



RICE AND WHEAT : ECONOMY

NEWS : Why rice-wheat need to be de-hyphenated

WHAT'S IN THE NEWS ?

With wheat facing production challenges amid rising consumption, and rice seeing a surplus problem, the two cereals have become grains apart

Rice: A Surplus Problem

- **Export Trends:**
 - 2021-22: 21.21 million tonnes (mt)
 - 2022-23: 22.35 mt
 - 2023-24: 16.36 mt
- **Stock Levels:** All-time high of 45.48 mt in government godowns on August 1, indicating surplus.
- **Policy Recommendations:**
 - Lift ban on exports of white non-basmati rice.
 - Reduce 20% duty on parboiled non-basmati rice.
 - Remove \$950/tonne floor price on basmati shipments.

Wheat: A Production Challenge

- **Export Decline:**
 - 2021-22: 7.24 mt
 - 2023-24: 0.19 mt
- **Stock Levels:** 26.81 mt in central pool on August 1, the lowest in recent times.
- **Constraints:**
 - Geographically and temporally constrained.
 - Production concentrated in fewer states.
 - Affected by climate change, leading to greater volatility.

Consumption Divergence

- **Wheat:** Rising consumption due to increased demand for processed foods (bread, biscuits, refined flour products).
- **Rice:** Traditional consumption patterns, with no significant growth in processed forms.

Policy Implications

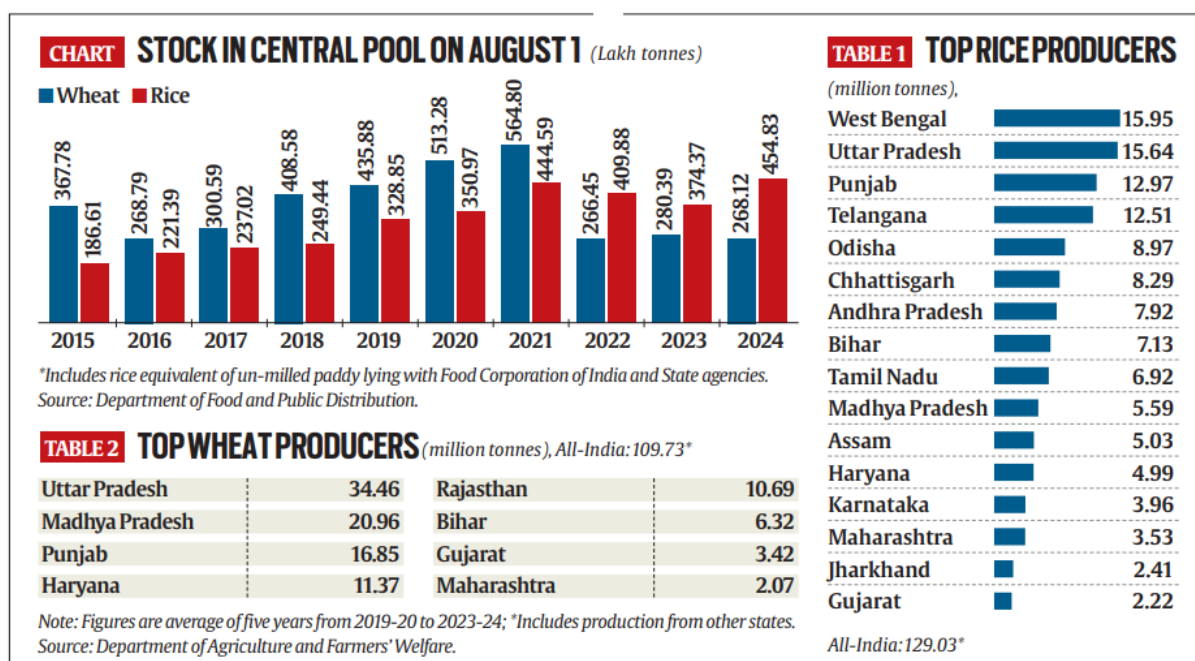
- **Wheat:**



- May need to import in the short term.
- Long-term focus on boosting yields and developing climate-smart varieties.
- **Rice:**
 - Policy adjustments needed to manage surplus through exports.

Conclusion: Rice and wheat face distinct challenges; wheat’s production volatility contrasts with rice’s surplus, requiring separate strategies and targeted policies.

Source : https://indianexpress.com/article/explained/explained-economics/why-rice-wheat-need-to-be-de-hyphenated-9545216/?ref=latestnews_hp



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