

Wheat Domestic Fundamentals:

Procurement of Wheat in ongoing RMS 2021-22 is almost finished in the procuring States of Punjab, Haryana, Uttar Pradesh, Madhya Pradesh, Himachal Pradesh, Delhi, and Jammu & Kashmir while its remain continue in Rajasthan, Bihar and Gujarat at MSP, as was done in previous seasons, and till now (up-to 04.07.2021) a quantity of over 433.24 LMT of Wheat has been procured all time higher against 389.93 LMT in last year in the corresponding period of time. About 49.16 lakh farmers have already been benefitted with MSP value of Rs.84.369.19 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.

This Rabi season, government procured 132.10 LMT of wheat from Punjab, higher from MP's procurement record of 128.08 LMT in 2021-22. However, it was procured lower at 127.14 LMT from Punjab compared to 129.42 LMT in MP during 2020-21.

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.

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: 6.07.2021 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
			6-Jul-21	5-Jul-21	
Delhi	Lawrence Road	Mill Delivery	1810	1800	10
	Narella	Mill Quality Loose	1680	1670	10
	Nazafgarh	Mill Quality Loose	1690	1690	Unch
Gujarat	Rajkot	Mill Delivery	1800	1800	Unch
	Ahmedabad	Mill Delivery	1890	1920	-30
	Surat	Mill Delivery	1980	2000	-20
	Dhrol	Mill Quality Loose	1670	1650	20
M.P.	Indore	Mill Delivery	Closed	1850	-
	Bhopal	Mill Quality Loose	Closed	1750	-
Rajasthan	Kota	Mill Quality Loose	Closed	1750	-
		Mill Delivery	Closed	1900	-
U.P.	Kanpur	Mill Delivery	1650	1670	-20
	Mathura	Mill Quality Loose	1620	1650	-30
	Kosi	Mill Quality Loose	1640	1650	-10
	Hathras	Mill Quality Loose	1550	1590	-40
	Aligarh	Mill Quality Loose	1660	1680	-20
Punjab	Khanna	Mill Quality Loose	1800	1800	Unch
	Ludhiana (Jagraon)	Mill Delivery	NA	-	-
Haryana	Sirsa	Mill Delivery loose	1725	1725	Unch
	Hodal	Mill Delivery	NA	-	-
	Bhiwani	Mill Quality Loose	1740	1750	-10
	Karnal	Mill Delivery	NA	-	-
	Panipat	Mill Quality Loose	NA	-	-
Tamil Nadu	Chennai	Mill Quality	Closed	2100	-
	Madurai	Mill Quality	Closed	2157	-
	Coimbatore	Mill Quality	Closed	2157	-
Bihar	Khagariya	Mill Delivery	1700	1600	100
	Muzaffarpur	Mill Delivery	1700	1650	50
FOR	Kandla (Rajasthan-Rajkot)	Mill Quality	NA	-	-
	Gandhidham (Rajasthan-Rajkot)	Mill Quality	NA	-	-

Centre	Market	Variety	Prices (Rs/Qtl)		Change
			6-Jul-21	5-Jul-21	
Gujarat	Rajkot	Lokwan	1900	1850	50
M.P.	Indore	Lokwan	Closed	2200	-
	Bhopal	Lokwan	Closed	2100	-
	Bina	Sarbati 306	NA	0	-
Rajasthan	Kota	Lokwan Bilty	Closed	1875	-
	Baran	Lokwan	Closed	1980	-

Wheat Arrivals in Key Centers:

Centre	Market	Variety	Arrivals (Bags/Qtl)		Change
			6-Jul-21	5-Jul-21	
Delhi	Lawrence Road	Mill Delivery	6500	5500	1000
	Narella	Mill Quality Loose	250	150	100
	Nazafgarh	Mill Quality Loose	70	50	20
Gujarat	Rajkot	Mill Quality Loose	1500	1800	-300
	Dhrol	Mill Quality Loose	126	107	19
M.P.	Indore	Mill Quality Loose	Closed	1200	-
Rajasthan	Kota	Mill Quality	Closed	2000	-
U.P.	Kanpur	Mill Quality Loose	2000	3000	-1000
	Mathura	Mill Quality Loose	2500	2500	Unch
	Kosi	Mill Quality Loose	2000	3000	-1000
	Hathras	Mill Quality Loose	100	250	-150
	Aligarh	Mill Quality Loose	1500	2700	-1200
Punjab	Khanna	Mill Quality Loose	500	400	100
	(Ludhiana)Jagraon	Mill Quality Loose	NA	0	-
Haryana	Sirsa	Mill Quality Loose	300	300	Unch
	Hodal	Mill Quality Loose	100	80	20
	Bhiwani	Mill Quality Loose	500	600	-100
	Karnal	Mill Delivery	NA	-	-
	Panipat	Mill Quality Loose	NA	-	-

Wheat (CBOT) Future Price: 05.07.2021

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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