

Store Wheat and sell after April, 2020

India is the second largest producer and consumer of wheat. Besides India, it is cultivated in China, Russia, USA, Canada, Ukraine, Pakistan, Turkey, Kazakhstan etc. Wheat harvest at other origins carried out by July-August month and in March-April in India. This gap in supply has kept the Indian wheat at an advantageous position in the international market.

In India, production of wheat during 2019-20 is estimated at records 1062.1 lakh tons. It is higher by 40.1 lakh tons as compared to wheat production during 2018-19. Besides, export has decreased from 3.22 lakh tons in 2017-18 to 2.26 lakh tons in 2018-19. Hence, wheat price which was ruling around Rs. 1884 per quintal in March-2018 in Gujarat, increased marginally to about Rs. 1960 per quintal in March-2019, as both export and domestic demand improved considerably. About 1.60 lakh tons of wheat was exported from April to December, 2019.

In current year of 2019-20 in Gujarat, the area under wheat is reported about 13.37 lakh ha (Second Advanced Estimate 2019-20, Gujarat) as against 7.97 lakh ha as in last year. Production is estimated higher about 40.37 lakh tonnes as against 24.07 lakh tonnes in 2018-19. Hence, wheat production in current year in the country is expected to increase as last year. The increase production in the state is not likely to fetch anything good for the farmers, as they fear prices to suppress by supply disruption caused by COVID-19 scare in parts of country. Last year's ending stock is higher; hence wheat price is likely to remain firm in ensuing season too. Currently wheat price is ruling around Rs. 2115 per quintal likely to remain stable during April-May and then may improve marginally after April, 2020.

Considering these all and reviewing the traders' reports, the research team of NAHEP-CAAST, IABMI, Anand Agricultural University, Anand, analysed the historical monthly price data of wheat collected from Vadodara APMC. The econometric analysis revealed that the **prices of wheat during April-May, 2020 i. e. at harvest may remain in the range of Rs. 1950 to 2250 per quintal. However, due to COVID-19 lockdown in the country, there is price uncertainty.** Hence, farmers are suggested to take their own decision to store wheat and sell after April, 2020. Since, there is some chance that if export remains firm, the wheat price may slightly go up in future.