

Wheat Domestic Fundamentals:

As the government looks to liquidate its mounting stocks of wheat, flour millers have advised it to lower the rate at which wheat is sold for open market operations by Rs 500 a quintal, saying the move will help it to earn around Rs 16,000 crore in revenues. This is assuming that six million tonnes of wheat are liquidated after the price cut by way of domestic demand Food Corporation of India (FCI), the largest holder of wheat in India, also has direct control at which products such as atta, biscuits etc are available to the average consumer, particularly those outside the ambit of the public distribution system.

According to the data published on the Food Corporation of India (FCI) website, government agencies across the country have purchased 38.97 MMT of wheat in the current Rabi marketing year 2020-21.

FCI aims to promote increased purchases by private buyers under OMSS, which came down to nil in June, who didn't wish to be identified. The FCI has run out of storage facilities, and needs to offload the excess stock. The wholesale market price of wheat is less than the central agency's rate. Under OMSS, the FCI currently sells 'Grade A' wheat at Rs 2,135/quintal and the 'Grade B' at Rs 2,080/quintal. However, these rates are significantly higher than the current market prices of Rs 1,850-1,920/quintal. Under the scheme can be reduced to Rs 1,640/quintal for 'Grade A'. According to the consumer affairs ministry official wheat price under the scheme can be reduced to Rs 1,640/quintal for 'Grade A'.

In Madhya Pradesh three different co-operatives got drenched in rain due to lack of storage system for purchased wheat from farmers. the employees of the concerned institutions put wheat in yards for grading purpose. Residents living near that area are facing stink issues, due to which they've a punchnama for disposing off unusable wheat.

The Delhi government decided to provide monthly free ration from July to all PDS card holders till November 2020. This particular scheme helps nearly 71,40,938 people who get subsidized food grains. These include 68,465 Antodya Anna Yojna (AAY) households with 2,78,954 beneficiaries. The price is Rs 2 per kg for wheat and Rs 3 per kg for rice, which shall not be charged from the NFS beneficiaries while obtaining the ration from July till November. Regular entitlement under AAY category is 25 kg wheat per household, 10 kg rice per, household and one kg sugar per household.

Uttar Pradesh, has fallen short of its wheat purchase target this year as the agencies could purchase only 35.76 lakh tons of wheat against the set target to purchase 55 lakh tons. Last year the government had purchased 37.04 lakh tons of wheat.

The Haryana government will distribute wheat and pulses free of cost from July to November 2020 under the Pradhan Mantri Garib Kalyan Anna Yojana. The Food Civil Supplies and Consumer Affairs Department made pink, yellow and khaki ration card holders 5 kg per member wheat and one kg pulses per family free per month from April to June 2020 under the scheme in lockdown.

Prime Minister 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).

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

International Market Update:

According to French Grain report French farmers had harvested 47% of this year's soft wheat crop by July 13, up from 11% a week earlier. The harvest pace was faster than last year when 26% of the crop had been gathered by the same week.

China produced a record summer grain production in the year 2020. The yield of wheat in China this year is 13.16 MMT, which is 0.6 percent higher than the previous year. According to the data released on 15 July by the Chinese State Bureau of Statistics, the total production of China's summer grain in the year 2020 is 14.28 MMT, which is up by 0.9 percent from the year 2019 to more than 12 lakh 8 thousand tons. The yield of wheat is .16 MMT, which has increased by 0.6 percent over the previous year to more than 7 lakh 56 thousand tons.

The USDA reduced domestic production by 1.5mmt to 49.6mmt compared to last month on the back of record-low plantings of 14.84 million hectares (Mha) and an average yield of 3.34 metric tonne per hectare (mt/ha).

| Wheat Futures Contract: NCDEX Price | | | | | | | Date: 17.07.2020 at 5:00 PM | | |
|-------------------------------------|-----|------|------|-----|-------|--------|-----------------------------|----|-----------------------|
| Contract Month | +/- | Open | High | Low | Close | Volume | Ch. From previous day | OI | Ch. From previous day |
| 20-July | 0 | - | - | - | 1882 | | | | |
| 20-Aug | 0 | - | - | - | 1890 | | | | |
| 20-Sep | 0 | - | - | - | 1890 | | | | |

| Spread | Jul-20 | Aug-20 | Sep-20 |
|--------------|--------|--------|--------|
| Spot Narella | - | - | - |
| 20-Jul | -8 | - | - |
| 20-Aug | - | 0 | - |
| 20-Sep | - | - | - |

| Stocks | Demat | In-Process | Total | EDD |
|--------|-----------|------------|-----------|-----------|
| | 23.Jun.20 | 23.Jun.20 | 23.Jun.20 | 20.Jun.20 |
| Delhi | - | - | - | - |
| Itarsi | - | - | - | - |
| Kanpur | - | - | - | - |
| Kota | - | - | - | - |

| Centre | Market | Variety | Prices (Rs/Qtl) | | Change |
|-----------|--------------------|---------------------|-----------------|-----------|--------|
| | | | 17-Jul-20 | 16-Jul-20 | |
| Delhi | Lawrence Road | Mill Delivery | 1950 | 1960 | -10 |
| | Narella | Mill Quality Loose | 1800 | 1850 | -50 |
| | Nazafgarh | Mill Quality Loose | 1775 | 1820 | -45 |
| Gujarat | Rajkot | Mill Delivery | 1800 | 1800 | Unch |
| | Ahmedabad | Mill Delivery | 1865 | 1870 | -5 |
| | Surat | Mill Delivery | 1925 | 1925 | Unch |
| | Dhrol | Mill Quality Loose | NA | 1700 | - |
| M.P. | Indore | Mill Delivery | 1820 | 1820 | Unch |
| | Bhopal | Mill Quality Loose | 1740 | 1725 | 15 |
| Rajasthan | Kota | Mill Quality Loose | 1700 | 1700 | Unch |
| | | Mill Delivery | 1830 | 1850 | -20 |
| U.P. | Kanpur | Mill Delivery | 2025 | 2000 | 25 |
| | Mathura | Mill Quality Loose | 1760 | 1760 | Unch |
| | Kosi | Mill Quality Loose | 1800 | 1800 | Unch |
| | Hathras | Mill Quality Loose | 1780 | 1760 | 20 |
| | Aligarh | Mill Quality Loose | 1780 | 1780 | Unch |
| Punjab | Khanna | Mill Quality Loose | 1810 | 1830 | -20 |
| | Ludhiana (Jagraon) | Mill Delivery | NA | NA | - |
| Haryana | Sirsa | Mill Delivery loose | 1850 | 1860 | -10 |
| | Hodal | Mill Delivery | NA | NA | - |
| | Bhiwani | Mill Quality Loose | 1700 | 1700 | 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 | 1950 | 2000 | -50 |
| | Muzaffarpur | Mill Delivery | 1800 | 1830 | -30 |
| FOR | Kandla (Rajasthan-Rajkot) | Mill Quality | NA | NA | - |
| | Gandhidham (Rajasthan-Rajkot) | Mill Quality | NA | NA | - |

| Centre | Market | Variety | Prices (Rs/Qtl) | | Change |
|-----------|--------|--------------|-----------------|-----------|--------|
| | | | 17-Jul-20 | 16-Jul-20 | |
| Gujarat | Rajkot | Lokwan | 1825 | 1825 | Unch |
| M.P. | Indore | Lokwan | 2100 | 2100 | Unch |
| | Bhopal | Lokwan | 1900 | 1900 | Unch |
| | Bina | Sarbati 306 | 2300 | Closed | - |
| Rajasthan | Kota | Lokwan Bilty | 1925 | 1925 | Unch |
| | Baran | Lokwan | NA | NA | - |

Wheat Arrivals in Key Centers:

| Centre | Market | Variety | Arrivals (Bags/Qtl) | | Change |
|-----------|-------------------|--------------------|---------------------|-----------|--------|
| | | | 17-Jul-20 | 16-Jul-20 | |
| Delhi | Lawrence Road | Mill Delivery | 5000 | 4000 | 1000 |
| | Narella | Mill Quality Loose | 1500 | 600 | 900 |
| | Nazafgarh | Mill Quality Loose | 250 | 300 | -50 |
| Gujarat | Rajkot | Mill Quality Loose | 1200 | 1400 | -200 |
| | Dhrol | Mill Quality Loose | NA | 119 | - |
| M.P. | Indore | Mill Quality Loose | 5000 | 2000 | 3000 |
| Rajasthan | Kota | Mill Quality | 8000 | 5000 | 3000 |
| U.P. | Kanpur | Mill Quality Loose | 2500 | 2800 | -300 |
| | Mathura | Mill Quality Loose | 3000 | 4000 | -1000 |
| | Kosi | Mill Quality Loose | 1200 | 1200 | Unch |
| | Hathras | Mill Quality Loose | 100 | 200 | -100 |
| | Aligarh | Mill Quality Loose | 1500 | 1000 | 500 |
| Punjab | Khanna | Mill Quality Loose | 500 | 500 | Unch |
| | (Ludhiana)Jagraon | Mill Quality Loose | NA | NA | - |
| Haryana | Sirsa | Mill Quality Loose | 300 | 300 | Unch |
| | Hodal | Mill Quality Loose | 100 | 50 | 50 |
| | Bhiwani | Mill Quality Loose | 500 | 500 | Unch |
| | Karnal | Mill Delivery | NA | NA | - |

| | | | | | |
|--|---------|--------------------|----|----|---|
| | Panipat | Mill Quality Loose | NA | NA | - |
|--|---------|--------------------|----|----|---|

| Wheat Products Delhi | 17-Jul-20 | 16-Jul-20 | Change |
|------------------------------|-----------|-----------|--------|
| Atta (50kg) Ordinary | 1080 | 1080 | Unch |
| Maida Grade 1 (50KG) | 1180 | 1180 | Unch |
| Suji (50kg) | 1240 | 1240 | Unch |
| Chokar (50 kg) | 750 | 750 | Unch |
| Chokar (34 kg) | 450 | 450 | 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: 16.07.2020 | | | | | |
|---------------------------------------|--------|--------|--------|--------|---------|
| Contract Month | Open | High | Low | Close | Change |
| Sep-20 | 550.00 | 551.50 | 534.00 | 535.25 | -15.50↓ |
| Dec-20 | 553.25 | 554.50 | 539.50 | 540.75 | -13.00↓ |
| Mar-21 | 557.75 | 558.50 | 545.25 | 546.50 | -11.50↓ |
| May-21 | 557.75 | 560.00 | 547.50 | 548.75 | -10.00↓ |
| Jul-21 | 552.25 | 554.75 | 543.00 | 544.50 | -8.50↓ |
| Sep-21 | 559.00 | 560.75 | 549.50 | 551.00 | -8.50↓ |

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