

# Govt to allow wheat export awaiting Customs clearance

SHREYA NANDI

New Delhi, 17 May

**D**ays after it banned wheat export, the commerce department on Tuesday said it was allowing out-bound shipments that had been handed over to the Customs for examination, and registered in their systems on or before May 13, thereby offering some "relaxation".

The Directorate General of Foreign Trade (DGFT), under the department, banned all types of wheat exports with immediate effect to salvage its falling inventories.

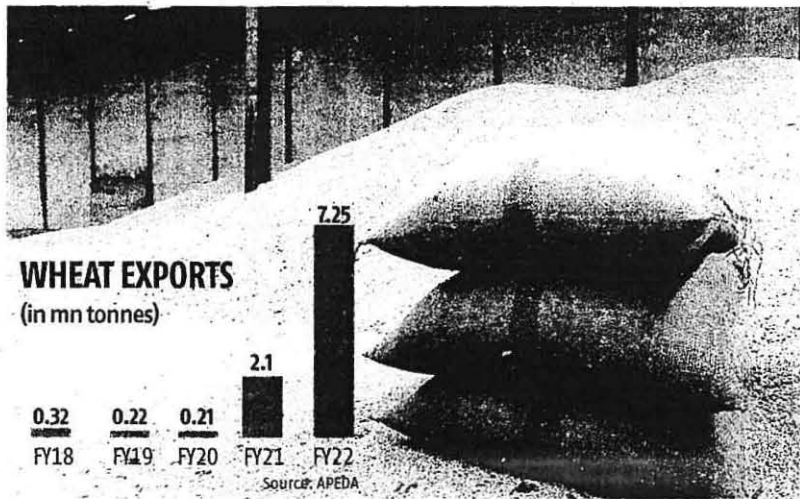
The decision was taken to manage overall food security in the country and support the needs of neighbouring countries, amid concern on inflation.

The order came on May 13.

The government has allowed a 61,500-tonne shipment to sail from Kandla port to Egypt following a request from the African country, an official statement said.

"M/s Mera International India, the company engaged for exporting the wheat to Egypt, has given a representation for completing the loading of 61,500 MT (metric tonne) of wheat, of which 44,340 MT had already been loaded and only 17,160 MT was left to be loaded. The government decided to permit the full consignment of 61,500 MT and allowed it to sail from Kandla to Egypt," the statement said.

The government had said the ban wouldn't apply in cases where prior commitments had been made by private trade through a letter of credit before May 13.



This resulted in 1.8 million tonnes of grain getting trapped at ports.

According to a Reuters report, Chicago wheat futures fell nearly 2 per cent after the commerce department's statement.

The most active wheat contract on the Chicago Board of Trade (CBOT) was down 1.8 per cent at \$12.24-1/2 a bushel by 0420 PM Indian Standard Time (IST).

Addressing the media after issuing the notification of the wheat export ban, senior government officials on Saturday had said the decision was taken to support the needs of neighbouring and vulnerable countries adversely affected by sudden changes in the global market for wheat and were unable to get adequate supplies.

Besides, the permission to export will

be granted to meet food security needs of other countries and on the requests of their governments.

"The (May 13) order served three main purposes: ensure India's food security and check inflation, it helps other countries facing food deficit, and it maintains India's reliability as a supplier. The order also aimed to provide a clear direction to the wheat market to prevent hoarding of wheat supplies," the statement said.

Soon after India announced the ban, the Group of Seven (G7) nations condemned the decision.

"If everyone starts imposing export restrictions or closing markets, that would worsen the crisis," German Agriculture Minister Cem Ozdemir had said.