

Wheat Domestic Fundamentals:

Harvesting of wheat is likely to be delayed in the states of Punjab and Haryana following the recent lockdown in the country. An acute shortage of labour and transportation following country-wide lockdown to halt the spread of the coronavirus outbreak will result in delay in wheat crop harvesting. Most of the farmers will face shortage of manpower in the coming days as the migration of labourers from other states has come to a halt.

As per the latest update, wheat markets remain closed following lock down in the country amid spread of Covid -19. In Punjab, around 3% crop loss is expected in the wheat growing regions following recent rains and hailstorm. However exact crop loss will be clear in the coming days. Price of wheat has mostly increased during last few days due to a rise in demand as consumers are stocking up amid fear of supply disruptions in the country following the outbreak of Corona virus. In Rajasthan prices firmed up as stockists have almost exhausted their stock and new crop arrival will be delayed by 2-3 weeks following recent rainfall.

The Indian government has approved the world's largest food security scheme to benefit 80 crore people across the country. Out of them, every person will get 7 kg ration per month for the next three months, including wheat at a cost of Rs 2 per kg, instead of Rs 27 per kg; and rice at cost of Rs 3 per kg, instead of Rs 37 per kg.

The Food Corporation of India (FCI) purchases bulk of the cereal produce in the month of April in the northern states of Punjab, Haryana and Uttar Pradesh. The procurement process officially commences on April 1 as farmers sell their cereal produce in designated mandis to the government agencies at minimum support price (MSP) in these states. However in the current year, procurement is likely to be delayed by 2 weeks as the country is under lock down amid the spread of Covid-19 in different states. Labour shortage and lack of adequate transportation is likely to delay the process.

According to the second advance estimate released by the State of Punjab, wheat production is estimated to decline to 17.9 MMT in 2019-20 (Jul-Jun) compared with 18.3 MMT in the previous year.

As per market sources, wheat stock in central pool as on 1st March'20 stood at 275.21 lakh tonnes down by 9.37% compared to last month. This quantity is higher by around 36.86% compared to last year for the same month. Government has already applied import duty on wheat to curb imports and provide support to domestic prices. Therefore, government has abundant supplies this year to tackle any unexpected rise in wheat prices by selling more quantity in open market.

As per Uttarakhand government, Minimum Support Price (MSP) of Wheat has been hiked by Rs. 65 to Rs. 1,925 per quintal from 1,860 per quintal.

As per Govt. sources the second crop forecast of India is projected to produce a record 106.2 MMT of wheat crop in 2019-20 because of favourable weather conditions and improve crop yields. Wheat output is expected to go up by 2.5% in the crop year, which is expected to reach 291.9 MMT in 2019-20 from 285.2 MMT last year.

All India weekly average prices declined by 0.01 percent to Rs. 2029.67 per quintal during the week ended 23rd March 2020. Wheat average price were ruling at Rs 2029.78 per quintal during 09-15 March 2020. As compared to prices in the week 16-23 March 2019, the prices are higher by 1.58 percent. Prices are expected to trade steady to weak in coming days amid new crop arrival in the market. There could be some recovery in between following increase in retail demand amid fears of supply disruptions in the coming days. With the outbreak of corona virus, there could some supply disruptions in the near-term.

International Market Update:

Grain trade association Cocereal lowered its European Union (EU) soft (non-durum) wheat forecast from 138 MMT in February to 135 MMT in March. If realized, the EU's 2020/21 soft wheat production would fall 8% from last year's 146 MMT.

Germany's association of farm cooperatives estimates the country's 2020/21 wheat crop will fall 1% on the year to 22.8 MMT on decreased planted area.

Algeria's state grains agency OAIC bought around 240,000 tonnes of optional-origin milling wheat in an international tender which closed on Tuesday according to European traders. The shipment for the tender from the main supply countries will be in two periods – June 1-15 and June 16-30. If sourced from South America, shipment is between May 1-15 and May 16-31.

The Taiwan Flour Millers' Association has issued an international tender to purchase 99,450 tonnes of grade 1 milling wheat to be sourced from the United States according to European traders. The tender will close on March 27, 2020. One consignment of 48,600 tonnes is sought for shipment between May 13 and May 27, while a second of 50,850 tonnes is sought for shipment between May 29 and June 12, 2020.

Persistent precipitation is affecting the French winter wheat crop. According to official data, 63% of the crop is in good to excellent condition, down significantly from last year's 85%.

Wheat Futures Contract: NCDEX Price							Date: 27.03.2020 at 5:00 PM		
Contract Month	+/-	Open	High	Low	Close	Volume	Ch. From previous day	OI	Ch. From previous day
20-Apr	0	1855	1855	1855	1855			10	0
20-May	0	1855	1855	1855	1855				
20-June	0	1855	1855	1855	1855				

Spread	Apr-20	May-20	June-20
Spot Narella	NA		
20-Apr	-		
20-May		-	
20-June			-

Stocks	Demat	In-Process	Total	EDD
	26.Mar.20	26.Mar.20	26.Mar.20	23.Mar.20
Delhi	-	-	-	-
Itarsi	-	-	-	-
Kanpur	-	-	-	-
Kota	-	-	-	-
Baran	-	-	-	-

Wheat Daily Prices and Arrivals on 27.03.2020

Centre	Market	Variety	Prices (Rs/Qtl)		Change
			27-Mar-20	26-Mar-20	
Delhi	Lawrence Road	Mill Delivery	Closed	Closed	-
	Narella	Mill Quality Loose	Closed	Closed	-
	Nazafgarh	Mill Quality Loose	Closed	Closed	-
Gujarat	Rajkot	Mill Delivery	Closed	Closed	-
	Ahmedabad	Mill Delivery	Closed	Closed	-
	Surat	Mill Delivery	Closed	Closed	-
	Dhrol	Mill Quality Loose	Closed	Closed	-
M.P.	Indore	Mill Delivery	Closed	Closed	-
	Bhopal	Mill Quality Loose	Closed	Closed	-
Rajasthan	Kota	Mill Quality Loose	Closed	Closed	-
		Mill Delivery	Closed	Closed	-
U.P.	Kanpur	Mill Delivery	Closed	Closed	-
	Mathura	Mill Quality Loose	NA	NA	-
	Kosi	Mill Quality Loose	Closed	Closed	-
	Hathras	Mill Quality Loose	NR	NR	-

	Aligarh	Mill Quality Loose	Closed	Closed	-
Punjab	Khanna	Mill Quality Loose	Closed	Closed	-
	Ludhiana (Jagraon)	Mill Delivery	NA	NA	-
Haryana	Sirsa	Mill Delivery loose	NA	Closed	-
	Hodal	Mill Delivery	NA	Closed	-
	Bhiwani	Mill Quality Loose	NA	NR	-
	Karnal	Mill Delivery	NA	NA	-
	Panipat	Mill Quality Loose	NA	NA	-
Tamil Nadu	Chennai	Mill Quality	Closed	Closed	-
	Madurai	Mill Quality	Closed	Closed	-
	Coimbatore	Mill Quality	Closed	Closed	-
Bihar	Khagariya	Mill Delivery	Closed	Closed	-
	Muzaffarpur	Mill Delivery	Closed	Closed	-
FOR	Kandla (Rajasthan-Rajkot)	Mill Quality	Closed	Closed	-
	Gandhidham (Rajasthan-Rajkot)	Mill Quality	Closed	Closed	-

Centre	Market	Variety	Prices (Rs/Qtl)		Change
			27-Mar-20	26-Mar-20	
Gujarat	Rajkot	Lokwan	Closed	Closed	-
M.P.	Indore	Lokwan	Closed	Closed	-
	Bhopal	Lokwan	Closed	Closed	-
	Bina	Sarbati 306	closed	closed	-
Rajasthan	Kota	Lokwan Bilty	Closed	Closed	-
	Baran	Lokwan	Closed	Closed	-

Wheat Arrivals in Key Centers:

Centre	Market	Variety	Arrivals (Bags/Qtl)		Change
			27-Mar-20	26-Mar-20	
Delhi	Lawrence Road	Mill Delivery	Closed	Closed	-
	Narella	Mill Quality Loose	Closed	Closed	-
	Nazafgarh	Mill Quality Loose	Closed	Closed	-
Gujarat	Rajkot	Mill Quality Loose	Closed	Closed	-
	Dhrol	Mill Quality Loose	Closed	Closed	-

M.P.	Indore	Mill Quality Loose	Closed	Closed	-
Rajasthan	Kota	Mill Quality	Closed	Closed	-
U.P.	Kanpur	Mill Quality Loose	Closed	Closed	-
	Mathura	Mill Quality Loose	NA	NA	-
	Kosi	Mill Quality Loose	Closed	Closed	-
	Hathras	Mill Quality Loose	NR	NR	-
	Aligarh	Mill Quality Loose	Closed	Closed	-
Punjab	Khanna	Mill Quality Loose	Closed	Closed	-
	(Ludhiana)Jagraon	Mill Quality Loose	NA	NA	-
Haryana	Sirsa	Mill Quality Loose	NA	Closed	-
	Hodal	Mill Quality Loose	NA	Closed	-
	Bhiwani	Mill Quality Loose	NA	NR	-
	Karnal	Mill Delivery	NA	NA	-
	Panipat	Mill Quality Loose	NA	NA	-

Wheat (CBOT) Future Price: 26.03.2020

Contract Month	Open	High	Low	Close	Change
20-May	579.50	583.00	564.50	569.00	-11.00
20-Jul	566.50	568.25	554.00	556.25	-11.50
20-Sep	565.00	566.50	552.75	555.00	-11.50
20-Dec	569.75	571.25	559.00	561.25	-10.50
21-Mar	571.00	572.00	562.50	564.25	-9.75
21-May	564.75	566.50	559.75	561.75	-7.75

Disclaimer: The information and opinions contained in the document have been compiled from sources believed to be reliable. The company does not warrant its accuracy, completeness and correctness. Use of data and information contained in this report is at your own risk. This document is not, and should not be construed as, an offer to sell or solicitation to buy any commodities. This document may not be reproduced, distributed or published, in whole or in part, by any recipient hereof for any purpose without prior permission from the Company. IASL and its affiliates and/or their officers, directors and employees may have positions in any commodities mentioned in this document (or in any related investment) and may from time to time add to or dispose of any such commodities (or investment). Please see the detailed disclaimer at <http://www.agriwatch.com/disclaimer.php> © 2020 Indian Agribusiness Systems Ltd.