AGRIWATCH

Wheat Daily Report
13th December, 2014

Wheat Domestic Fundamentals:

- **Wheat sowing in lower land in Bihar is running smoothly** while 80 percent sowing in upper land is complete now. The early sowed crop has entered in sprouting stage and farmers are engaged in second irrigation and applying fertilizers to it. The crop condition is good and decreasing temperature in major growing belt is considered beneficial to all wheat crops either in till ring or sprouting stages .Area is likely to increase slightly this year under wheat as harvesting of paddy crop in upper and lower land finished 10 to 15 days earlier. One-two shower of light winter rains expected by next week may ensure better growth of the standing crop. Over all condition of wheat crop throughout the state is satisfactory so far.
- **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.
- **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.

Domestic market Outlook:

Wheat cash market is likely to trade steady to weak.

NCDEX Wheat Futures									Date:12:12:2014
Contract	+/-	Open	High	Low	Close	Volume	Change	OI	Change
Dec-14	2	1664	1664	1662	1662	20	-460	2,800	-10
Jan-15	-5	1663	1664	1657	1660	140	-650	1,790	10
Feb-15	-1	1664	1664	1656	1662	110	-270	2,100	10

Spread	Oct-14	Nov-14	Dec-14	
Spot				
Dec-14	-32			
Jan-15		-2		
Feb-15			2	

Stocks	Demat	In- Process	Total	FED
	11.12.2014	11.12.2014	11.12.2014	08.12.2014
Delhi	-	-	-	-
Itarsi	-	-	-	-
Kanpur	-	-	-	-
Kota	815	0	815	815
Rajkot	-	-	-	-

Wheat (CBOT) Future:

CBOT Futures Prices: Date: 11.12.14 (USD/T)							
CONTRACT MONTH	11 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	224.21	219.34	190.04	190.96	234.03	244.05	-8.13
15-Mar	219.52	216.58	193.71	196.93	241.75	246.43	-10.92
15-May	220.53	218.69	196.56	201.15	246.53	246.80	-10.64
15-Jul	220.99	220.07	198.95	204.92	248.64	245.70	-10.06
15-Sep	224.11	222.55	202.44	209.14	251.67	247.54	-9.46
15-Dec	228.61	226.41	207.31	214.65	256.17	250.75	-8.83

Wheat Daily Prices and Arrivals on 12.12.2014

Centre	Market	Variety	Prices (Rs/Qtl)		Change
			12/12/2014	12/11/2014	
New Delhi	Lawrence Road	Mill Delivery	1630	1630	Unch
	Narella	Mill Quality(Loose)	1575	1580	-5
	Nazafgarh	Mill Quality(Loose)	1540	1530	10
Gujarat	Rajkot	Mill Delivery	1600	1600	Unch
	Ahmedabad	Mill Delivery	1690	1690	Unch
	Surat	Mill Delivery	1710	1710	Unch
Madhya Pradesh	Bhopal	Lokwan	1700	1700	Unch
	Indore	Mill Delivery	1600	1600	Unch
Rajasthan	Kota	Mill Quality(Loose)	1475	1475	Unch
		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)	1475	Closed	-
	Aligarh	Mill Quality(Loose)	NA	NA	-
Punjab	Khanna	Mill Quality(Loose)	1450	1450	**Unch**
	(Ludhiana)Jagraon	Mill Delivery	1560	1560	**Unch**
Haryana	Sirsa	Mill Quality(Loose)	1490	1500	**-10**
	Hodal	Mill Delivery	NA	NA	-
	Bhiwani	Mill Quality(Loose)	1550	1550	**Unch**
	Karnal	Mill Quality(Loose)	NA	NA	-
	Panipat	Mill Quality(Loose)	NA	NA	-
Tamil Nadu	Chennai	Mill Quality(Loose)	1845	1845	**Unch**
	Madurai	Mill Quality(Loose)	1902	1902	**Unch**
	Coimbatore	Mill Quality(Loose)	1902	1902	**Unch**
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
			12/12/2014	**12/11/2014**	
New Delhi	Lawrence Road	Mill Delivery	700	500	**200**
	Narella	Mill Quality(Loose)	300	200	**100**
	Nazafgarh	Mill Quality(Loose)	100	50	**50**
Gujarat	Rajkot	Mill Quality(Loose)	1500	1500	**Unch**
	Ahmedabad	Mill Delivery	NA	NA	-
Madhya Pradesh	Bhopal	Lokwan	NA	NA	-
	Indore	Mill Quality(Loose)	500	1000	**-500**
Rajasthan	Kota	Mill Quality(Loose)	1500	2000	**-500**
Uttar Pradesh	Kanpur	Mill Delivery	500	600	**-100**
	Mathura	Mill Quality(Loose)	NA	NA	-
	Kosi	Mill Quality(Loose)	100	150	**-50**
	Hathras	Mill Quality(Loose)	150	Closed	-
	Aligarh	Mill Quality(Loose)	NA	NA	-
Punjab	Khanna	Mill Quality(Loose)	600	800	**-200**
	(Ludhiana)Jagraon	Mill Quality(Loose)	NA	NA	-
Haryana	Sirsa	Mill Quality(Loose)	400	200	**200**
	Hodal	Mill Quality(Loose)	NA	NA	-
	Bhiwani	Mill Quality(Loose)	200	200	**Unch**
	Karnal	Mill Quality(Loose)	NA	NA	-
	Panipat	Mill Quality(Loose)	NA	NA	-

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Wheat Products Delhi	12/12/2014	12/11/2014	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