

# The \$ 1 billion cost of “not increasing” the guaranteed purchase price of wheat

With the purchase of 5 million tonnes of wheat by the end of August, the government will begin importing wheat at a cost of more than \$ 1 billion if the downward trend in guaranteed wheat purchases continues, he said. Studies show that the price per kilogram of foreign wheat, including Nimaee's exchange rate, will cost the government more than \$ 5.

Approaching the end of the Guaranteed Purchase Season of Wheat in the 1397–1398 crop years, surveys indicate a significant decrease in the amount of guaranteed wheat purchase compared to the production of this product in the current crop year and the guaranteed purchase rate of wheat in the previous year. Under the Guaranteed Purchase Act, the government is obliged to purchase farmers' produce annually at a set price.

\$ 1 billion in wheat imports if no guaranteed wheat purchase is increased

On the other hand, a survey of wheat prices in other countries, including shipping and insurance costs, shows that if the government wants to buy the same amount of wheat from world markets, it should spend more than 2500 thousand tomans per kilogram of wheat.

Russia France Australia China Argentina

Price / Country America USA China Australia France Russia Argentina

Price per ton of wheat “dollar”

245 235 262 304 353 250

Rial price per kilogram of wheat according to Nimaee exchange rate 26950 25850 28820 33440 38830 27500

At present, the government has bought about 7 million tons of wheat from farmers, and forecasts show that if the downtrend continues, the government will eventually buy about 8 million

tons of wheat from farmers, more than 3 million tons less than needed by markets. Under such circumstances, the government must import between 705 million to dollars to 1 billion dollars to meet the needs of 3 million tonnes of wheat.