

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 1.06.2021) a quantity of over 406.76 LMT of Wheat has been procured. About 43.55 lakh farmers have already been benefitted with MSP value of Rs.80,334.56 crore from the ongoing RMS procurement operations. According to FCI, there were about 19,036 wheat procurement centres during the ongoing 2021-22 rabi marketing season. Total stock of wheat in the central pool is around 525.65 LMT which is higher than buffer stock norms.

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.

The government procurement agencies in Haryana have procured total 84.93 LMT consisting 6.94 LMT by FCI and 77.99 LMT by state agency. Expecting bumper produce this year, the government had increased the procurement target.

International Market Update:

As per USDA, wheat export inspections of U.S. declined 57% to 9.4 million bushel week over week. Cumulative totals for the 2020/21 marketing year still have a slim lead over last year's pace, with 927.1 million bushels. Mexico was the main buyer of U.S. wheat export inspections with 3.3 billion bushels. South Korea, Italy, the Philippines and Brazil were also top five buyers.

Russian wheat export prices slumped for the summer's new wheat crop after fall in Chicago and Paris. Russian wheat loading from black sea port with 12.5% protein was at \$256 per tonne free on board (FOB) at the end of last week which was lower by \$4 from the previous week. IKAR and Sovecon forecast Russia's 2021 wheat crop at 79.5 million tonnes and 80.9 million tonnes respectively.

As per WASDE recent report, beginning stocks of the world will be at 295 million metric tons (MMT) in 2021/22 lower by 2% from 2020/21 estimates, with ending stocks also projected at 295 MMT. While, global wheat production is expected to reach a record 789 MMT, global consumption is also forecast at a record 789 MMT.

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.

Wheat Futures Contract: NCDEX Price							Date: 3.06.2021 at 5:00 PM		
Contract Month	+/-	Open	High	Low	Close	Volume	Ch. From previous day	Open Int.	Ch. From previous day
21-Jun	-2.92	1847	1793	1793	1793	10	-	20	-
21-July	-	-	-	-	1889				
21-Aug	-	-	-	-	-				

Wheat Daily Prices and Arrivals on 28.05.2021

Centre	Market	Variety	Prices (Rs/Qtl)		Change
			3-June-21	2-June-21	
Delhi	Lawrence Road	Mill Delivery	1850	1860	-10
	Narella	Mill Quality Loose	NR	NR	-
	Nazafgarh	Mill Quality Loose	NR	NR	-
Gujarat	Rajkot	Mill Delivery	1740	1760	-20
	Ahmedabad	Mill Delivery	1835	1840	-5
	Surat	Mill Delivery	1910	1930	-20
	Dhrol	Mill Quality Loose	1750	1805	-55
M.P.	Indore	Mill Delivery	1850	1875	-25
	Bhopal	Mill Quality Loose	1775	1800	-25
Rajasthan	Kota	Mill Quality Loose	1800	1825	-25
		Mill Delivery	1925	1975	-50
U.P.	Kanpur	Mill Delivery	1730	1750	-20
	Mathura	Mill Quality Loose	1650	1700	-50
	Kosi	Mill Quality Loose	1680	1715	-35
	Hathras	Mill Quality Loose	1670	1680	-10
	Aligarh	Mill Quality Loose	1650	1690	-40
Punjab	Khanna	Mill Quality Loose	Closed	Closed	-
	Ludhiana (Jagraon)	Mill Delivery	NA	NA	-
Haryana	Sirsa	Mill Delivery loose	1790	1800	-10
	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	1850	1900	-50
	Muzaffarpur	Mill Delivery	1800	1850	-50
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
			3-June-21	2-June-21	
Gujarat	Rajkot	Lokwan	1750	1900	-150
M.P.	Indore	Lokwan	2100	2100	Unch
	Bhopal	Lokwan	1950	2000	-50
	Bina	Sarbati 306	Closed	Closed	-
Rajasthan	Kota	Lokwan Bilty	1925	1950	-25
	Baran	Lokwan	2030	2050	-20

Wheat Arrivals in Key Centers:

Centre	Market	Variety	Arrivals (Bags/Qtl)		Change
			3-June-21	2-June-21	
Delhi	Lawrence Road	Mill Delivery	5000	8000	-3000
	Narella	Mill Quality Loose	NR	NR	-
	Nazafgarh	Mill Quality Loose	NR	NR	-
Gujarat	Rajkot	Mill Quality Loose	3000	2000	1000
	Dhrol	Mill Quality Loose	389	310	79
M.P.	Indore	Mill Quality Loose	7000	6000	1000
Rajasthan	Kota	Mill Quality	18000	15000	3000
U.P.	Kanpur	Mill Quality Loose	3000	2000	1000
	Mathura	Mill Quality Loose	4000	2500	1500
	Kosi	Mill Quality Loose	1800	1200	600
	Hathras	Mill Quality Loose	1600	1300	300
	Aligarh	Mill Quality Loose	4000	2000	2000
Punjab	Khanna	Mill Quality Loose	Closed	Closed	-
	(Ludhiana)Jagraon	Mill Quality Loose	NA	NA	-
Haryana	Sirsa	Mill Quality Loose	500	300	200
	Hodal	Mill Quality Loose	300	100	200
	Bhiwani	Mill Quality Loose	Closed	Closed	-
	Karnal	Mill Delivery	NA	NA	-
	Panipat	Mill Quality Loose	NA	NA	-

Wheat (CBOT) Future Price: 2.06.2021

Contract Month	Open	High	Low	Close	Change
Jul21	692	701.5	681.5	687.5	-6
Sep21	695	705.25	686	692.5	-4.75
Dec21	702	711.25	693	700	-3.25
Mar22	707	717.5	700.75	707.5	-2.25
May22	705.75	713.25	700	707.25	0.25
Jul22	686.75	697	685	696.75	6.75

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