

Wheat Domestic Fundamentals:

Procurement of Wheat in ongoing RMS2021-22 is continuing smoothly in the procuring States of Haryana, Uttar Pradesh, Madhya Pradesh, Rajasthan, Himachal Pradesh, Delhi, and Jammu & Kashmir at MSP, as was done in previous seasons, and till now (upto 20.05.2021) a quantity of over 382.36 LMT of Wheat has been procured against the last year corresponding purchase of 324.81 LMT. About 39.23 lakh farmers have already been benefitted from the ongoing RMS procurement operations with MSP value of Rs. 72,406.11Crore.

Punjab Government and agencies have procured 132.10 lakh metric tonnes of wheat, 2 lakh metric tonnes more than the target set by the state, with more than 9 lakh farmers receiving over Rs 23,000 crore directly into their bank accounts. It was the first time in Punjab that farmers were paid directly instead of through arhtiyas or middlemen.

According to a release from the FCI, the government has set the auction of good-quality wheat procured in 2021-22 marketing season at Rupees 21,500/mt (\$293/mt). In the 2020-21 marketing season, the government sold wheat slightly lower than the current prices, at Rupees 21,350/mt. The hike in fair-quality wheat is seen pushing up export prices of the grain, as most traders will turn to these auctions to purchase while most benchmark markets are shut due to COVID-19 related restrictions.

After procuring around 81 lakh MT wheat, government procurement agencies in Haryana have stopped the procurement operations in all 394 mandis. Expecting bumper produce this year, the government had increased the procurement target to 80 lakh MT against 74 lakh MT of last year. But the government figures revealed that around 83.50 lakh MT wheat arrived in mandis, and approximately 2.72 lakh MT is still lying unprocured.

The Pradhan Mantri Garib Kalyan Anna Yojana (PMGKAY) which was announced in 2020 for three months till July, is being re-implemented given the worsening situation due to the second wave of Covid-19. Govt. will provide 5-kg additional food grains for free to PDS beneficiaries under the PMGKAY for two months -- May and June. This time, they are not providing pulses under this scheme. The government has procured 258.74 lakh tonnes of wheat till 28 April 2021 so far.

Amid the second wave of Covid-19 and localized lockdown announced by some states have requested the Centre to consider releasing free food grains, similar to last year. If the government allocates wheat this year also then prices may move beneath from current level.

International Market Update:

Russian wheat export prices rose in the first 10 days of May, supported by higher prices in Chicago and Paris on corn supply concerns and despite low market activity during Russia's May 1-10 official holiday, analysts said on Tuesday. Russian wheat with 12.5% protein loading from Black Sea ports for supply in June was at \$278 a tonne free on board (FOB) at the end of last week, up \$13 from late April, the IKAR agriculture consultancy said.

Wheat prices fell across all major exporting countries since last month's WASDE with improved winter wheat conditions in several key production regions. Furthermore, some importers are delaying purchases awaiting the upcoming harvest in anticipation of lower new crop prices. The biggest reduction over the past month has been for Russia, where crop prospects have improved and export quotes have eased amid the current export policies, including the announcement of floating taxes for the new crop year. Its quotes are currently the most competitive. EU quotes have also eased and remain slightly above Russia. Argentine quotes have fallen modestly with slowing farmer sales. Australian quotes have edged somewhat lower with new supplies but remain supported by strong demand from Asian markets. Quotes from Canada are currently the highest among major suppliers.

India's wheat production estimates have been lowered to 105 million tonnes (mt) from 109 million tonnes by USDA because of the yield being affected in central and eastern regions of the country due to the early onset of summers in states like Madhya Pradesh, east and central Uttar Pradesh, Rajasthan, and Bihar.

The European Commission lowered its common wheat production forecast for 2021/22 to 124.8 MMT from its initial estimate of 126.7 MMT last month. Export projections were not changed and remain at 30.0 MMT. Soft wheat ending stocks are 11.4 MMT, down from 12.9 MMT called for last month. Despite the reduction, production would be more than the 117.2 MMT produced in 2020/21.

Ukraine's wheat harvest is expected to grow by 9.5% to 27.7 MMT this year and wheat exports are boosted to 21.0 MMT for the 2021/22 July-June season said the Ukrainian grain trader's union UGA.

Wheat Futures Contract: NCDEX Price							Date: 22.05.2021 at 5:00 PM		
Contract Month	+/-	Open	High	Low	Close	Volume	Ch. From previous day	Open Int.	Ch. From previous day
21-May	-	-	-	-	1899				
21-Jun	-	-	-	-	1905				
21-July	-	-	-	-	1911				

Wheat Daily Prices and Arrivals on 24.05.2021

Centre	Market	Variety	Prices (Rs/Qtl)		Change
			24-May-21	22-May-21	
Delhi	Lawrence Road	Mill Delivery	1885	1900	-15
	Narella	Mill Quality Loose	Closed	Closed	-
	Nazafgarh	Mill Quality Loose	Closed	Closed	-
Gujarat	Rajkot	Mill Delivery	1750	Closed	-
	Ahmedabad	Mill Delivery	1840	Closed	-
	Surat	Mill Delivery	1950	Closed	-
	Dhrol	Mill Quality Loose	NA	NA	Unch
M.P.	Indore	Mill Delivery	Closed	Closed	-
	Bhopal	Mill Quality Loose	Closed	Closed	-
Rajasthan	Kota	Mill Quality Loose	1775	Closed	-
		Mill Delivery	1925	Closed	-
U.P.	Kanpur	Mill Delivery	1750	1735	15
	Mathura	Mill Quality Loose	1735	1715	20
	Kosi	Mill Quality Loose	1750	1740	10
	Hathras	Mill Quality Loose	1750	1720	30
	Aligarh	Mill Quality Loose	1725	1750	-25
Punjab	Khanna	Mill Quality Loose	Closed	Closed	-
	Ludhiana (Jagraon)	Mill Delivery	NA	NA	Unch
Haryana	Sirsa	Mill Delivery loose	1975	1975	Unch
	Hodal	Mill Delivery	NA	NA	Unch
	Bhiwani	Mill Quality Loose	Closed	Closed	-
	Karnal	Mill Delivery	NA	NA	Unch
	Panipat	Mill Quality Loose	NA	NA	Unch
Tamil Nadu	Chennai	Mill Quality	2100	Closed	-
	Madurai	Mill Quality	2157	Closed	-
	Coimbatore	Mill Quality	2157	Closed	-
Bihar	Khagariya	Mill Delivery	1750	1700	50
	Muzaffarpur	Mill Delivery	1750	1650	100
FOR	Kandla (Rajasthan-Rajkot)	Mill Quality	NA	Closed	-
	Gandhidham (Rajasthan-Rajkot)	Mill Quality	NA	Closed	-

Centre	Market	Variety	Prices (Rs/Qtl)		Change
			24-May-21	22-May-21	
Gujarat	Rajkot	Lokwan	1900	Closed	-
M.P.	Indore	Lokwan	Closed	Closed	-
	Bhopal	Lokwan	Closed	Closed	-
	Bina	Sarbati 306	Closed	Closed	-
Rajasthan	Kota	Lokwan Bilty	1900	Closed	-
	Baran	Lokwan	2050	Closed	-

Wheat Arrivals in Key Centers:

Centre	Market	Variety	Arrivals (Bags/Qtl)		Change
			24-May-21	22-May-21	
Delhi	Lawrence Road	Mill Delivery	6000	5000	1000
	Narella	Mill Quality Loose	Closed	Closed	-
	Nazafgarh	Mill Quality Loose	Closed	Closed	-
Gujarat	Rajkot	Mill Quality Loose	300	Closed	-
	Dhrol	Mill Quality Loose	NA	NA	Unch
M.P.	Indore	Mill Quality Loose	Closed	Closed	-
Rajasthan	Kota	Mill Quality	7000	Closed	-
U.P.	Kanpur	Mill Quality Loose	1500	2000	-500
	Mathura	Mill Quality Loose	4000	3000	1000
	Kosi	Mill Quality Loose	4000	3500	500
	Hathras	Mill Quality Loose	2000	1500	500
	Aligarh	Mill Quality Loose	1800	2000	-200
Punjab	Khanna	Mill Quality Loose	Closed	Closed	-
	(Ludhiana)Jagraon	Mill Quality Loose	NA	NA	Unch
Haryana	Sirsa	Mill Quality Loose	1500	2000	-500
	Hodal	Mill Quality Loose	5000	4000	1000
	Bhiwani	Mill Quality Loose	Closed	Closed	-
	Karnal	Mill Delivery	NA	NA	Unch
	Panipat	Mill Quality Loose	NA	NA	Unch

Wheat Products Delhi	24-May-21	22-May-21	Change
Atta (50kg) Ordinary	NA	NA	-
Maida Grade 1 (50KG)	NA	NA	-
Suji (50kg)	NA	NA	-
Chokar (50 kg)	NA	NA	-
Chokar (34 kg)	NA	NA	-
Chakki Atta (50kg)	NA	NA	-

Chakki Atta (50kg) Special	NA	NA	-
Chakki Atta (90kg) Superfine	NA	NA	-
Chakki Atta (50kg) Superfine	NA	NA	-

Wheat (CBOT) Future Price: 21.05.2021

Contract Month	Open	High	Low	Close	Change
Jul21	675.5	677.5	665.75	674.25	-1
Sep21	678	679.75	668.25	677	-0.75
Dec21	683	684	673.5	681	-1
Mar22	687.5	688.75	679.5	685.75	-1.75
May22	684.5	684.5	678	681.5	-3.5
Jul22	660.75	662.75	654.5	660	-0.75

Disclaimer: The information and opinions contained in the document have been compiled from sources believed to be reliable. The company does not warrant its accuracy, completeness and correctness. Use of data and information contained in this report is at your own risk. This document is not, and should not be construed as, an offer to sell or solicitation to buy any commodities. This document may not be reproduced, distributed or published, in whole or in part, by any recipient hereof for any purpose without prior permission from the Company. IASL and its affiliates and/or their officers, directors and employees may have positions in any commodities mentioned in this document (or in any related investment) and may from time to time add to or dispose of any such commodities (or investment). Please see the detailed disclaimer at <http://www.agriwatch.com/disclaimer.php> © 2021 Indian Agribusiness Systems Ltd.