

Wheat Domestic Fundamentals:

Procurement of Wheat in ongoing RMS 2021-22 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 (up-to 29.05.2021) a quantity of over 405.47 LMT of Wheat has been procured. About 42.91 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.

As per ministry recent estimates, India is likely to produce higher Wheat crop in 2020-21. The country may produce 108.75 million tonnes in this season which is higher by 0.89% from 107.86 from last year record amid good monsoon rain last year.

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 Contact: NCDEX Price | | | | | | | Date: 31.05.2021 at 5:00 PM | | |
|------------------------------------|-----|------|------|-----|-------|--------|-----------------------------|-----------|-----------------------|
| Contract Month | +/- | Open | High | Low | Close | Volume | Ch. From previous day | Open Int. | Ch. From previous day |
| 21-Jun | - | - | - | - | 1841 | | | | |
| 21-July | - | - | - | - | 1895 | | | | |
| 21-Aug | - | - | - | - | - | | | | |

Wheat Daily Prices and Arrivals on 28.05.2021

| Centre | Market | Variety | Prices (Rs/Qtl) | | Change |
|------------|-------------------------------|---------------------|-----------------|-----------|--------|
| | | | 31-May-21 | 29-May-21 | |
| Delhi | Lawrence Road | Mill Delivery | 1890 | 1900 | -10 |
| | Narella | Mill Quality Loose | NR | Closed | - |
| | Nazafgarh | Mill Quality Loose | NR | Closed | - |
| Gujarat | Rajkot | Mill Delivery | 1740 | Closed | - |
| | Ahmedabad | Mill Delivery | 1830 | Closed | - |
| | Surat | Mill Delivery | 1915 | Closed | - |
| | Dhrol | Mill Quality Loose | NA | 1650 | - |
| M.P. | Indore | Mill Delivery | Closed | Closed | - |
| | Bhopal | Mill Quality Loose | Closed | Closed | - |
| Rajasthan | Kota | Mill Quality Loose | 1780 | 1750 | 30 |
| | | Mill Delivery | 1950 | 1900 | 50 |
| U.P. | Kanpur | Mill Delivery | 1740 | 1725 | 15 |
| | Mathura | Mill Quality Loose | 1690 | 1740 | -50 |
| | Kosi | Mill Quality Loose | 1700 | 1715 | -15 |
| | Hathras | Mill Quality Loose | 1700 | 1680 | 20 |
| | Aligarh | Mill Quality Loose | 1715 | 1750 | -35 |
| Punjab | Khanna | Mill Quality Loose | Closed | Closed | - |
| | Ludhiana (Jagraon) | Mill Delivery | NA | - | - |
| Haryana | Sirsa | Mill Delivery loose | 1800 | 1800 | Unch |
| | 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 | 1700 | 1700 | Unch |
| | Muzaffarpur | Mill Delivery | 1715 | 1725 | -10 |
| FOR | Kandla (Rajasthan-Rajkot) | Mill Quality | - | Closed | - |
| | Gandhidham (Rajasthan-Rajkot) | Mill Quality | - | Closed | - |

| Centre | Market | Variety | Prices (Rs/Qtl) | | Change |
|------------------|--------|--------------|-----------------|-----------|-----------|
| | | | 31-May-21 | 29-May-21 | |
| Gujarat | Rajkot | Lokwan | 1900 | Closed | - |
| M.P. | Indore | Lokwan | Closed | Closed | - |
| | Bhopal | Lokwan | Closed | Closed | - |
| | Bina | Sarbati 306 | Closed | Closed | - |
| Rajasthan | Kota | Lokwan Bilty | 1905 | 1875 | 30 |
| | Baran | Lokwan | 2110 | 2100 | 10 |

Wheat Arrivals in Key Centers:

| Centre | Market | Variety | Arrivals (Bags/Qtl) | | Change |
|------------------|-------------------|--------------------|---------------------|-----------|--------------|
| | | | 31-May-21 | 29-May-21 | |
| Delhi | Lawrence Road | Mill Delivery | 6000 | 4000 | 2000 |
| | Narella | Mill Quality Loose | NR | Closed | - |
| | Nazafgarh | Mill Quality Loose | NR | Closed | - |
| Gujarat | Rajkot | Mill Quality Loose | 100 | Closed | - |
| | Dhrol | Mill Quality Loose | NA | 406 | - |
| M.P. | Indore | Mill Quality Loose | Closed | Closed | - |
| Rajasthan | Kota | Mill Quality | 15000 | 7000 | 8000 |
| U.P. | Kanpur | Mill Quality Loose | 1500 | 2000 | -500 |
| | Mathura | Mill Quality Loose | 2500 | 3000 | -500 |
| | Kosi | Mill Quality Loose | 1500 | 2500 | -1000 |
| | Hathras | Mill Quality Loose | 1600 | 2000 | -400 |
| | Aligarh | Mill Quality Loose | 1500 | 3800 | -2300 |
| Punjab | Khanna | Mill Quality Loose | Closed | Closed | - |
| | (Ludhiana)Jagraon | Mill Quality Loose | NA | 0 | - |
| Haryana | Sirsa | Mill Quality Loose | 400 | 400 | Unch |
| | Hodal | Mill Quality Loose | 100 | 400 | -300 |
| | 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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