

Wheat Domestic Fundamentals:

Chandigarh wheat shrivelled at many places because of untimely rains, its procurement could be less than the target of 135 lakh metric tonnes (LMT). Which could lead to a fall in procurement by 5-10 LMT. The percentage of shrivelled grain in Patiala, Fatehgarh Sahib and Mohali vary between 15 and 30 per cent.

A glut like situation in wheat markets across Punjab has affected procurement. With no space to unload produce at the local grain market, which is packed to capacity, farmers have not been issued passes for the past two days. With late procurement, payment will get delayed, which in turn will affect the purchase of seeds and fertilisers for kharif sowing. Shortage of labour and poor transportation facility has affected procurement. As on Thursday, 7 lakh metric tonnes of wheat had arrived across the state.

The government has set a procurement target of 40.7 MMT of wheat this season. In Punjab, wheat procurement stood at 6 tonnes as on Wednesday. In Haryana and UP, procurement stood at 22.41 LMT and 2.97 LMT tonnes, respectively.

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.

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. 1012.39 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:

Egypt's government has procured 180,000 tonnes of local wheat in the first week of the harvest season for the grain according to the Supply Ministry. Egypt's wheat harvest runs from mid-April until June.

According to APK Inform, a Ukrainian agriculture consultancy, Ukrainian wheat export prices reached a season high of \$232/MT FOB compared to its January high of \$231/MT FOB on increased export demand. USDA expects Ukrainian wheat exports will reach a record 20.5 MMT in 2019/20, 22% greater than last year and 27% more than the 5-year average, if realized.

Strategie Grains increased its estimate of 2019/20 European Union (EU) soft (non-durum) wheat ending stocks as reduced domestic consumption due to the COVID-19 pandemic more than offset increased annual exports. Between March and April, SG increased its forecast for EU soft (non-durum) wheat ending stocks by 23% from 11.1 MMT to 13.6 MMT. SG's soft wheat domestic use estimate fell 3% month-over-month to 114 MMT.

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.

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

Wheat Futures Contract: NCDEX Price							Date: 27.04.2020 at 5:00 PM		
Contract Month	+/-	Open	High	Low	Close	Volume	Ch. From previous day	OI	Ch. From previous day
20-May	0	1857	1857	1857	1857				
20-June	0	1882	1882	1882	1882				
20-July	0	1890	1890	1890	1890				

Spread	May-20	June-20	July-20
Spot Narella	-		
20-May	-		
20-June		7	
20-July			8

Stocks	Demat	In-Process	Total	EDD
	23.Apr.20	23.Apr.20	23.Apr.20	20.Apr.20
Delhi	-	-	-	-
Itarsi	-	-	-	-
Kanpur	-	-	-	-
Kota	-	-	-	-
Baran	-	-	-	-

Wheat Daily Prices and Arrivals on 24.11.2018

Centre	Market	Variety	Prices (Rs/Qtl)		Change
			27-Apr-20	25-Apr-20	
Delhi	Lawrence Road	Mill Delivery	1980	1980	Unch
	Narella	Mill Quality Loose	1820	NA	-
	Nazafgarh	Mill Quality Loose	NA	NA	-
Gujarat	Rajkot	Mill Delivery	1780	1770	10
	Ahmedabad	Mill Delivery	1900	1880	20
	Surat	Mill Delivery	1980	1980	Unch
	Dhrol	Mill Quality Loose	NR	NR	-
M.P.	Indore	Mill Delivery	Closed	Closed	-
	Bhopal	Mill Quality Loose	Closed	Closed	-
Rajasthan	Kota	Mill Quality Loose	1750	1725	25
		Mill Delivery	1850	1850	Unch
U.P.	Kanpur	Mill Delivery	2000	2000	Unch
	Mathura	Mill Quality Loose	1830	1810	20
	Kosi	Mill Quality Loose	1850	1810	40
	Hathras	Mill Quality Loose	1850	1800	50
	Aligarh	Mill Quality Loose	1790	1790	Unch
Punjab	Khanna	Mill Quality Loose	1925	1925	Unch
	Ludhiana (Jagraon)	Mill Delivery	NA	NA	-
Haryana	Sirsa	Mill Delivery loose	1925	1925	Unch
	Hodal	Mill Delivery	NA	NA	-
	Bhiwani	Mill Quality Loose	NA	NA	-

	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	1800	Unch
FOR	Kandla (Rajasthan-Rajkot)	Mill Quality	NA	NA	-
	Gandhidham (Rajasthan-Rajkot)	Mill Quality	NA	NA	-

Centre	Market	Variety	Prices (Rs/Qtl)		Change
			27-Apr-20	25-Apr-20	
Gujarat	Rajkot	Lokwan	1800	1800	Unch
M.P.	Indore	Lokwan	Closed	Closed	-
	Bhopal	Lokwan	Closed	Closed	-
	Bina	Sarbati 306	Closed	Closed	-
Rajasthan	Kota	Lokwan Bilty	1950	1950	Unch
	Baran	Lokwan	NA	NA	-

Wheat Arrivals in Key Centers:

Centre	Market	Variety	Arrivals (Bags/Qtl)		Change
			27-Apr-20	25-Apr-20	
Delhi	Lawrence Road	Mill Delivery	5000	10000	-5000
	Narella	Mill Quality Loose	3000	NA	-
	Nazafgarh	Mill Quality Loose	NA	NA	-
Gujarat	Rajkot	Mill Quality Loose	5000	5500	-500
	Dhrol	Mill Quality Loose	NR	NR	-
M.P.	Indore	Mill Quality Loose	Closed	Closed	-
Rajasthan	Kota	Mill Quality	60000	30000	30000
U.P.	Kanpur	Mill Quality Loose	2750	3000	-250
	Mathura	Mill Quality Loose	5000	15000	-10000
	Kosi	Mill Quality Loose	2000	1000	1000
	Hathras	Mill Quality Loose	400	200	200
	Aligarh	Mill Quality Loose	6000	5000	1000
Punjab	Khanna	Mill Quality Loose	15000	23000	-8000
	(Ludhiana)Jagraon	Mill Quality Loose	NA	NA	-
Haryana	Sirsa	Mill Quality Loose	8000	10000	-2000
	Hodal	Mill Quality Loose	10000	17000	-7000
	Bhiwani	Mill Quality Loose	NA	NA	-
	Karnal	Mill Delivery	NA	NA	-

	Panipat	Mill Quality Loose	NA	NA	-
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Wheat (CBOT) Future Price: 24.04.2020					
Contract Month	Open	High	Low	Close	Change
20-May	549.25	550.75	526.00	526.75	-20.25↓
20-Jul	547.50	549.50	529.00	530.50	-14.25↓
20-Sep	549.00	550.75	531.75	533.25	-13.25↓
20-Dec	554.25	556.50	538.50	540.25	-12.25↓
21-Mar	559.50	560.00	543.50	545.50	-11.75↓
21-May	557.75	557.75	544.00	545.00	-10.00↓

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