

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 24.06.2021) a quantity of over 432.58 LMT of Wheat has been procured higher against 395.34 LMT in last year in the corresponding period of time. About 49 lakh farmers have already been benefitted with MSP value of Rs.85,357 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:

Argentina is expected to transport 12 million tonnes of wheat in 2021/22, according to the Buenos Aires Cereals Exchange, following a higher output projection for 2021/22. Internal wheat milling should also increase by 8.3% to 6.5 million tonnes in 2021/22 under this scenario.

Wheat export prices in Russia fell last week as a result of an expected good crop in the Black Sea region. In the new 2021/22 marketing season, wheat exports in Russia, Ukraine, and Kazakhstan could increase by 5%. At the end of last week, prices for new-crop Russian wheat with 12.5 percent protein loading from Black Sea ports and for supply in July were \$248 per tonne FOB, down \$7 from the previous week, potentially boosting Russia's exports in June 2021. IKAR, an agricultural consultancy, cut its projection for Russia's wheat output in 2021 from 79.5 MMT to 80 MMT. The estimate is 500,000 tonnes greater than the previous estimate.

EU soft wheat exports reached at 25.10 million tonnes by June 20, 2021 for the current season which is lower from 34.28 million tonnes in the corresponding period of time in last season. 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.

Weather Outlook: Southwest monsoon 2021 so far covered most parts of the country except parts of Rajasthan, Delhi, Haryana and Punjab. The northern Limit of southwest monsoon (NLM) continues to pass through Lat. 26°N / Long. 70°E, Barmer, Bhilwara, Dholpur, Aligarh, Meerut, Ambala and Amritsar (refer Fig 1). The salient features of monsoon progress in the 2021 is "its progress to eastern, central and adjoining northwest India earlier than normal upto 7-10 days. However, further progress over the remaining parts of country is unlikely during next 7 days.

Wheat Futures Contact: NCDEX Price							Date: 24.06.2021 at 5:00 PM		
Contract Month	+/-	Open	High	Low	Close	Volume	Ch. From previous day	Open Int.	Ch. From previous day
21-July	-	-	-	-	1730	-	-	-	-
21-Aug	-	-	-	-	1725	-	-	-	-
21-Sep	-	-	-	-	1725	-	-	-	-

Wheat Daily Prices and Arrivals on 18.06.2021

Centre	Market	Variety	Prices (Rs/Qtl)		Change
			26-June-21	25-June-21	
Delhi	Lawrence Road	Mill Delivery	1795	1795	Unch
	Narella	Mill Quality Loose	-	-	-
	Nazafgarh	Mill Quality Loose	-	-	-
Gujarat	Rajkot	Mill Delivery	1725	1760	-35
	Ahmedabad	Mill Delivery	1850	1850	Unch
	Surat	Mill Delivery	1940	1950	-10
	Dhrol	Mill Quality Loose	-	-	-
M.P.	Indore	Mill Delivery	1825	1825	Unch
	Bhopal	Mill Quality Loose	1700	1700	Unch
Rajasthan	Kota	Mill Quality Loose	1775	1800	-25
		Mill Delivery	1925	1950	-25
U.P.	Kanpur	Mill Delivery	Closed	1680	-
	Mathura	Mill Quality Loose	Closed	1660	-
	Kosi	Mill Quality Loose	Closed	1680	-
	Hathras	Mill Quality Loose	Closed	1630	-
	Aligarh	Mill Quality Loose	Closed	1600	-
Punjab	Khanna	Mill Quality Loose	1800	1800	Unch
	Ludhiana (Jagraon)	Mill Delivery	-	-	-
Haryana	Sirsa	Mill Delivery loose	1735	1735	Unch
	Hodal	Mill Delivery	NA	0	-
	Bhiwani	Mill Quality Loose	1750	1750	Unch
	Karnal	Mill Delivery	-	-	-
	Panipat	Mill Quality Loose	-	-	-
Tamil Nadu	Chennai	Mill Quality	2100	2100	Unch
	Madurai	Mill Quality	2157	2157	Unch
	Coimbatore	Mill Quality	2157	2157	Unch
Bihar	Khagariya	Mill Delivery	1700	1700	Unch
	Muzaffarpur	Mill Delivery	1700	1700	Unch
FOR	Kandla (Rajasthan-Rajkot)	Mill Quality	-	-	-
	Gandhidham (Rajasthan-Rajkot)	Mill Quality	-	-	-

Centre	Market	Variety	Prices (Rs/Qtl)		Change
			26-June-21	25-June-21	
Gujarat	Rajkot	Lokwan	1800	1850	-50
M.P.	Indore	Lokwan	2100	2100	Unch
	Bhopal	Lokwan	2200	2200	Unch
	Bina	Sarbati 306	NR	NR	-
Rajasthan	Kota	Lokwan Bilty	1900	1925	-25
	Baran	Lokwan	2050	2050	Unch

Wheat Arrivals in Key Centers:

Centre	Market	Variety	Arrivals (Bags/Qtl)		Change
			26-June-21	25-June-21	
Delhi	Lawrence Road	Mill Delivery	6000	8000	-2000
	Narella	Mill Quality Loose	-	-	-
	Nazafgarh	Mill Quality Loose	-	-	-
Gujarat	Rajkot	Mill Quality Loose	2000	1500	500
	Dhrol	Mill Quality Loose	NA	NA	-
M.P.	Indore	Mill Quality Loose	1500	3000	-1500
Rajasthan	Kota	Mill Quality	5000	5000	Unch
U.P.	Kanpur	Mill Quality Loose	Closed	2500	-
	Mathura	Mill Quality Loose	Closed	2000	-
	Kosi	Mill Quality Loose	Closed	1000	-
	Hathras	Mill Quality Loose	Closed	500	-
	Aligarh	Mill Quality Loose	Closed	1000	-
Punjab	Khanna	Mill Quality Loose	400	600	-200
	(Ludhiana)Jagraon	Mill Quality Loose	NA	0	-
Haryana	Sirsa	Mill Quality Loose	200	200	Unch
	Hodal	Mill Quality Loose	100	100	Unch
	Bhiwani	Mill Quality Loose	400	300	100
	Karnal	Mill Delivery	-	-	-
	Panipat	Mill Quality Loose	-	-	-

Wheat (CBOT) Future Price: 25.06.2021

Contract Month	Open	High	Low	Close	Change
Jul21	650.5	656.75	634.5	637	-14.25
Sep21	651.5	658	637	640.75	-11.25
Dec21	658.5	664	644	648	-10.5
Mar22	663.75	669.25	650.75	654.5	-10
May22	667.25	671	653.75	657	-9.5
Jul22	661.5	663.75	649.5	652.25	-8.75

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