

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: Monthly rainfall for the July 2021 over the country as a whole is most likely to be normal (94 to 106 % of Long Period Average (LPA)).

Wheat Futures Contract: NCDEX Price							Date: 2.07.2021 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
			2-Jul-21	1-June-21	
Delhi	Lawrence Road	Mill Delivery	1800	1810	-10
	Narella	Mill Quality Loose	1680	1650	30
	Nazafgarh	Mill Quality Loose	1700	1630	70
Gujarat	Rajkot	Mill Delivery	1775	1740	35
	Ahmedabad	Mill Delivery	1875	1850	25
	Surat	Mill Delivery	1960	1950	10
	Dhrol	Mill Quality Loose	NA	1750	-
M.P.	Indore	Mill Delivery	1850	1875	-25
	Bhopal	Mill Quality Loose	1750	1730	20
Rajasthan	Kota	Mill Quality Loose	1750	1780	-30
		Mill Delivery	1900	1900	Unch
U.P.	Kanpur	Mill Delivery	1670	1725	-55
	Mathura	Mill Quality Loose	1650	1640	10
	Kosi	Mill Quality Loose	1650	1650	Unch
	Hathras	Mill Quality Loose	1600	1650	-50
	Aligarh	Mill Quality Loose	1600	1670	-70
Punjab	Khanna	Mill Quality Loose	1800	1780	20
	Ludhiana (Jagraon)	Mill Delivery	NA	NA	-
Haryana	Sirsa	Mill Delivery loose	1730	1725	5
	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	1600	1750	-150
	Muzaffarpur	Mill Delivery	1650	1750	-100
FOR	Kandla (Rajasthan-Rajkot)	Mill Quality	0	0	Unch
	Gandhidham (Rajasthan-Rajkot)	Mill Quality	0	0	Unch

Centre	Market	Variety	Prices (Rs/Qtl)		Change
			2-Jul-21	1-June-21	
Gujarat	Rajkot	Lokwan	1850	1800	50
M.P.	Indore	Lokwan	2200	2200	Unch
	Bhopal	Lokwan	2100	2100	Unch
	Bina	Sarbati 306	NA	NA	-
Rajasthan	Kota	Lokwan Bilty	1875	1905	-30
	Baran	Lokwan	1950	2000	-50

Wheat Arrivals in Key Centers:

Centre	Market	Variety	Arrivals (Bags/Qtl)		Change
			2-Jul-21	1-June-21	
Delhi	Lawrence Road	Mill Delivery	6000	5000	1000
	Narella	Mill Quality Loose	200	100	100
	Nazafgarh	Mill Quality Loose	100	50	50
Gujarat	Rajkot	Mill Quality Loose	1700	2000	-300
	Dhrol	Mill Quality Loose	NA	220	-
M.P.	Indore	Mill Quality Loose	2000	2500	-500
Rajasthan	Kota	Mill Quality	5000	6500	-1500
U.P.	Kanpur	Mill Quality Loose	2000	1000	1000
	Mathura	Mill Quality Loose	2000	1500	500
	Kosi	Mill Quality Loose	1200	1000	200
	Hathras	Mill Quality Loose	600	500	100
	Aligarh	Mill Quality Loose	500	1000	-500
Punjab	Khanna	Mill Quality Loose	300	500	-200
	(Ludhiana)Jagraon	Mill Quality Loose	NA	NA	-
Haryana	Sirsa	Mill Quality Loose	400	300	100
	Hodal	Mill Quality Loose	50	60	-10
	Bhiwani	Mill Quality Loose	200	300	-100
	Karnal	Mill Delivery	NA	NA	-
	Panipat	Mill Quality Loose	NA	NA	-

Wheat (CBOT) Future Price: 01.07.2021

Contract Month	Open	High	Low	Close	Change
Jul21	667.75	683	658.5	658.5	-13
Sep21	679	694.25	665	665.5	-14
Dec21	686.25	699.25	673	673.75	-11.25
Mar22	690.75	705.25	680.5	681	-10
May22	692	706.25	683.25	683.5	-9.5
Jul22	685.5	698.5	678.5	679.75	-7.5

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