

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:

AS per USDA, CBOT prices are driving through winter wheat harvest in U.S. Heavy supplies of new crop may put more pressures at CBOT prices. The percentage of the crop rated good to excellent slumped 10 points to just 27pc. Due to drought condition in Northern Plains of the U.S. CBOT prices are getting affected. Protein levels are also low in the US Hard Red Winter wheat harvest to date as well.

According to the USDA, the HRW crop harvest in the United States is 81 percent complete in Texas, 87 percent in Oklahoma, and 55 percent in Kansas. : The southern and central Great Plains showed cooler temperatures and precipitation this past week while the northern Great Plains saw sporadic rains and average temperatures. The drought worsened in the PNW with high temperatures (110-118°F / 43-48°C), which are expected to continue into next week. The SRW harvest in 2021 is still going strong, with 57 percent of the sampled crop collected so far despite rainfall in growing belts.

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: 5.07.2021 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 05.07.2021

Centre	Market	Variety	Prices (Rs/Qtl)		Change
			5-Jul-21	3-Jul-21	
Delhi	Lawrence Road	Mill Delivery	1800	1800	Unch
	Narella	Mill Quality Loose	1670	1670	Unch
	Nazafgarh	Mill Quality Loose	1690	1690	Unch
Gujarat	Rajkot	Mill Delivery	1800	1775	25
	Ahmedabad	Mill Delivery	1920	1875	45
	Surat	Mill Delivery	2000	1960	40
	Dhrol	Mill Quality Loose	NA	NA	-
M.P.	Indore	Mill Delivery	1850	1850	Unch
	Bhopal	Mill Quality Loose	1750	1750	Unch
Rajasthan	Kota	Mill Quality Loose	1750	1750	Unch
		Mill Delivery	1900	1900	Unch
U.P.	Kanpur	Mill Delivery	1670	Closed	-
	Mathura	Mill Quality Loose	1650	Closed	-
	Kosi	Mill Quality Loose	1650	Closed	-
	Hathras	Mill Quality Loose	1590	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	1725	1730	-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	1600	Unch
	Muzaffarpur	Mill Delivery	1650	1650	Unch
FOR	Kandla (Rajasthan-Rajkot)	Mill Quality	NA	NA	-
	Gandhidham (Rajasthan-Rajkot)	Mill Quality	NA	NA	-

Centre	Market	Variety	Prices (Rs/Qtl)		Change
			5-Jul-21	3-Jul-21	
Gujarat	Rajkot	Lokwan	1850	1850	Unch
M.P.	Indore	Lokwan	2200	2200	Unch
	Bhopal	Lokwan	2100	2100	Unch
	Bina	Sarbati 306	NA	NA	-
Rajasthan	Kota	Lokwan Bilty	1875	1875	Unch
	Baran	Lokwan	1980	1980	Unch

Wheat Arrivals in Key Centers:

Centre	Market	Variety	Arrivals (Bags/Qtl)		Change
			5-Jul-21	3-Jul-21	
Delhi	Lawrence Road	Mill Delivery	5500	6500	-1000
	Narella	Mill Quality Loose	150	200	-50
	Nazafgarh	Mill Quality Loose	50	100	-50
Gujarat	Rajkot	Mill Quality Loose	1800	1500	300
	Dhrol	Mill Quality Loose	NA	NA	-
M.P.	Indore	Mill Quality Loose	1200	1500	-300
Rajasthan	Kota	Mill Quality	2000	5000	-3000
U.P.	Kanpur	Mill Quality Loose	3000	Closed	-
	Mathura	Mill Quality Loose	2500	Closed	-
	Kosi	Mill Quality Loose	3000	Closed	-
	Hathras	Mill Quality Loose	250	Closed	-
	Aligarh	Mill Quality Loose	2700	Closed	-
Punjab	Khanna	Mill Quality Loose	400	400	Unch
	(Ludhiana)Jagraon	Mill Quality Loose	NA	NA	-
Haryana	Sirsa	Mill Quality Loose	300	400	-100
	Hodal	Mill Quality Loose	80	80	Unch
	Bhiwani	Mill Quality Loose	600	250	350
	Karnal	Mill Delivery	NA	NA	-
	Panipat	Mill Quality Loose	NA	NA	-

Wheat (CBOT) Future Price: 02.07.2021

Contract Month	Open	High	Low	Close	Change
Jul21	661	662	643.75	645.75	-12.75
Sep21	667	673	648.25	652.75	-12.75
Dec21	675	680.5	657	661.5	-12.25
Mar22	682.25	687.25	665	669.75	-11.25
May22	686.75	689.25	668.75	673.25	-10.25
Jul22	682	684	666.5	672	-7.75

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