

Wheat Domestic Fundamentals:

Sangrur contributes more than 10% to the total wheat production of Punjab and adequate arrangements have been made to ensure hassle-free procurement in the district amid the Covid-19 lockdown. It has secured top rank on the Punjab mandi lifting around 54% of the wheat grains that arrived in the market. Sangrur has lifted 1,31,640 metric tonne (MT) wheat from the grain markets of the district. Around 2,43,778 MT grains has already been procured in the district by various agencies till April 21 and to ensure adequate space for new arrival, the lifting process has been expedited.

Farmers in Haryana are storing the harvested crop at home this season as the state authorities have restricted the entry of vehicles to avoid crowding at grain markets. Storing the crop at home and then taking it to the market will involve more labour cost. The farmers are worried to delay harvesting as weather might damage the standing crop.

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.

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 IKAR, Russian wheat crop is forecast at 77.2 MMT compared to 79.5 MMT in 2020. Production is expected to decline amid low level of moisture in soil in parts of wheat growing regions. Rains in April are very good and timely, but more rain is required in May to offset the accumulated moisture deficit.

Despite recent dryness, Stratégie Grains (SG), expects total German soft (non-durum) wheat production will reach 23.0 MMT in 2019/20, slightly higher than last year's output.

Turkey is emerging as a key player in the international wheat market, importing record wheat levels in recent years. Domestic wheat consumption in Turkey is forecast to increase 1 percent to 19.9 MMT in 2019 and 2020. Most goes into human-consumption products such as flour and pasta, with the balance used as stock feed. The COVID-19 pandemic has raised questions about self-sufficiency in wheat production in Turkey, which produces around 20 MMT of the crop a year. Despite this, Turkey is expected to import around 10.5 MMT predominantly from Russia by the end of the current marketing year, marking an annual increase of 61 percent. Ukraine, Canada, Mexico and Spain have been other major milling wheat suppliers for Turkey this season.

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.

Wheat Futures Contract: NCDEX Price							Date: 23.04.2020 at 5:00 PM		
Contract Month	+/-	Open	High	Low	Close	Volume	Ch. From previous day	OI	Ch. From previous day
20-May	0	1854	1854	1854	1854				
20-June									
20-July									

Spread	Apr-20	May-20	June-20
Spot Narella	1825		
20-May	29		
20-June		-	
20-July			-

Stocks	Demat	In-Process	Total	EDD
	22.Apr.20	22.Apr.20	22.Apr.20	20.Apr.20
Delhi	-	-	-	-
Itarsi	-	-	-	-
Kanpur	-	-	-	-
Kota	-	-	-	-
Baran	-	-	-	-

Wheat Daily Prices and Arrivals on 23.04.2020

Centre	Market	Variety	Prices (Rs/Qtl)		Change
			23-Apr-20	22-Apr-20	
Delhi	Lawrence Road	Mill Delivery	1960	1960	Unch
	Narella	Mill Quality Loose	NA	Closed	-
	Nazafgarh	Mill Quality Loose	NA	Closed	-
Gujarat	Rajkot	Mill Delivery	1750	1730	20
	Ahmedabad	Mill Delivery	1870	1850	20
	Surat	Mill Delivery	1940	1925	15
	Dhrol	Mill Quality Loose	NR	NR	-
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	2000	Unch
	Mathura	Mill Quality Loose	1780	1780	Unch
	Kosi	Mill Quality Loose	1800	1800	Unch
	Hathras	Mill Quality Loose	1800	1850	-50

	Aligarh	Mill Quality Loose	1790	Closed	-
Punjab	Khanna	Mill Quality Loose	1925	1925	Unch
	Ludhiana (Jagraon)	Mill Delivery	NA	NA	-
Haryana	Sirsa	Mill Delivery loose	1925	1900	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	1800	1825	-25
FOR	Kandla (Rajasthan-Rajkot)	Mill Quality	NA	NA	-
	Gandhidham (Rajasthan-Rajkot)	Mill Quality	NA	NA	-

Centre	Market	Variety	Prices (Rs/Qtl)		Change
			23-Apr-20	22-Apr-20	
Gujarat	Rajkot	Lokwan	1800	1750	50
M.P.	Indore	Lokwan	Closed	Closed	-
	Bhopal	Lokwan	Closed	Closed	-
	Bina	Sarbati 306	Closed	Closed	-
Rajasthan	Kota	Lokwan Bilty	1875	1875	Unch
	Baran	Lokwan	NA	NA	-

Wheat Arrivals in Key Centers:

Centre	Market	Variety	Arrivals (Bags/Qtl)		Change
			23-Apr-20	22-Apr-20	
Delhi	Lawrence Road	Mill Delivery	5000	5000	Unch
	Narella	Mill Quality Loose	NA	Closed	-
	Nazafgarh	Mill Quality Loose	NA	Closed	-
Gujarat	Rajkot	Mill Quality Loose	3000	3000	Unch
	Dhrol	Mill Quality Loose	NR	NR	-

M.P.	Indore	Mill Quality Loose	Closed	Closed	-
Rajasthan	Kota	Mill Quality	35000	35000	Unch
U.P.	Kanpur	Mill Quality Loose	2800	3000	-200
	Mathura	Mill Quality Loose	5000	5000	Unch
	Kosi	Mill Quality Loose	5000	2000	3000
	Hathras	Mill Quality Loose	150	200	-50
	Aligarh	Mill Quality Loose	4000	Closed	-
Punjab	Khanna	Mill Quality Loose	20000	20000	Unch
	(Ludhiana).Jagraon	Mill Quality Loose	NA	NA	-
Haryana	Sirsa	Mill Quality Loose	4000	500	3500
	Hodal	Mill Quality Loose	15000	1000	14000
	Bhiwani	Mill Quality Loose	600	500	100
	Karnal	Mill Delivery	NA	NA	-
	Panipat	Mill Quality Loose	NA	NA	-

Wheat (CBOT) Future Price: 22.04.2020

Contract Month	Open	High	Low	Close	Change
20-May	547.75	549.75	538.00	543.00	-3.75
20-Jul	546.75	548.75	537.25	543.75	-2.50
20-Sep	550.00	551.00	540.50	546.50	-2.25
20-Dec	557.00	557.50	547.25	553.75	-2.00
21-Mar	563.25	563.75	554.25	560.50	-2.00
21-May	561.00	561.00	552.50	558.75	-1.75

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