

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.

During the current Rabi marketing season, the government may exceed its revised wheat procurement target of 433.5 lakh tonnes. Bihar may extend procurement till July 15, 2021, perhaps raising the set value for the current season. This season, 16 lakh tonnes of wheat were transferred by rail from mandies in Punjab, Haryana, and Madhya Pradesh during the pick procurement period, resulting in a reduction in mandies oversupply and smooth procurement procedures.

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:

U.S. winter wheat futures fell due to seasonal harvest pressure on Friday, while spring wheat contracts gained due to fears about crops wilting due to drought stress in the northern United States Plains. The most actively traded soft red winter wheat contract on the Chicago Board of Trade fell to its lowest level since April 14. * CBOT September soft red winter wheat finished at \$6.40-3/4 a bushel, down 11-1/4 cents. K.C. September hard red winter wheat was 6 cents lower at \$6.08-1/2, while September spring wheat was up 6-1/4 cents at \$8.11-1/2.

In its June 2021 report, the WASDE upped wheat production predictions in the United States. Overall wheat production is expected to reach 1,898 million bushels, up 26 million from last month, as stronger Hard Red Winter and Soft Red Winter production offset decreased White Winter production. In comparison to last month, the wheat yield is expected to increase by 0.7 bushels to 50.7 bushels per acre. Beginning stocks fell as 2020/21 shipments were increased by 20 million bushels to 985 million, owing to greater recent monthly exports. Due to the greater supplies, feed and residual use has been increased by 10 million bushels to 180 million bushels, as wheat is likely to be priced competitively with corn throughout the summer months. Ending stocks have been reduced by 4 million bushels to 770 million bushels, a reduction of 10% from the projected 2020/21 ending stocks for 2021/22.

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.

Weather Outlook: Fairly widespread to widespread rainfall with isolated heavy falls likely over most parts of Northeast and East India; scattered to fairly widespread rainfall along the west coast and isolated to scattered rainfall likely over remaining parts of the country except Punjab, Haryana and Rajasthan where weather is likely to be dry

Wheat Futures Contact: NCDEX Price							Date: 28.06.2021 at 5:00 PM		
Contract Month	+/-	Open	High	Low	Close	Volume	Ch. From previous day	Open Int.	Ch. From previous day
21-July	-	-	-	-	1729	-	-	-	-
21-Aug	-	-	-	-	1729	-	-	-	-
21-Sep	-	-	-	-	1729	-	-	-	-

Wheat Daily Prices and Arrivals on 18.06.2021

Centre	Market	Variety	Prices (Rs/Qtl)		Change
			28-June-21	26-June-21	
Delhi	Lawrence Road	Mill Delivery	1800	1795	5
	Narella	Mill Quality Loose	NR	NR	-
	Nazafgarh	Mill Quality Loose	NR	NR	-
Gujarat	Rajkot	Mill Delivery	1735	1725	10
	Ahmedabad	Mill Delivery	1850	1850	Unch
	Surat	Mill Delivery	1950	1940	10
	Dhrol	Mill Quality Loose	NA	NA	-
M.P.	Indore	Mill Delivery	1850	1825	25
	Bhopal	Mill Quality Loose	1725	1700	25
Rajasthan	Kota	Mill Quality Loose	1770	1775	-5
		Mill Delivery	1920	1925	-5
U.P.	Kanpur	Mill Delivery	1710	Closed	-
	Mathura	Mill Quality Loose	1700	Closed	-
	Kosi	Mill Quality Loose	1660	Closed	-
	Hathras	Mill Quality Loose	1580	Closed	-
	Aligarh	Mill Quality Loose	1680	Closed	-
Punjab	Khanna	Mill Quality Loose	1800	1800	Unch
	Ludhiana (Jagraon)	Mill Delivery	NA	NA	-
Haryana	Sirsa	Mill Delivery loose	1730	1735	-5
	Hodal	Mill Delivery	NA	NA	-
	Bhiwani	Mill Quality Loose	1740	1750	-10
	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	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
			28-June-21	26-June-21	
Gujarat	Rajkot	Lokwan	1800	1800	Unch
M.P.	Indore	Lokwan	2200	2100	100
	Bhopal	Lokwan	2200	2200	Unch
	Bina	Sarbati 306	NA	NR	-
Rajasthan	Kota	Lokwan Bilty	1895	1900	-5
	Baran	Lokwan	2000	2050	-50

Wheat Arrivals in Key Centers:

Centre	Market	Variety	Arrivals (Bags/Qtl)		Change
			28-June-21	26-June-21	
Delhi	Lawrence Road	Mill Delivery	NR	NR	-
	Narella	Mill Quality Loose	NR	NR	-
	Nazafgarh	Mill Quality Loose	1600	2000	-400
Gujarat	Rajkot	Mill Quality Loose	NA	NA	-
	Dhrol	Mill Quality Loose	2000	1500	500
M.P.	Indore	Mill Quality Loose	7000	5000	2000
Rajasthan	Kota	Mill Quality	2000	Closed	-
U.P.	Kanpur	Mill Quality Loose	3000	Closed	-
	Mathura	Mill Quality Loose	1500	Closed	-
	Kosi	Mill Quality Loose	500	Closed	-
	Hathras	Mill Quality Loose	2600	Closed	-
	Aligarh	Mill Quality Loose	600	400	200
Punjab	Khanna	Mill Quality Loose	NA	NA	-
	(Ludhiana)Jagraon	Mill Quality Loose	300	200	100
Haryana	Sirsa	Mill Quality Loose	100	100	Unch
	Hodal	Mill Quality Loose	100	400	-300
	Bhiwani	Mill Quality Loose	NA	NA	-
	Karnal	Mill Delivery	NA	NA	-
	Panipat	Mill Quality Loose	NR	NR	-

Wheat (CBOT) Future Price: 25.06.2021

Contract Month	Open	High	Low	Close	Change
Jul21	605.5	615	596.75	600.25	-5.75
Sep21	613.5	623.25	605.25	609	-5.5
Dec21	622.25	632.25	615	618.75	-5.25
Mar22	631.75	641.75	624.75	628.5	-5.25
May22	647	647.75	631.25	634.75	-5
Jul22	639	641.75	627.25	630.75	-5.25

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