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Indian Grain Harvest Poor; Imports Rising

India, which had a poor spring harvest, has contracted for 1.1 million tons of foreign grain since early April.

India is concentrating its purchases in the US wheat market, where prices are relatively low and wheat is readily available. Wheat purchases from the US for shipment starting in June already total nearly 900,000 tons and are expected to rise to a million tons over the next few weeks. The USSR is unwilling to go beyond the 2-million-ton wheat loan of last fall.

India has contracted for or imported 3.5 million tons of grain so far this year. The government's subsidized distribution program probably will require imports of 4 to 5 million tons this year, compared with 4.2 million tons last year.

The US embassy in New Delhi estimates the spring wheat harvest, which normally provides about a quarter of grain output, at 22.5 million tons, 2.4 million less than last year and 3.9 million less than two years ago. Poor weather and disrupted irrigation due to energy shortages reduced wheat yields.

Nationalization of the wheat trade last year also hurt the crop. Despite excellent sowing conditions, wheat acreage barely exceeded last year's because some farmers switched out of wheat to more profitable crops.

The ten-day-old rail strike is hampering the internal distribution system, but limited amounts are getting through on trains operated by the military and non-strikers. It appears likely that the government will break the strike.