

Wheat Domestic Fundamentals:

Prime Minister Narendra Modi had yesterday announced the extension of Pradhan Mantri Garib Kalyan Ann Yojana till the end of November 2020. He said that the PMGKAY scheme is extended from July till the end of November 2020. The Department of Food and PD has worked out estimated cost under TPDS @ 5 Kg per person per month for three months i.e. April-June, 2020 would entail an estimated subsidy of Rs. 44,131 crore taking the estimated Economic Cost of Rs. 26,838.40/MT for wheat (as per BE 2020-2021).

With the efforts of Lok Sabha Speaker Om Birla, FCI will now procure wheat at Kota-Bundi Lok Sabha constituency on support price till 7 July. The Food-Public Distribution Ministry has issued its orders on Tuesday.

India on Tuesday deployed a helicopter and a dozen drones spraying insecticide to stop desert locusts that have spread to nine heartland states of the world's second-biggest producer of wheat. The move came after swarms invaded Gurugram, India battling its worst desert locust outbreak for decades, pressed into service 12 drones to track the movement of locusts and spray insecticides on the swarms.

In Uttar Pradesh, Farmers in the faced difficulty in getting support price of government wheat this time. The administration here has failed to achieve the target set for wheat procurement. So far, only 63 per cent of wheat has been procured in the Unnao district, 65.11 percent in Balrampur and 73 Percent in Badaun district.

According to Rajasthan Government, Despite the lockdown, the food department has procured 21.61 lakh metric tonne of wheat in just 73 days, setting a new record of highest ever procurement. So far, Wheat worth Rs. 4,160 crore has been purchased, the average procurement of Wheat per day last year was 13,187 metric tonnes, whereas this year, 29,605 metric tonne of wheat was purchased daily, which was two-and-a-half times more than that last year.

As per the Food Corporation of India report dated 28.06.2020, FCI currently has 550.31 LMT wheat.

Indore bench of Madhya Pradesh High Court has directed state government to transport wheat procured from farmers to warehouses or other locations before rainy season approaches.

According to CEO District Cooperative Bank, District Shajapur, "At present, 3,000 metric tonnes of the wheat crop has been damaged in 25-30 wheat procurement centres in Shajapur district. The damage might have happened due to the commencement of monsoon in the state and negligence of contractors or officers." The wheat held in those storage facilities was meant for the purpose of being sent to the fair price shops, but now the whole quantity of the grains has been left rotten.

In Uttar Pradesh, The Meteorological Department had issued an alert on June 24 and 25 expressing the possibility of rain. Even after the alert, the PCF and marketing department did not sleep and wheat remained under the open sky at the purchasing centres. Some wheat remained safe under roofs but wheat was not protected due to lack of space at some purchasing centres.

In view of the increasing infection of the corona virus, due to the lockdown, this time the wheat procurement in the Prayagraj district started from April 15 instead of April 1. After nearly two and a half months have passed, it has become a headache for the marketing department officials to not meet even half of the target set. Due to poor yield, most of the farmers are not going to the purchasing centre to sell wheat this time. At the same time, wheat procurement is being affected due to thinning of wheat due to storms, water and hail.

The government's wheat procurement has touched an all-time record of 38.2 million tonnes so far in the 2020-21 marketing year, with Madhya Pradesh surpassing Punjab as the country's biggest wheat procuring state.

International Market Update:

Russian wheat exports will fall in July after a slow start to the harvest but will rise in later months when there will not be export quotas, The world's largest wheat exporter, which competes with the European Union, Ukraine and others to supply Africa and the Middle East, began harvesting wheat late this year. Yields have been lower so far but are expected to climb.

Ukraine wheat output in 2020-21 is forecast to decline by 15% from the previous year due to dryness in key production regions, according to US Department of Agriculture (USDA). The USDA expects wheat production to drop to 24.7 million tonnes in 2020-21 from 29.1 million tonnes in 2019-20. The report also projects an 8% decrease in barley production, to 8.7 million tonnes from 9.5 million tonnes.

Wheat for July delivery fell 0.5% to \$4.81 1/4 a bushel on the Chicago Board of Trade Friday as the weather

Wheat Futures Contract: NCDEX Price							Date: 04.07.2020 at 5:00 PM		
Contract Month	+/-	Open	High	Low	Close	Volume	Ch. From previous day	OI	Ch. From previous day
20-July	0	-	-	-	1904				
20-Aug	0	-	-	-	1901				
20-Sep	0	-	-	-	1901				

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	-	-	-	-

Centre	Market	Variety	Prices (Rs/Qtl)		Change
			04-Jul-20	03-Jul-20	
Delhi	Lawrence Road	Mill Delivery	1995	1995	Unch
	Narella	Mill Quality Loose	1870	1850	20
	Nazafgarh	Mill Quality Loose	1810	1825	-15
Gujarat	Rajkot	Mill Delivery	1810	1835	-25
	Ahmedabad	Mill Delivery	1875	1890	-15
	Surat	Mill Delivery	1925	1935	-10
	Dhrol	Mill Quality Loose	NA	NA	-
M.P.	Indore	Mill Delivery	1925	1870	55
	Bhopal	Mill Quality Loose	1750	1750	Unch
Rajasthan	Kota	Mill Quality Loose	1770	1750	20
		Mill Delivery	1880	1870	10
U.P.	Kanpur	Mill Delivery	2000	2000	Unch
	Mathura	Mill Quality Loose	1820	1820	Unch
	Kosi	Mill Quality Loose	1850	1800	50
	Hathras	Mill Quality Loose	1800	1820	-20
	Aligarh	Mill Quality Loose	1820	1810	10
Punjab	Khanna	Mill Quality Loose	1800	1800	Unch
	Ludhiana (Jagraon)	Mill Delivery	NA	NA	-
Haryana	Sirsa	Mill Delivery loose	1870	1870	Unch
	Hodal	Mill Delivery	NA	NA	-
	Bhiwani	Mill Quality Loose	1600	1600	Unch
	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	2000	2000	Unch
	Muzaffarpur	Mill Delivery	1870	1870	Unch
FOR	Kandla (Rajasthan-Rajkot)	Mill Quality	NA	NA	-
	Gandhidham (Rajasthan-Rajkot)	Mill Quality	NA	NA	-

Centre	Market	Variety	Prices (Rs/Qtl)		Change
			04-Jul-20	03-Jul-20	
Gujarat	Rajkot	Lokwan	1850	1850	Unch
M.P.	Indore	Lokwan	2100	2000	100
	Bhopal	Lokwan	1900	1900	Unch
	Bina	Sarbati 306	2380	2380	Unch
Rajasthan	Kota	Lokwan Bilty	1950	1950	Unch
	Baran	Lokwan	NA	NA	-

Wheat Arrivals in Key Centers:

Centre	Market	Variety	Arrivals (Bags/Qtl)		Change
			04-Jul-20	03-Jul-20	
Delhi	Lawrence Road	Mill Delivery	5000	6000	-1000
	Narella	Mill Quality Loose	400	500	-100
	Nazafgarh	Mill Quality Loose	300	500	-200
Gujarat	Rajkot	Mill Quality Loose	1800	2500	-700
	Dhrol	Mill Quality Loose	NA	NA	-
M.P.	Indore	Mill Quality Loose	3000	4000	-1000
Rajasthan	Kota	Mill Quality	10000	15000	-5000
U.P.	Kanpur	Mill Quality Loose	4000	4500	-500
	Mathura	Mill Quality Loose	1500	2000	-500
	Kosi	Mill Quality Loose	1200	1000	200
	Hathras	Mill Quality Loose	100	150	-50
	Aligarh	Mill Quality Loose	3500	3500	Unch
Punjab	Khanna	Mill Quality Loose	500	400	100
	(Ludhiana)Jagraon	Mill Quality Loose	NA	NA	-
Haryana	Sirsa	Mill Quality Loose	200	200	Unch
	Hodal	Mill Quality Loose	100	100	Unch
	Bhiwani	Mill Quality Loose	500	600	-100
	Karnal	Mill Delivery	NA	NA	-
	Panipat	Mill Quality Loose	NA	NA	-

Wheat Products Delhi	04-Jul-20	03-Jul-20	Change
Atta (50kg) Ordinary	1040	1040	Unch
Maida Grade 1 (50KG)	1110	1110	Unch
Suji (50kg)	1160	1160	Unch
Chokar (50 kg)	890	890	Unch
Chokar (34 kg)	590	590	Unch
Chakki Atta (50kg)	NA	NA	-
Chakki Atta (50kg) Special	NA	NA	-
Chakki Atta (90kg) Superfine	NA	NA	-
Chakki Atta (50kg) Superfine	NA	NA	-

Wheat (CBOT) Future Price: 03.07.2020					
Contract Month	Open	High	Low	Close	Change
Jul-20	498.25	499.00	486.50	490.00	-8.75↓
Sep-20	498.25	499.25	488.50	492.00	-6.75↓
Dec-20	505.75	506.25	496.50	499.75	-6.25↓
Mar-21	513.50	513.75	504.50	507.50	-6.00↓
May-21	517.75	518.25	509.75	512.50	-5.75↓
Jul-21	517.50	518.25	510.75	513.75	-4.50↓

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