.
- **Cost Competitiveness:** While there has been a surge in global prices, India's wheat rates are relatively competitive.
- **Diversify Export Basket:** It will help India to have trade relations with those countries with whom it had negligible or low trade.

Way Forward

- Although the step taken by India is on the basis of genuine grounds of ensuring food security and stabilising domestic prices but needs to communicate it to the world in the same way, otherwise it will lead to loss of India's prestige in world politics and will malign its image.
- India should ensure that the food security of the vulnerable and neighbouring countries should not get hampered, otherwise it will lead to tensions in diplomatic ties.

What are the key Points related to Wheat?

- **About:**
 - **This is the second most important cereal crop in India after rice.**
 - It is the main food crop, in north and north-western part of the country.
 - Wheat is a **rabi crop** that requires a cool growing season and bright sunshine at the time of ripening.
 - Success of the Green Revolution contributed to the growth of Rabi crops, especially wheat.
 - Macro Management Mode of Agriculture, [National Food Security Mission](#) and Rashtriya Krishi Vikas Yojana are few government initiatives to support wheat cultivation.
- **Temperature:** Between 10-15°C (Sowing time) and 21-26°C (Ripening & Harvesting) with bright sunlight.
- **Rainfall:** Around 75-100 cm.
- **Soil Type:** Well-drained fertile loamy and clayey loamy (Ganga-Satluj plains and black soil region of the Deccan).

- **Top Wheat Producing States:** Uttar Pradesh > Punjab > Haryana>Madhya Pradesh > Rajasthan> Bihar>Gujarat.

UPSC Civil Services, Previous year Questions (PYQ)

Q. Consider the following crops:

1. Cotton
2. Groundnut
3. Rice
4. Wheat

Which of these are Kharif crops?

- A. 1 and 3
- B. 2 and 3
- C. 1, 2 and 3
- D. 2, 3 and 4

Ans: C

Exp:

- India has three cropping seasons i.e., Rabi, Kharif and Zaid. Rabi crops are sown in winter from October to December and harvested in summer from April to June.
- Kharif crops are grown with the onset of monsoon in different parts of the country and these are harvested in September-October.
- In between the Rabi and the Kharif seasons, there is a short season during the summer months known as the Zaid season. Some of the crops produced during 'Zaid' are watermelon, muskmelon, cucumber, vegetables and fodder crops.
- **Kharif Crops: Rice**, Maize, Sorghum, Pearl Millet or Bajra, Finger Millet or Ragi (cereals), Arhar (pulses), **Soyabean, Groundnut (oilseeds)**, Cotton, etc. **Hence, 1 ,2 and 3 are correct.**
- **Rabi Crops:** Wheat, Barley, Oats (cereals), Chickpea, Gram (pulses), Linseed, Mustard (oilseeds), etc. **Hence, 4 is not correct.**
- **Therefore, option (c) is the correct answer.**

Source:IE

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