

Wheat Domestic Fundamentals:

Punjab government is gearing up for wheat procurement in the state from April 15. A 30-member control room at the mandi board has been set up for coordination and providing logistic support during the wheat harvesting and marketing season amid unprecedented security and safety measures to ensure smooth operations in view of the Covid-19 clampdown. The food and agriculture departments have been asked to come out with standard operating procedures for mandis and purchase centres. The departments will scale up the number of purchase centres to 4,000 from 3,761. Farmers and labourers will be checked for influenza-like symptoms, masks would be made compulsory and multiple hand-washing arrangements shall be set up in each mandi.

There could be shortage of wheat flour in the coming days amid supply disruptions following lockdown in the country. Flour millers who process wheat to make atta, maida and suji are operating at 40 -50% of their normal capacity due to labour issue and less supplies of wheat. Though India expects a bumper wheat production this season, harvesting is being delayed following lockdown in the country. How much wheat will be harvested and how much will be officially procured from the farmers will be clear in the coming weeks after further decision is taken when the current lockdown comes to an end on 14th April.

As per the latest update, wheat markets remain closed following lock down in the country amid spread of Covid -19. 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. Late harvests mean lower yields, reduced returns, and a smaller window to plant next season's crops, as well as leaving crops vulnerable to rain and hailstorms.

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 increased slightly by 0.12 percent to Rs. 2011.99 per quintal during the week ended 8th April 2020. Wheat average price were ruling at Rs 2009.51 per quintal during 24-31 March 2020. As compared to prices in the week 01-08 April 2019, the prices are lower by 1.63 percent. Prices are expected to trade steady to weak amid lock down in the country. As per the latest update, wheat markets remain closed following lock down in the country amid spread of Covid -19.

International Market Update:

According to the Indonesian Flour Mills Association, Indonesia consumed 1.71 MMT of wheat flour in the first quarter of 2020 equivalent to 2.19 MMT of wheat grain. In 2019, Indonesia, a major wheat grain importer, consumed 6.63 MMT of wheat flour equivalent to 8.5 MMT of grain.

As of April 2, total Ukrainian grain exports reached a record 46.0 MMT, 17.9 MMT of which is wheat. Last week, Ukrainian millers and bakers asked the government to limit grain exports and related products to maintain domestic bread prices during the coronavirus pandemic.

Ukraine, one of the world's leading wheat exporters has reduced its exports of wheat to an average 14,000 tonnes a day in April from 44,000 tonnes in March to ensure adequate domestic supplies according to the economy ministry. The bakers and millers in the country asked the government to limit grain exports to maintain bread prices in the event of the coronavirus spreading after some nations considered export restrictions. Ukraine had already exported 17.9 MMT of wheat so far in the 2019-20 July-June season and an additional 2.3 MMT would be available for export by the end of the season. Ukraine harvested 28.3 MMT of wheat in 2019 and its domestic consumption totalled 8.2 MMT.

According to the farm ministry, French soft wheat sowing for the 2020 harvest will drop 7.5pc from last year to a 17-year low of 4.6 million hectares after adverse autumn weather. The 2020 estimate, which includes a small amount of spring wheat, would be 8pc below the five-year average, it said. Last month the ministry had estimated winter wheat sowing at 4.7 million hectares.

The European Commission raised its 2019/20 European Union plus Britain soft (non-durum) wheat export forecast to 30.0 MMT, 2.0 MMT greater than last month's estimate.

Wheat Futures Contract: NCDEX Price							Date: 09.04.2020 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									
20-June									

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

Stocks	Demat	In-Process	Total	EDD
	08.Apr.20	08.Apr.20	08.Apr.20	06.Apr.20
Delhi	-	-	-	-
Itarsi	-	-	-	-
Kanpur	-	-	-	-
Kota	-	-	-	-
Baran	-	-	-	-

Wheat Daily Prices and Arrivals on 09.04.2020

Centre	Market	Variety	Prices (Rs/Qtl)		Change
			09-Apr-20	08-Apr-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	2200	2150	50
	Mathura	Mill Quality Loose	1980	1980	Unch
	Kosi	Mill Quality Loose	NA	2000	-
	Hathras	Mill Quality Loose	Closed	Closed	-

	Aligarh	Mill Quality Loose	2020	2020	Unch
Punjab	Khanna	Mill Quality Loose	Closed	Closed	-
	Ludhiana (Jagraon)	Mill Delivery	NA	NA	-
Haryana	Sirsa	Mill Delivery loose	Closed	Closed	-
	Hodal	Mill Delivery	Closed	Closed	-
	Bhiwani	Mill Quality Loose	Closed	Closed	-
	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	NA	Closed	-
	Muzaffarpur	Mill Delivery	NA	Closed	-
FOR	Kandla (Rajasthan-Rajkot)	Mill Quality	Closed	Closed	-
	Gandhidham (Rajasthan-Rajkot)	Mill Quality	Closed	Closed	-

Centre	Market	Variety	Prices (Rs/Qtl)		Change
			09-Apr-20	08-Apr-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
			09-Apr-20	08-Apr-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	700	900	-200
	Mathura	Mill Quality Loose	3500	3400	100
	Kosi	Mill Quality Loose	NA	300	-
	Hathras	Mill Quality Loose	Closed	Closed	-
	Aligarh	Mill Quality Loose	1200	1400	-200
Punjab	Khanna	Mill Quality Loose	Closed	Closed	-
	(Ludhiana).Jagraon	Mill Quality Loose	NA	NA	-
Haryana	Sirsa	Mill Quality Loose	Closed	Closed	-
	Hodal	Mill Quality Loose	Closed	Closed	-
	Bhiwani	Mill Quality Loose	Closed	Closed	-
	Karnal	Mill Delivery	NA	NA	-
	Panipat	Mill Quality Loose	NA	NA	-

Wheat (CBOT) Future Price: 08.04.2020

Contract Month	Open	High	Low	Close	Change
20-May	551.00	554.50	545.00	548.25	-1.00
20-Jul	548.75	553.25	544.25	548.50	1.00
20-Sep	552.00	556.50	547.50	552.75	2.00
20-Dec	560.00	563.25	555.00	560.00	1.75
21-Mar	564.50	568.75	560.50	566.25	1.50
21-May	561.00	566.50	559.50	566.00	2.50

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.