

Commodity Profile of Wheat for July 2018

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1. Wheat estimates for India(crop year 2017-18 and marketing year 2018- 2019)

(Quantity in Million Metric Tonnes)

2017-18	2018-19 Estimate##	Particulars/Year	May,2017	Source
8.06	13.23	Opening Stock in Central Pool	35.35	DoFPD
98.61**	96.47	Production	N.A	DES
1.65	2.62	Total Imports	0.00	DoC
108.32	112.32	Availability	-	
0.23	0.36	Total Export	0.02	DoC
35.35	11.94	Ending Stock in Central Pool	43.75	DoFPD
72.74	100.02	Total Availability for Domestic Consumption	-	

Sources: Department of Food & Public Distribution (DoFPD); Department of Commerce (DoC); Directorate of Economics & Statistics (DES); Department of Agriculture and Cooperation (DoAC).

**As per 3rd Advance estimates for 2017-18 released on 16.07.2018. Availability: opening stock in central pool plus production plus Imports; Total Availability for Domestic Consumption: Availability minus total export plus ending stock in central pool.

For preparing estimates of 2018-19, Production is 3 years average from Directorate of Economics & Statistics (DES), opening stock in central pool is from Department of Food & Public Distribution (DoFPD) and Imports, Exports and Ending Stock is also last 3 years average.

*The figure of export and import is for the month of April - May, 2018-19.

It may be seen that FCI stocks ending in May, 2018 is 43.75 million MT against 33.44 million MT in the corresponding period of last year.

2. Wheat estimates for the World

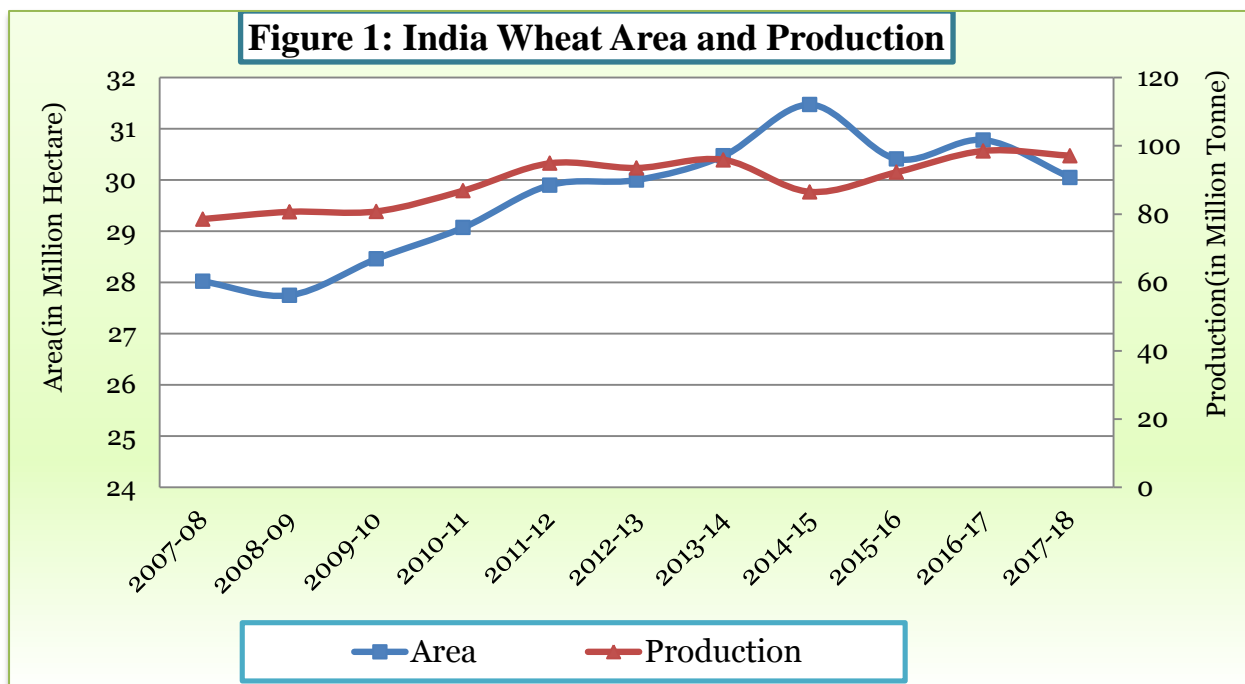
(Quantity in Million Metric Tonnes)

Particular/Year	2016-17	2017-18	2018-19 (Projected)
Production	752	758	737
Trade	177	176	177
Consumption	737	738	743
Carry Over Stock	242	261	256

Source: International Grains Council (IGC)

- During 2016-17 and 2017-18, the world production has increased marginally by 0.76 percent (from 752 million MT to 758 million MT) and world trade is more or less constant, (from 177 million MT to 176 million MT) respectively, and consumption is also more or less constant (from 737 million MT to 738 million MT). As a result, change in carry over stock has increased by 7.85 percent.

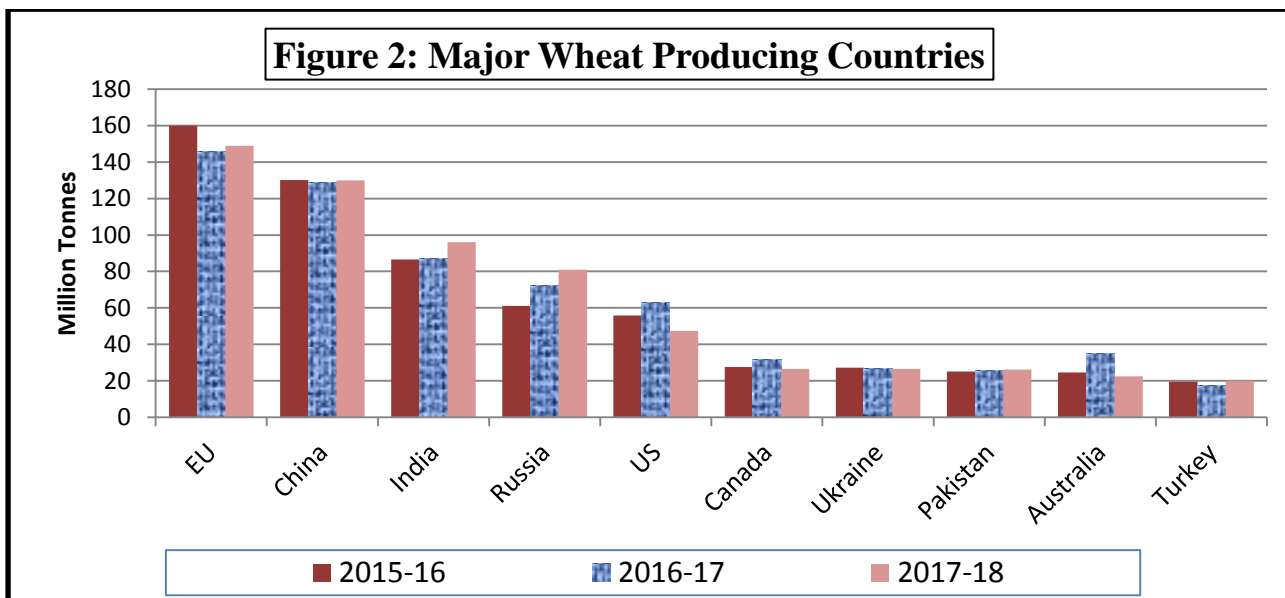
3. India's Wheat Area and Production during 2007-08 to 2017-18



Source: Directorate of Economics & Statistics

- India's wheat production has increased in last 10 years at CAGR of 2.14 percent
- Area under wheat cultivation has also increased in last 10 years at CAGR of 0.69percent.

4. Global Production

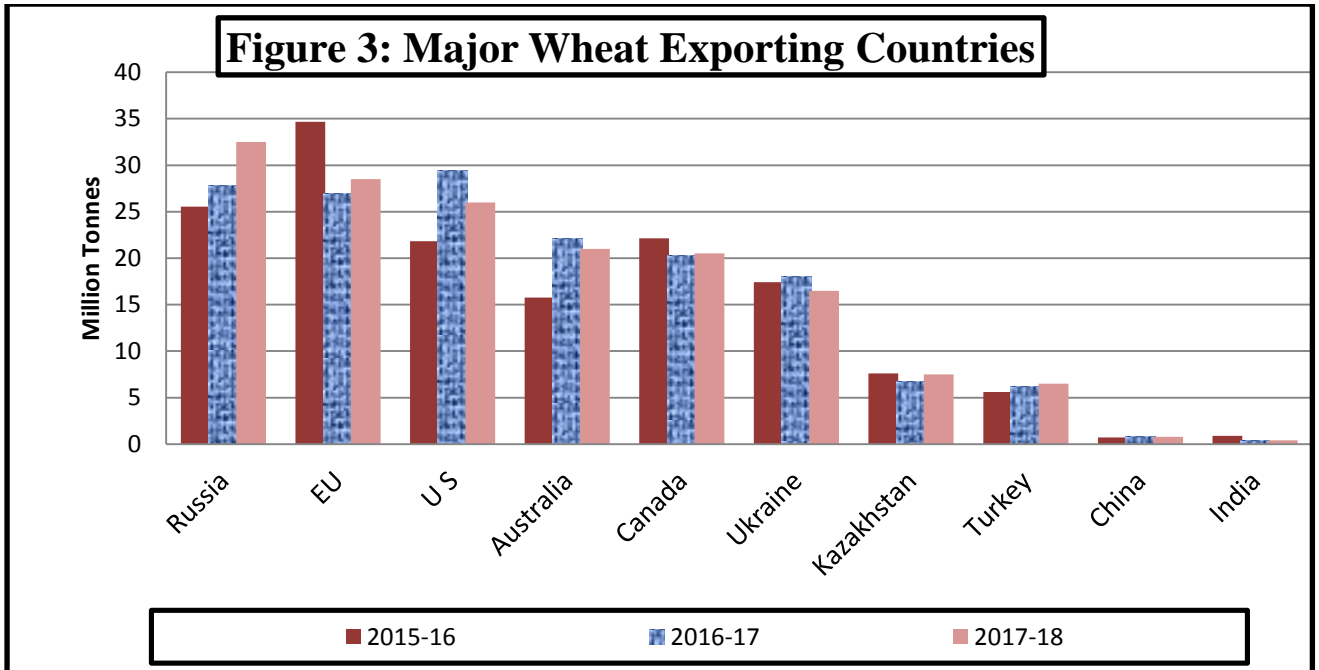


Source: United States Department of Agriculture Database.

- As a country, China was the leading wheat producing country followed by India and Russia.

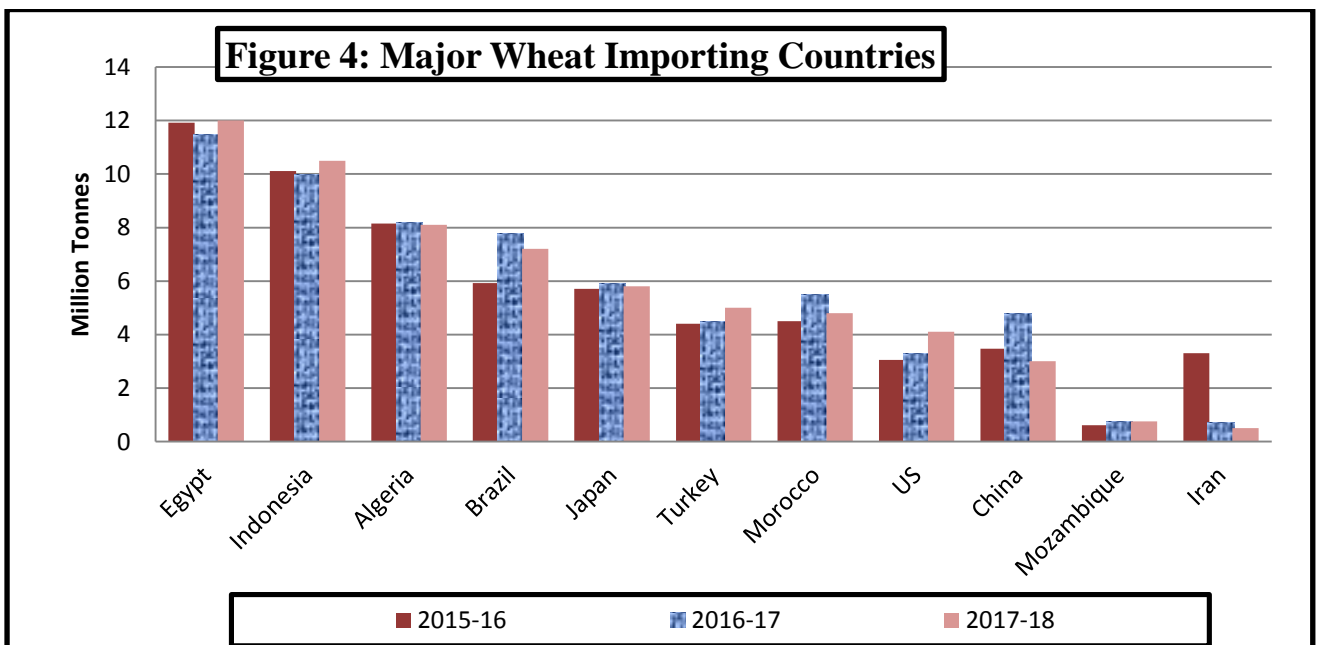
- India's share in global wheat production was recorded at 15.36 percent in the year 2017-18.

5. Major Exporters and Importers of Wheat



Source: Comtrade

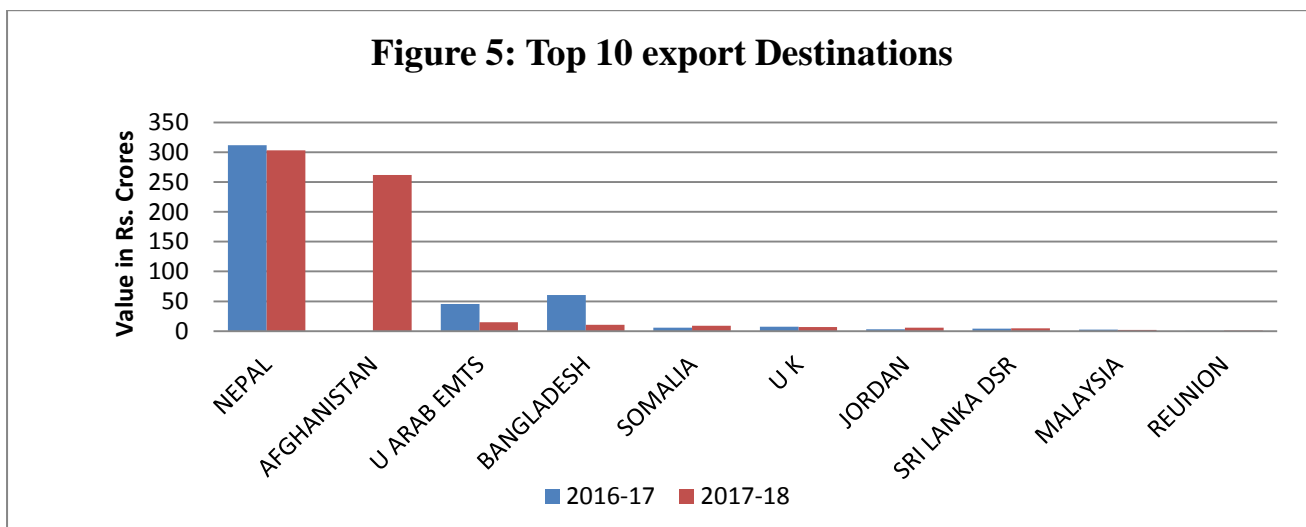
- Russia was the leading wheat exporting country in the world followed by EU and US in 2017-18.
- India's share in global exports was around 0.22 percent in the year 2017-18.



Source: Comtrade

- As shown in the Figure 4, Egypt was the largest importing country in the world followed by Indonesia, Algeria and in Brazil 2017-18.

6. India's Top 10 Export Destinations



Source: Directorate General of Commercial Intelligence and Statistics (DGCI&S)

- In 2017-18, India's major export destinations were Nepal, Afghanistan, UAE and Bangladesh.

7. Trade flow for Wheat

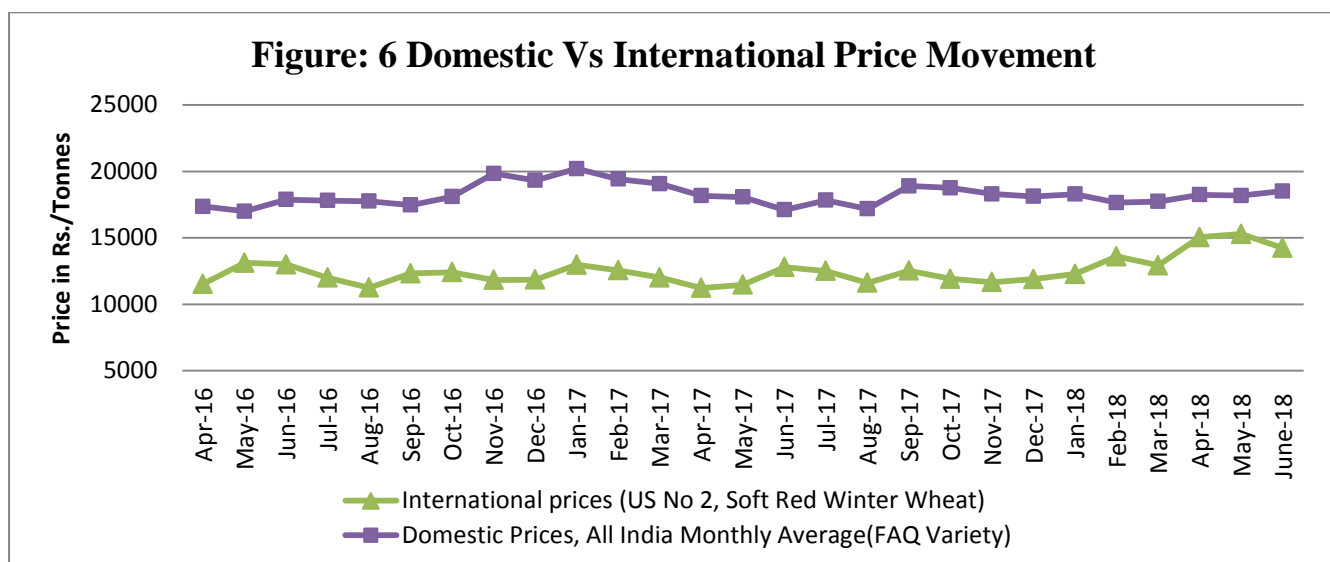
(Quantity in million MT; Value in Rs. Crores)

Year	Export		Import	
	Qty	Value	Qty	Value
2013-14	5.56	9277	0.01	27
2014-15	2.92	4975	0.03	61
2015-16	0.61	1062	0.51	872
2016-17	0.26	448	5.75	8509
2017-18	0.23	432	1.65	2358
2018-19 (Apr-May)	0.02	40	0.00	1

Source: Depart. Of Commerce

- India's wheat export in 2017-18 has declined by 11% over the corresponding period of the previous year in view of surplus global stocks and higher domestic prices. India's import of wheat in 2017-18 has declined by 72% (i.e. from Rs. 8509 crore to Rs. 2358 crore) over corresponding period of pervious year 2016-17.

8. Domestic and International Price Movement



Source: Agmark database (for Domestic Price); FAO database (for international Prices)

- Domestic prices have been higher than that of International prices since April 2016 onwards.

9. Minimum Support Price (MSP)

(Price in Rs./Quintal)

Year	2013-14	2014-15	2015-16	2016-17	2017-18
Wheat	1400	1450	1525	1625	1735

Source: Commission for Agricultural Costs and Prices (CACP)

- A secular increase of Minimum Support Price (MSP) for wheat is recorded. This figure has increased by 23.92 percent in the last 5 years.

10.1 Wheat Arrivals in Major Domestic Mandis

(Quantity in '000 tons)

	Arrivals Apr-June, 2018-19 (Cumulative)	Arrivals April-May, 2018-19 (Cumulative)	Arrivals Apr-June, 2017-18 (Cumulative)	% Change Over Previous Month	% Change (Over Previous Year)
Kanpur	7.57	4.74	6.64	59.77	13.86
Mathura	15.60	14.35	5.85	8.69	166.59
Bhopal	6.43	6.26	3.09	2.70	108.46
Indore	14.91	14.45	8.85	3.18	68.38
Khanna	1.73	1.72	7.22	0.23	-76.10
Nagpur	0.63	0.57	0.25	11.25	151.19
Jalana	0.20	0.18	0.08	10.80	143.75

Source: AGMARKNET and Agriwatch,

- The cumulative figure for wheat arrival in major Mandis shows that Mathura was leading in June 2018-19 and Indore in June 2017-18.
- So far percentage change of wheat arrivals in major domestic mandis in June 2018-19 over June 2017-18 is concerned; all the above mandis (except Khanna) showed a positive growth.

10.2 Domestic Price Movement in Major Mandis

(in Rs/Quintal)

Name of market	Prices June, 2018	Prices May, 2017	Prices June, 2017	% Change (Over Previous Month)	% Change (Over Previous Year)
Kanpur	1736	1732	1846	0.24	-5.94
Mathura	1631	1734	1734	-5.94	-5.96
Bhopal	2383	2385	2385	-0.09	-0.09
Indore	1850	1816	1850	1.88	0.00
Amritsar	1735	1735	1735	0.00	0.00
Khanna	2101	2136	2136	-1.62	-1.61
Nagpur	1747	1750	1750	-0.19	-0.19
Jalana	1736	1732	1846	0.24	-5.94

Source: AGMARKNET and Agriwatch database, NA: Not Available.

- So far percentage change of wheat prices in major domestic mandis in June 2018 over June 2017 is concerned; except Indore and Amritsar all mandis showed a negative growth.

11. Futures prices of wheat

(Unit in USD/Ton)

Contract Month	As on (09 Apr 2018)	Week Ago (02 Apr 2018)	Month Ago (12 Mar 2018)	3 Month Ago (09 Jan 2018)	6 Month Ago (10 Oct 2017)	1 Year Ago (09 Apr 2017)	% Change over previous year
Sep-18	181.68	173.32	184.25	186.27	171.21	209.23	-13.17
Dec-18	187.65	180.21	191.51	194.91	178.1	214.01	-12.32
Mar-19	193.34	187.1	198.3	201.7	183.06	216.4	-10.65
May-19	197.02	191.69	202.99	205.19	186.18	214.01	-7.94
July-19	198.86	193.9	205.19	205.74	187.01	208.87	-4.79
Sept-19	202.25	197.48	207.95	208.59	190.22	208.87	-3.17

Source: Chicago Board of Trade (CBOT)

- Future price for wheat is expected to decrease over the previous year as shown in the Table 7.

12. Trade Policy

12.1 Export Policy: Export of wheat is free under the extant export policy of Government of India.

12.2 Import Policy: Import of seeds is restricted. Whereas, import of wheat for human consumption is permitted through State Trading Enterprises

HS code	Item description	Import policy	Standard Duty	Bound Duty	Applied duty
10011100	Durum wheat: Of seed quality	Restricted	100	100	50%
10011900	Other Durum wheat	Free*	100	100	30% **
10019100	Other: Wheat of seed quality	Restricted	100	100	50%
10019910	Other wheat	Free*	100	100	20% **
10019920	Meslin	State Trading Enterprises	100	100	30%

Source: Directorate General of Foreign Trade (DGFT), Department of Revenue, and World Trade Organization (WTO) database.

*Import of wheat (HS code- 10011900 and 10019910) made free till further order vide DGFT's Notification No.35 Dated 8th October 2007

** Import duty on wheat has been increased from 20% to 30% vide Notification No. 46/2018- Customs dt 23rd May, 2018.

13. Significant Changes for the Month: NIL.

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