

**GOVERNMENT OF INDIA  
CONSUMER AFFAIRS, FOOD AND PUBLIC DISTRIBUTION  
LOK SABHA**

UNSTARRED QUESTION NO:930  
ANSWERED ON:01.03.2011  
WHEAT PRODUCTION  
Rao Shri Sambasiva Rayapati

**Will the Minister of CONSUMER AFFAIRS, FOOD AND PUBLIC DISTRIBUTION be pleased to state:**

- (a) whether the wheat futures in the country ended higher recently;
- (b) if so, the details thereof; and
- (c) the reasons therefor alongwith its impact on spot price of wheat in the country?

**Answer**

MINISTER OF STATE (INDEPENDENT CHARGE) FOR CONSUMER AFFAIRS, FOOD & PUBLIC DISTRIBUTION (PROF. K.V. THOMAS)

(a): There was a marginal increase in the closing prices of wheat futures for the period October 2010 to February 2011. The closing price of October, 2010 futures contract was Rs.1248.80 per 100 kg which rose to Rs.1352.80 per 100 kg as on 18th February, 2011 as the closing price of February 2011 contract. This rise of about 8% in the off-peak season is essentially the carrying cost of 4 months. However, the March 2011 and April 2011 contracts are trading lower at Rs.1309 and Rs.1222 respectively as on 22.02.2011, as the harvest season for the new crop is nearing.

(b): A statement indicating the spot and future prices of wheat at NCDEX for the period October, 2010 to February, 2011, is annexed as Annexure-I.

(c): The spot prices of wheat are determined by the demand and supply factors. Wheat is sown during November to January and harvested during the following March to April. The increase in the spot prices was on account of reduced scale of arrivals in the physical markets and carrying cost for post-harvest lean months. The futures trading volumes and open interest in the wheat contract are minimal as compared to the huge crop size of over 80 million MT. Hence, the futures market is not in a position to influence the spot prices.