

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 25.05.2021) a quantity of over 395.07 LMT of Wheat has been procured against the last year corresponding purchase of 347.04 LMT. About 41.51 lakh farmers have already been benefitted from the ongoing RMS procurement operations.

Punjab Government and agencies have procured 132.10 lakh metric tonnes of wheat, 2 lakh metric tonnes with more than 8 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.

International Market Update:

There is another international tender to purchase 50,000 tonnes of milling wheat by state grains buyer of Bangladesh. The local prices of wheat and rice are high due to crop damage caused by repeated flood so the country has series of import of wheat and rice to fill its depleted reserves. Deadline for price submission is May 30.

Russian wheat export prices were steady last week for old crop while the prices are lower at Chicago and Paris. Russian wheat loading from black sea port with 12.5% protein was at \$278 per tonne free on board (FOB) at the end of last week which was same as previous week. New crop prices which will arrive this summer, were at \$272 per tonne as of the end of last week.

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.

Wheat Futures Contract: NCDEX Price							Date: 17.05.2021 at 5:00 PM		
Contract Month	+/-	Open	High	Low	Close	Volume	Ch. From previous day	Open Int.	Ch. From previous day
21-Jun	-	-	-	-	1898				
21-July	-	-	-	-	1904				
21-Aug	-	-	-	-	1910				

Wheat Daily Prices and Arrivals on 28.05.2021

Centre	Market	Variety	Prices (Rs/Qtl)		Change
			29-May-21	28-May-21	
Delhi	Lawrence Road	Mill Delivery	1900	1885	15
	Narella	Mill Quality Loose	Closed	Closed	-
	Nazafgarh	Mill Quality Loose	Closed	Closed	-
Gujarat	Rajkot	Mill Delivery	Closed	1760	-
	Ahmedabad	Mill Delivery	Closed	1825	-
	Surat	Mill Delivery	Closed	1930	-
	Dhrol	Mill Quality Loose	NA	2125	-
M.P.	Indore	Mill Delivery	Closed	Closed	-
	Bhopal	Mill Quality Loose	Closed	Closed	-
Rajasthan	Kota	Mill Quality Loose	1830	1780	50
		Mill Delivery	1980	1930	50
U.P.	Kanpur	Mill Delivery	1750	1745	5
	Mathura	Mill Quality Loose	1745	1740	5
	Kosi	Mill Quality Loose	1755	1750	5
	Hathras	Mill Quality Loose	1715	1740	-25
	Aligarh	Mill Quality Loose	1740	1740	Unch
Punjab	Khanna	Mill Quality Loose	Closed	Closed	-
	Ludhiana (Jagraon)	Mill Delivery	NA	NA	-
Haryana	Sirsa	Mill Delivery loose	1800	1775	25
	Hodal	Mill Delivery	NA	NA	-
	Bhiwani	Mill Quality Loose	Closed	Closed	-
	Karnal	Mill Delivery	NA	NA	-
	Panipat	Mill Quality Loose	NA	NA	-
Tamil Nadu	Chennai	Mill Quality	2050	2050	Unch
	Madurai	Mill Quality	2107	2107	Unch
	Coimbatore	Mill Quality	2107	2107	Unch
Bihar	Khagariya	Mill Delivery	1725	1725	Unch
	Muzaffarpur	Mill Delivery	1750	1750	Unch
FOR	Kandla (Rajasthan-Rajkot)	Mill Quality	Closed	0	-
	Gandhidham (Rajasthan-Rajkot)	Mill Quality	Closed	0	-

Centre	Market	Variety	Prices (Rs/Qtl)		Change
			29-May-21	28-May-21	
Gujarat	Rajkot	Lokwan	Closed	1900	-
M.P.	Indore	Lokwan	Closed	Closed	-
	Bhopal	Lokwan	Closed	Closed	-
	Bina	Sarbati 306	Closed	Closed	-
Rajasthan	Kota	Lokwan Bilty	1955	1905	50
	Baran	Lokwan	2075	2000	75

Wheat Arrivals in Key Centers:

Centre	Market	Variety	Arrivals (Bags/Qtl)		Change
			29-May-21	28-May-21	
Delhi	Lawrence Road	Mill Delivery	3000	5000	-2000
	Narella	Mill Quality Loose	Closed	Closed	-
	Nazafgarh	Mill Quality Loose	Closed	Closed	-
Gujarat	Rajkot	Mill Quality Loose	Closed	250	-
	Dhrol	Mill Quality Loose	NA	617	-
M.P.	Indore	Mill Quality Loose	Closed	Closed	-
Rajasthan	Kota	Mill Quality	6000	7500	-1500
U.P.	Kanpur	Mill Quality Loose	1800	1700	100
	Mathura	Mill Quality Loose	6200	6000	200
	Kosi	Mill Quality Loose	6000	3000	3000
	Hathras	Mill Quality Loose	950	1300	-350
	Aligarh	Mill Quality Loose	3200	2500	700
Punjab	Khanna	Mill Quality Loose	Closed	Closed	-
	(Ludhiana)Jagraon	Mill Quality Loose	NA	NA	-
Haryana	Sirsa	Mill Quality Loose	400	400	Unch
	Hodal	Mill Quality Loose	400	500	-100
	Bhiwani	Mill Quality Loose	Closed	Closed	-
	Karnal	Mill Delivery	NA	NA	-
	Panipat	Mill Quality Loose	NA	NA	-

Wheat (CBOT) Future Price: 28.05.2021

Contract Month	Open	High	Low	Close	Change
Jul21	676	679.75	661.25	663.5	-12.75
Sep21	679.5	683	665.5	667.25	-12.25
Dec21	686	688.75	672.75	674.75	-11.5
Mar22	692.25	692.75	679.75	681.75	-11.25
May22	691.25	693.5	680.5	682.5	-10
Jul22	668.75	672.5	661.25	665.75	-5.5

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