

Wheat Domestic Fundamentals:

In Gujarat, procurement of wheat will start on 27 April and is expected to be over by 30 May, 2020. Gujarat is expected to harvest a bumper crop of 40 lakh metric tonnes this season. According to the Union Ministry of Agriculture and Farmers welfare, the total area under wheat crop this season is 310 lakh hectares of which 63-67 per cent has already been harvested. Around 90-95% harvesting of wheat is completed in Madhya Pradesh, 80-85% in Rajasthan, 60-65% in Uttar Pradesh, 30-35% in Haryana and 10-15% in Punjab. Harvesting is likely to be completed in these states by end April.

In Punjab, moderate to heavy rainfall has brought wheat harvesting as well as procurement to a standstill on Monday. The crop is also likely to be damaged amid increase in moisture content. However exact crop loss will be clear in the coming days.

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 on 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 have been asked by the state government to ensure payment to farmers within 48 hours of procurement of their crop.

According to FCI, till April 17, 2020, Punjab has procured 0.38 LMT (lakh metric tonne), Uttar Pradesh -0.06 LMT, Madhya Pradesh -0.12 LMT and Rajasthan -0.03 LMT. This season FCI is planning to procure 40 MMT of wheat in the country.

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.

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 increased by 1.27 percent to Rs. 2012.39 per quintal during the week ended 23rd April 2020. Wheat average price were ruling at Rs 1987.15 per quintal during 09-15 April 2020. As compared to prices in the week 16-23 April 2019, the prices are higher by 0.71 percent. Prices are expected to trade steady to firm as official procurement has started in Punjab and will start in other states by next week.

International Market Update:

According to USDA only 40% of Colorado's winter wheat is in good to excellent condition compared to 62% last year. Areas under abnormal dryness spread in eastern Oregon and Washington where moderate drought expanded in the central corridor of the state. Looking ahead, dry weather is expected in the Northern Plains while moderate precipitation is expected across parts of the central and southern Great Plains.

USDA now expects the United States will export 10.3 MMT of HRW, 7.48 MMT of HRS, 2.59 MMT of SRW, 5.31 MMT of white wheat, and 1.09 MMT of durum. U.S. HRW, HRS and durum exports are forecast to outpace 2018/19 sales.

In the monthly supply and demand forecasts released by France Agriculture Ministry, projection of French soft wheat exports outside the European Union in the 2019/20 season to June 30 has been increased to 13.2 MMT from 12.7 MMT estimated last month. The latest forecast is 36.5% above last season's level and if realised would surpass the record of 12.9 MMT in 2010-11.

Jordan's state grain buyer has issued tender to buy 120,000 metric tonnes of hard milling wheat to be sourced from different origins. The wheat will be loaded between October and November.

Wheat Futures Contract: NCDEX Price							Date: 21.04.2020 at 5:00 PM		
Contract Month	+/-	Open	High	Low	Close	Volume	Ch. From previous day	OI	Ch. From previous day
20-May	0	1800	1800	1800	1800	10	0		
20-June	0	1800	1800	1800	1800				
20-July	0	1800	1800	1800	1800				

Spread	Apr-20	May-20	June-20
Spot Narella	1825		
20-May	-25		
20-June		0	
20-July			-

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

Wheat Daily Prices and Arrivals on 21.04.2020

Centre	Market	Variety	Prices (Rs/Qtl)		Change
			21-Apr-20	20-Apr-20	
Delhi	Lawrence Road	Mill Delivery	1950	1950	Unch
	Narella	Mill Quality Loose	1825	1825	Unch
	Nazafgarh	Mill Quality Loose	1800	1800	Unch
Gujarat	Rajkot	Mill Delivery	1725	Closed	-
	Ahmedabad	Mill Delivery	1850	Closed	-
	Surat	Mill Delivery	1925	Closed	-
	Dhrol	Mill Quality Loose	NR	Closed	-
M.P.	Indore	Mill Delivery	Closed	Closed	-
	Bhopal	Mill Quality Loose	Closed	Closed	-
Rajasthan	Kota	Mill Quality Loose	1680	1700	-20
		Mill Delivery	1825	1825	Unch
U.P.	Kanpur	Mill Delivery	2000	2025	-25
	Mathura	Mill Quality Loose	1780	1760	20
	Kosi	Mill Quality Loose	1850	1850	Unch
	Hathras	Mill Quality Loose	1850	1765	85

	Aligarh	Mill Quality Loose	1785	1760	25
Punjab	Khanna	Mill Quality Loose	1925	1925	Unch
	Ludhiana (Jagraon)	Mill Delivery	NA	NA	-
Haryana	Sirsa	Mill Delivery loose	1900	1925	-25
	Hodal	Mill Delivery	NA	NA	-
	Bhiwani	Mill Quality Loose	1925	1925	Unch
	Karnal	Mill Delivery	NA	NA	-
	Panipat	Mill Quality Loose	NA	NA	-
Tamil Nadu	Chennai	Mill Quality	2150	2150	Unch
	Madurai	Mill Quality	2207	2207	Unch
	Coimbatore	Mill Quality	2207	2207	Unch
Bihar	Khagariya	Mill Delivery	1900	1900	Unch
	Muzaffarpur	Mill Delivery	1825	1825	Unch
FOR	Kandla (Rajasthan-Rajkot)	Mill Quality	NA	Closed	-
	Gandhidham (Rajasthan-Rajkot)	Mill Quality	NA	Closed	-

Centre	Market	Variety	Prices (Rs/Qtl)		Change
			21-Apr-20	20-Apr-20	
Gujarat	Rajkot	Lokwan	1725	Closed	-
M.P.	Indore	Lokwan	Closed	Closed	-
	Bhopal	Lokwan	Closed	Closed	-
	Bina	Sarbati 306	Closed	Closed	-
Rajasthan	Kota	Lokwan Bilty	1875	1925	-50
	Baran	Lokwan	NA	NA	-

Wheat Arrivals in Key Centers:

Centre	Market	Variety	Arrivals (Bags/Qtl)		Change
			21-Apr-20	20-Apr-20	
Delhi	Lawrence Road	Mill Delivery	6000	6000	Unch
	Narella	Mill Quality Loose	1000	1000	Unch
	Nazafgarh	Mill Quality Loose	500	500	Unch
Gujarat	Rajkot	Mill Quality Loose	2000	Closed	-
	Dhrol	Mill Quality Loose	NR	Closed	-

M.P.	Indore	Mill Quality Loose	Closed	Closed	-
Rajasthan	Kota	Mill Quality	30000	25000	5000
U.P.	Kanpur	Mill Quality Loose	2500	1900	600
	Mathura	Mill Quality Loose	6000	11000	-5000
	Kosi	Mill Quality Loose	4000	5000	-1000
	Hathras	Mill Quality Loose	200	400	-200
	Aligarh	Mill Quality Loose	5000	5000	Unch
Punjab	Khanna	Mill Quality Loose	20000	20000	Unch
	(Ludhiana).Jagraon	Mill Quality Loose	NA	NA	-
Haryana	Sirsa	Mill Quality Loose	500	500	Unch
	Hodal	Mill Quality Loose	1000	1000	Unch
	Bhiwani	Mill Quality Loose	600	600	Unch
	Karnal	Mill Delivery	NA	NA	-
	Panipat	Mill Quality Loose	NA	NA	-

Wheat (CBOT) Future Price: 20.04.2020

Contract Month	Open	High	Low	Close	Change
20-May	536.00	562.00	535.25	548.75	15.25
20-Jul	536.00	561.50	535.50	547.50	13.75
20-Sep	540.00	564.50	540.00	551.50	12.75
20-Dec	548.25	571.00	548.00	559.00	12.00
21-Mar	555.75	575.75	555.75	566.00	11.50
21-May	557.75	573.75	557.00	565.25	10.00

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