

Commodity Profile of Wheat for January 2018

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1. Wheat estimates for India(crop year 2016-17 and marketing year 2017- 2018)

(Quantity in Million Metric Tonnes)

2016-17	2017-18 Estimate##	Particulars/Year	Nov,2017	Source
9.43	8.05	Opening Stock in Central Pool	23.85	DoFPD
98.38**	92.08	Production	N.A	DES
5.75	2.09	Total Imports	1.39.*	DoC
113.56	102.22	Availability	-	
0.26*	1.26	Total Export	0.18*	DoC
8.05	13.26	Ending Stock in Central Pool	21.67	DoFPD
105.25	87.70	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 1st Advance estimates for 2017-18 released on 22.09.2017. 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)

For preparing estimates of 2017-18, opening stock in central pool is from Department of Food & Public Distribution (DoFPD) and Production, Imports, Exports and Ending Stock is last 3 years average.

*The figure of export and import is for the month of April - Nov, 2017.

It may be seen that FCI stocks ending in Nov, 2017 is 21.67 million MT against 16.50 million MT in the corresponding period of last year.

2. Wheat estimates for the World

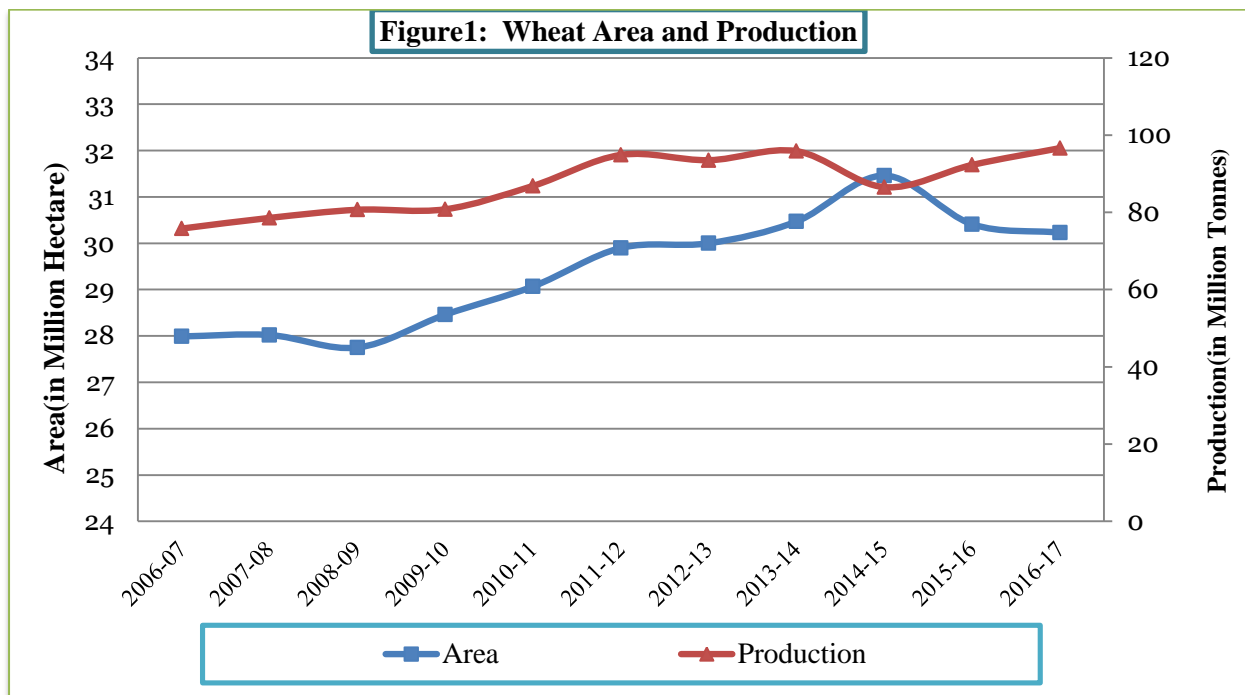
(Quantity in Million Metric Tonnes)

Particular/Year	2015-16	2016-17	2017-18 (Projected)
Production	736	754	749
Trade	166	176	174
Consumption	719	736	742
Carry Over Stock	224	242	249

Source: International Grains Council (IGC)

- During 2015-16 and 2016-17, the world production has increased by 2.16 percent (from 736 million MT to 754 million MT) and world trade increased by 5.42 per cent, (from 166 million MT to 176 million MT) respectively, and consumption has increased by 2.50 percent (from 719 million MT to 736 million MT). As a result, change in carry over stock has increased by 8.44 percent.

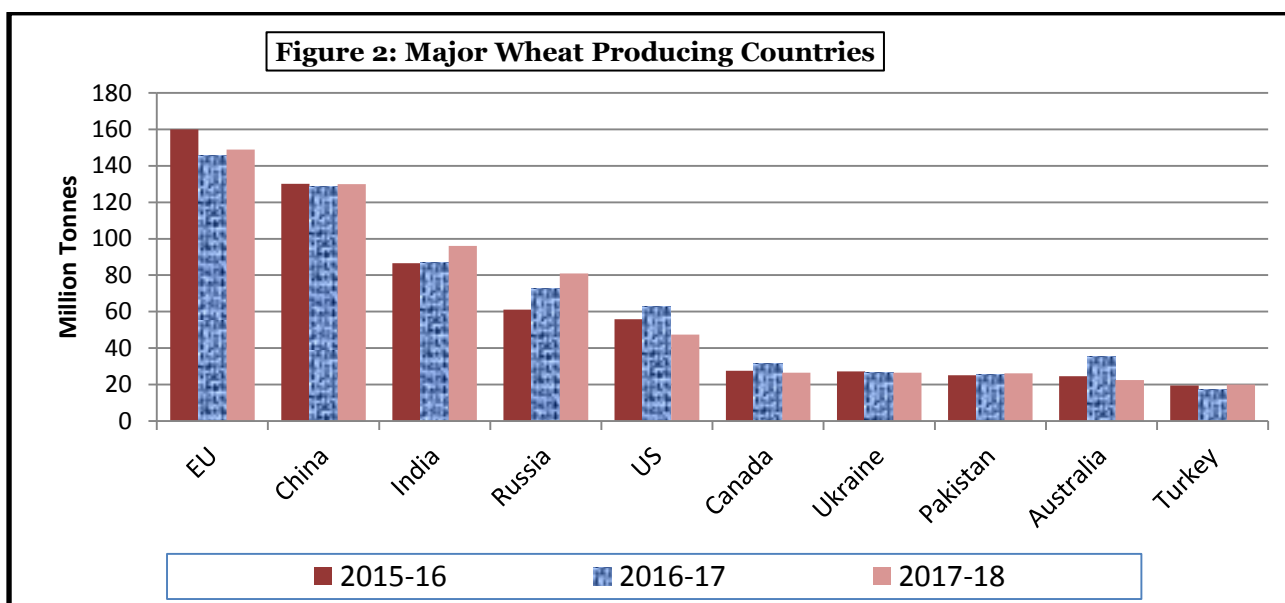
3. India's Wheat Area and Production during 2006-07 to 2016-17



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.

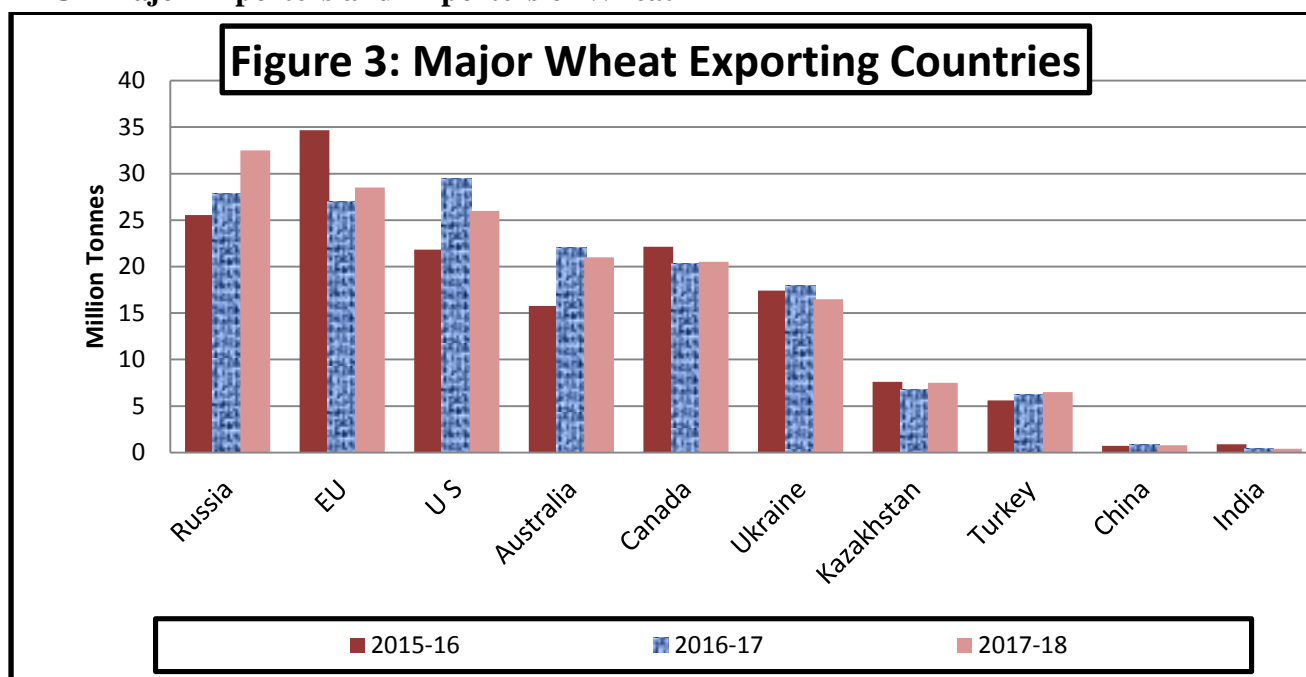
4. Global Production



Source: United States Department of Agriculture Database.

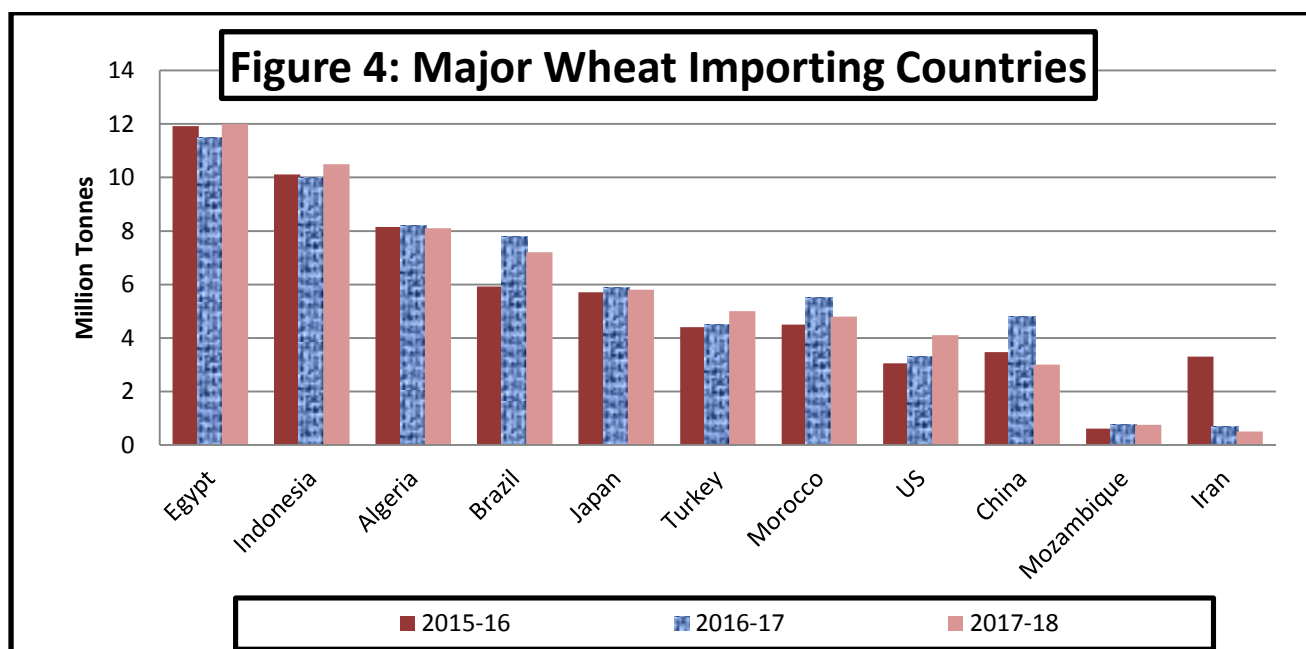
- As a country, China was the leading wheat producing country followed by India and Russia.
- India's share in global wheat production was recorded at 15.36 percent in the year 2017-18.

5. Major Exporters and Importers of Wheat



Source: Comtrade

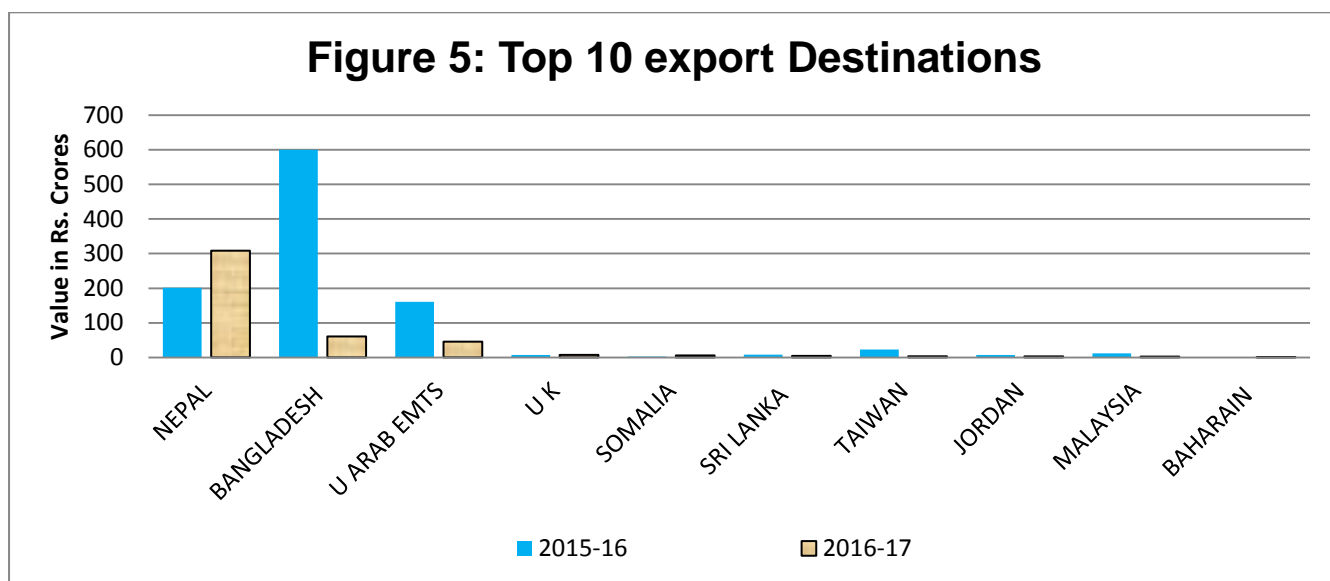
- Russia was the leading wheat exporting country in the world followed by EU and US in 2017-18.
- India's share in global exports was around 0.22 percent in the year 2017-18.



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 2016-17, India's major export destinations were Nepal, Bangladesh, UAE and United Kingdom.

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	444	5.75	8509
2017-18 (April-Nov)	0.18	304	1.39	1889

Source: Depart. Of Commerce

- India's wheat export in 2016-17 has declined by 57% over the corresponding period of the previous year in view of surplus global stocks and higher domestic prices.

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

10.2 Domestic Price Movement in Major Mandis

(in Rs/Quintal)

Name of market	Prices Dec, 2017	Prices Nov,2017	Prices Dec, 2016	% Change (Over Previous Month)	% Change (Over Previous Year)
Kanpur	1612	1612	1845	0.00	-12.67
Mathura	1634	1634	1920	-0.02	-14.94
Bhopal	2068	1851	2068	11.73	-0.02
Indore	1719	1702	1933	0.99	-11.09
Amritsar	1728	1731	1801	-0.17	-4.06
Khanna	2001	2015	2205	-0.68	-9.25
Nagpur	1683	1719	2024	-2.07	-16.85
Jalana	1612	1612	1845	0.00	-12.67

Source: AGMARKNET and Agriwatch database

- So far percentage change of wheat prices in major domestic mandis in Dec 2017 over Dec 2016 is concerned; all the above mandis showed a negative growth.

11. Futures prices of wheat

(Unit in USD/Ton)

Contract Month	As on (15 Jan 2018)	Week Ago (08 Jan 2018)	Month Ago (15 Dec 2017)	3 Month Ago (15 Oct 2017)	6 Month Ago (15 Jul 2017)	1 Year Ago (15 Jan 2017)	% Change over previous year
Dec-17	154.49	157.16	158.26	168.27	203.63	183.06	-15.6
Mar-18	159.54	161.84	163.13	172.86	207.58	185.72	-14.09
May-18	164.04	166.43	168.09	177.91	209.05	186.55	-12.06
Jul-18	169.19	171.39	174.61	183.79	211.9	189.85	-10.89
Sep-18	176.08	178.01	179.75	190.41	215.76	194.35	-9.4
Dec-18	180.94	182.51	183.15	194.91	217.87	197.84	-8.54

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	20% **
10019100	Other: Wheat of seed quality	Restricted	100	100	50%
10019910	Other wheat	Free*	100	100	20% **
10019920	Meslin	State Trading Enterprises	100	100	20%

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. The Import duty on wheat was brought down to Zero vide Notification No. 60/2016- Customs dt 8th December, 2016. Import duty on Wheat has been increased from Zero to 10% vide Notification No. 10/2017- Customs dt 28th March, 2017. Recently, Import duty on Wheat has been increased from 10% to 20% vide Notification No. 84/2017- Customs dt 8th Nov, 2017.

13. Significant Changes for the Month: NIL.

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