

## **Wheat Grain in Peak Price: Warning of Shortage**

For a couple of days wheat in the international market stands as floating crop for its exorbitant rise in price. This situation pulls eyes of all towards its equilibrium condition in the market. If someone to review the world production trend then it is observed that expected fall in production of wheat in Canada and Australia provides venue to acquire more wheat grain in large bin for securing future demand in all Asian countries. Our neighboring country India is already in race to fight this unwanted market distortion.

India would float more wheat import tenders despite high global prices. "Delay will not help. Prices are bound to rise and it makes sense to fill our bins before wheat supply dries up," the official, who did not wish to identify, said.

Coping this seriously taken concern of Indian government and traders' tactics to play in market for their profit in near future, Nepal should make some remunerative steps. High priority of wheat grain import of India via high price to seller, Nepali traders (Indian traders in Nepal) would motivate to supply now. Eventually, the threat of scarcity in Nepal is already recognized. It is possible of falling domestic supply of wheat for national wheat processor, flourmills and others. Moreover, during the period of festivals (Dashain/Tihar) the shortage of wheat may cause serious disaster in food chain supply.

India has imposed restriction of wheat export to abroad. As the Bangladesh faced declining production of wheat because of heavy flood damage. This made Bangladesh to import of wheat. Bangladesh made tender of some 50,000 mt. of wheat grain. Both India and Bangladesh imported wheat from Nepal. In the past few months (Three months), around 4500 Mt. of Nepalese wheat passed to Bangladesh.

Although Nepal had bumper wheat production in the earlier season. The total production of wheat in 2005/06 was around 1.4 million Mt. Indian traders paying higher price procured most of the wheat. Now, Nepal has very limited wheat. Flourmills have already been suffered from lack in supply of wheat. They are requesting to government for no more export of wheat from Nepal. Rather to maintain the stock to ensure food security and to sustain the industries. However, Nepal doesn't have any sense of maintaining buffer stock.

India, the world's second-biggest wheat producer, imported 5.5 million tonnes of wheat in 2006. Again, India has already tendered for 75,00,000 mt of wheat import from Switzerland and Canada to feed its nation. Japan and Taiwan had done same and made safe cargo from their stockings. The price of the grain and flour are simultaneously increasing. The present price trend of wheat grain in neighboring state of India is NRs. 16, 18 and 18.5 per Kg grain in Uttarpradesh, Uttarakhanda and West Bengal respectively.

This price change brings effect in Nepalese market. Now a day the price of wheat grain is rising from NRs.12 to 17 per kg. The modal price of flour is raised from NRs. 22 to 28 per kg.

The traders and processor in Nepal have made their voice heard to Government of Nepal to regulate export situation of wheat. It would be worthy to advise for concern body to make aware of not to export wheat this time even having greater price in the markets. This will permit to hike in price in the domestic markets and may be completely unavailable too.

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