

Wheat Domestic Fundamentals:

India is likely to harvest a record 109.24 million tonnes of wheat this year, the agriculture ministry said, further boosting stocks at government granaries that are fast running out of storage space due to more than a decade of bumper production. Wheat output in India, the world's second-biggest producer, is expected to go up by 1.3% in the crop year to June 2021, the Ministry of Agriculture and Farmers' Welfare said in its second crop forecast for 2020-21. Whereas Agriwatch estimates its wheat production for MY 2020-21 will be 104 MMT.

According to USDA latest report, India MY 2020-21 Wheat export forecast is raised 1.75 Million MT. Most wheat exports are destined for neighbouring Bangladesh, Nepal, Sri Lanka, with smaller quantities to Middle Eastern countries.

Indian FoB quote is hovering around \$257.67 per tonne. Against it Russia, Ukraine, France, US and Australia are offering wheat at \$285.00, \$284.00, \$ 237.25, \$289 and \$256.75 per tonne respectively. There is little hope for recovery and likely to export more than 1 MMT this year also. However, India is expected to import around 1-5 thousand tonnes in MY 2020-21.

Rains and hailstorms in Jabalpur, Sagar, Bhopal, Shahdol, Hoshangabad, and Indore region in MP and rains in Maharashtra, Gujarat, and West Bengal may affect the quality of standing crops ready to be harvested. Fears have increased as the weather may be wet next three days. The increase in the moisture in the soaked crops would lead to the rejection of the crops and wheat during the government's procurement at MSP. At this moment, the rains will affect the growth of the plant and affect the color of the crop.

During April- December 2020 period, India's export of Wheat rose to Rs 1,870 crore (252 US\$ Million) against was Rs. 336 crores (48 US\$ Million) reported during the same phase a year back. As per the trend, there is a growth of 456.41% in Rupee term and 431.10 % Dollar terms. The share of export of wheat is 1.84 % in the total export of APEDA scheduled products. The key exports destination for wheat includes Nepal, Bangladesh, United Arab Emirates.

Madhya Pradesh has increased its wheat procurement target for this rabi season to 125 lakh metric tonnes, a year after recording the highest wheat procurement of almost 130 LMT last year, as against a target of 100 lakh metric tonnes. The central Indian state now accounts for 8.30 lakh metric tonnes of the 9.93 lakh metric tonnes increase in the area under wheat crop for this year's procurement season.

According to the trade source, Due to the sudden change in the weather, the temperature has started increasing gradually. Strong sunlight in the day is making you feel warm. The concern of wheat producing farmers has increased. Similarly, if the temperature increases, wheat production will decline. The late wheat crop will collapse.

The wheat crop is expected to be good this year. The standing crop is getting cold at present, and due to the favorable environment, the harvest will be good in Gujarat. The sowing has been reduced, but there will not be a very big decline. The wheat price is hovering from ₹ 1810 to 1820, which has increased recently. There is no circumstance to see the price going below ₹ 1800 in the coming days. If the amount is too low, then the market can go down.

As per the latest update, the area under wheat has increased marginally by 3.03% to 345.14 lakh hectares so far in the ongoing 2020-21 Rabi season from 334.68 lakh hectares year-ago same period. Rabi sowing progress's overall trend is excellent, with increased area coverage recorded due to favourable weather. Thus, 10.46 lakh ha more area has been covered compared to last year.

International Market Update:

Australian grain growers could cash in on Russia's beefed-up wheat export taxes with a local record crop still on the cards. ANZ's latest agricultural commodity report has found Russia's decision to impose a wheat export tax of \$ 80 a tonne from March until June could benefit Australia. Moscow has charged the tax to reduce domestic wheat prices and increase the availability of food and feed. As a result, Russian wheat is more expensive than Australian varieties for the first time.

Saudi Arabia Sago bought wheat without issuing a tender! SAGO said on its website it bought 355k Australian, Canadian and Ukrainian wheat for arrivals between April and December 2021. Canadian wheat has been previously excluded since November 2018.

Australian farmers have harvested their largest-ever wheat crop, according to the latest crop report issued by the Australian Bureau of Agricultural and Resource Economics and Sciences issued Feb. 16. ABARES estimated the 2020-21 Australian wheat crop at 33.337 million tonnes, up 18.172 million tonnes, or 120%, from the drought-reduced 2019-20 output of 15.165 million tonnes

Wheat Futures Contract: NCDEX Price							Date: 24.02.2021 at 5:00 PM		
Contract Month	+/-	Open	High	Low	Close	Volume	Ch. From previous day	OI	Ch. From previous day
21-Feb	-	-	-	-	1808				
21-Mar	-	-	-	-	1813				
21-Apr	-	-	-	-	1819				

Wheat Daily Prices and Arrivals on 25.02.2021

Centre	Market	Variety	Prices (Rs/Qtl)		Change
			25-Feb-21	24-Feb-21	
Delhi	Lawrence Road	Mill Delivery	1895	1950	-55
	Narella	Mill Quality Loose	1780	Closed	-
	Nazafgarh	Mill Quality Loose	1750	Closed	-
Gujarat	Rajkot	Mill Delivery	1800	1790	10
	Ahmedabad	Mill Delivery	1880	1875	5
	Surat	Mill Delivery	1935	1940	-5
	Dhrol	Mill Quality Loose	1760	NR	-
M.P.	Indore	Mill Delivery	1870	1900	-30
	Bhopal	Mill Quality Loose	1700	1700	Unch
Rajasthan	Kota	Mill Quality Loose	1700	1680	20
		Mill Delivery	1825	1805	20
U.P.	Kanpur	Mill Delivery	1760	1800	-40
	Mathura	Mill Quality Loose	1725	1740	-15
	Kosi	Mill Quality Loose	1725	1750	-25
	Hathras	Mill Quality Loose	1690	1680	10
	Aligarh	Mill Quality Loose	1690	Closed	-
Punjab	Khanna	Mill Quality Loose	1800	1800	Unch
	Ludhiana (Jagraon)	Mill Delivery	NA	NA	-
Haryana	Sirsa	Mill Delivery loose	1810	1810	Unch
	Hodal	Mill Delivery	NA	NA	-
	Bhiwani	Mill Quality Loose	1810	1810	Unch
	Karnal	Mill Delivery	NA	NA	-
	Panipat	Mill Quality Loose	NA	NA	-
Tamil Nadu	Chennai	Mill Quality	2125	2125	Unch
	Madurai	Mill Quality	2182	2182	Unch
	Coimbatore	Mill Quality	2182	2182	Unch
Bihar	Khagariya	Mill Delivery	1800	1800	Unch
	Muzaffarpur	Mill Delivery	1800	1800	Unch
FOR	Kandla (Rajasthan-Rajkot)	Mill Quality	NA	NA	-

	Gandhidham (Rajasthan-Rajkot)	Mill Quality	NA	NA	-
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Centre	Market	Variety	Prices (Rs/Qtl)		Change
			25-Feb-21	24-Feb-21	
Gujarat	Rajkot	Lokwan	1850	1850	Unch
M.P.	Indore	Lokwan	2300	2300	Unch
	Bhopal	Lokwan	1900	1900	Unch
	Bina	Sarbati 306	2500	Closed	-
Rajasthan	Kota	Lokwan Bilty	1850	1830	20
	Baran	Lokwan	NA	NA	-

Wheat Arrivals in Key Centers:

Centre	Market	Variety	Arrivals (Bags/Qtl)		Change
			25-Feb-21	24-Feb-21	
Delhi	Lawrence Road	Mill Delivery	7000	8000	-1000
	Narella	Mill Quality Loose	200	Closed	-
	Nazafgarh	Mill Quality Loose	150	Closed	-
Gujarat	Rajkot	Mill Quality Loose	1300	1500	-200
	Dhrol	Mill Quality Loose	51	NR	-
M.P.	Indore	Mill Quality Loose	6000	7000	-1000
Rajasthan	Kota	Mill Quality	6000	6000	Unch
U.P.	Kanpur	Mill Quality Loose	800	500	300
	Mathura	Mill Quality Loose	200	500	-300
	Kosi	Mill Quality Loose	400	300	100
	Hathras	Mill Quality Loose	350	200	150
	Aligarh	Mill Quality Loose	500	Closed	-
Punjab	Khanna	Mill Quality Loose	500	400	100
	(Ludhiana)Jagraon	Mill Quality Loose	NA	NA	-
Haryana	Sirsa	Mill Quality Loose	300	300	Unch
	Hodal	Mill Quality Loose	100	100	Unch
	Bhiwani	Mill Quality Loose	200	400	-200
	Karnal	Mill Delivery	NA	NA	-
	Panipat	Mill Quality Loose	NA	NA	-

Wheat (CBOT) Future Price: 23.02.2021

Contract Month	Open	High	Low	Close	Change
Mar-21	666.50	667.75	656.50	665.75	+1.75↑
May-21	671.00	672.50	661.25	670.25	+0.50↑
Jul-21	657.25	659.00	649.25	656.75	-0.25↓
Sep-21	655.25	655.50	647.00	654.00	unch
Dec-21	660.00	660.00	652.00	658.75	unch
Mar-22	665.00	665.00	656.50	663.00	unch

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