

Wheat Domestic Fundamentals:

Wheat procurement in the ongoing RMS 2021-22 is almost complete in the procuring states of Punjab, Haryana, Uttar Pradesh, Madhya Pradesh, Himachal Pradesh, Delhi, and Jammu & Kashmir, while it continues at MSP in Rajasthan, Bihar, and Gujarat, as in previous seasons, and a total of over 433.32 LMT of Wheat has been procured all time higher against 387.4 LMT in previous seasons. The present RMS procurement operations have already benefited almost 49.16 lakh farmers with MSPs worth Rs.85,581,02 crore. This season procurement quantity is also higher compared to last four years records. During the current 2021-22 rabi marketing season, there were approximately 19,036 wheat procurement centers, according to FCI.

In the month of May, India exported 4.96 lakh tonnes of wheat. Indian wheat has recently been in high demand for export. According to the DGCIS data, India exported 227,793.50 kg. in the current fiscal year as of April 2021. In 2020-21 fiscal year, the country exported total 2.08 MMT.

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.

International Market Update:

CBOT prices edged higher after forecast for hot, dry conditions in the Northern Plains and Canadian Prairies that threaten the production of spring wheat in both countries.

USDA cut U.S. wheat supply in July 2021, lowering domestic usage and export, and lowering ending stocks for 2021/21, which might support an increase in the CBOT price in the near future. In July'21 report, U.S. wheat output for 2021/22 is estimated to be 47.52 MMT, down from 51.66 MMT in June '21 report. Total supplies are expected to be 74.43 MMT, down from 78.24 MMT in the June report. The country's ending stockpiles have decreased to 18.09 MMT from 20.95 MMT in the previous report.

According to a recent report from the National Statistics Bureau, China is expected to produce 134 million tonnes of summer wheat in 2021, up 2% from 2020. However, adverse weather conditions may have an impact on the fresh crop. Heavy rains in portions of the primary producing provinces, including Shandong, Henan, Hebei, and Hubei, impacted the new crop and harmed its quality before and during harvest. While, USDA has projected its production at 136 million tonnes in 2021/22.

Weather Outlook: Fresh spell of heavy rainfall activity over northern parts of India from 17th July and continuation of ongoing enhanced rainfall activity along the west coast till 19th July.

Wheat Futures Contract: NCDEX Price							Date:16.07.2021 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	-	-	-	-	1778	-	-	-	-
21-Sep	-	-	-	-	-	-	-	-	-

Wheat Daily Prices and Arrivals on 05.07.2021

Centre	Market	Variety	Prices (Rs/Qtl)		Change
			16-Jul-21	15-Jul-21	
Delhi	Lawrence Road	Mill Delivery	1825	1820	5
	Narella	Mill Quality Loose	1760	1750	10
	Nazafgarh	Mill Quality Loose	1725	1710	15
Gujarat	Rajkot	Mill Delivery	1820	1860	-40
	Ahmedabad	Mill Delivery	1900	1910	-10
	Surat	Mill Delivery	1990	2000	-10
	Dhrol	Mill Quality Loose	1800	1700	100
M.P.	Indore	Mill Delivery	1850	1850	Unch
	Bhopal	Mill Quality Loose	1700	1725	-25
Rajasthan	Kota	Mill Quality Loose	Closed	1750	-
		Mill Delivery	Closed	1900	-
U.P.	Kanpur	Mill Delivery	1680	1700	-20
	Mathura	Mill Quality Loose	1630	1695	-65
	Kosi	Mill Quality Loose	1625	1610	15
	Hathras	Mill Quality Loose	1600	1630	-30
	Aligarh	Mill Quality Loose	1630	1640	-10
Punjab	Khanna	Mill Quality Loose	1750	1780	-30
	Ludhiana (Jagraon)	Mill Delivery	NA	0	-
Haryana	Sirsa	Mill Delivery loose	1725	1725	Unch
	Hodal	Mill Delivery	NA	0	-
	Bhiwani	Mill Quality Loose	1730	1730	Unch
	Karnal	Mill Delivery	NA	0	-
	Panipat	Mill Quality Loose	NA	0	-
Tamil Nadu	Chennai	Mill Quality	Closed	2100	-
	Madurai	Mill Quality	Closed	2157	-
	Coimbatore	Mill Quality	Closed	2157	-
Bihar	Khagariya	Mill Delivery	1700	1700	Unch
	Muzaffarpur	Mill Delivery	1725	1725	Unch
FOR	Kandla (Rajasthan-Rajkot)	Mill Quality	NA	0	-
	Gandhidham (Rajasthan-Rajkot)	Mill Quality	NA	0	-

Centre	Market	Variety	Prices (Rs/Qtl)		Change
			16-Jul-21	15-Jul-21	
Gujarat	Rajkot	Lokwan	1900	1900	Unch
M.P.	Indore	Lokwan	2000	2000	Unch
	Bhopal	Lokwan	2200	2200	Unch
	Bina	Sarbati 306	NA	NA	-
Rajasthan	Kota	Lokwan Bilty	Closed	1875	-
	Baran	Lokwan	Closed	2000	-

Wheat Arrivals in Key Centers:

Centre	Market	Variety	Arrivals (Bags/Qtl)		Change
			16-Jul-21	15-Jul-21	
Delhi	Lawrence Road	Mill Delivery	4000	2500	1500
	Narella	Mill Quality Loose	200	80	120
	Nazafgarh	Mill Quality Loose	100	60	40
Gujarat	Rajkot	Mill Quality Loose	1500	1200	300
	Dhrol	Mill Quality Loose	101	58	43
M.P.	Indore	Mill Quality Loose	1500	4000	-2500
Rajasthan	Kota	Mill Quality	Closed	8000	-
U.P.	Kanpur	Mill Quality Loose	2500	3000	-500
	Mathura	Mill Quality Loose	2000	1500	500
	Kosi	Mill Quality Loose	1500	2000	-500
	Hathras	Mill Quality Loose	400	300	100
	Aligarh	Mill Quality Loose	400	300	100
Punjab	Khanna	Mill Quality Loose	600	300	300
	(Ludhiana)Jagraon	Mill Quality Loose	NA	NA	-
Haryana	Sirsa	Mill Quality Loose	300	300	Unch
	Hodal	Mill Quality Loose	100	200	-100
	Bhiwani	Mill Quality Loose	400	300	100
	Karnal	Mill Delivery	NA	-	-
	Panipat	Mill Quality Loose	NA	-	-

Wheat (CBOT) Future Price: 15.07.2021

Contract Month	Open	High	Low	Close	Change
Jul21	645	645	645	645	16.25
Sep21	635	657.5	632.5	654.25	20.5
Dec21	644	666	641.25	662.25	19.5
Mar22	652.25	673	650.25	670	19
May22	655.25	676.75	655.25	674.25	18.75
Jul22	652.25	673.25	651.75	669.25	17.25

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