

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.

The FCI is considering cutting the base price of lustre-lost wheat sold under the open market sale scheme by nearly 12% to clear excess stock from the central pool. FCI is likely to reduce the price for lustre-lost wheat to 1,840 rupees per 100 kg from the current price of 2,080 rupees. The cut in the base price is being considered after the finance ministry asked Food Corp to look at options to increase off take under the open market sale scheme in view of overflowing stocks. Food grain stocks with the FCI as on Jul 1 were at 55.01MMT of wheat.

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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.

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:

FAO's updated projections indicate that global wheat production will reach 758.3 million tonnes in 2020, showing a slight decrease of 0.5 percent over the previous year's highs and still at a fairly high level. Despite general concerns about the COVID-19 situation, it is not expected to have any significant impact on wheat production this year. Potential yield declines due to unfavorable weather conditions in the EU, Ukraine and the United States will be offset by strong performances in Australia, Canada, Russia, and some Asian countries.

According to Agriculture and Agri-Food Canada orecast Canadian wheat production in 2020 at 33,600,000 tonnes, down 300,000 tonnes from the June projection but up 1,252,000 tonnes, or 4%, from 32,348,000 tonnes in 2019. The downward adjustment from the June production forecast was based on Statistics Canada's survey-based estimates of

Wheat Futures Contract: NCDEX Price							Date: 23.07.2020 at 5:00 PM		
Contract Month	+/-	Open	High	Low	Close	Volume	Ch. From previous day	OI	Ch. From previous day
20-Aug	0	-	-	-	1865				
20-Sep	0	-	-	-	1872				
20-Oct	0	-	-	-	1878				

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
			23-Jul-20	22-Jul-20	
Delhi	Lawrence Road	Mill Delivery	1920	1925	-5
	Narella	Mill Quality Loose	1725	Closed	-
	Nazafgarh	Mill Quality Loose	1700	Closed	-
Gujarat	Rajkot	Mill Delivery	1775	1790	-15
	Ahmedabad	Mill Delivery	1840	1840	Unch
	Surat	Mill Delivery	1900	1900	Unch
	Dhrol	Mill Quality Loose	1720	1710	10
M.P.	Indore	Mill Delivery	1775	1750	25
	Bhopal	Mill Quality Loose	1700	1700	Unch
Rajasthan	Kota	Mill Quality Loose	1675	1700	-25
		Mill Delivery	1810	1780	30
U.P.	Kanpur	Mill Delivery	Closed	Closed	-
	Mathura	Mill Quality Loose	1760	1760	Unch
	Kosi	Mill Quality Loose	1825	1840	-15
	Hathras	Mill Quality Loose	1700	1700	Unch
	Aligarh	Mill Quality Loose	1700	Closed	-
Punjab	Khanna	Mill Quality Loose	1800	1810	-10
	Ludhiana (Jagraon)	Mill Delivery	NA	NA	-
Haryana	Sirsa	Mill Delivery loose	1800	1800	Unch
	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	2050	2100	-50
	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-Jul-20	22-Jul-20	
Gujarat	Rajkot	Lokwan	1825	1850	-25
M.P.	Indore	Lokwan	2100	2000	100
	Bhopal	Lokwan	1900	1900	Unch
	Bina	Sarbati 306	2350	Closed	-
Rajasthan	Kota	Lokwan Bilty	1900	1900	Unch
	Baran	Lokwan	NA	NA	-

Wheat Arrivals in Key Centers:

Centre	Market	Variety	Arrivals (Bags/Qtl)		Change
			23-Jul-20	22-Jul-20	
Delhi	Lawrence Road	Mill Delivery	4000	5000	-1000
	Narella	Mill Quality Loose	700	Closed	-
	Nazafgarh	Mill Quality Loose	100	Closed	-
Gujarat	Rajkot	Mill Quality Loose	2000	2000	Unch
	Dhrol	Mill Quality Loose	130	202	-72
M.P.	Indore	Mill Quality Loose	2500	3000	-500
Rajasthan	Kota	Mill Quality	5000	10000	-5000
U.P.	Kanpur	Mill Quality Loose	Closed	Closed	-
	Mathura	Mill Quality Loose	2000	250	1750
	Kosi	Mill Quality Loose	1200	1100	100
	Hathras	Mill Quality Loose	600	200	400
	Aligarh	Mill Quality Loose	1000	Closed	-
Punjab	Khanna	Mill Quality Loose	400	50	350
	(Ludhiana)Jagraon	Mill Quality Loose	NA	NA	-
Haryana	Sirsa	Mill Quality Loose	300	300	Unch
	Hodal	Mill Quality Loose	100	100	Unch
	Bhiwani	Mill Quality Loose	300	200	100
	Karnal	Mill Delivery	NA	NA	-

	Panipat	Mill Quality Loose	NA	NA	-
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Wheat Products Delhi	23-Jul-20	22-Jul-20	Change
Atta (50kg) Ordinary	1030	1030	Unch
Maida Grade 1 (50KG)	1150	1150	Unch
Suji (50kg)	1220	1220	Unch
Chokar (50 kg)	670	670	Unch
Chokar (34 kg)	370	370	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: 22.07.2020					
Contract Month	Open	High	Low	Close	Change
Sep-20	525.75	540.25	523.75	534.50	+6.75↑
Dec-20	532.00	545.50	529.75	539.75	+6.00↑
Mar-21	538.50	551.00	536.25	545.50	+5.50↑
May-21	542.50	553.00	540.00	548.75	+5.50↑
Jul-21	540.00	550.00	538.00	545.50	+5.75↑
Sep-21	547.75	553.00	546.75	551.00	+4.75↑

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