

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 27.06.2021) a quantity of over 432.83 LMT of Wheat has been procured all time higher against 395.51 LMT in last year in the corresponding period of time. About 49.07 lakh farmers have already been benefitted with MSP value of Rs.85,483.25 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:

According to the USDA, the HRW crop harvest in the United States is 64 percent complete in Texas, 67 percent in Oklahoma, and 30 percent in Kansas. The USDA's HRW crop condition ratings fell this week, with only 38% of the crop rated outstanding to excellent, a 10% reduction. With record-breaking high temperatures, the crop is ripening quickly. The crop in the northern and PNW growing zones is still stressed due to a lack of precipitation and heat. Next week, the weather is forecast to cool down. The SRW harvest in 2021 is still going strong, with 32 percent of the sampled crop collected so far. In Alabama, Arkansas, and Tennessee, more than half of the fields have been harvested, while in Ohio and Maryland, the first fields are being harvested.

As per APK-inform agriculture consultancy, Ukrainian wheat shipment bid prices declined by \$4 a tonnes compare to last week after heavy crop size prediction. Ukraine is likely to harvest around 30 million tonnes of wheat this year against 25 million tonnes in 2020.

According to a Reuters poll, a weekly U.S. Agriculture Department report on Monday afternoon was expected to indicate that good-to-excellent ratings for the spring wheat harvest declined 2 percentage points to 25%. Analysts predict that 50 percent of the winter wheat crop will be graded good to excellent, up from 50 percent a week before.

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 Contract: NCDEX Price							Date: 1.07.2021 at 5:00 PM		
Contract Month	+/-	Open	High	Low	Close	Volume	Ch. From previous day	Open Int.	Ch. From previous day
21-July	-	-	-	-	-	-	-	-	-
21-Aug	-	-	-	-	1729	-	-	-	-
21-Sep	-	-	-	-	-	-	-	-	-

Wheat Daily Prices and Arrivals on 18.06.2021

Centre	Market	Variety	Prices (Rs/Qtl)		Change
			1-Jul-21	30-June-21	
Delhi	Lawrence Road	Mill Delivery	1810	1820	-10
	Narella	Mill Quality Loose	1650	Closed	-
	Nazafgarh	Mill Quality Loose	1630	Closed	-
Gujarat	Rajkot	Mill Delivery	1740	1725	15
	Ahmedabad	Mill Delivery	1850	1840	10
	Surat	Mill Delivery	1950	1940	10
	Dhrol	Mill Quality Loose	NA	1725	-
M.P.	Indore	Mill Delivery	1875	1875	Unch
	Bhopal	Mill Quality Loose	1730	1725	5
Rajasthan	Kota	Mill Quality Loose	1780	1770	10
		Mill Delivery	1900	1900	Unch
U.P.	Kanpur	Mill Delivery	1725	1725	Unch
	Mathura	Mill Quality Loose	1640	1660	-20
	Kosi	Mill Quality Loose	1650	1640	10
	Hathras	Mill Quality Loose	1650	1650	Unch
	Aligarh	Mill Quality Loose	1670	1640	30
Punjab	Khanna	Mill Quality Loose	1780	1780	Unch
	Ludhiana (Jagraon)	Mill Delivery	NA	NA	-
Haryana	Sirsa	Mill Delivery loose	1725	1725	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	1750	1750	Unch
	Muzaffarpur	Mill Delivery	1750	1750	Unch
FOR	Kandla (Rajasthan-Rajkot)	Mill Quality	-	-	-
	Gandhidham (Rajasthan-Rajkot)	Mill Quality	-	-	-

Centre	Market	Variety	Prices (Rs/Qtl)		Change
			1-Jul-21	30-June-21	
Gujarat	Rajkot	Lokwan	1800	1800	Unch
M.P.	Indore	Lokwan	2200	2200	Unch
	Bhopal	Lokwan	2100	2100	Unch
	Bina	Sarbati 306	-	-	-
Rajasthan	Kota	Lokwan Bilty	1905	1895	10
	Baran	Lokwan	2000	1990	10

Wheat Arrivals in Key Centers:

Centre	Market	Variety	Arrivals (Bags/Qtl)		Change
			1-Jul-21	30-June-21	
Delhi	Lawrence Road	Mill Delivery	5000	7500	-2500
	Narella	Mill Quality Loose	100	Closed	-
	Nazafgarh	Mill Quality Loose	50	Closed	-
Gujarat	Rajkot	Mill Quality Loose	2000	2200	-200
	Dhrol	Mill Quality Loose	-	-	-
M.P.	Indore	Mill Quality Loose	2500	3000	-500
Rajasthan	Kota	Mill Quality	6500	5000	1500
U.P.	Kanpur	Mill Quality Loose	1000	1200	-200
	Mathura	Mill Quality Loose	1500	1000	500
	Kosi	Mill Quality Loose	1000	400	600
	Hathras	Mill Quality Loose	500	400	100
	Aligarh	Mill Quality Loose	1000	1200	-200
Punjab	Khanna	Mill Quality Loose	500	300	200
	(Ludhiana)Jagraon	Mill Quality Loose	-	-	-
Haryana	Sirsa	Mill Quality Loose	300	300	Unch
	Hodal	Mill Quality Loose	60	100	-40
	Bhiwani	Mill Quality Loose	300	200	100
	Karnal	Mill Delivery	-	-	-
	Panipat	Mill Quality Loose	-	-	-

Wheat (CBOT) Future Price: 29.06.2021

Contract Month	Open	High	Low	Close	Change
Jul21	651	657.75	638.25	639.75	-6.25
Sep21	657	663.5	644.5	646.25	-5.25
Dec21	664.25	670.75	651.5	653.25	-5.5
Mar22	671.5	677.25	659	660.25	-5.25
May22	673	678.25	662.25	663.25	-4.5
Jul22	665.25	673	659	660.75	-1.5

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