

Wheat Domestic Fundamentals:

Wheat procurement for the Rabi marketing season 2021-22 is nearly complete in India's various states. Wheat was procured in excess of 433.32 LMT, a record high compared to 387.4 LMT in previous seasons. With MSPs of Rs.85,581.02 crore, the current RMS procurement operations have already benefited over 49.16 lakh farmers. This season's procurement volume is also bigger than the previous four years record. According to FCI, there were approx. 19,036 wheat procurement centres during the rabi marketing season of 2021-22.

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 2.28 Lakh tonnes 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 jumped substantially due to parched conditions for North American spring wheat and adverse weather in Europe and Russia stoked concern about global supplies.

As per traders, the Taiwan Flour Millers' Association purchased an estimated 50,000 tonnes of milling wheat from the United States in a tender which closed on 16th July 2021. The wheat was purchased in a single consignment containing a variety of wheat kinds for shipment from the Pacific Northwest coast of the United States between August 31 and September 14. A total of 26,335 tonnes of U.S. dark northern spring wheat were purchased at \$ 395.96 a tonnes FOB. Another 18,845 tonnes of hard red winter wheat of 12.5% protein was bought at \$308.27 a tonne FOB and 4,820 tonnes of soft white wheat of 10.5% protein was purchased at \$326.18 a tonne FOB.

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.

Weather Outlook: Rainfall activity over northern parts of India, along the west coast, central and adjoining east coast of India.

Wheat Futures Contract: NCDEX Price							Date:21.07.2021 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
			21-Jul-21	20-Jul-21	
Delhi	Lawrence Road	Mill Delivery	1810	1825	-15
	Narella	Mill Quality Loose	Closed	1770	-
	Nazafgarh	Mill Quality Loose	Closed	1720	-
Gujarat	Rajkot	Mill Delivery	1840	1845	-5
	Ahmedabad	Mill Delivery	1930	1930	Unch
	Surat	Mill Delivery	2010	2015	-5
	Dhrol	Mill Quality Loose	1740	NA	-
M.P.	Indore	Mill Delivery	1850	1880	-30
	Bhopal	Mill Quality Loose	1700	1730	-30
Rajasthan	Kota	Mill Quality Loose	1750	1750	Unch
		Mill Delivery	1900	1900	Unch
U.P.	Kanpur	Mill Delivery	1710	1700	10
	Mathura	Mill Quality Loose	1700	1630	70
	Kosi	Mill Quality Loose	1680	1640	40
	Hathras	Mill Quality Loose	1650	1600	50
	Aligarh	Mill Quality Loose	1660	1650	10
Punjab	Khanna	Mill Quality Loose	1725	1750	-25
	Ludhiana (Jagraon)	Mill Delivery	-	-	-
Haryana	Sirsa	Mill Delivery loose	1730	1730	Unch
	Hodal	Mill Delivery	-	-	-
	Bhiwani	Mill Quality Loose	1750	1720	30
	Karnal	Mill Delivery	-	-	-
	Panipat	Mill Quality Loose	-	-	-
Tamil Nadu	Chennai	Mill Quality	2100	2100	Unch
	Madurai	Mill Quality	2157	2157	Unch
	Coimbatore	Mill Quality	2157	2157	Unch
Bihar	Khagariya	Mill Delivery	1700	1700	Unch
	Muzaffarpur	Mill Delivery	1700	1700	Unch
FOR	Kandla (Rajasthan-Rajkot)	Mill Quality	-	-	-
	Gandhidham (Rajasthan-Rajkot)	Mill Quality	-	-	-

Centre	Market	Variety	Prices (Rs/Qtl)		Change
			21-Jul-21	20-Jul-21	
Gujarat	Rajkot	Lokwan	1900	1900	Unch
M.P.	Indore	Lokwan	2100	2100	Unch
	Bhopal	Lokwan	2200	2200	Unch
	Bina	Sarbati 306	-	-	-
Rajasthan	Kota	Lokwan Bilty	1875	1875	Unch
	Baran	Lokwan	1950	1950	Unch

Wheat Arrivals in Key Centers:

Centre	Market	Variety	Arrivals (Bags/Qtl)		Change
			21-Jul-21	20-Jul-21	
Delhi	Lawrence Road	Mill Delivery	3000	5500	-2500
	Narella	Mill Quality Loose	Closed	200	-
	Nazafgarh	Mill Quality Loose	Closed	150	-
Gujarat	Rajkot	Mill Quality Loose	500	1500	-1000
	Dhrol	Mill Quality Loose	56	NA	-
M.P.	Indore	Mill Quality Loose	2000	3000	-1000
Rajasthan	Kota	Mill Quality	4000	5000	-1000
U.P.	Kanpur	Mill Quality Loose	1000	1500	-500
	Mathura	Mill Quality Loose	1000	1000	Unch
	Kosi	Mill Quality Loose	1000	500	500
	Hathras	Mill Quality Loose	100	100	Unch
	Aligarh	Mill Quality Loose	200	150	50
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	50	80	-30
	Bhiwani	Mill Quality Loose	400	300	100
	Karnal	Mill Delivery	-	-	-
	Panipat	Mill Quality Loose	-	-	-

Wheat (CBOT) Future Price: 20.07.2021

Contract Month	Open	High	Low	Close	Change
Sep21	698.75	718	698.25	700.5	2.75
Dec21	707.25	726.75	706.75	708.75	2.5
Mar22	712.75	731.5	712.5	715	2.75
May22	716.75	731	713.75	715.75	2
Jul22	699.75	713.75	697	698.25	-2
Dec22	702	712	700	700	-2.5

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