

Commodity Profile of Wheat for March 2017

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1. Wheat estimates for India(crop year 2015-16 and marketing year 2016- 2017)

(Quantity in Million Metric Tonnes)

2015-16	2016-17 (Estimated)	Particulars/Year	January, 2017	Source
17.22	14.54#	Opening Stock in Central Pool	13.74	DoFPD
92.29**	96.64	Production	96.64	DES
0.51	0.18	Total Imports	3.03*	DoC
110.02	111.36	Availability	113.41	
0.61	3.03	Total Export	0.23*	DoC
15.47	13.06##	Ending Stock in Central Pool	11.52	DoFPD
93.94	95.27	Total Availability for Domestic Consumption	101.65	

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

**As per 2nd Advance estimates for 2016-17 released on 15.02.2017. 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)

*The figure of export and import is for the month of April-January, 2016-17.

#: Estimated figure in the beginning of the year. ##: Estimated figure at the end of the year

For preparing estimated figure for 2016-17, Production as estimated by DES, Imports and export have been taken for last three years' average, opening and ending stock as estimated by Department of Food and Public Distribution.

It may be seen that FCI stocks ending in January, 2017 is 11.53 million MT against 20.33 million MT in the corresponding period of last year.

2. Wheat estimates for the World

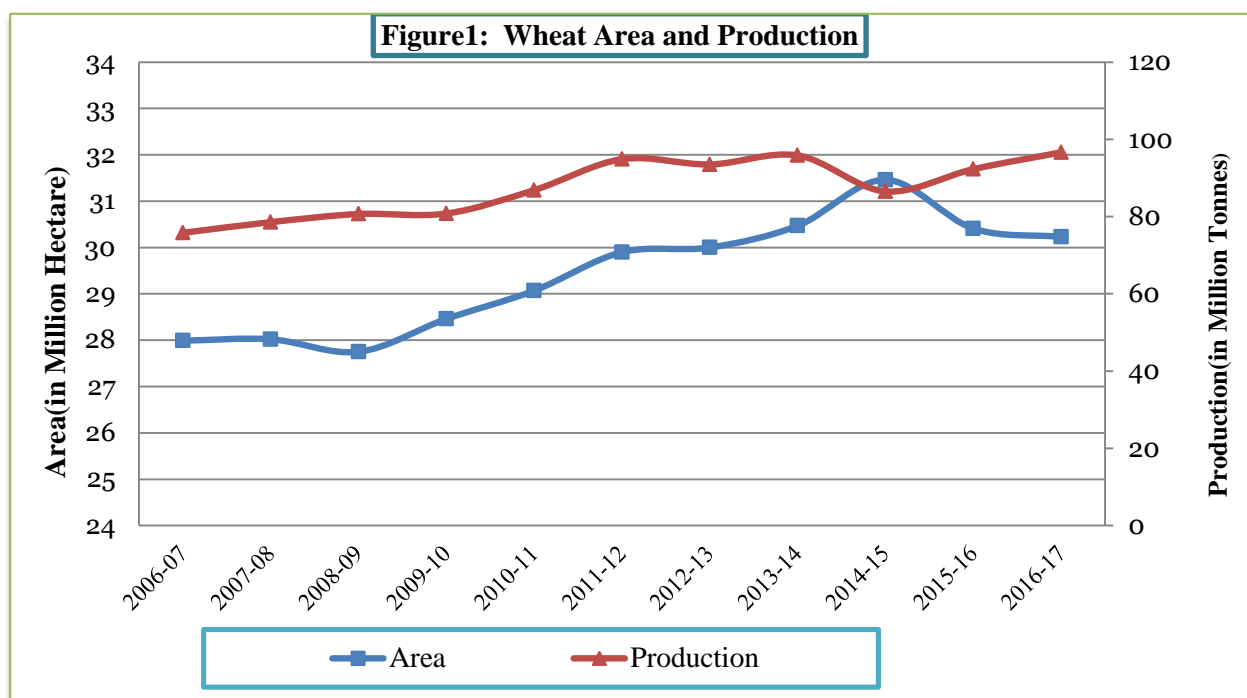
(Quantity in Million Metric Tonnes)

Particular/Year	2014-15	2015-16	2016-17 (Forecasted)
Production	730	736	752
Trade	153	164	168
Consumption	715	720	738
Carry Over Stock	205	221	235

Source: International Grains Council (IGC)

- During 2014-15 and 2015-16, the world production has increased by 0.95 percent (from 730 million MT to 736 million MT) and world trade increased by 7.18 per cent, (from 153 million MT to 164 million MT) respectively, and consumption has increased by 0.69 percent (from 715 million MT to 720 million MT). As a result, change in carry over stock has increased by 8.29 percent.

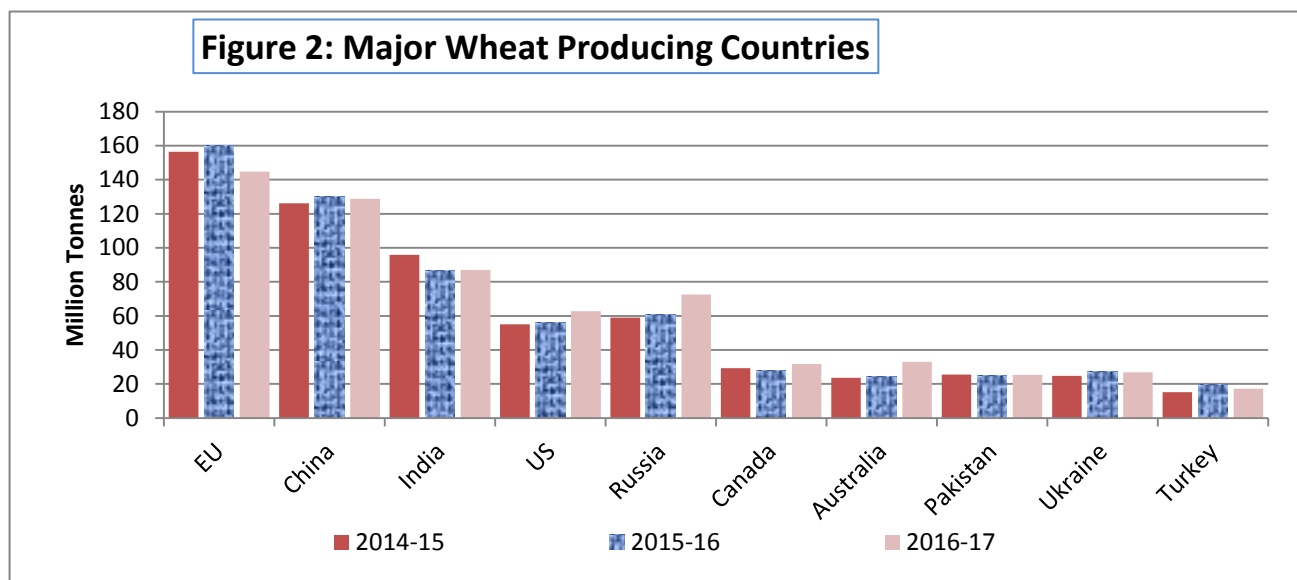
3. India's Wheat Area and Production during 2005-06 to 2015-16



Source: Directorate of Economics & Statistics

- India's wheat production has increased in last 10 years at CAGR of 2.46 percent
- Area under wheat cultivation has also increased in last 10 years at CAGR of 0.77 percent.

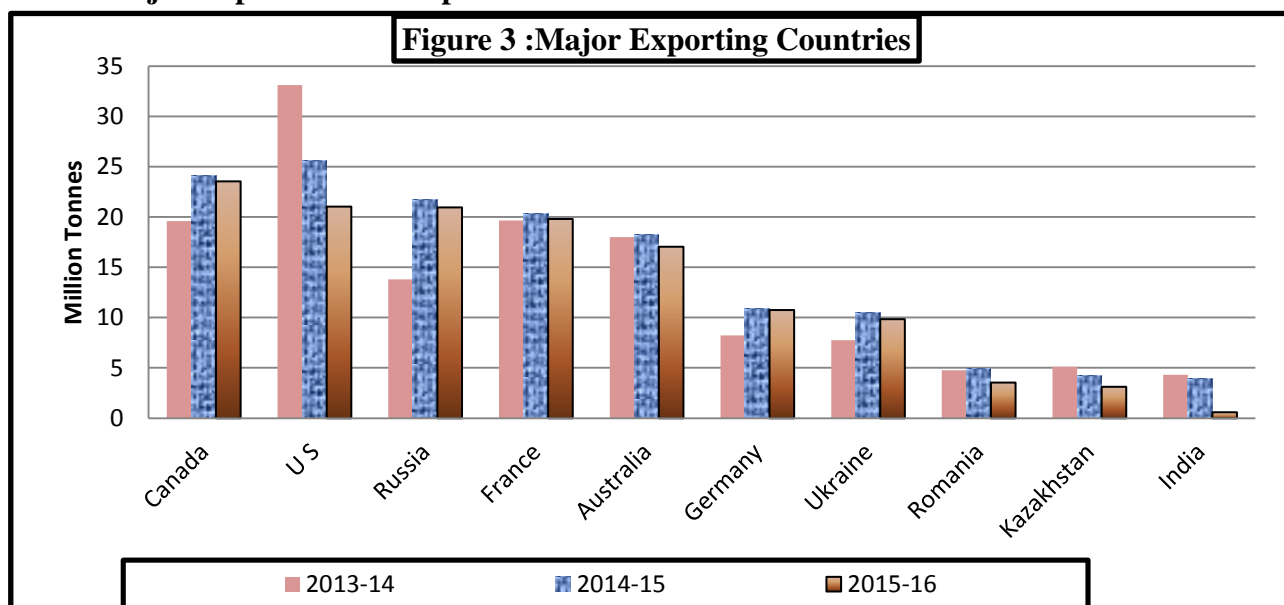
4. Global Production



Source: United States Department of Agriculture Database.

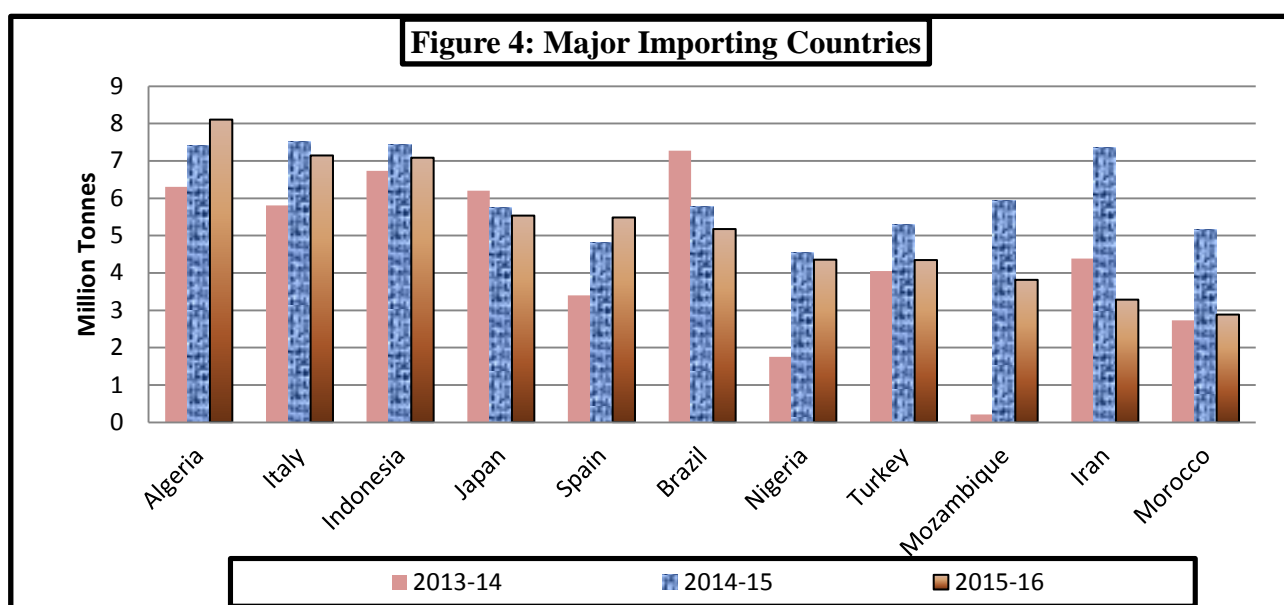
- As a country, China was the leading wheat producing country followed by India and United States of America.
- India's share in global wheat production was recorded at 11.78 percent in the year 2015-16.

5. Major Exporters and Importers of Wheat



Source: Comtrade

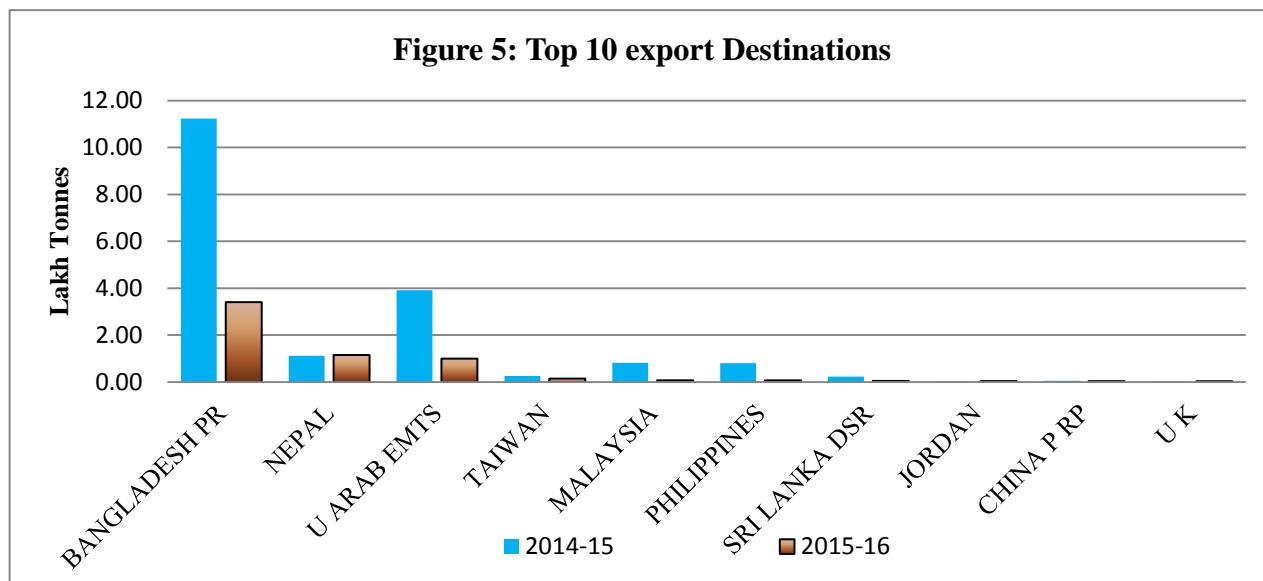
- Canada was the leading wheat exporting country in the world followed by US and Russia in 2015-16.
- India's share in global exports was around 0.40 percent in the year 2015-16.



Source: Comtrade

- As shown in the Figure 4, Algeria was the largest importing country in the world followed by Italy, Indonesia and Japan in 2015-16.

6. India's Top 10 Export Destinations



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

- In 2015-16, India's major export destinations were Bangladesh, Nepal, UAE and Taiwan.

7. Trade flow for Wheat

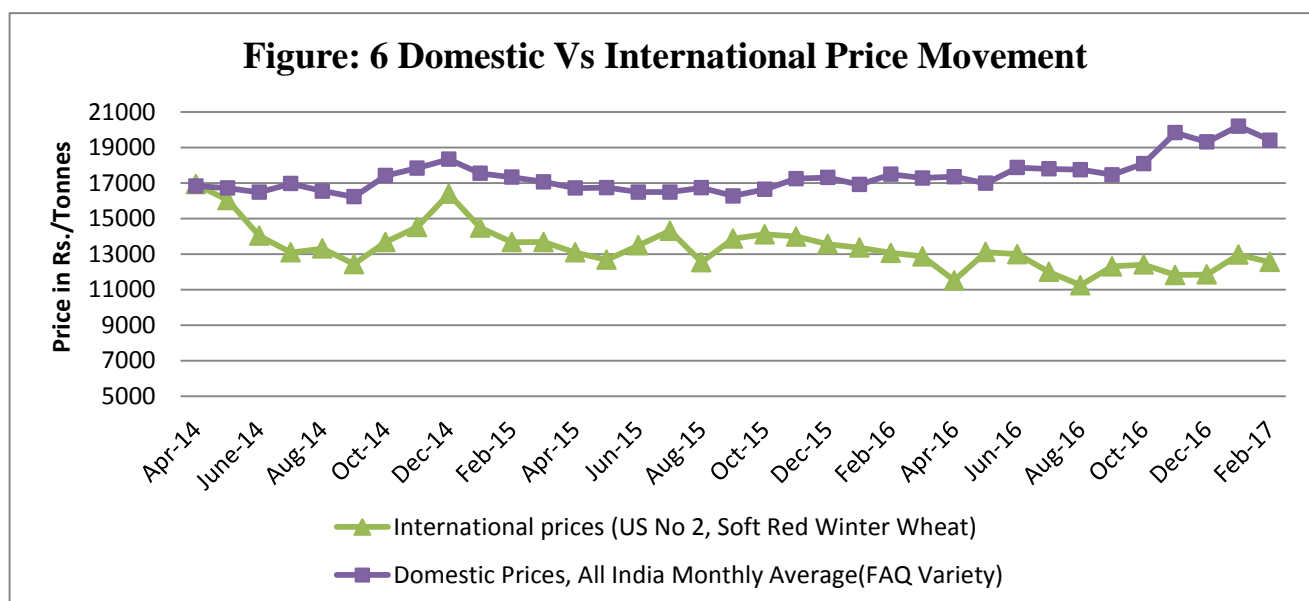
(Quantity in million MT)

Year	Export	Import
2012-13	6.51	0.0
2013-14	5.56	0.01
2014-15	2.92	0.03
2015-16	0.61	0.51
2016-17(April-Jan)	0.23	3.03

Source: Depart. Of Commerce

- India's wheat export in 2015-16 has declined by 79% over the corresponding period of the previous year in view of surplus global stocks and higher domestic prices.

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 2014 onwards.

9. Minimum Support Price (MSP)

(Price in Rs./Quintal)

Year	2012-13	2013-14	2014-15	2015-16	2016-17
Wheat	1350	1400	1450	1525	1625

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 20.4 percent in the last 5 years.

10.1 Wheat Arrivals in Major Domestic Mandis

(Quantity in '000 tons)

	Arrivals Feb,2017 (Cumulative)	Arrivals Jan, 2017 (Cumulative)	Arrivals Feb, 2016 (Cumulative)	% Change Over Previous Month)	% Change(Over Previous Year)
Kanpur	19.78	18.40	6.98	7.52	183.52
Mathura	33.38	33.33	13.78	0.13	142.30
Bhopal	5.45	5.07	6.09	7.63	-10.38
Indore	10.49	9.85	13.74	6.42	-23.71
Khanna	11.07	11.05	6.38	0.14	73.50
Nagpur	0.91	0.87	0.31	4.44	194.34
Jalana	0.10	0.07	0.14	38.10	-29.68

Source: AGMARKNET and Agriwatch,

- The cumulative figure for wheat arrival in major Mandis shows that Mathura was leading in February 2017 as well as in February 2016.
- So far percentage change of wheat arrivals in major domestic mandis in February 2017 over February 2016 is concerned; all the above mandis (except Bhopal, Indore and Jalana) showed a positive growth.

10.2 Domestic Price Movement in Major Mandis

(in Rs/Quintal)

Name of market	Prices Feb,2017	Prices Jan,2017	Prices Feb,2016	% Change(Over Previous Month)	% Change(Over Previous Year)
Kanpur	1901.0	1907.1	1649.83	-0.32	15.23
Mathura	1872.6	1875.2	1625.85	-0.14	15.18
Bhopal	1875.86	1955.45	1709.23	-4.07	9.75
Indore	1761.8	1906.71	1624	-7.60	8.49
Amritsar	N.A	N.A	N.A	-	-
Khanna	1763.84	1795	1600	-1.74	10.24
Nagpur	2097	2136.95	1957	-1.88	7.13
Jalana	1832	1866.77	1790	-1.87	2.31

Source: AGMARKNET and Agriwatch database

- Domestic price movement in major Mandis in India indicated growth in prices in February 2017 over same period in the previous year.

11. Futures prices of wheat

(Unit in USD/Ton)

Contract Month	As on (28 Feb 2017)	Week Ago (21 Feb 2017)	Month Ago (28 Jan 2017)	3 Month Ago (28 Nov 2016)	6 Month Ago (28 Aug 2016)	1 Year Ago (28 Feb 2016)	% Change over previous year
Mar-17	156.05	160.19	154.49	150.17	154.68	183.06	-14.75
May-17	163.03	165.24	159.64	155.13	160.09	186.18	-12.43
Jul-17	168.45	170.57	165.05	160.83	163.40	188.75	-10.75
Sep-17	173.87	176.26	170.47	166.43	169.46	193.80	-10.28
Dec-17	180.85	182.69	176.99	173.14	177.55	198.58	-8.93
Mar-18	185.72	187.28	181.50	177.55	183.61	200.14	-7.21

Source: Chicago Board of Trade (CBOT)

- Future price for wheat is expected to decrease over the previous year as shown in the Table 7.
- The price fall may be as a result of increase in the estimated wheat production in the world (see Figure 2).

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	0% **
10019100	Other: Wheat of seed quality	Restricted	100	100	50%
10019910	Other wheat	Free*	100	100	0% **
10019920	Meslin	State Trading Enterprises	100	100	0%

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 reduced from 25% to 10% vide Notification No. 51/2016- Customs dt 23rd September, 2016. Recently, the Import duty on wheat was brought down to Zero vide Notification No. 60/2016- Customs dt 8th December, 2016.