

### Wheat Domestic Fundamentals:

**According to SAD President the party would not allow tinkering with the MSP system** or assured marketing of wheat and paddy. In his manifesto, they clearly stated that the “party will amend the APMC Act to allow private mandis in the state”.

**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.

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

### International Market Update:

**The International Grains Council (IGC) cut 5.6Mt from its 2020/21 global wheat production forecast.** At 762.0MMT the global wheat crop would still be 12.1MMT above a trimmed demand prediction and a notably smaller surplus than the 16.2MMT forecast last month. EU-27 down 2.8MMT to 125.6MMT, USA down 1.5MMT to 49.6MMT, Russia down 1.0MMT to 78.0MMT and Argentina down 0.6MMT to 20.4MMT.

**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.

Wheat Futures Contract: NCDEX Price							Date: 24.07.2020 at 5:00 PM		
Contract Month	+/-	Open	High	Low	Close	Volume	Ch. From previous day	OI	Ch. From previous day
20-Aug	0	-	-	-	1859				
20-Sep	0	-	-	-	1865				
20-Oct	0	-	-	-	1872				

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
			24-Jul-20	23-Jul-20	
Delhi	Lawrence Road	Mill Delivery	1925	1920	5
	Narella	Mill Quality Loose	1770	1725	45
	Nazafgarh	Mill Quality Loose	1725	1700	25
Gujarat	Rajkot	Mill Delivery	1750	1775	-25
	Ahmedabad	Mill Delivery	1825	1840	-15
	Surat	Mill Delivery	1890	1900	-10
	Dhrol	Mill Quality Loose	1695	1720	-25
M.P.	Indore	Mill Delivery	1775	1775	Unch
	Bhopal	Mill Quality Loose	1700	1700	Unch
Rajasthan	Kota	Mill Quality Loose	1710	1675	35
		Mill Delivery	1835	1810	25
U.P.	Kanpur	Mill Delivery	Closed	Closed	-
	Mathura	Mill Quality Loose	1750	1760	-10
	Kosi	Mill Quality Loose	1830	1825	5
	Hathras	Mill Quality Loose	1700	1700	Unch
	Aligarh	Mill Quality Loose	1680	1700	-20
Punjab	Khanna	Mill Quality Loose	1760	1800	-40
	Ludhiana (Jagraon)	Mill Delivery	NA	NA	-
Haryana	Sirsa	Mill Delivery loose	1780	1800	-20
	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	2100	2150	-50
	Madurai	Mill Quality	2157	2207	-50
	Coimbatore	Mill Quality	2157	2207	-50
Bihar	Khagariya	Mill Delivery	2050	2050	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
			24-Jul-20	23-Jul-20	
Gujarat	Rajkot	Lokwan	1820	1825	-5
M.P.	Indore	Lokwan	2100	2100	Unch
	Bhopal	Lokwan	1850	1900	-50
	Bina	Sarbati 306	2350	2350	Unch
Rajasthan	Kota	Lokwan Bilty	1900	1900	Unch
	Baran	Lokwan	NA	NA	-

#### Wheat Arrivals in Key Centers:

Centre	Market	Variety	Arrivals (Bags/Qtl)		Change
			24-Jul-20	23-Jul-20	
Delhi	Lawrence Road	Mill Delivery	6000	4000	2000
	Narella	Mill Quality Loose	900	700	200
	Nazafgarh	Mill Quality Loose	300	100	200
Gujarat	Rajkot	Mill Quality Loose	3000	2000	1000
	Dhrol	Mill Quality Loose	188	130	58
M.P.	Indore	Mill Quality Loose	3000	2500	500
Rajasthan	Kota	Mill Quality	5500	5000	500
U.P.	Kanpur	Mill Quality Loose	Closed	Closed	-
	Mathura	Mill Quality Loose	1000	2000	-1000
	Kosi	Mill Quality Loose	1200	1200	Unch
	Hathras	Mill Quality Loose	300	600	-300
	Aligarh	Mill Quality Loose	700	1000	-300
Punjab	Khanna	Mill Quality Loose	600	400	200
	(Ludhiana)Jagraon	Mill Quality Loose	NA	NA	-
Haryana	Sirsa	Mill Quality Loose	200	300	-100
	Hodal	Mill Quality Loose	100	100	Unch
	Bhiwani	Mill Quality Loose	500	300	200
	Karnal	Mill Delivery	NA	NA	-

	Panipat	Mill Quality Loose	NA	NA	-
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Wheat Products Delhi	24-Jul-20	23-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: 23.07.2020					
Contract Month	Open	High	Low	Close	Change
<b>Sep-20</b>	534.75	536.00	527.00	529.50	-5.00↓
<b>Dec-20</b>	540.00	541.25	532.50	534.75	-5.00↓
<b>Mar-21</b>	545.50	546.75	538.75	540.50	-5.00↓
<b>May-21</b>	548.75	549.50	542.00	543.50	-5.25↓
<b>Jul-21</b>	545.75	546.00	538.00	539.50	-6.00↓
<b>Sep-21</b>	551.00	551.00	543.75	544.75	-6.25↓

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