

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 June, India exported 4.10 lakh tonnes of wheat lower against 4.96 lakh tonnes in May 2021. Indian wheat has declined in June month due higher export price. 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 20.80 lakh tonnes.

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 extended its gain substantially due to parched conditions for North American spring wheat and adverse weather in Europe and Russia stoked concern about global supplies.

According to Russia's agriculture ministry, yield of Russia is likely to reduce to 3.45 tonne per hectares as of July 20, 2021 compared to 3.47 hectates in previous year.

In comparison to other nations, Mexico purchased the most wheat from the United States in 2020-21, totalling 3,459,200 tonnes. In 2020-21, China imported 3,212,500 tonnes of US wheat, up from 549,500 tonnes in 2019-20. In 2020-21, the Philippines imported 3,174,700 tonnes of US wheat, up from 3,141,900 tonnes in 2019-20. In 2020-21, Japan imported 2,430,900 tonnes of US wheat, down from 2,575,400 tonnes in 2019-20. South Korea rounded the top five importers of US wheat in 2020-21 purchasing 1,807,700 tonnes, up 35% from 1,340,800 tonnes in 2019-20. South Korea purchased 303,200 tonnes of hard red winter wheat, making it the seventh-largest importer of that wheat class in 2020-21.

Weather Outlook: Under the influence of the cyclonic circulation over Northwest Bay of Bengal & neighbourhood, a Low Pressure Area has formed over the same region. It is likely to move west-north-westwards along the monsoon trough during next 2-3 days.

Wheat Futures Contract: NCDEX Price							Date:22.07.2021 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
			23-Jul-21	22-Jul-21	
Delhi	Lawrence Road	Mill Delivery	1875	1830	45
	Narella	Mill Quality Loose	1780	1760	20
	Nazafgarh	Mill Quality Loose	1730	1715	15
Gujarat	Rajkot	Mill Delivery	1820	1850	-30
	Ahmedabad	Mill Delivery	1980	1940	40
	Surat	Mill Delivery	2060	2010	50
	Dhrol	Mill Quality Loose	-	1830	-
M.P.	Indore	Mill Delivery	1850	1850	Unch
	Bhopal	Mill Quality Loose	1725	1725	Unch
Rajasthan	Kota	Mill Quality Loose	1750	1760	-10
		Mill Delivery	1900	1910	-10
U.P.	Kanpur	Mill Delivery	1700	1710	-10
	Mathura	Mill Quality Loose	1680	1700	-20
	Kosi	Mill Quality Loose	1680	1700	-20
	Hathras	Mill Quality Loose	1700	1650	50
	Aligarh	Mill Quality Loose	1700	1660	40
Punjab	Khanna	Mill Quality Loose	1800	1725	75
	Ludhiana (Jagraon)	Mill Delivery	-	-	-
Haryana	Sirsa	Mill Delivery loose	1725	1730	-5
	Hodal	Mill Delivery	-	-	-
	Bhiwani	Mill Quality Loose	1760	1750	10
	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
			23-Jul-21	22-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	1885	-10
	Baran	Lokwan	2030	1975	55

Wheat Arrivals in Key Centers:

Centre	Market	Variety	Arrivals (Bags/Qtl)		Change
			23-Jul-21	22-Jul-21	
Delhi	Lawrence Road	Mill Delivery	10000	4000	6000
	Narella	Mill Quality Loose	500	300	200
	Nazafgarh	Mill Quality Loose	300	200	100
Gujarat	Rajkot	Mill Quality Loose	1400	1800	-400
	Dhrol	Mill Quality Loose	-	116	-
M.P.	Indore	Mill Quality Loose	3000	2500	500
Rajasthan	Kota	Mill Quality	5000	6000	-1000
U.P.	Kanpur	Mill Quality Loose	1800	2000	-200
	Mathura	Mill Quality Loose	1000	800	200
	Kosi	Mill Quality Loose	1000	700	300
	Hathras	Mill Quality Loose	600	250	350
	Aligarh	Mill Quality Loose	700	500	200
Punjab	Khanna	Mill Quality Loose	500	600	-100
	(Ludhiana)Jagraon	Mill Quality Loose	-	-	-
Haryana	Sirsa	Mill Quality Loose	300	300	Unch
	Hodal	Mill Quality Loose	150	100	50
	Bhiwani	Mill Quality Loose	200	500	-300
	Karnal	Mill Delivery	-	-	-
	Panipat	Mill Quality Loose	-	-	-

Wheat (CBOT) Future Price: 22.07.2021

Contract Month	Open	High	Low	Close	Change
Sep21	708.25	709	681.75	692.25	-18.5
Dec21	717.25	718.25	691.25	701.5	-18.25
Mar22	723.5	724	698.5	708.25	-18
May22	721.25	721.75	699.5	708.75	-18
Jul22	704	705	684	691	-17.25
Dec22	705.75	705.75	687.5	693	-17

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