

Wheat Price Forecast at harvest – 2020-2021

Wheat is considered as one of the prime cereal crops grown internationally and an important staple food of nearly 2.5 billion of world population. Wheat is grown yearly on 215 million hectares — an area equivalent to that of Greenland and distributed from Scandinavia to South America and across Asia, making it more widely grown than any other staple food crop. Wheat is eaten by 2.5 billion people in 89 countries. It supersedes maize or rice as a source of protein in low- and middle-income nations and is second only to rice as a source of calories. Wheat is the dominant staple in North Africa and West and Central Asia, providing as much as half of all calories consumed in the region.

In the world during 2019-20, 216 million ha area was covered under wheat with a production of 764 million metric tonnes against year of 2018-19, 215.45 million ha area was covered under wheat with a production of 730.96 million metric tonnes. Top most wheat cultivating countries in world are India (29.32 million ha), Russia (27.31 million ha), China (23.73 million ha), USA (15.04 million ha), Kazakhstan (11.34 million ha), Canada (9.66 million ha), Pakistan (8.80 million ha), Ukraine (7.02 million ha), Turkey (7.00 million ha), etc. World's closing stock of Wheat for the year 2019-20 is estimated to be 276.56 million tonnes whereas in 2018-19 it accounted for 271.44 million tonnes. In India, during 2019-20, area under Wheat was 29.32 million ha with production of 103.60 million metric tonnes and yield of 3.53 metric tonnes per ha. Exports from India during 2019-20 were 0.2174 million metric tonnes as compared to 0.2262 million metric tonnes during 2018-19. India's closing stock in 2019-20 is estimated to be around 20.8 million tonnes whereas in 2018-19 it accounted for 19.50 million tonnes.

For the year 2020-21, as per the second advance estimates released by D.A.G area under wheat is 1273.78 thousand hectares, with a production of 4047.45 thousand tonnes and yield 3177.51 kgs./ha. In February, 2021 wheat is trading at Rs 1,811 per quintal in the market against Rs 2,399 per quintal in February, 2020. The current market price of wheat is 8.30% lower than the minimum support price of Rs 1975 per quintal, offered by food procurement agencies to farmers.

Considering these all and reviewing the traders' reports, the research team of NAHEP-CAAST, IABMI, Anand Agricultural University, Anand, analyzed the historical monthly price data of wheat collected from major markets of Gujarat. The econometric analysis revealed that the **prices of wheat during March-April, 2021 i. e. at harvest may remain in the range of Rs. 360- Rs. 420 per 20 Kg. (Rs. 1800-2100 per quintal).**