

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:

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.

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.

Weather Outlook: The monsoon trough at mean sea level runs south of its normal position. It is likely to continue to remain south of the normal position during next 48 hours.

Wheat Futures Contract: NCDEX Price							Date:23.07.2021 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
			24-Jul-21	23-Jul-21	
Delhi	Lawrence Road	Mill Delivery	1860	1875	-15
	Narella	Mill Quality Loose	1770	1780	-10
	Nazafgarh	Mill Quality Loose	1725	1730	-5
Gujarat	Rajkot	Mill Delivery	1825	1820	5
	Ahmedabad	Mill Delivery	1980	1980	Unch
	Surat	Mill Delivery	2060	2060	Unch
	Dhrol	Mill Quality Loose	1500	1400	100
M.P.	Indore	Mill Delivery	1885	1850	35
	Bhopal	Mill Quality Loose	1750	1725	25
Rajasthan	Kota	Mill Quality Loose	1740	1750	-10
		Mill Delivery	1900	1900	Unch
U.P.	Kanpur	Mill Delivery	Closed	1700	-
	Mathura	Mill Quality Loose	Closed	1680	-
	Kosi	Mill Quality Loose	Closed	1680	-
	Hathras	Mill Quality Loose	Closed	1700	-
	Aligarh	Mill Quality Loose	Closed	1700	-
Punjab	Khanna	Mill Quality Loose	1800	1800	Unch
	Ludhiana (Jagraon)	Mill Delivery	1500	1400	100
Haryana	Sirsa	Mill Delivery loose	1725	1725	Unch
	Hodal	Mill Delivery	1500	1400	100
	Bhiwani	Mill Quality Loose	1760	1760	Unch
	Karnal	Mill Delivery	1500	1400	100
	Panipat	Mill Quality Loose	1500	1400	100
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	1500	1400	100
	Gandhidham (Rajasthan-Rajkot)	Mill Quality	1500	1400	100

Centre	Market	Variety	Prices (Rs/Qtl)		Change
			24-Jul-21	23-Jul-21	
Gujarat	Rajkot	Lokwan	1900	1900	Unch
M.P.	Indore	Lokwan	2100	2100	Unch
	Bhopal	Lokwan	2200	2200	Unch
	Bina	Sarbati 306	1500	1400	100
Rajasthan	Kota	Lokwan Bilty	1865	1875	-10
	Baran	Lokwan	2050	2030	20

Wheat Arrivals in Key Centers:

Centre	Market	Variety	Arrivals (Bags/Qtl)		Change
			24-Jul-21	23-Jul-21	
Delhi	Lawrence Road	Mill Delivery	8000	10000	-2000
	Narella	Mill Quality Loose	500	500	Unch
	Nazafgarh	Mill Quality Loose	200	300	-100
Gujarat	Rajkot	Mill Quality Loose	1500	1400	100
	Dhrol	Mill Quality Loose	1500	1400	100
M.P.	Indore	Mill Quality Loose	2000	3000	-1000
Rajasthan	Kota	Mill Quality	3500	5000	-1500
U.P.	Kanpur	Mill Quality Loose	Closed	1800	-
	Mathura	Mill Quality Loose	Closed	1000	-
	Kosi	Mill Quality Loose	Closed	1000	-
	Hathras	Mill Quality Loose	Closed	600	-
	Aligarh	Mill Quality Loose	Closed	700	-
Punjab	Khanna	Mill Quality Loose	400	500	-100
	(Ludhiana)Jagraon	Mill Quality Loose	1500	1400	100
Haryana	Sirsa	Mill Quality Loose	300	300	Unch
	Hodal	Mill Quality Loose	80	150	-70
	Bhiwani	Mill Quality Loose	300	200	100
	Karnal	Mill Delivery	1500	1400	100
	Panipat	Mill Quality Loose	1500	1400	100

Wheat (CBOT) Future Price: 23.07.2021

Contract Month	Open	High	Low	Close	Change
Sep21	688	696.75	677.5	684	-8.25
Dec21	698	706.25	687	693.5	-8
Mar22	704.25	712.5	694.25	701	-7.25
May22	702.5	712.75	698.25	702.25	-6.5
Jul22	687.25	693.5	682.25	686.75	-4.25
Dec22	689	694	688.25	689.25	-3.75

Disclaimer

The information and opinions contained in the document have been compiled from sources believed to be reliable. The company does not warrant its accuracy, completeness and correctness. Use of data and information contained in this report is at your own risk. This document is not, and should not be construed as, an offer to sell or solicitation to buy any commodities. This document may not be reproduced, distributed or published, in whole or in part, by any recipient hereof for any purpose without prior permission from the Company. IASL and its affiliates and/or their officers, directors and employees may have positions in any commodities mentioned in this document (or in any related investment) and may from time to time add to or dispose of any such commodities (or investment). Please see the detailed disclaimer at <http://www.agriwatch.com/Disclaimer.asp> © 2021 Indian Agribusiness Systems Pvt Ltd.