Executive Summary

The month of April started with lots of fears, views on wheat production, procurement and quality front. Harvesting got delayed by two weeks due to inclement weather and so pace of arrivals remained slow till 15th of April. Uncertainty over quality, procurement norms and arrivals of lustre loss wheat slowed down the normal pace of procurement till the first half of April. Farmer's fury over discounted price and agitation compelled the govt to take quick decision on revised norms for procurement and announcement of reimbursement for the state govts like Punjab, Haryana, M.P., Rajasthan and Gujarat.

With this background, prices of quality wheat started firming up and it moved from Rs 1400 to Rs 1600 per qtl. in the beginning of April. Lustre loss wheat having moisture level of 13 to 17 percent traded at Rs 1200 to Rs 1300 per qtl.in Uttar Pradesh and Rajasthan. In the second half of the review month when procurement oppression got momentum after govt instruction to procure lustre loss wheat,prices started improving in mandis and stabilized near MSP.

Rake loading continues from Kota region for J&K, Odissa, and Karnataka at Rs 1600,Rs 1620, Rs1685 per qtl respectively on delivered basis.FAQ and other fine varieties are ruling higher as short supply of quality grain is being felt in all mandis. Millers are not ready to pay higher price for poor quality wheat. Coloured wheat fine variety from Rajasthan and M.P is being traded at Rs 1760 to Rs 1785 for South India.

Private trades are active in Rajasthan and Madhya Pradesh and they buy Tukra,Lok-1 and milling quality offering higher price than MSP. FCI and other state agencies are buying wheat as per specification fixed by the govt. So they are unable to get quality wheat this year.

Lok-1 premium grade wheat in M.P. is being traded at Rs 1750 to Rs 2000 per qtl. Arrivals too have increased from 25000 qtl to 35000 qtl. in Indore. Mill delivery faq is being traded at Rs 1480/1500 per qtl. Mill delivery wheat in Kota is being traded at Rs 1450 per qtl. while arrival have increased to 45,000 qtl.Lok-1 builty is being traded at Rs 1750 per qtl.

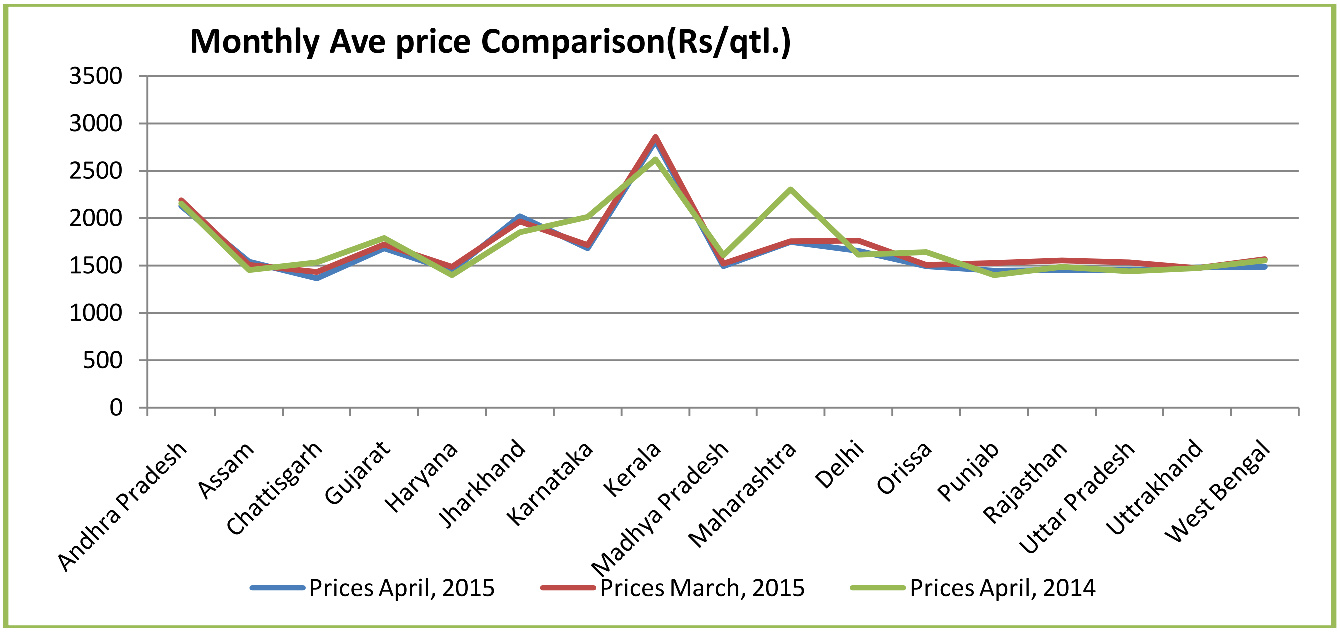
Agriwatch has revised wheat production estimate from 96 million tonne to 91.14 million tonne in 2014-15 owning to recent crop loss in Rajasthan, UP, MP, Punjab and Haryana. There is no loss in Bihar so far and market expert says that yield might be higher by 2 to 3 percent this year.

Wheat procurement gets momentum after considerable delay due to quality issue and slower pace of procurement in major growing states. Total wheat procurement was registered at 158.6 lakh tonne as on 29.04.15 against 169.29 lakh tonne till date last year. Punjab has contributed 56 lakh tonne so far, followed by Haryana 52.80 lakh tonne. M.P. contribution stands at around 42 lakh tonne. Rajasthan have procured4.13 lakh tonne.

According to IBIS, export of Indian wheat in 20 th to 26 th April 2015 was around 12131 MT at an average FoB price of $267.09./tonne. The major export destination of Indian wheat was UAE from Pipavav/Kandla port which accounted 9561 MT at an average FOB price of $271.91/Tn .Other major countries were Taiwan and Nepal.

There is no report of any fresh import deals by south Indian millers except previous one when they have struck a deal of 80,000 MT wheat import at $260/65per T from Australia on CIF basis for April /May Delivery. More import deals are possible as south Indian millers may face short supply of quality crop from M.P. ,Rajasthan this year.

Monthly Average Price Comparison:



Source:Aggmarknet

State wise average monthly wheat prices in April have decreased slightly in comparison to March. However, all India average prices are ruling lower than April ,2014 price. The reason behind decrease in average price is arrival pressure and insignificant export demand.

State wise Area Coverage under Wheat on 13-02- 2015

Si.No	State	Normal Area	Average Area as on Date	Area Shown reported	
				This Year	Last Year
1	Assam	0.48	0.46	0.18	0.22
2	Bihar	21.61	23.04	23.03	22.87
3	Chhattisgarh	1.04	1.69	1.69	1.53
4	Gujarat	11.24	12.11	11.46	15.00
5	Haryana	24.98	24.99	24.90	24.95
6	Himachal	3.58	3.59	3.58	3.59
7	J & K	2.89	2.36	2.44	2.46
8	Jharkhand	1.24	1.40	1.62	1.69
9	Karnataka	2.51	2.35	1.86	1.93
10	M.P	45.18	49.34	58.44	57.92
11	Maharashtra	10.05	9.84	8.88	10.87

12	Punjab	35.2	35.14	35.00	35.00
13	Rajasthan	26.33	27.45	27.71	30.41
14	Uttar Pradesh	96.57	96.89	98.67	99.56
15	Uttar Khand	3.80	3.77	3.25	3.58
16	West Bengal	3.15	3.74	3.44	3.46
17	Others**	0.44	0.37	0.19	0.27
18	**Total**	**290.29**	**298.52**	**306.35**	**315.32**

Source:-Ministry of Agriculture (Area in lakh hectare)

India's Wheat Balance Sheet:

	2010-11	2011-12	2012-13	2013-14	2014-15*E
Carry in	16.63	16.48	20.35	19.76	22.17
Production	80.8	86.87	93.51	95.91	91.14
Imports	0.15	0	0	0	1
Total Availability	97.58	103.35	113.86	115.67	114.31
Consumption	81	81.5	85.5	87	89
Exports	0.1	1.5	8.6	6.5	4.5
Total Usage	81.1	83	94.1	93.5	93.5
Carry out	16.48	20.35	19.76	22.17	20.81
Av Monthly Consumption	6.75	6.79	7.125	7.25	7.42
Stock to Month Use	2.44	3.00	2.7733	3.06	2.81
Stock to Consumption Ratio	0.20	0.25	0.2311	0.25	0.23

Note: *E Agriwatch estimate of wheat for 2014-15

Balance sheet highlights:

- Agriwatch has revised wheat production estimate down from 96 million tonne to 91.14 million tonne in 2014-15.Due to resent crop loss in Rajasthan, UP, MP, Punjab and Haryana. Recent unseasonal rains, hailstorms and strong wind have affected wheat crop adversely in these states.

- Total availability of wheat in MY 2015-16 is likely to decrease to 114.31 from 118.17 million tonne.

- Higher availability would ensure better supply throughout the year. Govt.'s godowns are bulging with surplus stock. As on 1st Jan stock in govt's godowns was registered at 251.13 lakh tonne against the required quantity of 112 lakh tonne under strategic reserve and buffer norm.

- Wheat consumption is likely to increase at normal pace of around 2 million tonne yearly to 89 million tonne. Export volume is likely decrease from6.5 million tonne to 4.5 million tonne in 2014-15.

- Unfavourable global market .higher price in domestic market remain the main bottleneck for higher export volume. There is surplus wheat in global market and exporting countries are offering attractive price for importers. With this background Indian exporters would not be able to increase wheat export volume considerably in the months ahead.
- Due to lower production estimate carryout for 2014-15 would decrease from22.17 to 20.81 million tonne.
- Ave monthly consumption would increase slightly from 7.25 to 7.42 million tonne. However, stock to consumption ratio too would increase slightly.

APY Of Wheat:

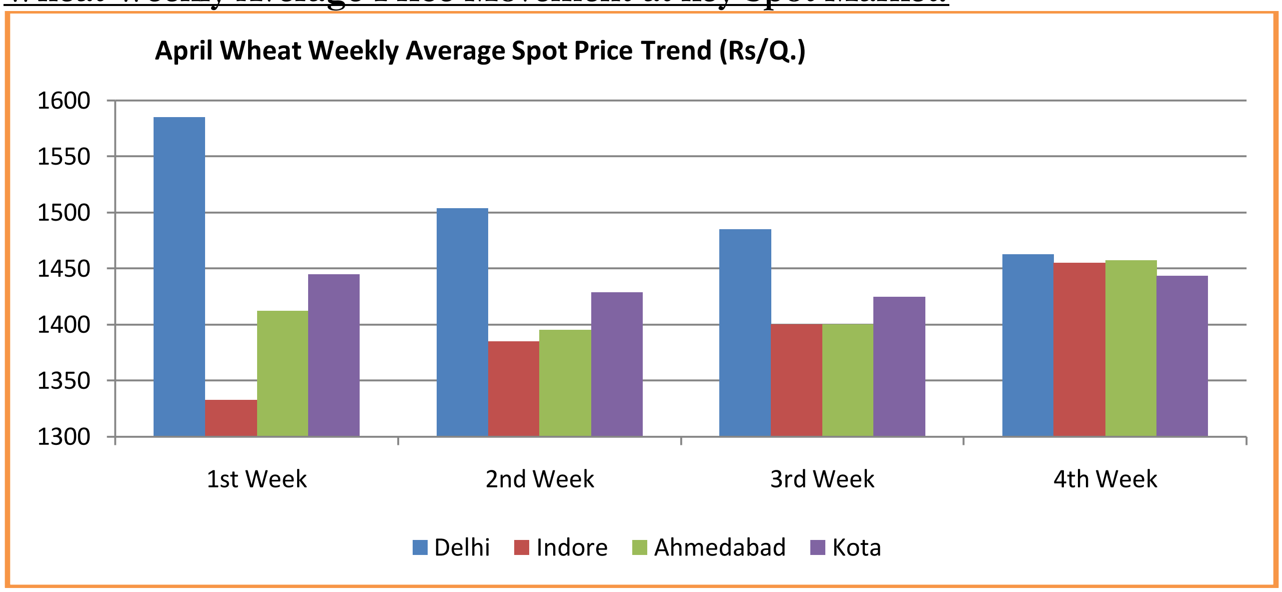
State/ UT	Area					Production					Yeild				
	2010-11	**2011-12**	**2012-13**	**2013-14***	**2014-15****	**2010-11**	**2011-12**	**2012-13**	**2013-14***	**2014-15****	**2010-11**	**2011-12**	**2012-13**	**2013-14***	**2014-15****
Andhra Pradesh	10	8	8	0	8	13	11	10	12	11	1300	1375	1250	1375	1331
Assam	45	53	34	22	17	53	60	44	58	20	1179	1147	1304	1147	1198
Bihar	2104	2142	2208	2287	2247	4098	4725	5357	4875	5454	1948	2206	2427	2206	2427
Chhatisgarh	111	109	101	153	152	127	133	141	131	190	1144	1227	1396	1227	1274
Gujarat	1274	1351	1024	1500	1140	4019	4072	2944	3336	3336	3155	3014	2875	3014	2927
Haryana	2515	2522	2497	2495	2490	11630	12686	11117	13238	11900	4624	5030	4452	5030	4778
Himachal Pradesh	357	357	364	359	360	546	596	608	574	588	1530	1671	1671	1671	1636
Jammu & Kashmir	291	296	290	246	241	446	500	462	527	392	1535	1689	1595	1689	1627
Jharkhand	96	159	164	169	154	158	303	319	313	285	1642	1908	1944	1908	1851
Karnataka	255	225	225	193	175	279	193	179	212	158	1094	858	796	858	901

Madhya Pradesh	4341	4889	5300	5792	5678	7627	11539	13133	12380	12381	1757	2360	2478	2320	2180
Maharashtra	1307	843	733	1087	713	2301	1313	1181	897	1043	1761	1558	1528	1558	1464
Orissa	3	1	0	0	1	4	2	2	2	2	1458	1644	1672	1644	1604
Punjab	3510	3528	3512	3500	3566	16472	17280	16591	18182	16098	4693	4898	4724	4898	4515
Rajasthan	2479	2935	3063	3041	2785	7214	9320	9275	8941	8060	2910	3175	3028	3140	2894
Uttar Pradesh	9637	9731	9734	9956	9751	30001	30293	30301	30299	29439	3113	3113	3113	2975	3019
Uttarakhand	379	369	358	358	371	878	878	858	898	889	2316	2379	2396	2379	2396
West Bengal	317	316	322	346	323	874	873	895	939	896	2760	2765	2786	2765	2769
Others				27											
All India	**29068.59**	**29864.77**	**30003.3**	**31532**	**30171.21**	**86873.95**	**94882.06**	**93506**	**96038.76**	**91142**	**2989**	**3177**	**3117**		

*Agriwatch Estimate

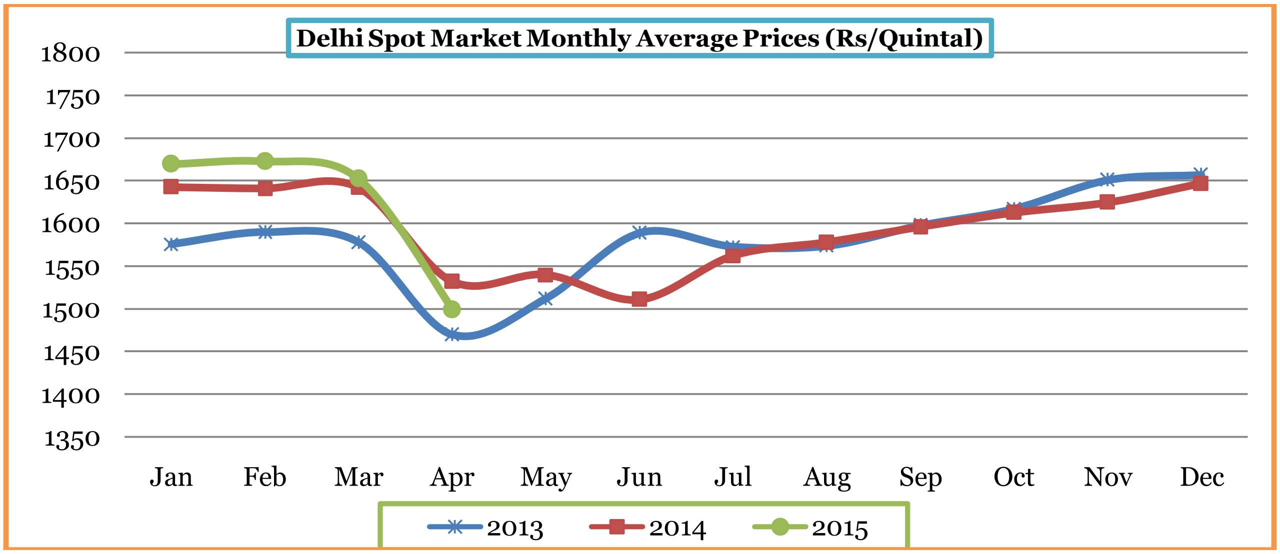
** Adv Estimate

Wheat Weekly Average Price Movement at key Spot Market:

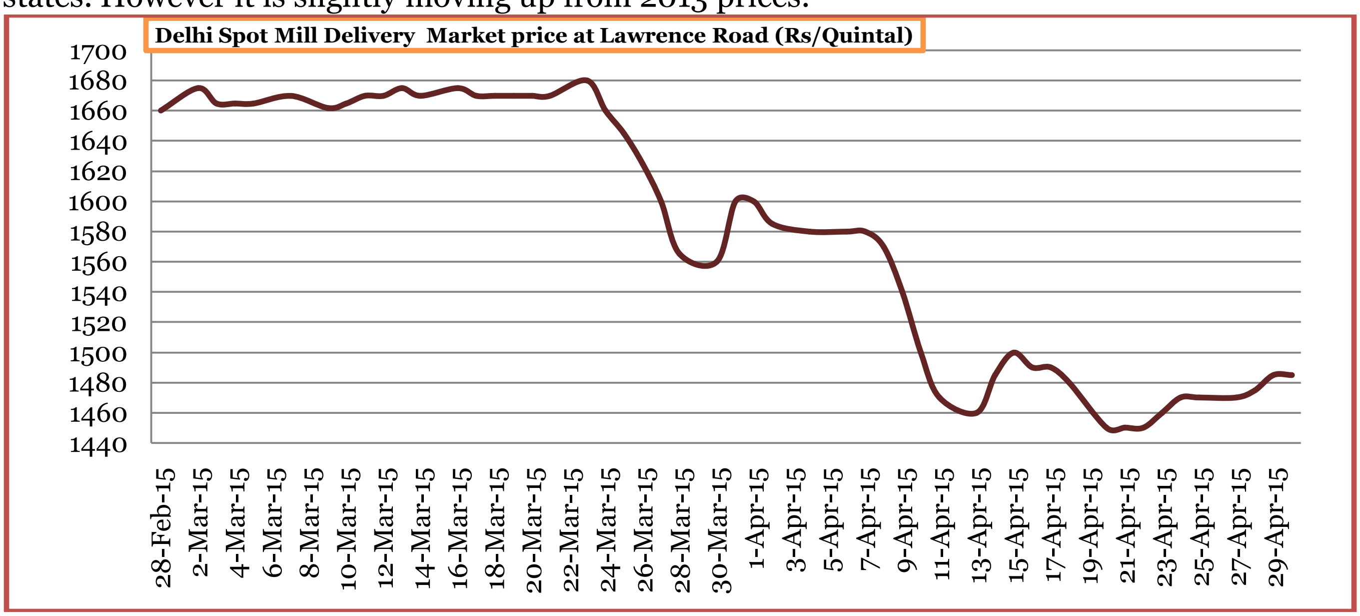


Weekly average price in the month of April shows that prices in Delhi market continues to decline week on week basis while in increased in Ahmedabad, Indore and Kota. Market is likely to trade steady to slightly firm in May.

Wheat Average Monthly Prices movement during last three years



Wheat cash market (Delhi) in the month of April continued to moved down in comparison to March due to arrival pressure and increase supply from neighbouring states. However it is slightly moving up from 2013 prices.

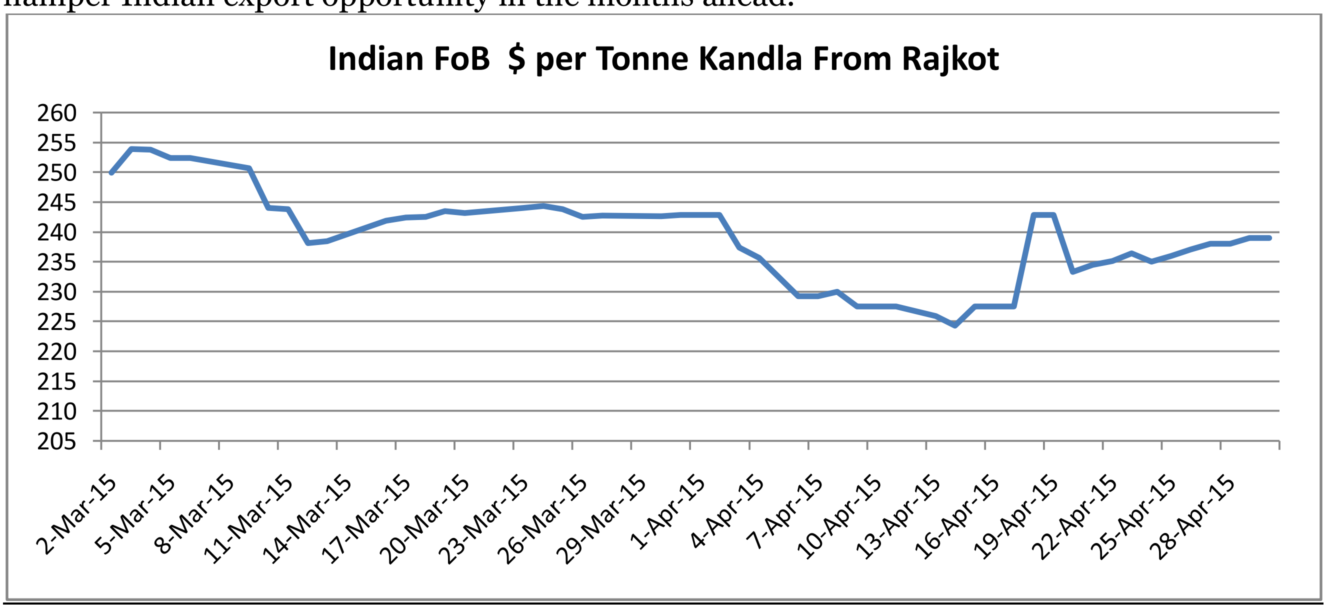


Wheat Exports from India

	Wheat Export(Lakh T)	Average FOB Quotes(USD/MT)	CBOT Average Quotes (USD/MT)
Sept 11- Mar 12	**7.4**	**232.12**	**237.46**
Apr 12 - Mar 13	**65.14**	**298.18**	**286.71**
Apr 13 - Mar 14	**55.59**	**282.82**	**241.6**
Apr-14	5.31	278.33	280.61
May-14	8.51	283.85	270.66
Jun-14	5.04	267.03	235.16
Jul-14	3.16	277.24	217.94
Aug-14	1.68	280.53	218.9
Sep-14	0.93	278.84	204.33
Oct-14	0.87	276.86	222.94
Nov-14	0.85	274.25	235.64
Dec-14*	0.89	273.32	260.97
Jan-15*	0.35	288.62	233.2
Feb-15*	0.06	321.7	220.5
Total 14-15	**27.65**	**281.87**	**236.44**

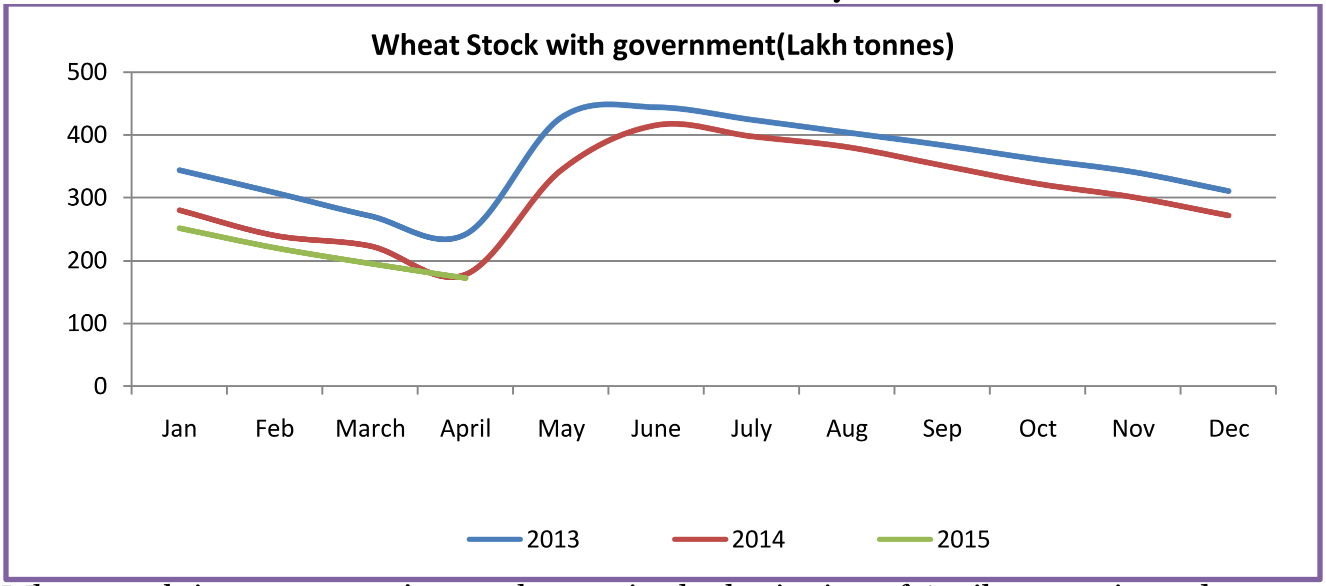
(Source: DGCIS, *Provisional data from IBIS)

According to IBIS, wheat exports from India decreased from 0.35 to 0.06 Lakh tonne in February. Average Fob quote increased from$288.62 in January to $321.7 per tonne in February. However, during the review period CBOT average quote decreased from $233.20 to $220.5 per tonne. Export from India is bound to be same due to current disparity. Australia and Black Sea Region crops are cheaper and it would continue to hamper Indian export opportunity in the months ahead.



Indian Fob quote gets firmer in April and is expected to trade up in the weeks ahead as quality crop price is getting higher. FOB quote has been considered From Rajkot to kandla.

Wheat Stocks with the Government as on 1st of Every Month



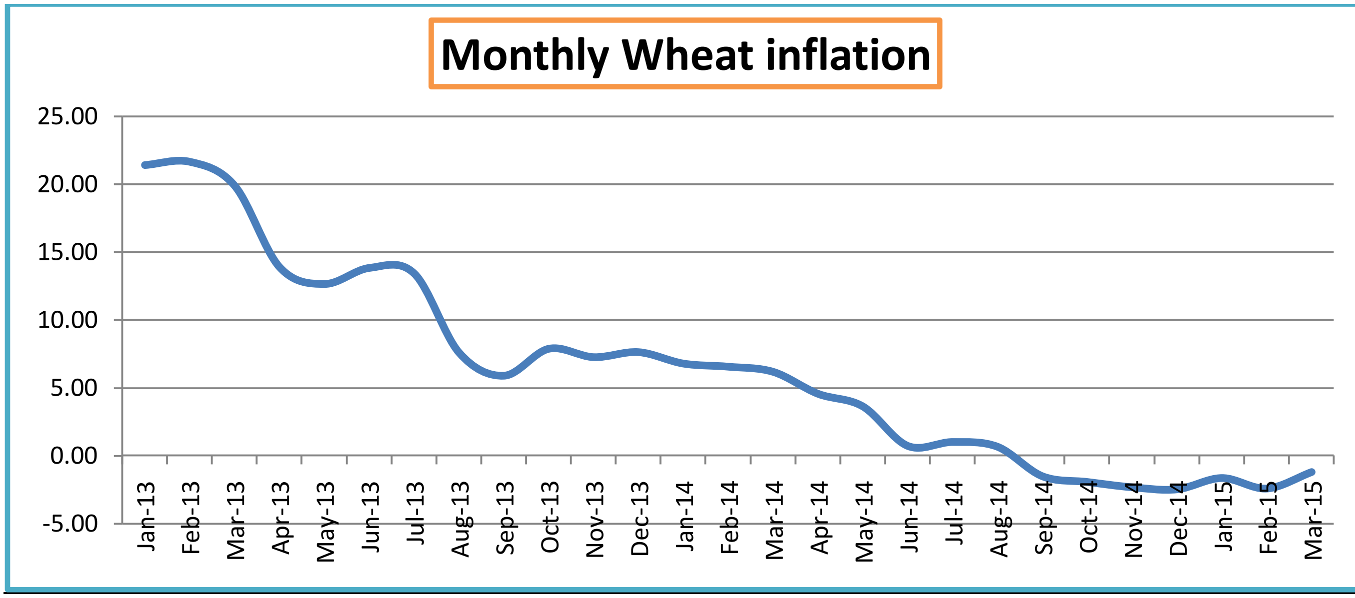
Wheat stock in government's ware houses in the beginning of April was registered at 172.21 lakh tonne. Stock is lower than 2012, 2013 due to lower procurement. This year carry out may decrease more due to lower production.

Wheat procurement:

States	Total During 2014-15	Target For 2015-16	Expected in 2015-16	Actual last year 2014-15(Till 29th, April-2015	Actual this year 2015-16(Till 29th April-2015	% Ch.over 29th April,2015
Punjab	116.41	125	118	65.89	56.02	-14.98
Haryana	64.95	65	60	52.8	52.18	-1.17
UP	6.28	15	10	0.78	3.64	366.67
M.P.	70.94	78	65	43.95	41.91	-4.64
Bihar	0	0	0.5			
Rajasthan	21.59	20	10	6.42	4.13	-35.67
Uttrakhand	0.01	1.2	1			
Chandigarh	0.05	0	0			
Delhi	0	0	0			
Gujarat	0	1	0.75			
Jharkhand	0	0	0			
HP	0	0	0			
Maharashtra	0	0.2	0.2			
J&K		0	0			

West Bengal	0	0.2	0			
Others	0	0.4	0.4	0.037	0.38	927.03
TOTAL	**280.23**	306	265.85	169.87	158.26	-6.83

Wheat Inflation

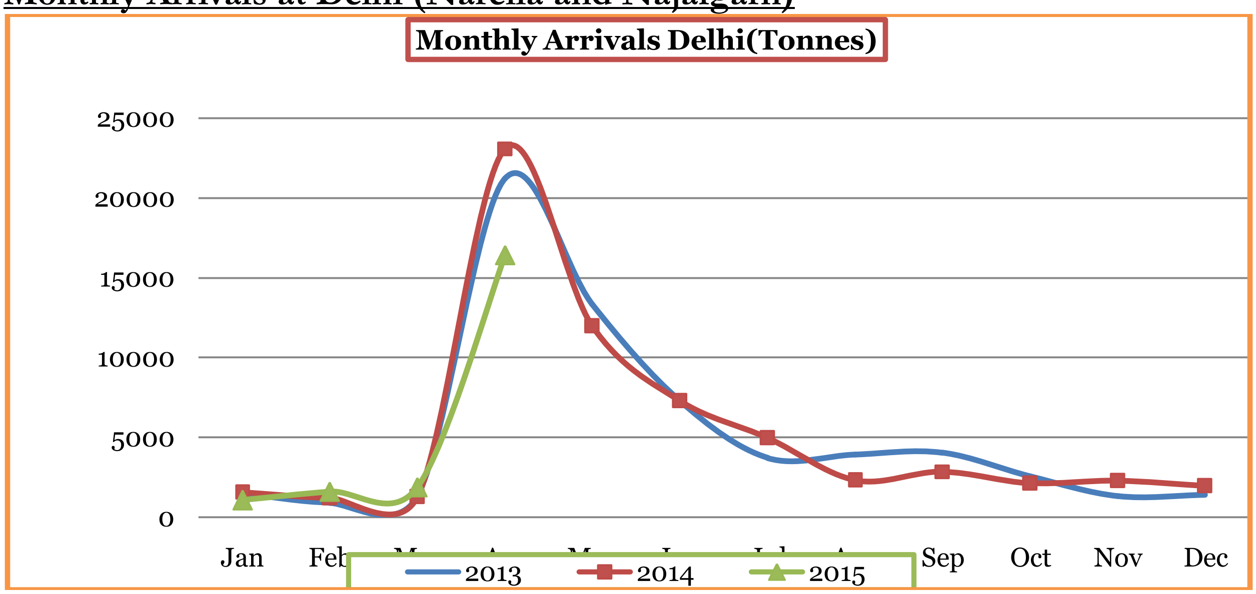


Monthly Average Prices at Various Spot Market					
	Delhi	**Indore**	**Kota**	**Rajkot**	**Chennai**
Mar-14	1642.08	1593.33	1655	1530.3	1987.14
Apr-14	1532	1527.5	1521.7	1511.2	1866.1
May-14	1540	1575.65	1531.42	1518.4	1845.47
Jun-14	1510.48	1509.58	1493.95	1438.04	1780
Jul-14	1562.42	1617.4	1569.54	1512.6	1799.31
Aug-14	1579	1624.04	1581.31	1504.47	1801.36
Sep-14	1596.5	1592.6	1560	1539.8	1778.4
Oct-14	1613.39	1575.14	1564.75	1540.33	1792.4
Nov-14	1625.2	1595.22	1563.75	1626.59	1814.37
Dec-14	1647.11	1637.04	1603.65	1649.42	1831.53
Jan-15	1669.6	1682.95	1666.36	1713.47	1843.18
Feb-15	1673.33	1563.86	1592.61	1567.95	1803.57
Mar-15	1652.48	1449	1487.63	1459	1720.26
Apr-15	1499.16	1434.52	1442	1402.04	1683.8

Monthly Price Comparison of Spot Markets:

Centre	Market	Variety	Prices (Rs/Qtl)		Change
			30/04/2015	31/03/2015	
Delhi	Lawrence Road	Mill Delivery	1485	1600	-115
	Nazafgarh	Mill Quality Loose	1450	1525	-75
	Narella	Mill Quality Loose	1435	1600	-165
Gujarat	Rajkot	Mill Delivery	1410	1450	-40
	Ahmedabad	Mill Delivery	1475	1500	-25
	Surat	Mill Delivery	1515	1520	-5
M.P.	Bhopal	Lokwan	1600	1600	0
	Indore	Mill Delivery	1490	1380	110
Rajasthan	Kota	Mill Quality	1400	1350	50
	Kota	Mill Delivery	1475	1450	25
U.P.	Kanpur	Mill Delivery	1545	1550	-5
	Mathura	Mill Quality Loose	1360	1460	-100
	Kosi	Mill Delivery	1500	1450	50
Punjab	Khanna	Mill Quality Loose	1450	1530	-80
	Jagraon	Mill Delivery	1450	1550	-100
Haryana	Sirsa	Mill Quality loose	1450	1500	-50
	Hodal	Mill Delivery	1450	1500	-50
Tamil Nadu	Chennai	Mill Quality	1700	1700	0
	Madurai	Mill Quality	1757	1757	0
	Coimbatore	Mill Quality	1757	1757	0

Monthly Arrivals at Delhi (Narella and Najafgarh)



Domestic Outlook:

Wheat market is expected to trade steady to slightly firm in the month of May despite increasing arrivals in various markets. Availability of quality crop is lower and private trade is buying it offering higher price than MSP while govt is buying poor quality wheat at MSP. So it is expected that wheat market may trade steady to firm. Export demand is negligible as wide disparity is being seen at this point of time.

SWOT Analysis of Wheat

Strength

- Comfortable stock position despite lower procurement and production.

Weakness

- Lower availability of quality wheat in Rajasthan, Gujarat and MP.
- Disparity at current level
- Weak Infrastructure.
- Lack of branded wheat quality wise.

Opportunity

- Unfavourable weather in US.
- Export restriction of wheat in Russia & Ukraine.
- Bangladesh current demand (3 MMT a year).
- Higher demand for premium grade like Lokwan,sharbati and tukda.

Threat

- Growing disparity.
- Import from Australia.
- Higher marketable surplus in major exporting countries.

International Market Dynamics:

Global wheat markets traded steady to slightly firm in March owing to better export opportunity to Argentina, E.U. and Ukraine However USA wheat export may decline due to resent crop loss by cold.

IGC sees global wheat production at 719 million tonnes which is slightly higher as compared to its previous month estimate. Trade is expected to decrease by 2 million tonne over year and Consumptions is expected to decrease to 708million tonnes over previous forecast. Carryover stocks are expected to increase to 198 million tonnes from 187 million tonnes over previous year owing to rise in production.

IGC Wheat Balance Sheet(Quantity in MMT)

	2009-10	2010-11	2011-12	2012-13.	2013-14 Est	Forecast for 2014-15	
						28.03.2015	23.04.2015
Production	679	653	695	655	713	709	704
Trade	128	126	145	141	155	150	151
Consumptions	652	657	697	678	696	711	711
Carryover stocks	199	194	192	170	187	196	194
Y-O-Y change	27	-4	-1	-22	17		-6
Major Export	79	73	68	50	54	65	65

IGC Balance Sheet Highlight

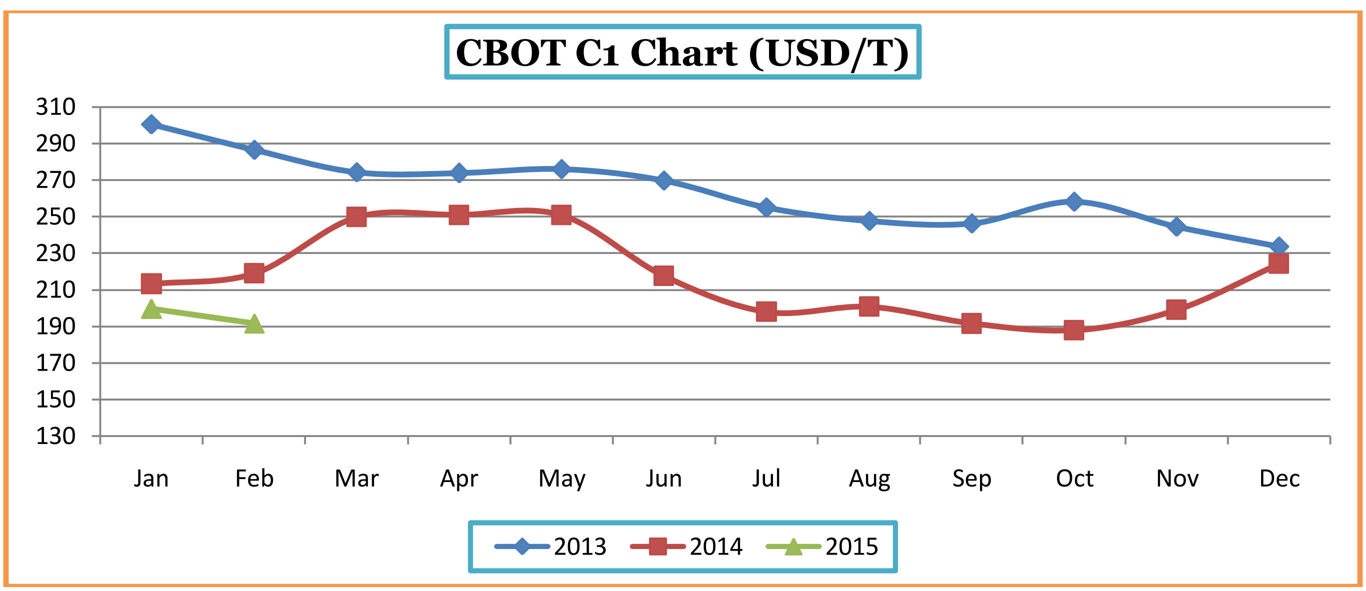
- World wheat production is forecast at a record 704m t in 2014/15, marginally lower from last month of 709 million T .
- The global consumption forecast has been not revised and it is same at 711 million T as last month.
- The world stocks figure is revised down by 2m t, to 194MT
- World wheat trade is 1m t higher than previously, at 151MT

USDA Global Wheat Balance Sheet: 2014-15 Fig. in MMT(As on 28.04.2015)							
Country	Opening Stock 2014-15	Production Projected 14-15	Domestic Consumption (2014-15)	Import 14-15	Export 14-15	Ending Stock 14-15	Production Last Year
USA	16.06	55.1	32.56	3.94	23.95	18.62	58.1
Canada	9.65	29.3	10.3	0.48	23.5	5.6	37.5
Australia	6.16	24	7.2	0.15	17	6.11	26.92
Argentina	2.55	12.5	6.35	0.004	5.5	3.24	10.5
Russia	5.2	59	35.5	0.35	20.5	8.63	52.09
China	60.27	126	124	1.5	1.5	62.77	121.93
EU	9.98	156.44	123.1	5.5	33.5	15.33	144.32
Ukraine	3.67	24.75	12	0.05	11	5.47	22.27
Pakistan	2.17	25.5	24.5	0.75	0.7	3.22	24
India	17.83	95.85	93.72	0.45	3.5	16.5	93.51
Others	53.03	118.01	243.52	145.79	21.37	51.761	135.31

World total	186.57	726.45	712.75	158.96	162.02	197.2	726.45

CBOT May 15Monthly Future Chart:

CBOT May 15monthly chart shows downward movement in the month of April. In first half prices went up due to weather concerns in the wheat growing area, however better crop production estimate around the world moved the prices down. We expect prices to trade steady to slightly weak in the month of May, within the range of USD 185-215/MT.



Note: chart will be revised next week due to some technical fault

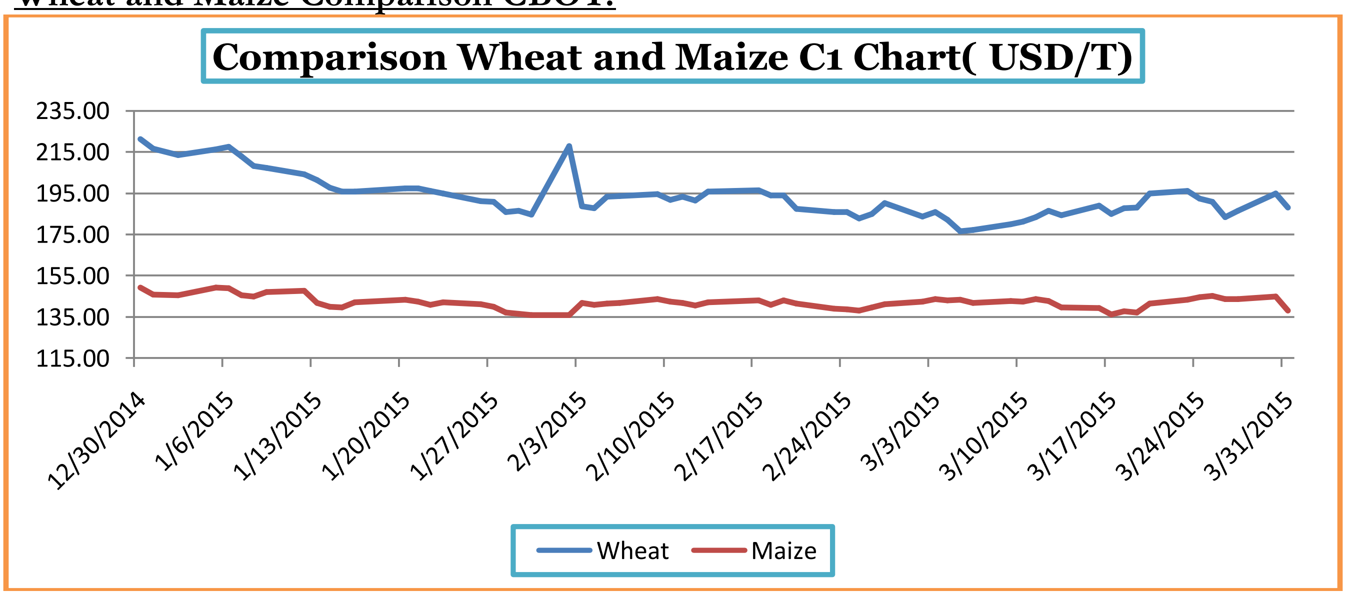
CBOT comparison over period of time:

CBOT Futures Prices: Date: 04.05.15 (USD/T)							
CONTRACT MONTH	30-Apr-15	Week ago (24 Apr 2015)	1 Month ago(27 Mar 15)	3 Month ago(27 Jan 14)	6 Month ago(23 Oct 14)	1 Year ago(27 Apr 14)	% Change over previous year
15-May	171.58	178.56	192.33	190.68	197.11	272.70	-37.08
15-Jul	174.15	179.47	194.08	192.15	199.87	257.27	-32.31
15-Sep	177.73	182.97	197.48	194.26	202.71	260.30	-31.72
15-Dec	184.53	189.39	202.80	197.39	206.39	263.33	-29.93
16-Mar	191.05	194.72	207.67	201.70	192.06	268.29	-28.79
16-May	195.09	198.40	209.69	-	-	-	#VALUE!

Comparative Month on Month FOB quotes: (Fig in $ /MT)

All prices are for SRW/milling grade	6th Jan 15	2nd Feb 15	3rd Mar 15	1st Apr 15	2nd May-15
USA	265.2	226.9	229.2	238.2	236.5
France	239.58	204.41	199.53	179.75	178.3
United Kingdom	NA	NA	NA	NA	NA
Australia	265	239	232	238	237
Russia	263.5	253.5	225.5	210.5	209
India	285.58	286.04	253.92	242.85	239.44

Wheat and Maize Comparison CBOT:



Note:Chart will be updated next week

It can be seen from above chart that Wheat and Corn prices follow each other as both are the ingredients of feed. Cbot wheat prices has increased due to unfavourable weather condition in US wheat growing area, therefore maize demand is also increased.

International Outlook:

Global wheat market is likely to trade under pressure on increasing supply from black sea region and improved weather condition in US supported by lower export demand. Higher carryout too would putting pressure on global wheat market. More dip is expected in coming weeks. CBOT may test 440 cent per bushel level.