

**Wheat Domestic Fundamentals:**

**According to traders, the arrival of new wheat has started in Kota mandi Rajasthan.** Arrival is low for now but likely to increase after the 15<sup>th</sup> of March. High temperature is expected to impact the yield by 10%.

**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 08<sup>th</sup> Mar 2021. Wheat average prices were ruling at Rs 2079.20 per quintal during 01<sup>st</sup> – 08<sup>th</sup> 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

| 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 05.03.2021**

| Centre     | Market                    | Variety             | Prices (Rs/Qtl) |           | Change |
|------------|---------------------------|---------------------|-----------------|-----------|--------|
|            |                           |                     | 05-Mar-21       | 03-Mar-21 |        |
| Delhi      | Lawrence Road             | Mill Delivery       | 1900            | 1870      | 30     |
|            | Narella                   | Mill Quality Loose  | 1725            | Closed    | -      |
|            | Nazafgarh                 | Mill Quality Loose  | 1720            | Closed    | -      |
| Gujarat    | Rajkot                    | Mill Delivery       | 1810            | 1800      | 10     |
|            | Ahmedabad                 | Mill Delivery       | 1885            | 1870      | 15     |
|            | Surat                     | Mill Delivery       | 1950            | 1950      | Unch   |
|            | Dhrol                     | Mill Quality Loose  | NR              | 1785      | -      |
| M.P.       | Indore                    | Mill Delivery       | 1800            | 1850      | -50    |
|            | Bhopal                    | Mill Quality Loose  | 1750            | 1750      | Unch   |
| Rajasthan  | Kota                      | Mill Quality Loose  | 1800            | 1750      | 50     |
|            |                           | Mill Delivery       | 1950            | 1900      | 50     |
| U.P.       | Kanpur                    | Mill Delivery       | 1760            | 1800      | -40    |
|            | Mathura                   | Mill Quality Loose  | 1730            | 1700      | 30     |
|            | Kosi                      | Mill Quality Loose  | 1790            | 1800      | -10    |
|            | Hathras                   | Mill Quality Loose  | 1690            | 1710      | -20    |
|            | Aligarh                   | Mill Quality Loose  | 1700            | Closed    | -      |
| Punjab     | Khanna                    | Mill Quality Loose  | 1800            | 1780      | 20     |
|            | Ludhiana (Jagraon)        | Mill Delivery       | NA              | NA        | -      |
| Haryana    | Sirsa                     | Mill Delivery loose | 1810            | 1810      | Unch   |
|            | Hodal                     | Mill Delivery       | NA              | NA        | -      |
|            | Bhiwani                   | Mill Quality Loose  | 1790            | 1780      | 10     |
|            | 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       | 1800            | 1825      | -25    |
|            | Muzaffarpur               | Mill Delivery       | 1750            | 1775      | -25    |
| FOR        | Kandla (Rajasthan-Rajkot) | Mill Quality        | NA              | NA        | -      |

|  |                               |              |    |    |   |
|--|-------------------------------|--------------|----|----|---|
|  | Gandhidham (Rajasthan-Rajkot) | Mill Quality | NA | NA | - |
|--|-------------------------------|--------------|----|----|---|

| Centre    | Market | Variety      | Prices (Rs/Qtl) |           | Change |
|-----------|--------|--------------|-----------------|-----------|--------|
|           |        |              | 05-Mar-21       | 03-Mar-21 |        |
| Gujarat   | Rajkot | Lokwan       | 1850            | 1850      | Unch   |
| M.P.      | Indore | Lokwan       | 2300            | 2300      | Unch   |
|           | Bhopal | Lokwan       | 2000            | 2000      | Unch   |
|           | Bina   | Sarbati 306  | 2500            | Closed    | -      |
| Rajasthan | Kota   | Lokwan Bilty | 1925            | 1875      | 50     |
|           | Baran  | Lokwan       | 1730            | 1700      | 30     |

**Wheat Arrivals in Key Centers:**

| Centre    | Market            | Variety            | Arrivals (Bags/Qtl) |           | Change |
|-----------|-------------------|--------------------|---------------------|-----------|--------|
|           |                   |                    | 05-Mar-21           | 03-Mar-21 |        |
| Delhi     | Lawrence Road     | Mill Delivery      | 6500                | 6000      | 500    |
|           | Narella           | Mill Quality Loose | 300                 | Closed    | -      |
|           | Nazafgarh         | Mill Quality Loose | 50                  | Closed    | -      |
| Gujarat   | Rajkot            | Mill Quality Loose | 8500                | 8000      | 500    |
|           | Dhrol             | Mill Quality Loose | NR                  | 74        | -      |
| M.P.      | Indore            | Mill Quality Loose | 5000                | 6000      | -1000  |
| Rajasthan | Kota              | Mill Quality       | 6500                | 5000      | 1500   |
| U.P.      | Kanpur            | Mill Quality Loose | 3200                | 1000      | 2200   |
|           | Mathura           | Mill Quality Loose | 300                 | 700       | -400   |
|           | Kosi              | Mill Quality Loose | 1150                | 1000      | 150    |
|           | Hathras           | Mill Quality Loose | 200                 | 200       | Unch   |
|           | Aligarh           | Mill Quality Loose | 500                 | Closed    | -      |
| Punjab    | Khanna            | Mill Quality Loose | 500                 | 500       | Unch   |
|           | (Ludhiana)Jagraon | Mill Quality Loose | NA                  | NA        | -      |
| Haryana   | Sirsa             | Mill Quality Loose | 500                 | 500       | Unch   |
|           | Hodal             | Mill Quality Loose | 200                 | 100       | 100    |
|           | Bhiwani           | Mill Quality Loose | 400                 | 500       | -100   |
|           | Karnal            | Mill Delivery      | NA                  | NA        | -      |
|           | Panipat           | Mill Quality Loose | NA                  | NA        | -      |

**Wheat (CBOT) Future Price: 04.03.2021**

| Contract Month | Open   | High   | Low    | Close  | Change |
|----------------|--------|--------|--------|--------|--------|
| <b>Mar-21</b>  | 653.00 | 658.00 | 648.75 | 649.75 | -2.25↓ |
| <b>May-21</b>  | 654.75 | 662.00 | 647.25 | 651.00 | -5.00↓ |
| <b>Jul-21</b>  | 645.75 | 650.50 | 638.75 | 641.00 | -5.50↓ |
| <b>Sep-21</b>  | 642.25 | 647.75 | 637.00 | 639.75 | -4.75↓ |
| <b>Dec-21</b>  | 647.25 | 652.75 | 642.25 | 645.00 | -4.50↓ |
| <b>Mar-22</b>  | 652.00 | 657.50 | 647.50 | 650.00 | -4.50↓ |

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