

# Cereal imports jump 87.5pc in 8 months

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**I**MPORTS of cereals nearly doubled in first eight months of this fiscal year amid a massive fall in domestic production.

Due to the erratic and delayed monsoon and unavailability of fertilisers, cereal production is estimated to come down by 4.29 percent this fiscal year, according to the National Account Estimate made public by the Central Bureau of Statistics on Friday.

Cereal imports rose 87.5 percent to Rs 13.38 billion in the first eight months, almost equal to the whole last fiscal year's imports, according to the Trade and Export Promotion Centre (TEPC). The country had imported cereals worth Rs 13.41 billion in last fiscal year 2011-12.

According to TEPC, Nepal imported rice worth Rs 8.28 billion, maize worth Rs 3.1 billion and wheat worth Rs 34 million over the review period.

Although the surge in cereal imports coincides with the decline in domestic production, government officials and experts say the downfall in local production could not be the lone reason behind the surge in imports.

Ministry of Agriculture Development Spokesperson Prabhakar Pathak said imports were unexpectedly high compared to the decrease in local production. "This could be due to the price difference in border areas," he said. "We have adequate stock of cereal products to address deficit if we don't import."

Along with the price factor, traders importing cereals in huge quantities to impose cartels could be another reason behind the surge cereal imports, a senior official

## IMPORTS OF MAJOR CEREALS (JULY 2012- MARCH 2013)

Cereal	Quantity	Value
Rice	303,108,479 kg	Rs 8.28 billion
Maize	136,894,755 kg	Rs 3.10 billion
Wheat	1,359,884 kg	Rs 34.10 million

(Source: Trade and Export Promotion Centre)



at the Ministry of Commerce and Supply said.

Domestic cereal production decreased heavily this year. A preliminary report of the Ministry of Agriculture Development shows production of summer crops, including paddy, maize, millet and buckwheat, dropped 9.99 percent over the review period. Production of paddy—the biggest contributor to the economy from the agriculture sector—dropped 11.3 percent to 4.50 million tonnes. Maize production fell 8.3 percent to 1.99 million tonnes, while millet production fell 3 percent to 305,588 tonnes.

According to the CBS, production of the major two cereals—paddy and maize—is expected to decline by

11.19 percent and 8.27 percent, respectively, this fiscal year.

Ratnakar Adhikari, chief executive director of the South Asia Watch on Trade, Economics and Environment, said besides the downfall in local production, bulk imports by big traders citing possible shortage after mid-April could have caused the surge in imports. He also attributed the rise in cereal imports to increased demand from animal feed producers.

Pradeep Maharjan, executive director at Agro Enterprise Centre of the Federation of Nepalese Chamber of Commerce and Industry, said the export of good-quality grains to India and import of substandard grains from there might have resulted in the rise in cereal imports.