

Wheat Domestic Fundamentals:

Punjab, the highest contributor of wheat to the Central pool over the years (barring 2020), has already purchased 95% of its total expected procurement of 13 million tonnes (130 lakh metric tonnes) of the crop in just 26 days this year till May 5, data released by the state government showed. This, the data further shows, is 7% more than the procurement made last year in the same number of days. The Centre on Monday said wheat procurement rose over 70 per cent to 292.52 lakh tonnes so far in the ongoing 2021-22 rabi marketing season, benefitting about 28.80 lakh farmers.

The Haryana government has decided to stop the procurement of wheat in all mandis/procurement centres in view of the lockdown in the state from May 3-9 to check exponential surge in Covid-19 cases. "During lockdown, no procurement of wheat will be initiated in any mandis/procurement centres of the state and no gate pass shall be issued (to the farmers) for the same, an official statement said here on Sunday.

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.

The procurement agencies have procured more than 93 per cent of the total arrived wheat in the mandis of Punjab, 71.48 LMT of the 76.32 LMT wheat had already been procured. Haryana Government have procured 76.29 lakh tonnes of Wheat through various procurement agencies on the MSP.

As per trade sources, India has exported around 3.98 lakh tonnes Wheat in the month of March-2021 at an average FOB of \$269 per tonnes, higher from previous month and the major destinations were Bangladesh, Malaysia, Oman, 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.

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.

Haryana Government on Monday halted the wheat procurement process in 18 mandis of six districts of the state as these were full of procured wheat which was yet to be sent for storage, leading to a space crunch. The process in these mandis will remain suspended for the next 24 hours, as arrangements are being made to set up additional procurement centres. The state government has instructed farmers not to bring their crop to mandis till these centres are functional.

International Market Update:

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 Contact: NCDEX Price							Date: 07.05.2021 at 5:00 PM		
Contract Month	+/-	Open	High	Low	Close	Volume	Ch. From previous day	Open Int.	Ch. From previous day
21-May	-	-	-	-	1901				
21-Jun	-	-	-	-	1906				
21-July	-	-	-	-	1912				

Wheat Daily Prices and Arrivals on 07.05.2021

Centre	Market	Variety	Prices (Rs/Qtl)		Change
			07-May-21	05-May-21	
Delhi	Lawrence Road	Mill Delivery	Closed	Closed	-
	Narella	Mill Quality Loose	Closed	Closed	-
	Nazafgarh	Mill Quality Loose	Closed	Closed	-
Gujarat	Rajkot	Mill Delivery	Closed	Closed	-
	Ahmedabad	Mill Delivery	Closed	Closed	-
	Surat	Mill Delivery	Closed	Closed	-
	Dhrol	Mill Quality Loose	NA	NA	-
M.P.	Indore	Mill Delivery	Closed	Closed	-
	Bhopal	Mill Quality Loose	Closed	Closed	-
Rajasthan	Kota	Mill Quality Loose	Closed	Closed	-
		Mill Delivery	Closed	Closed	-
U.P.	Kanpur	Mill Delivery	Closed	Closed	-
	Mathura	Mill Quality Loose	Closed	Closed	-
	Kosi	Mill Quality Loose	Closed	Closed	-
	Hathras	Mill Quality Loose	Closed	Closed	-
	Aligarh	Mill Quality Loose	Closed	Closed	-
Punjab	Khanna	Mill Quality Loose	Closed	Closed	-
	Ludhiana (Jagraon)	Mill Delivery	NA	NA	-
Haryana	Sirsa	Mill Delivery loose	Closed	Closed	-
	Hodal	Mill Delivery	Closed	Closed	-
	Bhiwani	Mill Quality Loose	Closed	Closed	-
	Karnal	Mill Delivery	Closed	Closed	-
	Panipat	Mill Quality Loose	Closed	Closed	-
Tamil Nadu	Chennai	Mill Quality	Closed	Closed	-
	Madurai	Mill Quality	Closed	Closed	-
	Coimbatore	Mill Quality	Closed	Closed	-
Bihar	Khagariya	Mill Delivery	1700	1700	Unch
	Muzaffarpur	Mill Delivery	1625	1625	Unch
FOR	Kandla (Rajasthan-Rajkot)	Mill Quality	Closed	Closed	-
	Gandhidham (Rajasthan-Rajkot)	Mill Quality	Closed	Closed	-

Centre	Market	Variety	Prices (Rs/Qtl)		Change
			07-May-21	05-May-21	
Gujarat	Rajkot	Lokwan	Closed	Closed	-
M.P.	Indore	Lokwan	Closed	Closed	-
	Bhopal	Lokwan	Closed	Closed	-
	Bina	Sarbati 306	Closed	Closed	-
Rajasthan	Kota	Lokwan Bilty	Closed	Closed	-
	Baran	Lokwan	Closed	Closed	-

Wheat Arrivals in Key Centers:

Centre	Market	Variety	Arrivals (Bags/Qtl)		Change
			07-May-21	05-May-21	
Delhi	Lawrence Road	Mill Delivery	Closed	Closed	-
	Narella	Mill Quality Loose	Closed	Closed	-
	Nazafgarh	Mill Quality Loose	Closed	Closed	-
Gujarat	Rajkot	Mill Quality Loose	Closed	Closed	-
	Dhrol	Mill Quality Loose	NA	NA	-
M.P.	Indore	Mill Quality Loose	Closed	Closed	-
Rajasthan	Kota	Mill Quality	Closed	Closed	-
U.P.	Kanpur	Mill Quality Loose	Closed	Closed	-
	Mathura	Mill Quality Loose	Closed	Closed	-
	Kosi	Mill Quality Loose	Closed	Closed	-
	Hathras	Mill Quality Loose	Closed	Closed	-
	Aligarh	Mill Quality Loose	Closed	Closed	-
Punjab	Khanna	Mill Quality Loose	Closed	Closed	-
	(Ludhiana)Jagraon	Mill Quality Loose	NA	NA	-
Haryana	Sirsa	Mill Quality Loose	Closed	Closed	-
	Hodal	Mill Quality Loose	Closed	Closed	-
	Bhiwani	Mill Quality Loose	Closed	Closed	-
	Karnal	Mill Delivery	Closed	Closed	-
	Panipat	Mill Quality Loose	Closed	Closed	-

Wheat (CBOT) Future Price: 06.05.2021					
Contract Month	Open	High	Low	Close	Change
May-21	761.00	764.25	745.00	764.25	+8.50↑
Jul-21	746.75	755.75	732.00	753.25	+8.75↑
Sep-21	746.00	756.75	732.75	754.25	+10.25↑
Dec-21	747.25	759.75	735.50	757.50	+11.50↑
Mar-22	750.50	763.25	739.50	761.25	+11.75↑
May-22	743.50	756.25	734.00	754.50	+11.50↑

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