

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. Haryana Government will start procurement from April 20.

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 25 -30% 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.

India will be exporting around one lakh tonnes of wheat to Afghanistan and Lebanon under government to government (G2G) arrangement. The country is expecting a record wheat production of 106.21 MMT this year. Despite surplus production, Indian wheat is out of global market due to higher price. But government has been exporting wheat to African and Asian countries on humanitarian ground under G2G arrangement. Nafed has been asked to export 50,000 tonnes to Afghanistan and 40,000 tonnes to Lebanon through diplomatic route according to official sources at the agriculture department.

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 latest supply and demand report released by the USDA, wheat exports are reduced by 15 million bushels to 985 million bushels on a slowing pace and prices that have become uncompetitive in many international import markets. The 2019/20 global outlook is for slightly higher supplies, but reduced trade and utilization. Global exports are lowered 0.9 MMT, led by a 1.5 MMT reduction for Russia, which was directly offset by an equivalent increase for the EU. Global imports are reduced 0.3 MMT each for Brazil, Japan, and Uzbekistan; a 0.3 MMT increase for Morocco is partially offsetting. Aggregate world consumption is lowered 5.1 MMT following updates to several countries. With supplies higher and use down, projected 2019/20 global ending stocks are raised 5.6 MMT to a record high 292.8 MMT.

Egypt is planning to import 800,000 tonnes of wheat during this year's harvest season following a request from the President. Egypt, the world's largest wheat buyer, does not normally import wheat during the local harvest but the country is encouraging officials to boost reserves of strategic commodities amid concern about supplies during the new coronavirus outbreak.

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.

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 11.04.2020

Centre	Market	Variety	Prices (Rs/Qtl)		Change
			11-Apr-20	10-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	NR	NR	-
	Mathura	Mill Quality Loose	1965	1970	-5
	Kosi	Mill Quality Loose	2000	2000	Unch
	Hathras	Mill Quality Loose	Closed	Closed	-

	Aligarh	Mill Quality Loose	NR	1970	-
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	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
			11-Apr-20	10-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
			11-Apr-20	10-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	NR	NR	-
	Mathura	Mill Quality Loose	4300	4000	300
	Kosi	Mill Quality Loose	1200	600	600
	Hathras	Mill Quality Loose	Closed	Closed	-
	Aligarh	Mill Quality Loose	NR	1700	-
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: 09.04.2020

Contract Month	Open	High	Low	Close	Change
20-May	549.25	558.75	546.75	556.50	8.25
20-Jul	549.25	559.25	546.50	557.50	9.00
20-Sep	552.25	562.75	551.25	561.25	8.50
20-Dec	560.00	569.00	558.00	567.75	7.75
21-Mar	566.50	573.00	564.25	572.50	6.25
21-May	566.50	573.00	566.50	572.75	6.75

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