AGRIWATCH

Wheat Daily Report
10th December, 2014

Wheat Domestic Fundamentals:

- **Ministry of Consumer Affairs, Food & Public Distribution has taken the decision** (effective for kharif 2014-15 and rabi 2015-16) clearly denotes that if any state govt. announces bonus over and above MSP, the center govt will limit procurement according to requirements of food grains for TPDS/OWS. The same is applicable in DCP states too where states procure foodgrains on behalf of central govt.If the states procure more than fixed quantity, they will not only have to bear the burden of additional expenses but also be responsible for the disposal of the surplus quantity.For non DCP states FCI will not take part in procurement oppression if the concerned states decide to offer bonus over and above MSP. The concerned states will be fully responsible to handle the entire procurement oppression including movement and storage and mobilization of resources.
- **The immediate impact of the decision will be lower procurement** by DCP states as no state would like to bear the additional burden and expenses of the surplus procurement. By applying this decision central govt too would ensure to avoid unnecessary burden of unlimited procurement. Besides, it will ensure higher supply of grains in open market and stability in the market to some extent.
- **Wheat stock in govt.'s granary on 01st November was recorded at 30.13 million tonne** against 32.26 million tonne on 1st October, 2014. India needs 8.2 million tonne wheat as buffer stock and 3 million tonne as strategic reserve as on 1st January, 2014.Actual holding with govt. is at comfortable stage and supply side would be ample throughout the season.
- **According to IBIS (provisional data), export of wheat in the month of November** was 0.22 Lakh tones which is around 66% less than last year at the same month, which was 0.65 Lakh tones in 2013.The reason behind the lower export is attributed to disparity from other exporting countries like U.S.A., Russia and Ukraine and high domestic prices.

International Market Update:

- **Egypt had purchased 175000 tonnes of wheat from Romania & Ukraine** at an average price of $271.24/tonne CiF which has to be delivered between 1-10 January. Till now from July 1st, Egypt has bought 2.425 million tonnes of wheat from the international market, in 2013-14 Egypt had purchased 5.46 million tonnes of wheat from abroad in addition to 3.7 million tonnes of local wheat.
- **Russia government might introduce few new regulations to curb exports** to make sure it has enough wheat for domestic use. Russia is a key wheat exporter to North Africa and the Middle East. Russia exports increased due to bumper production and fall in the value of the rouble currency.
- **Australia in its latest report reduced its wheat production forecast by 4%** from 24.23 million tonnes to 23.22 million tones. The main reason behind reduced production is unfavorable weather condition as all of the Australian east coast and South Australia received less than half the average amounts of rainfall over the last three months. The reduced production estimate of Australia, Russia restrictions on grain exports and concerns over U.S. wheat production may further increase global wheat prices.
- **The International Grains Council slightly lowered its forecast** for global wheat production in 2014/15 to 717 million tonnes, up from a previous forecast of 718 million. Unfavorable weather condition across the United State and the Black Sea region is the main reason for decrease in production estimate.

Domestic market Outlook:

Wheat cash market is likely to trade in consolidation.

NCDEX Wheat Futures									Date:10:12:2014
Contract	+/-	Open	High	Low	Close	Volume	Change	OI	Change
Dec-14	2	1663	1665	1655	1662	1,670	1,650	3,020	-1,470
Jan-15	-9	1669	1689	1655	1659	1,660	1,660	1,550	410
Feb-15	4	1667	1672	1660	1663	260	240	1,990	230

Spread	Oct-14	Nov-14	Dec-14	
Spot				
Dec-14	-32			
Jan-15		-3		
Feb-15			4	

Stocks	Demat	In- Process	Total	FED
	09.12.2014	09.12.2014	09.12.2014	08.12.2014
Delhi	-	-	-	-
Itarsi	-	-	-	-
Kanpur	-	-	-	-
Kota	815	0	815	815
Rajkot	-	-	-	-

Wheat (CBOT) Future:

CBOT Futures Prices: Date: 09.12.14 (USD/T)							
CONTRACT MONTH	09 Dec 14	Week ago (03 Dec 2014)	1 Month ago(10 Nov 14)	3 Month ago(10 Sept 14)	6 Month ago(10 June 14)	1 Year ago(10 Dec 13)	% Change over previous year
14-Dec	220.62	219.34	190.04	190.96	234.03	244.05	-9.60
15-Mar	215.20	216.58	193.71	196.93	241.75	246.43	-12.67
15-May	216.58	218.69	196.56	201.15	246.53	246.80	-12.24
15-Jul	217.59	220.07	198.95	204.92	248.64	245.70	-11.44
15-Sep	220.62	222.55	202.44	209.14	251.67	247.54	-10.87
15-Dec	224.48	226.41	207.31	214.65	256.17	250.75	-10.48

Wheat Daily Prices and Arrivals on 10.12.2014

Centre	Market	Variety	Prices (Rs/Qtl)		Change
			12/10/2014	12/9/2014	
New Delhi	Lawrence Road	Mill Delivery	1630	1630	Unch
	Narella	Mill Quality(Loose)	Closed	1585	-
	Nazafgarh	Mill Quality(Loose)	Closed	1540	-
Gujarat	Rajkot	Mill Delivery	1600	1600	Unch
	Ahmedabad	Mill Delivery	1690	1680	10
	Surat	Mill Delivery	1710	1705	5
Madhya Pradesh	Bhopal	Lokwan	1700	1700	Unch
	Indore	Mill Delivery	1600	1590	10
Rajasthan	Kota	Mill Quality(Loose)	1475	1480	-5
		Mill Delivery	1560	1560	Unch
Uttar Pradesh	Kanpur	Mill Delivery	1565	1565	Unch
	Mathura	Mill Quality(Loose)	NA	NA	-
	Kosi	Mill Quality(Loose)	1530	1530	Unch

	Hathras	Mill Quality(Loose)	NR	1475	-
	Aligarh	Mill Quality(Loose)	Closed	NA	-
Punjab	Khanna	Mill Quality(Loose)	1450	1450	Unch
	(Ludhiana)Jagraon	Mill Delivery	1560	1560	Unch
Haryana	Sirsa	Mill Quality(Loose)	1500	1500	Unch
	Hodal	Mill Delivery	NA	NA	-
	Bhiwani	Mill Quality(Loose)	1560	1560	Unch
	Karnal	Mill Quality(Loose)	NA	NA	-
	Panipat	Mill Quality(Loose)	NA	NA	-
Tamil Nadu	Chennai	Mill Quality(Loose)	1845	1800	45
	Madurai	Mill Quality(Loose)	1902	1857	45
	Coimbatore	Mill Quality(Loose)	1902	1857	45
Bihar	Sitamari	Mill Delivery	NR	NR	-
	Khagariya	Mill Delivery	1650	1650	Unch
FOR	Kandla(Rajasthan-Kota)	Mill Quality(Loose)	NA	NA	-
	Gandhidham(Rajasthan-Kota)	Mill Quality(Loose)	NA	NA	-

Centre	Market	Variety	Arrivals (Bags/Qtl)		Change
			12/10/2014	**12/9/2014**	
New Delhi	Lawrence Road	Mill Delivery	800	NA	-
	Narella	Mill Quality(Loose)	Closed	80	-
	Nazafgarh	Mill Quality(Loose)	Closed	100	-
Gujarat	Rajkot	Mill Quality(Loose)	1800	1600	200
	Ahmedabad	Mill Delivery	NA	NA	-
Madhya Pradesh	Bhopal	Lokwan	NA	NA	-
	Indore	Mill Quality(Loose)	1000	1200	-200
Rajasthan	Kota	Mill Quality(Loose)	2000	5000	-3000
Uttar Pradesh	Kanpur	Mill Delivery	500	600	-100
	Mathura	Mill Quality(Loose)	NA	NA	-
	Kosi	Mill Quality(Loose)	150	150	Unch
	Hathras	Mill Quality(Loose)	NR	150	-
	Aligarh	Mill Quality(Loose)	Closed	NA	-
Punjab	Khanna	Mill Quality(Loose)	800	800	Unch
	(Ludhiana)Jagraon	Mill Quality(Loose)	NA	NA	-
Haryana	Sirsa	Mill Quality(Loose)	200	200	Unch
	Hodal	Mill Quality(Loose)	NA	NA	-
	Bhiwani	Mill Quality(Loose)	200	500	-300
	Karnal	Mill Quality(Loose)	NA	NA	-
	Panipat	Mill Quality(Loose)	NA	NA	-

Wheat Products Delhi	12/10/2014	12/9/2014	Change
Atta (50kg) Ordinary	965	965	Unch
Maida Grade 1 (90kg)	2202	2202	Unch
Maida Grade 1 (50KG)	1205	1205	Unch
Suji (50kg)	1230	1230	Unch
Chokar (50 kg)	733	733	Unch
Chokar (34 kg)	490	490	Unch
Chakki Atta (50kg)	1015	1015	Unch
Chakki Atta (50kg) Special	985	985	Unch
Chakki Atta (90kg) Superfine	1816	1816	Unch
Chakki Atta (50kg) Superfine	990	990	Unch