

Wheat Domestic Fundamentals:

Procurement of wheat in the rabi season has so far been less by 18.35 per cent this year due to the Covid-19 crisis. However, there was no shortage of food grain and procurement was on track. "As on date cumulative procurement of wheat in the rabi marketing season 2020-21 is 226.85 LMT whereas it was 277.83 LMT during the corresponding period in 2019-20,"

In over 22 days of staggered wheat procurement, Punjab has procured 78% of the targeted produce so far, crossing the 100 lakh metric tonne (LMT) mark. Of the estimated 135 LMT of wheat, grain markets have recorded arrival of 105.14 LMT so far, of which 104 LMT had been procured. Wheat arrival, which hovered around 6 LMT last week, fell to 4.14 LMT on Wednesday as farmers were in a hurry to sell due to uncertainty over issuance of e-passes.

The Food Corporation of India (FCI) has been able to buy half of its wheat procurement target of 40.7 million tonne by Wednesday despite a delayed start this year as Punjab has exceeded expectation by purchasing nearly 75% of its target in only 22 days.

According to FCI the latest procurement data by FCI and state agencies as on 6th of May Punjab 100.16 LMT followed by Haryana 47.65 LMT, Uttar Pradesh 8.73 LMT, Madhya Pradesh 44.46 LMT and Rajasthan 2.36 LMT.

In Madhya Pradesh a record procurement of more than five lakh metric tonnes was made in a single day. So far, a total of 45 lakh metric tonnes of wheat have been purchased from eight lakh farmers in the state. The purchase made in 40 days last year, has been made in 20 days this year. An amount of Rs 4,175 crore has been paid to 4 lakh 90 thousand farmers.

According to Punjab state Govt, Punjab had procured 100 lakh metric tonne of wheat in a record 20 days on Wednesday. An additional 35 lakh metric tonne of wheat is expected to be procured in the coming days.

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According to FCI the state wise procurement of wheat till 01.05.2020 was Punjab 74.16 LMT, Haryana 33.74, U.P 5.92 LMT and M.P 27.60 LMT and Rajasthan 1.40 LMT respectively.

According to Punjab state Govt "over 2.22 lakh metric tonnes (MT) of wheat has arrived at grain markets in the district so far". Almost 32% of the crop has arrived at the markets and harvesting will be completed with next 10 days. Government agencies have procured around 2.14 lakh MT of wheat till date.

Wheat is being procured through 167 purchasing centers in the Behaich district. According to District Food Marketing Officer, 12 thousand MT of wheat has been purchased in the district. However, many purchasing centers had problems in purchase due to lack of sacks. This was due to the closure of jute mills during lock down. On which sacks have been collected from the Kotdars.

International Market Update:

According to USDA Canada's wheat production in 2020-21 is expected to increase slightly on a 2% increase in area planted and a decrease in area abandoned. Wheat production is estimated at 33.8 million tonnes, up from an estimated production of 32.3 million tonnes in 2019-20. Marketing year 2019-20 was marked with unfavourable weather conditions, transportation challenges, market access issues and then the coronavirus (COVID-19).

European Union wheat exporters are set to record their best export season for years with record shipments expected from top exporter France, traders said on Wednesday. For the current July 2019/June 2020 season, the EU Commission this week raised its monthly forecast for exports of soft wheat, or common wheat, from the EU plus Britain to 31.8 million tonnes, a four-year high.

Ukrainian farmers since the beginning of 2019-2020 Marketing Year, exported 19.08 million tonnes of wheat, which is 95% of the export ceiling of 20.2 million tonnes, approved by the Ministry for Development of Economy, Trade, and Agriculture.

According wheat forecast for global wheat production in the 2020/21 season, driven partly by downward revisions for Russia, Ukraine and the European Union. The inter-governmental body cut its global wheat crop forecast by 4 million tonnes to 764 million tonnes, as less than ideal conditions are harming crop prospects in Europe and the Black Sea region. Dry weather has been a concern although there have been some recent showers in Ukraine and the European Union, and rains are expected to arrive in Russia's southern regions in early May.

Argentina is forecast to harvest a record wheat crop in 2020-21 at 20.2 million tonnes, according to a (GAIN). Argentine

Wheat Futures Contract: NCDEX Price							Date: 08.05.2020 at 5:00 PM		
Contract Month	+/-	Open	High	Low	Close	Volume	Ch. From previous day	OI	Ch. From previous day
20-May	0	-	-	-	1924				
20-June	0	-	-	-	1931				
20-July	0	-	-	-	1939				

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	-	-	-	-

Centre	Market	Variety	Prices (Rs/Qtl)		Change
			09-May-20	08-May-20	
Delhi	Lawrence Road	Mill Delivery	1960	1960	Unch
	Narella	Mill Quality Loose	1800	1815	-15
	Nazafgarh	Mill Quality Loose	NA	NA	-
Gujarat	Rajkot	Mill Delivery	1810	1810	Unch
	Ahmedabad	Mill Delivery	1900	1910	-10
	Surat	Mill Delivery	2000	2000	Unch
	Dhrol	Mill Quality Loose	NR	1700	-
M.P.	Indore	Mill Delivery	Closed	Closed	-
	Bhopal	Mill Quality Loose	1900	1925	-25
Rajasthan	Kota	Mill Quality Loose	Closed	Closed	-
		Mill Delivery	Closed	Closed	-
U.P.	Kanpur	Mill Delivery	2000	2000	Unch
	Mathura	Mill Quality Loose	1820	1800	20
	Kosi	Mill Quality Loose	1850	1820	30
	Hathras	Mill Quality Loose	1800	1810	-10

	Aligarh	Mill Quality Loose	1800	1800	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	1900	1890	10
	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	1900	1900	Unch
	Muzaffarpur	Mill Delivery	1900	1900	Unch
FOR	Kandla (Rajasthan-Rajkot)	Mill Quality	NA	NA	-
	Gandhidham (Rajasthan-Rajkot)	Mill Quality	NA	NA	-

Centre	Market	Variety	Prices (Rs/Qtl)		Change
			09-May-20	08-May-20	
Gujarat	Rajkot	Lokwan	1850	1850	Unch
M.P.	Indore	Lokwan	Closed	Closed	-
	Bhopal	Lokwan	NA	NA	-
	Bina	Sarbati 306	NA	NA	-
Rajasthan	Kota	Lokwan Bilty	Closed	Closed	-
	Baran	Lokwan	Closed	Closed	-

Wheat Arrivals in Key Centers:

Centre	Market	Variety	Arrivals (Bags/Qtl)		Change
			09-May-20	08-May-20	
Delhi	Lawrence Road	Mill Delivery	7000	7000	Unch
	Narella	Mill Quality Loose	2000	1500	500
	Nazafgarh	Mill Quality Loose	NA	NA	-
Gujarat	Rajkot	Mill Quality Loose	5000	6000	-1000
	Dhrol	Mill Quality Loose	NR	136	-
M.P.	Indore	Mill Quality Loose	Closed	Closed	-

Rajasthan	Kota	Mill Quality	Closed	Closed	-
U.P.	Kanpur	Mill Quality Loose	2500	2500	Unch
	Mathura	Mill Quality Loose	8000	4000	4000
	Kosi	Mill Quality Loose	2000	1500	500
	Hathras	Mill Quality Loose	150	800	-650
	Aligarh	Mill Quality Loose	4000	4000	Unch
Punjab	Khanna	Mill Quality Loose	10000	20000	-10000
	(Ludhiana)Jagraon	Mill Quality Loose	NA	NA	-
Haryana	Sirsa	Mill Quality Loose	7000	7000	Unch
	Hodal	Mill Quality Loose	8000	8000	Unch
	Bhiwani	Mill Quality Loose	4000	5000	-1000
	Karnal	Mill Delivery	NA	NA	-
	Panipat	Mill Quality Loose	NA	NA	-

Wheat (CBOT) Future Price: 08.05.2020

Contract Month	Open	High	Low	Close	Change
20-May	533.00	533.00	529.50	529.50	+0.50↑
20-Jul	519.00	525.00	517.00	522.00	-0.50↓
20-Sep	522.25	527.25	520.00	525.25	-0.25↓
20-Dec	531.25	535.25	528.50	533.75	+0.25↑
21-Mar	537.25	542.00	536.00	541.50	+0.50↑
21-May	538.75	543.25	538.00	543.25	+0.50↑

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May20	200508	533.00	533.00	529.50	529.50	+0.50↑	80	95	-77	Hover/Click
Jul20	200508	519.00	525.00	517.00	522.00	-0.50↓	41,049	192,998	-1,395	Hover/Click
Sep20	200508	522.25	527.25	520.00	525.25	-0.25↓	11,583	67,051	-461	Hover/Click
Dec20	200508	531.25	535.25	528.50	533.75	+0.25↑	8,875	57,241	-17	Hover/Click
Mar21	200508	537.25	542.00	536.00	541.50	+0.50↑	3,900	16,898	+471	Hover/Click
May21	200508	538.75	543.25	538.00	543.25	+0.50↑	871	4,141	+83	Hover/Click
Total Volume and Open Interest							67,131	350,181	-1,315	