

Wheat Domestic Fundamentals:

The government has achieved a record procurement of wheat and rice in the 2019-20 season. It has procured 38.97 million tonnes of wheat, which is the highest so far although a little short of the target and it may end up buying 40.5 to 41 MMT this year. FCI currently has 558.25 MMT wheat in central pool stock in June.

According to FCI, Tenders are invited for Sale Of FAQ Wheat Under OMSS(d) Through E Auction In Respect Of Karnataka and West Bengal State. Tenders were also invited for MTF cum financial bid notice for sale of wheat under OMSS(d) through e-auction (e-17) to empanelled bulk consumer traders of any region with FCI and to state govt. S/ uts for stocks lying at various depots of Madhya Pradesh region.

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.

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.

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

International Market Update:

USDA reported that the new crop U.S. HRW harvest was 74% complete, moving well ahead of last year's pace. Over the next week, weather is expected to be favourable for crop development and harvest. South Dakota reported exceptionally good yields and high protein.

The spring wheat crop was 90% headed as of July 20. Crop conditions held steady as farmers hope for hot dry weather over the next few weeks to aid in protein development. Harvest for early planted fields is expected to begin in the next 10 to 14 days.

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: 30.07.2020 at 5:00 PM		
Contract Month	+/-	Open	High	Low	Close	Volume	Ch. From previous day	OI	Ch. From previous day
20-Aug	0	-	-	-	1839				
20-Sep	0	-	-	-	1845				
20-Oct	0	-	-	-	1852				

Spread	Jul-20	Aug-20	Sep-20
Spot Narella	-	-	-
20-Aug	-	0	-
20-Sep	-	-	7
20-Oct	-	-	-

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
			30-Jul-20	29-Jul-20	
Delhi	Lawrence Road	Mill Delivery	1885	1920	-35
	Narella	Mill Quality Loose	1750	Closed	-
	Nazafgarh	Mill Quality Loose	1740	Closed	-
Gujarat	Rajkot	Mill Delivery	1735	1740	-5
	Ahmedabad	Mill Delivery	1825	1820	5
	Surat	Mill Delivery	1880	1880	Unch
	Dhrol	Mill Quality Loose	NA	1650	-
M.P.	Indore	Mill Delivery	1800	1800	Unch
	Bhopal	Mill Quality Loose	Closed	Closed	-
Rajasthan	Kota	Mill Quality Loose	1700	1700	Unch
		Mill Delivery	1830	1800	30
U.P.	Kanpur	Mill Delivery	1800	1810	-10
	Mathura	Mill Quality Loose	1775	1765	10
	Kosi	Mill Quality Loose	1840	1840	Unch
	Hathras	Mill Quality Loose	1730	1730	Unch
	Aligarh	Mill Quality Loose	1700	Closed	-
Punjab	Khanna	Mill Quality Loose	1760	1750	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	2050	2050	Unch
	Madurai	Mill Quality	2107	2107	Unch
	Coimbatore	Mill Quality	2107	2107	Unch
Bihar	Khagariya	Mill Delivery	2000	2000	Unch
	Muzaffarpur	Mill Delivery	1780	1780	Unch
FOR	Kandla (Rajasthan-Rajkot)	Mill Quality	NA	NA	-
	Gandhidham (Rajasthan-Rajkot)	Mill Quality	NA	NA	-

Centre	Market	Variety	Prices (Rs/Qtl)		Change
			30-Jul-20	29-Jul-20	
Gujarat	Rajkot	Lokwan	1800	1800	Unch
M.P.	Indore	Lokwan	2100	2100	Unch
	Bhopal	Lokwan	Closed	Closed	-
	Bina	Sarbati 306	2350	Closed	-
Rajasthan	Kota	Lokwan Bilty	1800	1850	-50
	Baran	Lokwan	NA	NA	-

Wheat Arrivals in Key Centers:

Centre	Market	Variety	Arrivals (Bags/Qtl)		Change
			30-Jul-20	29-Jul-20	
Delhi	Lawrence Road	Mill Delivery	4000	5000	-1000
	Narella	Mill Quality Loose	600	Closed	-
	Nazafgarh	Mill Quality Loose	400	Closed	-
Gujarat	Rajkot	Mill Quality Loose	1600	2000	-400
	Dhrol	Mill Quality Loose	NA	222	-
M.P.	Indore	Mill Quality Loose	2500	3000	-500
Rajasthan	Kota	Mill Quality	1500	5000	-3500
U.P.	Kanpur	Mill Quality Loose	1000	800	200
	Mathura	Mill Quality Loose	1000	800	200
	Kosi	Mill Quality Loose	1000	1200	-200
	Hathras	Mill Quality Loose	200	200	Unch
	Aligarh	Mill Quality Loose	2000	Closed	-
Punjab	Khanna	Mill Quality Loose	200	500	-300
	(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	300	300	Unch
	Karnal	Mill Delivery	NA	NA	-

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

Wheat Products Delhi	30-Jul-20	29-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: 29.07.2020					
Contract Month	Open	High	Low	Close	Change
Sep-20	523.50	533.25	523.50	532.75	+9.25↑
Dec-20	530.00	539.00	530.00	538.50	+8.25↑
Mar-21	537.25	545.00	537.25	544.25	+7.00↑
May-21	542.25	548.00	541.75	547.50	+6.25↑
Jul-21	540.50	547.00	540.50	546.50	+6.00↑
Sep-21	547.25	552.00	547.25	552.00	+5.50↑

Disclaimer: The information and opinions contained in the document have been compiled from sources believed to be reliable. The company does not warrant its accuracy, completeness and correctness. Use of data and information contained in this report is at your own risk. This document is not, and should not be construed as, an offer to sell or solicitation to buy any commodities. This document may not be reproduced, distributed or published, in whole or in part, by any recipient hereof for any purpose without prior permission from the Company. IASL and its affiliates and/or their officers, directors and employees may have positions in any commodities mentioned in this document (or in any related investment) and may from time to time add to or dispose of any such commodities (or investment). Please see the detailed disclaimer at <http://www.agriwatch.com/disclaimer.php> © 2020 Indian Agribusiness Systems Ltd.