

Wheat Domestic Fundamentals:

Punjab has started the exercise of procuring 130 lakh tonnes of wheat in the coming two months. To limit crowding and ensure social distancing, the government is inviting a limited number of farmers through coupons, with permission to sell up to 50 quintals of wheat at their closest grain market. On the first day, only 6,290 coupons were issued in the entire state, followed by 17,995 coupons for Thursday and 41,337 coupons for Friday. The number of coupons will go up to 70,000 per day, depending on space in the markets and pace of harvest arrival. Each coupon allows sale of 50 quintals. The procurement agencies has been asked by the state government to ensure payment to farmers within 48 hours of procurement of their crop.

Harvesting of wheat is gathering momentum in Bihar and it is expected to be completed in the next 10 days. The major wheat producing districts of Bihar are Patna, Nalanda, Bhojpur, Buxar, Rohtas, Muzaffarpur and Sitamarhi.

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.

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 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 1.23 percent to Rs. 1987.15 per quintal during the week ended 15th April 2020. Wheat average price were ruling at Rs 2011.99 per quintal during 01-08 April 2020. As compared to prices in the week 09-15 April 2019, the prices are lower by 0.80 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:

Japan's Ministry of Agriculture sought 132,277 metric tonnes of food quality wheat from the United States, Canada and Australia in a regular tender. The wheat will be loaded between June 01 –June 30, 2020.

Sudan's government will purchase 200,000 tons of wheat in a deal with the United Nations' World Food Program according to the finance ministry, in a bid to bolster strategic reserves amid the coronavirus pandemic. The northeast African country consumes two million tons of wheat annually, according to official figures, relying heavily on imports.

Ukrainian wheat exports from seaports rose 20% in the week of April 4-10 even as the government tries to retain as much of the grain amid the corona virus crisis according to the preliminary data from the APK-Inform consultancy. It exported 171,000 tonnes of wheat during the period.

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.

Wheat Futures Contract: NCDEX Price							Date: 15.04.2020 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	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
	13.Apr.20	13.Apr.20	13.Apr.20	13.Apr.20
Delhi	-	-	-	-
Itarsi	-	-	-	-
Kanpur	-	-	-	-
Kota	-	-	-	-
Baran	-	-	-	-

Wheat Daily Prices and Arrivals on 15.04.2020

Centre	Market	Variety	Prices (Rs/Qtl)		Change
			15-Apr-20	14-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	1750	1750	Unch
		Mill Delivery	1870	1870	Unch
U.P.	Kanpur	Mill Delivery	Closed	NR	-
	Mathura	Mill Quality Loose	1805	1805	Unch
	Kosi	Mill Quality Loose	2000	2000	Unch
	Hathras	Mill Quality Loose	1850	1850	Unch

	Aligarh	Mill Quality Loose	Closed	1795	-
Punjab	Khanna	Mill Quality Loose	Closed	Closed	-
	Ludhiana (Jagraon)	Mill Delivery	NA	NA	-
Haryana	Sirsa	Mill Delivery loose	1925	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	2200	2200	Unch
	Madurai	Mill Quality	2257	2257	Unch
	Coimbatore	Mill Quality	2257	2257	Unch
Bihar	Khagariya	Mill Delivery	1900	1900	Unch
	Muzaffarpur	Mill Delivery	1825	1825	Unch
FOR	Kandla (Rajasthan-Rajkot)	Mill Quality	Closed	Closed	-
	Gandhidham (Rajasthan-Rajkot)	Mill Quality	Closed	Closed	-

Centre	Market	Variety	Prices (Rs/Qtl)		Change
			15-Apr-20	14-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	2000	2000	Unch
	Baran	Lokwan	NA	NA	-

Wheat Arrivals in Key Centers:

Centre	Market	Variety	Arrivals (Bags/Qtl)		Change
			15-Apr-20	14-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	20000	20000	Unch
U.P.	Kanpur	Mill Quality Loose	Closed	NR	-
	Mathura	Mill Quality Loose	20000	20000	Unch
	Kosi	Mill Quality Loose	1300	1300	Unch
	Hathras	Mill Quality Loose	3000	3000	Unch
	Aligarh	Mill Quality Loose	Closed	6000	-
Punjab	Khanna	Mill Quality Loose	Closed	Closed	-
	(Ludhiana).Jagraon	Mill Quality Loose	NA	NA	-
Haryana	Sirsa	Mill Quality Loose	500	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: 14.04.2020

Contract Month	Open	High	Low	Close	Change
20-May	555.75	556.75	546.00	548.75	-6.25
20-Jul	555.75	557.25	546.25	549.75	-5.75
20-Sep	559.00	561.25	551.00	554.75	-4.75
20-Dec	565.25	568.00	559.00	562.50	-4.00
21-Mar	569.25	572.25	565.25	569.25	-2.00
21-May	571.50	572.25	565.25	570.50	-1.00

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