

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 14.06.2021) a quantity of over 426.46 LMT of Wheat has been procured higher against 378.85 LMT in last year in the corresponding period of time. About 47.68 lakh farmers have already been benefitted with MSP value of Rs.84,226.97 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.

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:

Russia will increase wheat export duty to \$33.30 per tonnes as of June 16, 2021. The duty will be \$29.40 per tonne from June 9 to 15. IKAR has increased its projection for wheat crop by 2 million tonnes to 82 million tonnes in 2021. While Sovecon had raised its forecast by 1.5 million tonnes to 82.4 million tonnes for 2021.

The estimate was also raised due to a speedy spring wheat sowing and improved weather conditions for spring wheat in Russia's central and Volga regions. The county is likely to start wheat harvesting in late June'21.

As per USDA report, spring wheat plantings are complete this year, with 96% of the crop now emerged. That's up from 90% a week ago and faster than both 2020's pace of 93% and the prior five-year average of 95%. Spring wheat quality is on its heels, meantime, dropping one points to 34% of the crop rated in good-to-excellent condition.

According to Strategie Grains, EU may grow higher soft wheat production for 2021 at 131.1 million tonnes, against 129.6 million in May'21 and 119.4 million tonnes last year. EU soft wheat exports in 2021/22 were now expected higher at 28.6 million tonnes from 27.0 million projected last month on account of improved competitiveness on the world market.

Agriculture consultancy IKAR reduced its forecast for Russia's 2021 wheat crop from 79.5 MMT to 80 MMT. The estimate is higher by 500,000 tonnes from its last given estimates. As per analyst, Russian export prices for the summer's new wheat crop were steady last week due to a stronger rouble amid higher oil prices. Prices for new-crop Russian wheat with 12.5% protein loading from Black Sea ports and for supply at the end of July were \$256 a tonne free on board (FOB) at the end of last week, unchanged from the previous week.

Weather Outlook: Southwest Monsoon has so far advanced into entire Peninsular, east central and east and northeastern India and some parts of northwest India in association with active monsoon circulations and formation of a low pressure area without any hiatus. However due to approaching of mid-latitude westerlies winds further progress of monsoon over remaining parts of northwest India is likely to be slow. The progress of monsoon is being monitored continuously and further update will be provided on daily basis.

Wheat Futures Contract: NCDEX Price							Date: 18.06.2021 at 5:00 PM		
Contract Month	+/-	Open	High	Low	Close	Volume	Ch. From previous day	Open Int.	Ch. From previous day
21-Jun	-	-	-	-	1688	10	-	20	-
21-July	-	-	-	-	1735	-	-	-	-
21-Aug	-	-	-	-	1782	-	-	-	-

Wheat Daily Prices and Arrivals on 18.06.2021

Centre	Market	Variety	Prices (Rs/Qtl)		Change
			18-June-21	17-June-21	
Delhi	Lawrence Road	Mill Delivery	1830	1800	30
	Narella	Mill Quality Loose	NR	NR	-
	Nazafgarh	Mill Quality Loose	NR	NR	-
Gujarat	Rajkot	Mill Delivery	1700	1700	Unch
	Ahmedabad	Mill Delivery	1840	1810	30
	Surat	Mill Delivery	1940	1900	40
	Dhrol	Mill Quality Loose	NA	NA	-
M.P.	Indore	Mill Delivery	1950	1925	25
	Bhopal	Mill Quality Loose	1750	1725	25
Rajasthan	Kota	Mill Quality Loose	1800	1775	25
		Mill Delivery	1950	1925	25
U.P.	Kanpur	Mill Delivery	1750	1730	20
	Mathura	Mill Quality Loose	1710	1700	10
	Kosi	Mill Quality Loose	1700	1680	20
	Hathras	Mill Quality Loose	1610	1640	-30
	Aligarh	Mill Quality Loose	1630	1650	-20
Punjab	Khanna	Mill Quality Loose	1800	1800	Unch
	Ludhiana (Jagraon)	Mill Delivery	NA	NA	-
Haryana	Sirsa	Mill Delivery loose	1760	1760	Unch
	Hodal	Mill Delivery	NA	NA	-
	Bhiwani	Mill Quality Loose	1750	1750	Unch
	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	1800	Unch
	Muzaffarpur	Mill Delivery	1800	1800	Unch
FOR	Kandla (Rajasthan-Rajkot)	Mill Quality	NA	NA	-
	Gandhidham (Rajasthan-Rajkot)	Mill Quality	NA	NA	-

Centre	Market	Variety	Prices (Rs/Qtl)		Change
			18-June-21	17-June-21	
Gujarat	Rajkot	Lokwan	1800	1800	Unch
M.P.	Indore	Lokwan	2100	2100	Unch
	Bhopal	Lokwan	2150	2150	Unch
	Bina	Sarbati 306	NA	Closed	-
Rajasthan	Kota	Lokwan Bilty	1925	1900	25
	Baran	Lokwan	2000	2000	Unch

Wheat Arrivals in Key Centers:

Centre	Market	Variety	Arrivals (Bags/Qtl)		Change
			18-June-21	17-June-21	
Delhi	Lawrence Road	Mill Delivery	5000	6000	-1000
	Narella	Mill Quality Loose	NR	NR	-
	Nazafgarh	Mill Quality Loose	NR	NR	-
Gujarat	Rajkot	Mill Quality Loose	1800	2400	-600
	Dhrol	Mill Quality Loose	NA	NA	-
M.P.	Indore	Mill Quality Loose	3000	2500	500
Rajasthan	Kota	Mill Quality	6500	8000	-1500
U.P.	Kanpur	Mill Quality Loose	1500	2000	-500
	Mathura	Mill Quality Loose	800	1000	-200
	Kosi	Mill Quality Loose	1000	1000	Unch
	Hathras	Mill Quality Loose	600	500	100
	Aligarh	Mill Quality Loose	3000	1500	1500
Punjab	Khanna	Mill Quality Loose	400	300	100
	(Ludhiana)Jagraon	Mill Quality Loose	NA	NA	-
Haryana	Sirsa	Mill Quality Loose	200	200	Unch
	Hodal	Mill Quality Loose	60	70	-10
	Bhiwani	Mill Quality Loose	100	100	Unch
	Karnal	Mill Delivery	NA	NA	-
	Panipat	Mill Quality Loose	NA	NA	-

Wheat (CBOT) Future Price: 17.06.2021

Contract Month	Open	High	Low	Close	Change
Jul21	663.75	667	637.25	639	-23.75
Sep21	666	670	640.25	643	-22.75
Dec21	672.5	676	646.75	649.75	-22.25
Mar22	681.25	682.5	654	656.5	-22.25
May22	682.75	682.75	657	658.75	-21.75
Jul22	674.75	676.75	651.5	653.75	-20.5

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