

Wheat Monthly Research Report

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Market Dynamics:

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Price Trend: All India average monthly prices for wheat were increased by 1.24 percent from Rs 1866.54 in Sep - 2020 to Rs 1890.08 per qtl in Oct -2020. Average price in Oct -2020 was lower by 12.71 percent compared to Rs 2130.31 per quintal registered in Oct-2019. Prices are expected to improve from here as festive season is about start from Sep and demand for wheat products will start increasing. Prices are likely to trade steady to firm.

AW Production Estimate: Agriwatch has pegged production at 103.20 MMT compared to 97.00 MMT last year. Production is higher this year due to better yields and higher area compared to last year. Total availability is likely to increase from 116.67 MMT in 2019-20 to 124.12 MMT this year. In comparison, as per the fourth advance estimate, India likely produced 107.59 MMT of wheat compared to 103.60 MMT in previous year. The total food grain production is estimated by the Ministry at record 295.67 MMT compared to 285.21 MMT last year.

FoB/CiF Quotes: Indian FoB quote is hovering between \$225.35-231.22 per tonne. Against it, Ukraine, France, U.S and Australia were offering wheat at \$213-\$237, \$188.81-\$196.57, \$219.74-247.10 and \$243.04-251.06 per tonne respectively. Wheat prices in international markets noticed firm tone in Sep'20. Indian FoB quote is based on local prices. There is no export in bulk volume currently.

Export: India exported 111973.32 tonnes wheat in Sep'20. Total export in MY 2018-19 was registered around 2.26 lakh tonne. The exports have picked up because the low prices domestically have made Indian Wheat competitive.

Import: As per trade sources, there was no import reported in month of August, India had last imported 199.94 tonnes of Australian wheat during the month of March'20. The government has increased import duty from 30 percent to 40 percent to reduce flow of imports and provide support to domestic sellers. Imports are expected to be low this year due to good domestic availability and increase in import duty. The imported wheat is solely for the purpose of mixing to improve the overall quality of wheat.

Supply-Demand: Supply for FAQ is likely to be good as ample stock is available in the domestic market due to three consecutive good production years. FCI has procured 38.99 MMT in 2020-21, which is higher by 4.85 MMT compared to MY 2019-20. The government's free distribution under the PMGKAY scheme is unlikely to continue after November, and the demand for wheat in the physical market is expected to stay steady to firm at the current level, which may impact the demand and price directly. However, there's no official announcement that it will continue after November so far. Wheat mill delivery prices in all mandis increased due to the demand, due to the festive season and the end of the arrivals. At the same time, there is a perception of a rise in wheat due to flour mills' purchase.

E-Auction: Government has sold 144810 tonnes of wheat in OMSS through E-Auctions in the Fourth week of October'20. No rakes were sold. State government and bulk consumers bought 97000 tonnes and 47810 tonnes of wheat respectively.

Procurement Target: Government has fixed wheat procurement target at 40.70 MMT for 2020-21. Last year government surpassed its procurement target of 32 MMT and procured 35.5 MMT. For the marketing year 2020-21, procurement is completed at 38.99 MMT in Sep.

Outlook & Recommendation: Wheat market is expected to trade range bound steady to firm in coming weeks.

Trade Call: Stakeholders should trade in November contract taking care of lower and upper price tag of Rs. 1763 respectively.

India's Wheat Quarterly Balance Sheet For 2020-21:

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	Wheat MY Runs From April To March (Figures in MMT)	2019-20	2020-21
A	Carry in	19.67	20.92
B	Production	97.00	103.21
C	Imports	0.00	0.00
D	Total Availability (A+B+C)	116.67	124.13
E	Consumption	95.50	96.99
F	Exports	0.25	0.44
G	Total Usage (E+F)	95.75	97.43
H	Carry out (D-G)	20.92	26.70
I	Av Monthly Consumption	7.96	8.08
J	Stock to Month Use	2.63	3.30
K	Stock to Consumption Ratio	0.03	0.03

*Agriwatch Wheat Production Estimate for Marketing Year 2020-21

Supply-Demand Highlights:

As per the Agriwatch production, the estimate is likely to be around 103.21 MMT compared to 97.00 MMT last year. Production is higher this year due to an increase in yield and area. Total availability is likely to increase to 124.12 MMT from 116.67 MMT in MY 2019-20.

Carry out is expected to be around 27.42 MMT for 2020-21 compared to 20.92 MMT for 2018-19. The domestic availability of wheat is good. Prices are likely to trade range bound to weak. Good domestic availability will ensure that there is no unexpected surge in prices.

As per market sources, wheat stock in the central pool as of 1st September'20 stood at 478.32 lakh tonnes lower by 7.30% compared to last month. This quantity is higher by around 13.25% compared to last year for the same month. The government has already applied import duty on wheat to curb imports and provide support to domestic prices. Therefore, the government has abundant supplies this year to tackle any unexpected rise in wheat prices and demand by selling more quantity in the open market.

Domestic Market Highlights:

The wheat market has stabilized, and prices are likely to rise in the coming weeks due to festivals and higher export. The wheat prices are unlikely to drop much further because the PMGKY scheme may be discontinued in November as there's no official announcement that it will continue after November, so far.

The effect of stopping goods trains during a strike in Punjab will affect the sowing of wheat. The agriculture department has only 7% Urea and 71% DAP fertilizer stock left. If trains do not run in time, farmers will not get enough Urea and DAP fertilizer. In such a situation, farmers may face difficulties in sowing wheat this year. Urea is essentially required at the time of the first irrigation of wheat in December's first week. Around 6.45 lakh tonnes of urea is needed during December alone. Urea is coming through trucks from Ambala and Dabwali, but it raises transportation costs significantly. The crop yield will be hit if an adequate dose of urea is not given to crops. Wheat prices of traders have come down considerably in the last two, three months.

According to traders, the flour mills of South India do not have outstanding stock, so the demand for South India will increase from Uttar Pradesh and Rajasthan, due to which prices will get improve from the current level.

The government has sold 144810 tonnes of wheat in OMSS through E-Auctions in the fourth week of October'20 which is 11,970 tonnes higher compared to last month. Till now; no rakes have been sold. Sale of wheat to bulk consumer is 47810 tonnes and sale of Wheat to state Govt. 97000.

Wheat MSP for rabi marketing season 2021-22 has been increased by Rs 50 per quintal to Rs 1,975 per quintal to encourage farmers to increase crop cultivation. The decision was taken at a meeting of the Cabinet Committee on Economic Affairs chaired by the Prime Minister and Agriculture Minister announced it in Lok Sabha.

As per trade sources, India has exported around 111973.92 tonnes in the month of September-2020 at an average FOB of \$ 252.87 per tonne, and the major destinations were Nepal, Bangladesh, Afghanistan, Cambodia, and Jordan. Exports are likely to be at the higher side other countries such as Russia, the U.S offering wheat costlier than India, and Australia providing wheat at lower prices from India, which can also elevate Indian wheat demand in the international market in the coming weeks.

According to Government Official, "Some state governments, including Punjab, West Bengal, Kerala, Odisha, and Jharkhand, have written to the Centre urging it to extend beyond November the provision of free ration under Pradhan Mantri Garib Kalyan Yojana," While some state governments have asked the Centre to extend the scheme till the end of the current financial year, few others have asked for a shorter extension. Which can led prices low after November also.

Previous Updates:

The government has sold 111300 tonnes of wheat in OMSS through E-Auctions in the fourth week of September'20. Till now; no rakes have been sold. Sale of wheat to bulk consumer 11300 and sale of Wheat to state Govt. 100000.

Wheat MSP for rabi marketing season 2021-22 has been increased by Rs 50 per quintal to Rs 1,975 per quintal to encourage farmers to increase crop cultivation. The decision was taken at a meeting of the Cabinet Committee on Economic Affairs chaired by the Prime Minister and Agriculture Minister announced it in Lok Sabha.

As per trade sources, India has exported around 64.56 thousand tonnes in the month of August-2020 at an average FOB of \$ 142.56 per tonne, and the major destinations were Nepal, Bangladesh, Afghanistan, Cambodia, and Jordan. Exports are likely to be at the higher side due to competitive price.

FCI has procured a record 38.98 MMT of wheat so far this season and it may end up buying 40.5 to 41 MMT. FCI currently had 558.25 MMT wheat in central pool stock as of June.

Final Sowing Status:

State Wise Wheat Sowing in Lakh Hectares					
State	Normal area (2020)	2018	2019	2020	% Change 2020 vs. 2019
Bihar	20.96	23.27	22.87	22.71	8.35
Chhattisgarh	1.05	1.85	1.68	1.82	73.33
Gujarat	10.92	10.76	8.07	13.95	27.75
Haryana	25.35	25.26	25.16	24.90	-1.78
Himachal Pradesh	3.39	3.6	3.50	3.40	0.29
J&K	2.96	2.93	2.44	2.21	-25.34
Jharkhand	1.76	2.31	1.87	2.12	20.45
Karnataka	1.88	2.09	1.50	1.97	4.79
Madhya Pradesh	57.27	53.16	60.00	79.68	39.13
Maharashtra	10.74	9.4	5.69	10.71	-0.28
Punjab	35.06	35.1	35.02	35.08	0.06
Rajasthan	29.75	30.2	28.25	33.15	11.43
Uttar Pradesh	97.48	98.67	99.13	99.05	1.61
Uttarakhand	3.42	3.58	3.45	3.48	1.75
West Bengal	2.89	1.36	1.05	1.76	-39.10
Others	0.20	0.75	0.23	0.11	-45.00
All-India	305.58	304.29	299.68	336.18	10.01

Source: Ministry of Agriculture

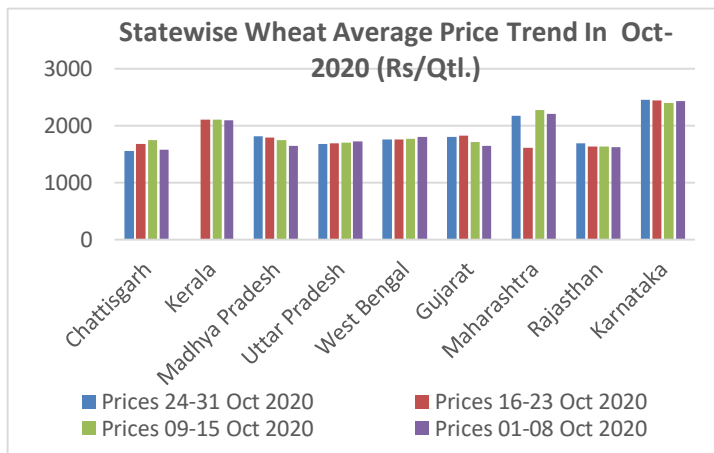
Final Wheat Procurement RMS 2019-20 (Source: FCI)

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State/UTs	Procurement as of September-2020 (Figures in LMT)		
	FCI (A)	State Agency (B)	Total (A+B)
Punjab	14.20	112.94	127.14
Haryana	6.70	67.28	73.98
Uttar Pradesh	1.34	34.43	35.77
Madhya Pradesh	0.00	129.35	129.35
Bihar	0.00	0.05	0.05
Rajasthan	16.29	5.96	22.25
Others	0.14	1.15	1.29
All-India	38.67	351.16	389.83

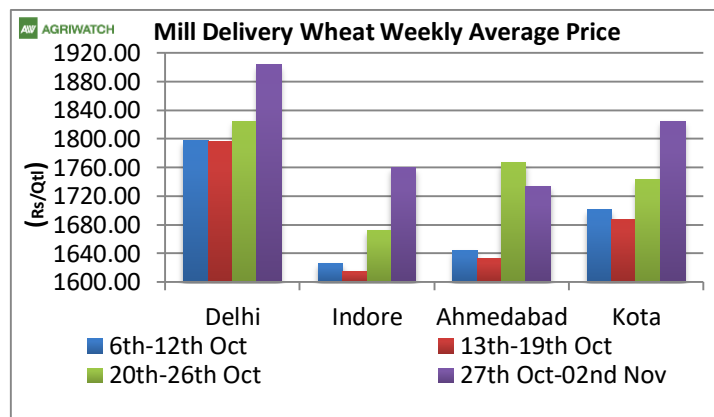
Monthly Average Price Comparison:

India's average monthly prices for wheat increased by 1.25 percent from Rs. 1866.54 in Sep -2020 to Rs. 1890.30 per quintal in Oct -2020. Average prices remained high in states like Uttar Pradesh, West Bengal, and Karnataka. Prices are likely to stay steady to firm due to good export and domestic demand. However, the free distribution scheme of wheat will affect the market if it continues after November also. Sales through OMSS has improved as stock with millers has decreased. Furthermore, the progression of season demand is likely to increase.

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Mill Delivery Wheat Weekly Average Price Movement at key Spot Market:

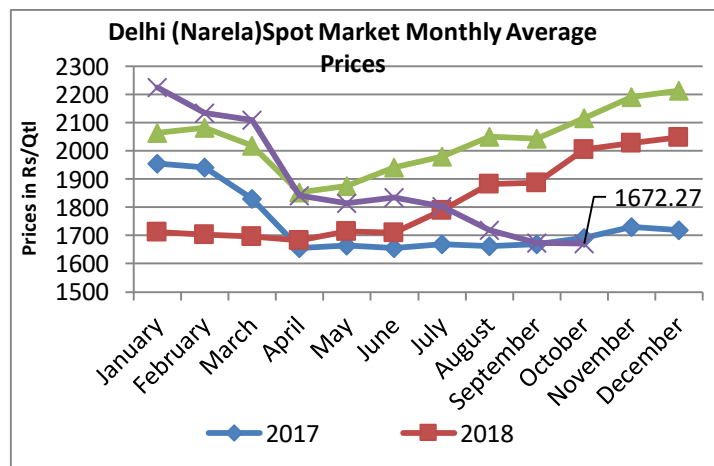
Wheat's average mill delivery prices remained high, from 27th Oct – 02nd Nov 2020 compared to last week. All markets had shown firm movement in prices last week. The demand is coming out due to the festive season and the loss of the arrivals. Increased flour mills' purchase and high export demand have added to the price rise. Free distribution of Wheat till November end would keep the market moving range bound. However the PMGKY scheme may be discontinued in November as there's no official announcement that it will continue after November, so far.



Wheat Delhi Average Monthly Price:

The wheat spot market Delhi (Narela) average price decreased from Rs 1673.57 per quintal in Sep-2020 to Rs 1672.27 per quintal in Oct-2020. Prices are likely to touch Rs 1650-1700 per quintal in the Narela market in the upcoming weeks.

The prices decreased by 0.08 percent compared to last month and decreased by 21.01 percent compared to the corresponding month last year. Arrivals in Narela have declined by 2.8 percent quintal from 411.9 quintals in Sep to 400 quintals in the month of Oct-2020.



Wheat Exports:

According to the latest update, India exported around 1.11 lakhs tonne wheat in the month of Sep-2020. It is around 0.47 thousand tonnes higher compared to the export quantity (64.56 thousand tonnes) in Aug-2020.

The overall condition for Indian wheat export is now favorable, and export opportunity is here as parity comes in favour of India now.

An export volume would increase in the coming months as prices in the domestic market ruling lower which can elevate the demand in the international market. Other exporting countries are offering wheat at the same price with assured quality and delivery schedule.

Year/Month	Wheat Export (Lakh Tonnes)	Average FoB (\$/T)	CBOT Average Quotes (\$/MT)
Apr-14-Mar-15	2924	279.96	230.37
Apr-15-Mar-16	666	294.88	179.9
Apr-16-Mar-17	265	338.38	157.04
Apr-17-Mar-18	322	NA	162.36
Apr-18-Mar-19	226	389.15	185.15
Apr-19-Mar-20	207.58	451.42	186.86
20-May	0.41	NA	187.31
20-Jun	0.38	174.26	192.76
20-July	0.40	136.13	197.11
20-Aug	0.64	142.56	200.39
20-Sep	1.11	252.87	
Total 2019-20(000T)	207.58	451.42	186.86

Source: DGCIS/Private Traders

Wheat Import:

India has imported 0 tonnes of wheat since the month of Mar-2020. Before this India has imported 0.19 thousand tonnes of wheat in Feb-20. Imports are expected to remain at the lower side this year due to good domestic availability.

FoB quote in the Black Sea region is hovering around \$251.00 per tonne in Russia 248.41 per tonne and \$248.91 per tonne in Ukraine. The United States and France are also providing wheat at \$191.86 per tonne and Euro 86.28 per tonne. The government has increased import duty from 30% to 40% to curb imports and provide support to domestic prices.

Source: DGCIS/Private Traders

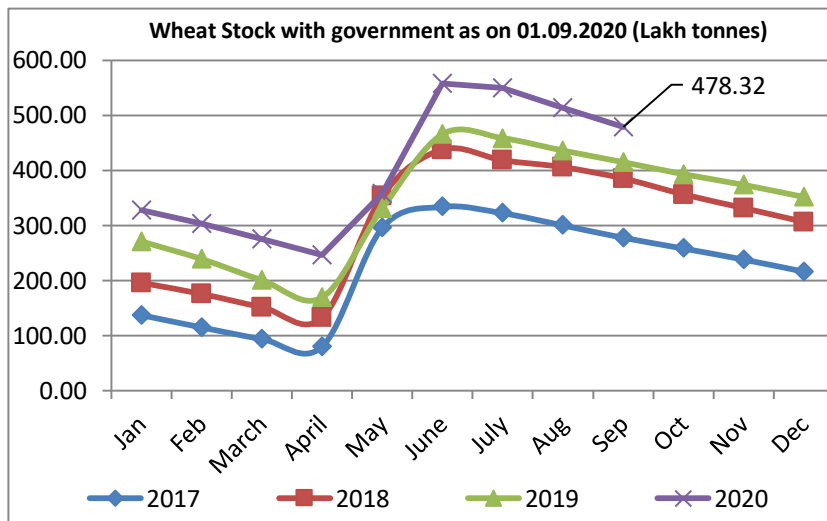
Note: No Imports in Sep.

Year/Month	Wheat Import (In Thousand Tonne)	Average CiF (\$/T)	CBOT Average Quotes (\$/MT)
Apr-16-Mar-17	5957.79	220.13	157.04
Apr-17-Mar-18	1616.97	NA	162.36
Apr-18-Mar-19	1.00	239.52	185.15
Apr-19-Mar-20	500.81	229.51	185.35
20-Apr	NA	NA	198.98
20-May	NA	NA	187.31
20-Jun	NA	NA	192.76
20-July	NA	NA	197.11
20-Aug	NA	NA	200.39
20-Sep	NA	NA	
Total 2019-20 (000T)	1.801	174.26	185.35

Wheat Stock with the Government

Wheat stock in government's warehouses on 01.09.2020 was around 478.32 lakh tonnes. It is lower by 6.81 % from Aug-2020. Stock in the central pool as of 01st Sep'20 is higher by 19.90 percent compared to last year for the same month. The government has increased its procurement target to 38.83 MMT for MY 2019-20 from 34.10 MMT last year.

The government has cut the reserve price for luster lost wheat procured in 2019-20 (Apr-Mar) by nearly 12% to 1,840 rupees per 100 kg from 2,080 rupees earlier to push out old stock

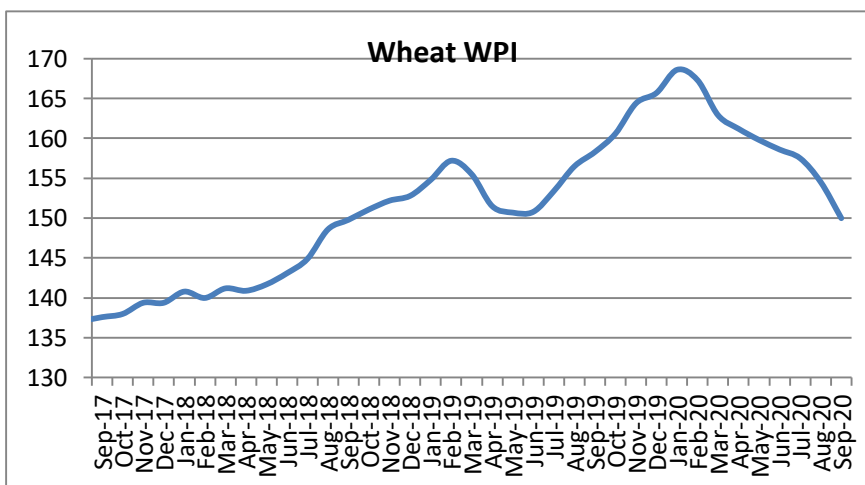


Wheat Inflation:

Month/Year	2016	2017	2018	2019	2020
Jan	134.1	151.3	140.8	154.8	168.6
Feb	134.1	149.3	140.0	157.8	167.30
Mar	134.1	142.9	141.2	155.5	162.90
Apr	132.9	141.0	140.9	151.5	162.50
May	134.5	137.5	141.7	150.7	159.80
Jun	136.5	136.1	143.1	150.8	158.6
Jul	137.9	136.3	144.9	153.4	157.5
Aug	139.1	137.1	148.6	156.5	154.52
Sep	140.0	137.6	149.8	158.3	
Oct	140.8	138.0	151.1	160.6	
Nov	147.9	139.4	152.2	164.4	
Dec	152.3	139.4	152.8	165.7	

Wheat WPI has decreased from 154.5 in Aug-2020 to 150 in Sep-2020. Monthly wheat inflation has decreased by 2.92 percent in Sep-2020 compared to the previous month. As compared to Sep-2019 wheat WPI has increased by around 5.53 percent. Wheat WPI is expected to stay steady to weak in the coming month. Foodgrains WPI decreased by 0.75 in Sep-20 to 158. Compared to Aug-20.

Weight: 1.02823, base year-2011-12=1000.



Monthly Average Spot Price:

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Monthly Average Prices At Various Market(Rs/Quintal)					
Month	Delhi	Indore	Kota	Rajkot	Chennai
19-Oct	2213.96	2194.55	2128.1	2132.5	2358.33
19-Nov	2267	2236.8	2157.2	2220.38	2430
19-Dec	2273.6	2252.38	2152.71	2221	2462.5
20-Jan	2290.6	2302.62	2250.21	2291.8	2585.42
20-Feb	2209.1	2170.65	2141.52	2176.67	2510.67
20-Mar	2184.41	1972.5	2016.18	1783.52	2350
20-Apr	1964.16	1972.5	1729.33	1772.27	2350
20-May	1966.92	1972.5	1837.89	1813.07	2350
20-Jun	1973.26	1885.76	1745.38	1799.40	2350
20-July	1976.0	1883.20	1877.70	1821.04	2179
20-Aug	1856.73	1770.23	1752.10	1695.83	2044.73
20-Sep	1821.37	1729.66	1680	1621.88	2000
20-Jun	1973.26	1885.76	1745.38	1799.40	2350
20-July	1976.0	1883.20	1877.70	1821.04	2179
20-Aug	1856.73	1770.23	1752.10	1695.83	2044.73
20-Sep	1821.37	1729.66	1680	1621.88	2000
20-Oct	1824.23	1666.42	1726.4	1664.61	1956

Source: Agriwatch

Monthly Price Comparison of Spot Markets

Spot Market Price:							
Centre	Market	Variety	Prices (Rs/Qtl)				
			Today	Yesterday	Week Ago	Month Ago	Year Ago
			4-Nov-20	3-Nov-20	28-Oct-20	6-Oct-20	5-Nov-19
Delhi	Lawrence Road	Mill Delivery	1890	1880	1935	1780	2240
	Narella	Mill Quality Loose	Closed	1750	Closed	1650	2200
	Nazafgarh	Mill Quality Loose	Closed	1700	Closed	1630	2130
Gujarat	Rajkot	Mill Delivery	1700	1700	1735	1610	2210
	Ahmedabad	Mill Delivery	1740	1740	1840	1650	2250
	Surat	Mill Delivery	1800	1800	1880	1700	2225
	Dhrol	Mill Delivery	NA	NA	1565	0	2335
M.P.	Indore	Mill Delivery	1750	1760	1750	Closed	2250
	Bhopal	Mill Quality Loose	1600	1600	1600	Closed	2100
Rajasthan	Kota	Mill Quality Loose	1700	1670	1750	1525	2020
		Mill Delivery	1825	1770	1875	1650	2150
U.P.	Kanpur	Mill Delivery	1700	1680	1650	1620	2070
	Mathura	Mill Quality Loose	1620	1640	1650	1600	0
	Kosi	Mill Quality Loose	1650	1650	1650	1610	2000
	Hathras	Mill Quality Loose	1600	1610	1600	1550	NR
	Aligarh	Mill Quality Loose	Closed	1600	Closed	1580	1960
Punjab	Khanna	Mill Quality Loose	1600	1600	1620	1670	0
	Ludhiana (Jagraon)	Mill Delivery	NA	NA	NA	0	0
Haryana	Sirsa	Mill Delivery loose	1750	1750	1750	1690	2100
	Hodal	Mill Delivery	NA	NA	NA	0	0
	Bhiwani	Mill Quality Loose	1650	1660	1700	1665	2120
	Karnal	Mill Delivery	NA	NA	NA	0	0
	Panipat	Mill Quality Loose	NA	NA	NA	0	0
Tamil Nadu	Chennai	Mill Quality	1975	1975	1950	1950	2450
	Madurai	Mill Quality	2032	2125	2100	2100	2600
	Coimbatore	Mill Quality	2032	2175	2150	2150	2650
Bihar	Khagariya	Mill Delivery	1900	Closed	1820	1800	2100
	Muzaffarpur	Mill Delivery	1825	Closed	1715	1775	2025

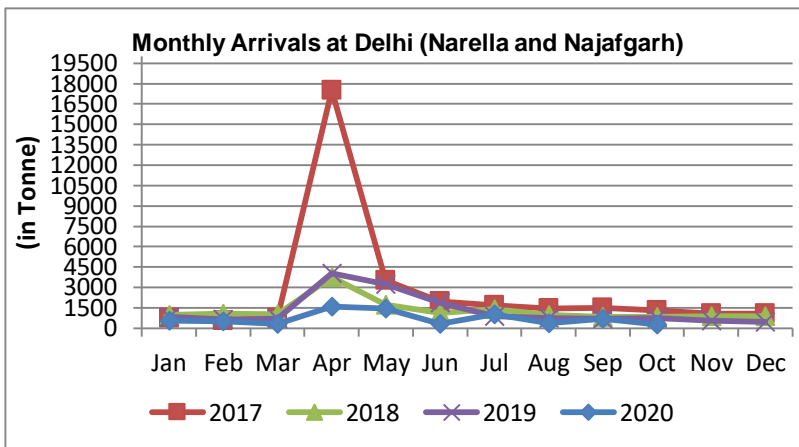
Monthly Arrivals at Delhi:

Arrivals in the Delhi region (Narela and Najafgarh) decrease to 289.77 tonnes in Oct-2020 compared to 680.94.25 tonnes in Sep-2020.

Domestic Outlook:

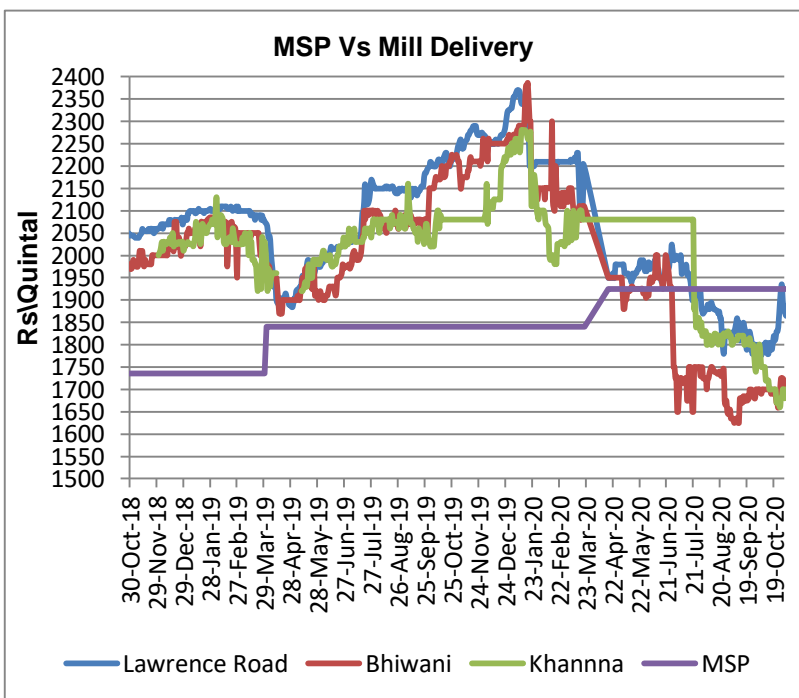
The wheat cash market is expected to trade range - steady to firm in Nov-20 under normal conditions with some recovery in between.

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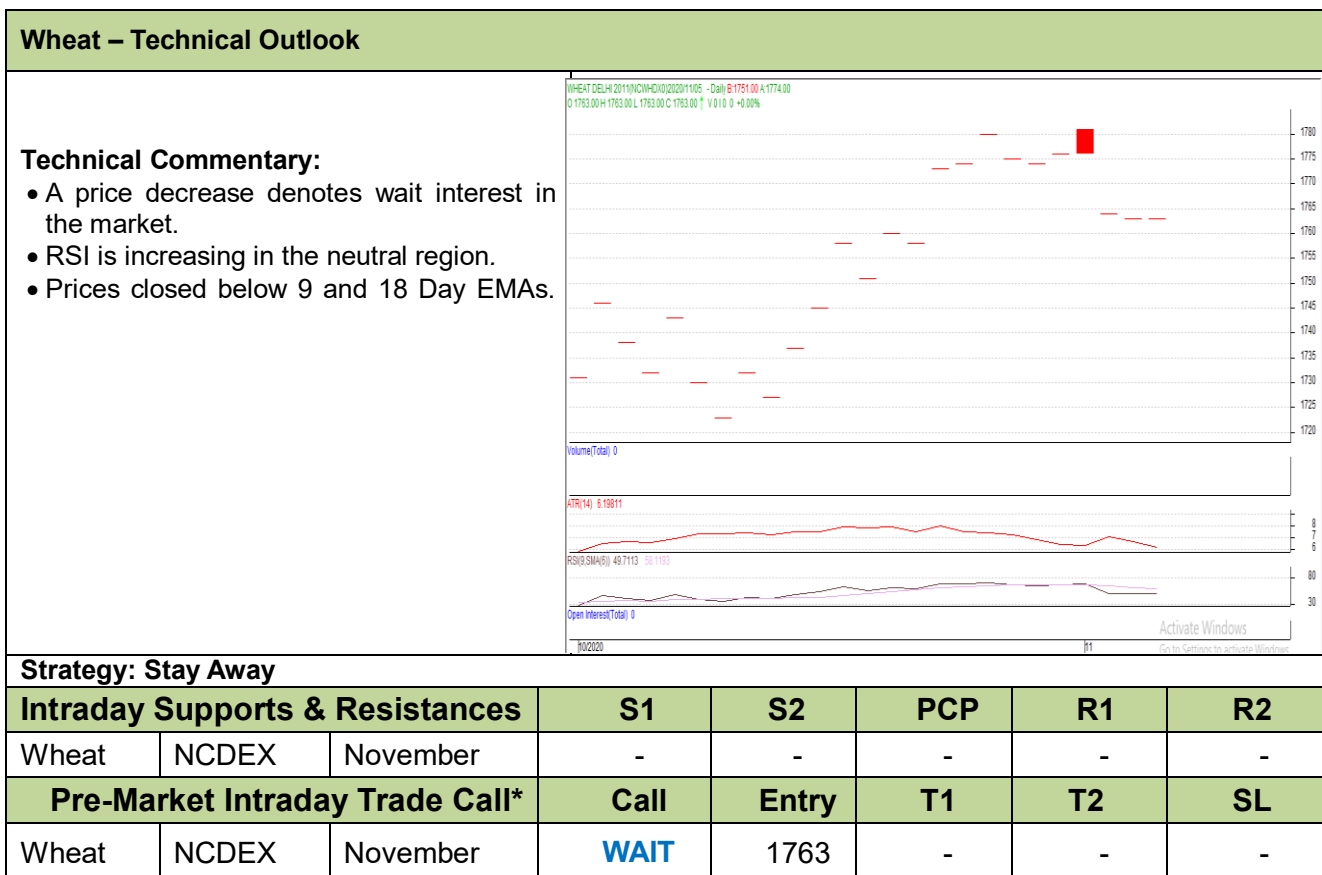
MSP vs. Mill Delivery Prices:

As of now Mill delivery prices in Lawrence road, Karnal, and Khanna market are below MSP and are likely to move steady to firm in the coming weeks. The government set the minimum support price (MSP) of wheat Rs 1925 per quintal in 2019-20 and Rs 1925 per quintal in 2020-21, now Government has increased the price from 1925 to 1975 per quintal for 2021-22. As the chart depicts mill delivery prices remained under MSP during MY 2019-20.



Wheat Technical Analysis:

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* Do not carry-forward the position next month.
Note- Due to zero volume, there's no virtual trade in given chart.

International Market Dynamics

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USDA Technical buying and continued dryness in Russia supported all wheat future prices week-over-week. CBOT soft red winter (SRW) futures added 7 cents to close at \$6.33/bu. KCBT hard red winter (HRW) futures gained 11 cents to end at \$5.70/bu.

This week's commercial sales of 743,000 metric tons (MT) for delivery in 2020/21, as of Oct. 22, were almost double last week's 367,000 MT and above trade expectations of 200,000 MT to 700,000 MT. Year-to-date commercial sales now total 16.2 million metric tons (MMT), 11% ahead of last year's pace. USDA expects the United States will export 26.5 MMT in 2020/21, up 1% from last year, if realized.

According to USDA, U.S. farmers have now planted 85% of the total intended winter wheat area for harvest in 2021, up 8 points on the week. That is 2 points ahead of this time last year and 5 points ahead of the 5-year average. As of Oct. 26, 62% of the country's winter wheat have germinated, led by Colorado at 78% and South Kansas at 70%.

The International Grains Council (IGC) raised its forecast for 2020/21 world wheat production by 1 million tonnes to 764 million tonnes, Consumption by 5 million tonnes, and carry overstock by 13 million tonnes from last year 2019/20. The forecast for trade remains unchanged to 185 million tonnes as last year.

Ukraine As of Oct. 28, Ukrainian farmers have planted 5.50 million hectares (13.6 million acres) of winter wheat for harvest in 2021, or 91% of the total intended planted area.

Argentina According to the Buenos Aires Grain Exchange (BAGE), recent precipitation gave the country's wheat crop a final yield boost before the 2020/21 harvest. The wheat harvest is now 6% complete with most of Argentina's progress focused in the north. So far, the average yield in the north is 12.2 bu/acre (0.82 MT/ha), well below the expected final average of 42.8 bu/acre (2.88 MT/ha). USDA now expects Argentinian wheat production will fall to 17.4 MMT in 2020/21, 8% below the agency's Oct. 9 forecast of 19.0 MMT on persistent drought.

Russia Russian winter wheat conditions improved this week as beneficial precipitation fell in the country's southern regions. "Weather conditions are improving gradually," said SovEcon, a Russian agriculture consultancy. Strong precipitation fell in Russia's southern, central and Volga regions last week. "The temperature forecast remains very friendly for farmers," added SovEcon, "winter wheat has more precious time to germinate before winter." U.S. grain traders believe recent precipitation, warm weather in the coming days and strong market prices could boost Russian winter wheat planted area for harvest in 2021 as much as 15% over last year.

France FranceAgriMer, France's farm office, showed 66% of the country's soft (non-durum) wheat is now planted for harvest next year, up 21 points from last week and in line with the 5-year average. Dry sowing conditions compared to last year are expected to boost France's soft wheat planted area to 5.0 million hectares (12.3 million acres).

Australia Rabobank estimates the 2020-21 Australian wheat crop will rebound 91% on the year to 28.8 MMT, slightly above USDA's forecast and only 9% below the 2016-17 record, if realized. Wet weather could challenge harvest progress across southern Queensland and northern New South Wales, says Australian newspaper. "The threat of storms and rain has turned the 2020 harvest into a race against nature to get the crops harvested and into storage before the inevitable major rain event," the newspaper reported on Oct. 22.

Pakistan, Economic Coordination Committee (ECC) has decided to propose to the Cabinet Rs 1600 as minimum support price (MSP) for wheat crop for fiscal year 2020-2021.

Global Wheat Average FoB
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Month	US SRW2*	US HRW2*	Argentina P1*	Ukraine 12.5%*	Russia 12.5%*	Rouen 11%**	Australia ASW1***	Australia APW2***
Dec-19	243.45	233.67	NA	209.86	214.33	183.45	360.55	361.70
Jan-20	255.95	243.89	NA	221.83	226.40	192.79	362.90	363.48
Feb-20	250.69	234.01	NA	218.68	219.45	190.68	365.15	358.40
Mar-20	240.87	229.22	NA	209.57	210.48	184.33	375.55	379.14
Apr- 20	237.13	234.21	NA	224.10	222.72	193.75	257.07	-
May-20	214.58	223.48	NA	227.50	NA	193.25	248.85	-
Jun-20	208.78	217.70	NA	197.73	198.64	190.50	237.96	-
Jul-20	228.82	223.55	NA	202.22	202.61	178.50	233.83	-
Aug-20	229.69	-	NA	203.58	203.63	184.94	232.35	-
Sep-20	260.20	246.30	245	227	227.45	188.25	226.22	-
Oct-20	NA	NA	254.26	252.00	233.00	204.19	224.46	-

Source: Reuters

*Figures in \$/Tonne

** Figures in Euro/Tonne

*** Figures in AUD/Tonne

Indicative Freight Quotes

Date	Freight(\$/T)	Freight(\$/T)	Freight(\$/T)	Freight(\$/T)
05.11.2020	6.48	16.09	41.60	29.66
03.10.2020	6.61	16.3	43.3	30.74
06.03.2020	8.1	19.9	42.71	37.06
13.03.2020	7.53	19.22	41.52	36.25
20.03.2020	6.57	18.12	41.16	35.97
27.03.2020	5.61	16.47	37.13	32.71
07.02.2020	5.56	16.47	41.33	34.51
14.02.2020	5.65	16.98	41.71	36.05
21.02.2020	6.28	17.68	42.87	37.13
28.02.2020	6.94	18.49	43.22	37.44
17.01.2020	9.11	20.05	39.21	33.91
24.01.2020	8.95	19.96	39.45	34.03
Vessel Class: Panamax	PoL: Novorossiysk, PoD: Damietta	PoL: Novorossiysk, PoD: Jeddah	PoL: Odessa, PoD: Japan	PoL: Odessa, PoD: Chittagong

Source: Reuters

Spot Prices Black Sea Region
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Date	30.09.2020	30.09.2020	02.09.2020	06.08.2020	29.07.2020
Odessa, FOB(\$/tonnes)					
Milling wheat 12.5%	250-254	229-233	209-214	200-206	204-208
Milling wheat 11.5%	249-253	229-233	207-213	199-204	202-207
Feed wheat	217-220	-	205-210	-	-
Novorossiysk, FOB(\$/tonnes)					
Milling wheat 12.5%	253-256	229-233	210-215	200-206	205-209
Milling wheat 11.5%	249-253	218-221	208-214	199-204	202-207
Feed wheat	215-220	217-219	-	-	-

Source: Reuters

Forward Prices for 2020 Crop Black Sea Region

Origin	Commodity	Delivery period	Price (USD/MT)	
			21.10.2020	28.10.2020
Russia	Wheat, 12.5% protein	Dec	250-260	250-257
Ukraine	Wheat, 11.5% protein	Dec	249-257	250-256
Ukraine/Russia	Feed wheat	Dec	-	-

Source: Reuter

IGC Wheat Balance Sheet (Quantity in MMT)
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IGC Forecast (Fig-In MMT)	2016-17	2017-18	2018-19 (Estimate)	2019-20 (Forecast)	
				24.09.2020	29.10.2020
Production	757	762	733	763	764
Trade	177	176	169	183	185
Consumptions	736	739	739	749	751
Carryover stocks	248	271	265	294	291
Y-O-Y change	21	22	-5	15	13
Major Export	79	83	70	65	61

IGC Balance Sheet Highlight:

- IGC has forecast global wheat production at 764 MMT for 2019-20, 1 MMT higher compared to last month's forecast. According to estimates by IGC the 2018-19 global wheat production was around 733 MMT and 762 MMT for 2017-18.
- The trade forecast for 2019-20 has increased to 185 MMT. It is 16 MMT higher compared to the estimate for last year and higher by 16 MMT compared to 2017-18.
- Consumption has been increased to 751 MMT for 2019-20. The forecast is higher by 12 MMT compared to 2018-19.
- Carryout for 2019-20 is forecast at 291 MMT compared to an estimate of 265 MMT last year. It is higher by around 26 MMT compared to 2016-17.

USDA Balance Sheet

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USDA Global Wheat Balance Sheet: 2018-19 Fig. In Thousand Tonne (As on 01.10.2020)							
Country	Opening Stock 2019-20	Production projected 2019-20	Domestic Consumption 2019-20	Import 2019-20	Export 2019-20	Ending Stock 2019-20	Production 2018-19
Argentina	1,692	21,000	6,200	5	14,500	1,997	21,000
Australia	3,540	26,000	7,050	200	17,500	5,190	26,000
Canada	5,463	34,000	9,800	450	24,500	5,613	34,000
China	1,51,155	1,36,000	1,30,000	6,000	1,000	1,62,155	1,36,000
EU	11,821	1,39,500	1,18,300	5,500	27,000	11,521	1,39,500
India	24,000	1,07,180	99,500	25	1000	30,705	1,07,180
Pakistan	1,084	26,100	25,500	100	300	1,484	26,100
Russia	7,279	76,500	40,500	500	36,000	7,779	76,500
Ukraine	1,249	26,500	8,800	75	17,500	1,524	26,500
U S	28,409	49,630	30,345	3,810	25,855	25,649	49,630
Others	61,428	1,26,903	2,70,828	1,66,601	22,881	2,887	1,26,903
World total	2,97,120	7,69,313	7,46,823	1,83,266	1,88,036	3,14,840	7,69,313

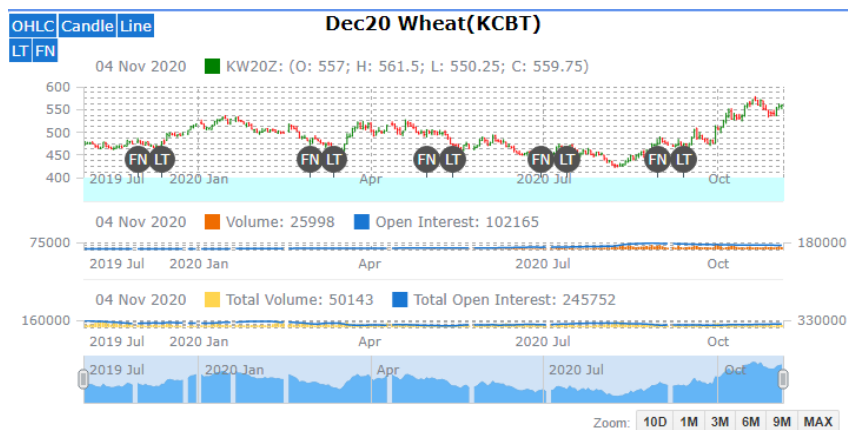
Source: USDA

CBOT Futures Dec-20 Chart:

1st Support: 552.83
2nd Support: 545.92
1st Resistant: 564.08
2nd Resistant: 568.42
(\$ per tonne)

Wheat CBOT closed at \$5.98 per bushel. Increasing demand in major consuming countries and imposed limits by exporting countries may keep wheat prices firm in the coming weeks. The chart indicates that the uptrend could continue for a few weeks.

Apart from this, extreme dryness and continue dried conditions impacted yield in major exporting countries like Russia, Australia, and Argentina. It remains supportive of the global wheat market in the near term.



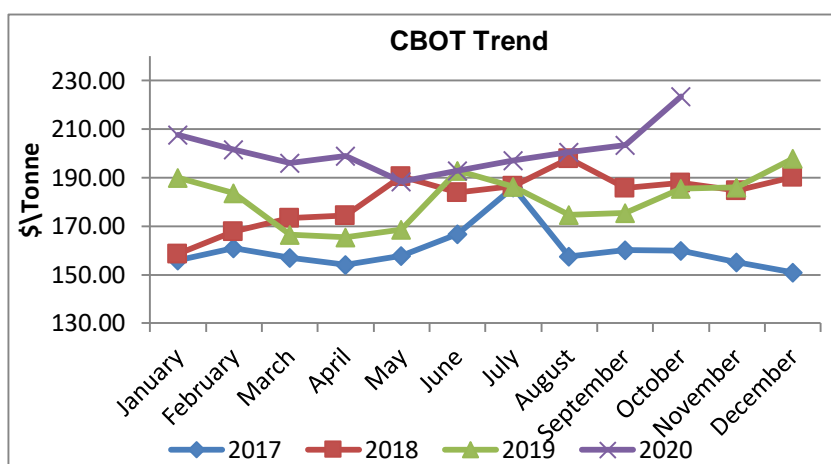
CBOT comparison over a period of time:

CBOT Futures Prices:(USD/T)							
CONTRACT MONTH	Today 2-Nov-20	Week Ago 26-Oct-20	Month Ago 3-Oct-20	3 Month Ago 27-Jul-20	6 Month Ago 4-May-20	Year Ago 4-Nov-19	% Change over prev. year
Dec-20	223.38	227.79	180.39	193.90	192.61	163.22	36.86
Mar-21	224.11	227.88	183.61	0.00	190.86	166.43	34.66
May-21	224.02	227.42	186.36	193.90	191.78	169.92	31.84
Jul-21	221.17	223.47	188.38	196.47	194.81	193.16	14.50
Sep-21	221.82	224.57	189.95	199.04	197.57	196.65	12.80
Dec-22	224.21	224.57	192.52	199.04	212.45	198.86	12.75

CBOT Trend: -

CBOT remains mostly firm from May to Oct under normal conditions as shown in the chart. However, this year due to the outbreak of Covid-19 across several wheat-producing countries prices is not following the trend.

CBOT average monthly price for Oct'20 is higher by \$ 20.44/tonne compared to last year for the same month and higher by \$ 9.77 /tonne compared to Sep'20. USDA estimates production to be around 49.63 MMT in 2019-20 with yields around 3.48 MT/HA compared to 51.30 MMT with yields around 3.20 MT/HA in 2018-19.



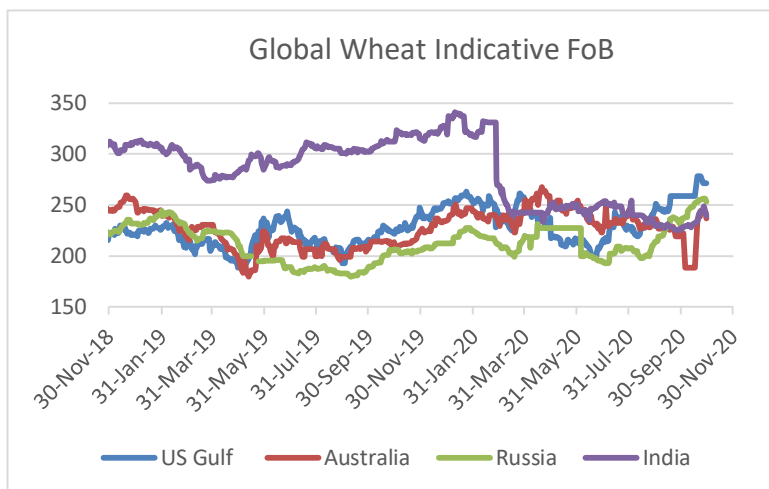
Comparative Month on Month FOB quotes: (Fig in USD/MT)

All prices are for SRW/milling grade	1 st May-20	1 st Jun-20	1 st July-20	1 st Aug-20	1 st Sep-20	1 st Oct-20	1 st Nov-20
USA	NA	214.58	208.78	228.82	229.69	246.4	NA
France	NA	191.67	184.28	188.21	184.94	191.86	204.19
Australia	251.52	248.84	237.96	233.83	232.35	226.22	224.6
Russia	NA	NA	198.64	202.61	203.63	227.45	248.41
India	248.71	248.17	245.81	247.67	237.46	228.39	235.35

Global Indicative FoB Quotes:

Indian FoB quote is based on local prices. Indian FoB quote is being quoted at \$239.01 per tonne. US and Russian quotes are hovering in the range of \$271.20 and \$255.20 per tonne. The overall condition for Indian wheat export is now favorable, and export opportunity is here as parity comes in favor of India now.

Wheat is expected to trade steady to firm and hovers \$230to \$260 per tonne in the coming week.



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