

Wheat Domestic Fundamentals:

As per trade sources, India has exported around 4 lakh tonnes Wheat in the month of January-2021 at an average FOB of \$263 per tonnes, higher this year and the major destinations were Bangladesh, Sri Lanka, Qatar and Nepal. Exports are likely to be at higher side as other countries are providing wheat at higher prices. High export will be going to support the domestic market in near term.

According to the Union Secretary, Department of Food & Public Distribution, A total quantity of 427.363 lakh tonnes wheat has been estimated for procurement during the forthcoming RMS 2021-22 which is 9.56 per cent more than the 389.93 lakh tonnes procured during RMS 2020-21. Wheat is a major rabi (winter-sown) crop. Harvesting starts from end of this month but picks up pace from April.

All India's weekly average prices increased by 6.87 percent to Rs. 2034.51 per quintal during the week ended 08th Mar 2021. Wheat average prices were ruling at Rs 2079.20 per quintal during 01st – 08th Mar 2020.

As per trade source, Uttar Pradesh & Bihar: After pollination, the ripening stage begins in Uttar Pradesh and Bihar. The crop is in the ripening stage (soft dough stage), where the high temperature will not affect much. The late sowing wheat crop in both states is still in the milking stage, where the high temperature will affect the granule and make them thin, which will affect the production. Production will depend on the temperature of the next ten days. At present, it is difficult to say how much production will decrease. In Madhya Pradesh and Gujarat the harvesting and Arrival started in Mandis, so the high temperature will not affect the crop, no major damage reported so far, and the crop is in good condition.

Maharashtra government estimates its agricultural production in which Wheat production is likely to be 17.85 lakhs MT. In Madhya Pradesh will start its Wheat procurement from March 22.

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 estimate 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.

International Market Update:

Russian wheat export prices rose for the second consecutive week last week due to higher prices in Chicago and Paris, analysts said on Monday. Russian wheat with 12.5% protein loading from Black Sea ports for supply in March was at \$287 a tonne free on board (FOB) at the end of last week, up \$4 from the previous week, agriculture consultancy IKAR said. Sovecon, another Moscow consultancy, said wheat and barley prices rose by \$4 to \$284 and \$251 per tonne, respectively. Russia's wheat has recovered its competitive edge after a sell-off in the previous weeks, Sovecon said. Russia doubled its wheat export tax to 50 euros (\$60) per tonne starting from Monday. Sovecon expects the country's wheat exports to slow within the next two weeks.

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

Wheat Futures Contract: NCDEX Price							Date: 03.03.2021 at 5:00 PM		
Contract Month	+/-	Open	High	Low	Close	Volume	Ch. From previous day	OI	Ch. From previous day
21-Feb	-	-	-	-	1803				
21-Mar	-	-	-	-	1809				
21-Apr	-	-	-	-	1815				

Wheat Daily Prices and Arrivals on 04.03.2021

Centre	Market	Variety	Prices (Rs/Qtl)		Change
			04-Mar-21	02-Mar-21	
Delhi	Lawrence Road	Mill Delivery	1895	1855	40
	Narella	Mill Quality Loose	1730	1725	5
	Nazafgarh	Mill Quality Loose	1720	1720	Unch
Gujarat	Rajkot	Mill Delivery	1815	1815	Unch
	Ahmedabad	Mill Delivery	1885	1870	15
	Surat	Mill Delivery	1950	1950	Unch
	Dhrol	Mill Quality Loose	1785	NR	-
M.P.	Indore	Mill Delivery	1825	1850	-25
	Bhopal	Mill Quality Loose	1760	1725	35
Rajasthan	Kota	Mill Quality Loose	1800	1700	100
		Mill Delivery	1950	1825	125
U.P.	Kanpur	Mill Delivery	1750	1750	Unch
	Mathura	Mill Quality Loose	1735	1700	35
	Kosi	Mill Quality Loose	1800	1780	20
	Hathras	Mill Quality Loose	1720	1700	20
	Aligarh	Mill Quality Loose	1690	1720	-30
Punjab	Khanna	Mill Quality Loose	1780	1780	Unch
	Ludhiana (Jagraon)	Mill Delivery	NA	NA	-
Haryana	Sirsa	Mill Delivery loose	1810	1810	Unch
	Hodal	Mill Delivery	NA	NA	-
	Bhiwani	Mill Quality Loose	1780	1800	-20
	Karnal	Mill Delivery	NA	NA	-
	Panipat	Mill Quality Loose	NA	NA	-
Tamil Nadu	Chennai	Mill Quality	2100	2100	Unch
	Madurai	Mill Quality	2157	2157	Unch
	Coimbatore	Mill Quality	2157	2157	Unch
Bihar	Khagariya	Mill Delivery	1825	1800	25
	Muzaffarpur	Mill Delivery	1775	1700	75
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
			04-Mar-21	02-Mar-21	
Gujarat	Rajkot	Lokwan	1850	1850	Unch
M.P.	Indore	Lokwan	2300	2300	Unch
	Bhopal	Lokwan	2000	2000	Unch
	Bina	Sarbati 306	2600	2600	Unch
Rajasthan	Kota	Lokwan Bilty	1925	1850	75
	Baran	Lokwan	1720	1700	20

Wheat Arrivals in Key Centers:

Centre	Market	Variety	Arrivals (Bags/Qtl)		Change
			04-Mar-21	02-Mar-21	
Delhi	Lawrence Road	Mill Delivery	6000	8000	-2000
	Narella	Mill Quality Loose	300	150	150
	Nazafgarh	Mill Quality Loose	100	100	Unch
Gujarat	Rajkot	Mill Quality Loose	9000	2500	6500
	Dhrol	Mill Quality Loose	64	NR	-
M.P.	Indore	Mill Quality Loose	5000	7000	-2000
Rajasthan	Kota	Mill Quality	5500	6000	-500
U.P.	Kanpur	Mill Quality Loose	3500	800	2700
	Mathura	Mill Quality Loose	220	1000	-780
	Kosi	Mill Quality Loose	900	1000	-100
	Hathras	Mill Quality Loose	160	300	-140
	Aligarh	Mill Quality Loose	300	260	40
Punjab	Khanna	Mill Quality Loose	600	500	100
	(Ludhiana)Jagraon	Mill Quality Loose	NA	NA	-
Haryana	Sirsa	Mill Quality Loose	500	200	300
	Hodal	Mill Quality Loose	100	50	50
	Bhiwani	Mill Quality Loose	600	600	Unch
	Karnal	Mill Delivery	NA	NA	-
	Panipat	Mill Quality Loose	NA	NA	-

Wheat (CBOT) Future Price: 03.03.2021					
Contract Month	Open	High	Low	Close	Change
Mar-21	658.25	658.25	645.75	652.00	-11.25↓
May-21	663.00	666.00	650.75	656.00	-10.25↓
Jul-21	652.75	654.75	641.00	646.50	-8.50↓
Sep-21	649.50	651.25	638.50	644.50	-7.00↓
Dec-21	653.00	655.50	643.00	649.50	-5.50↓
Mar-22	657.50	659.50	647.75	654.50	-5.00↓

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