

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.85,58139, crore, the current RMS procurement operations have already benefited over 49.15 lakh farmers higher against 43.35 lakh farmers in 2020-21. 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.

International Market Update:

Wheat export prices in Russia rose last week due to unfavourable weather condition in key exporting countries. At the end of last week, prices for new-crop Russian wheat with 12.5 percent protein loading from Black Sea ports and for supply in August were \$248 per tonne FOB, up \$7 from the previous week. Dry weather condition in the country is affecting spring wheat. Spring wheat is being harmed by the country's dry weather. Sovecon, a Russian agriculture consultancy, reduced its prediction for Russia's wheat exports to 37.1 million tonnes in 2021/22. According to the European Commission, soft wheat exports from the European Union in the 2021/22 season, which began on July 1, had reached 624,574 tonnes by July 25. By the same week in 2020/21, the figure had dropped to 1.24 million tonnes. Spring wheat was graded 9 percent good-to-excellent in USDA weekly condition ratings, down 2 percentage points from a week earlier and 1 percentage point below the average of experts' estimates.

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 hectares in previous year. The department has also set the export duty of wheat at \$ 31.4 per tonnes from July 28 to August 3, 2021.

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: Isolated extremely heavy falls are likely over Gangetic West Bengal on 28th & 29th July, over Jharkhand on 29th and 30th July and over Chhattisgarh on 30th July and over East Madhya Pradesh on 31st July.

Wheat Futures Contract: NCDEX Price							Date:29.07.2021 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 29.07.2021

Centre	Market	Variety	Prices (Rs/Qtl)		Change
			29-Jul-21	28-Jul-21	
Delhi	Lawrence Road	Mill Delivery	1900	1885	15
	Narella	Mill Quality Loose	1830	Closed	-
	Nazafgarh	Mill Quality Loose	1820	Closed	-
Gujarat	Rajkot	Mill Delivery	1840	1840	Unch
	Ahmedabad	Mill Delivery	1985	1980	5
	Surat	Mill Delivery	2070	2060	10
	Dhrol	Mill Quality Loose	1780	1815	-35
M.P.	Indore	Mill Delivery	1925	1925	Unch
	Bhopal	Mill Quality Loose	1800	1800	Unch
Rajasthan	Kota	Mill Quality Loose	1800	1800	Unch
		Mill Delivery	1950	1950	Unch
U.P.	Kanpur	Mill Delivery	1725	1725	Unch
	Mathura	Mill Quality Loose	1695	1680	15
	Kosi	Mill Quality Loose	1690	1650	40
	Hathras	Mill Quality Loose	1700	1680	20
	Aligarh	Mill Quality Loose	1750	1690	60
Punjab	Khanna	Mill Quality Loose	1800	1800	Unch
	Ludhiana (Jagraon)	Mill Delivery	NA	NA	-
Haryana	Sirsa	Mill Delivery loose	1735	1730	5
	Hodal	Mill Delivery	NA	NA	-
	Bhiwani	Mill Quality Loose	1770	1760	10
	Karnal	Mill Delivery	NA	NA	-
	Panipat	Mill Quality Loose	NA	NA	-
Tamil Nadu	Chennai	Mill Quality	2100	2100	Unch
	Madurai	Mill Quality	2157	2157	Unch
	Coimbatore	Mill Quality	2157	2157	Unch
Bihar	Khagariya	Mill Delivery	1850	1850	Unch
	Muzaffarpur	Mill Delivery	1825	1825	Unch
FOR	Kandla (Rajasthan-Rajkot)	Mill Quality	NA	NA	-
	Gandhidham (Rajasthan-Rajkot)	Mill Quality	NA	NA	-

Centre	Market	Variety	Prices (Rs/Qtl)		Change
			29-Jul-21	28-Jul-21	
Gujarat	Rajkot	Lokwan	1950	1925	25
M.P.	Indore	Lokwan	2200	2200	Unch
	Bhopal	Lokwan	2200	2200	Unch
	Bina	Sarbati 306	NA	NA	-
Rajasthan	Kota	Lokwan Bilty	1925	1925	Unch
	Baran	Lokwan	2250	2250	Unch

Wheat Arrivals in Key Centers:

Centre	Market	Variety	Arrivals (Bags/Qtl)		Change
			29-Jul-21	28-Jul-21	
Delhi	Lawrence Road	Mill Delivery	6000	7000	-1000
	Narella	Mill Quality Loose	100	Closed	-
	Nazafgarh	Mill Quality Loose	100	Closed	-
Gujarat	Rajkot	Mill Quality Loose	1300	1600	-300
	Dhrol	Mill Quality Loose	75	114	-39
M.P.	Indore	Mill Quality Loose	3000	2000	1000
Rajasthan	Kota	Mill Quality	4000	3500	500
U.P.	Kanpur	Mill Quality Loose	1000	1000	Unch
	Mathura	Mill Quality Loose	1600	250	1350
	Kosi	Mill Quality Loose	400	300	100
	Hathras	Mill Quality Loose	350	200	150
	Aligarh	Mill Quality Loose	1500	300	1200
Punjab	Khanna	Mill Quality Loose	100	100	Unch
	(Ludhiana)Jagraon	Mill Quality Loose	NA	NA	-
Haryana	Sirsa	Mill Quality Loose	200	300	-100
	Hodal	Mill Quality Loose	30	50	-20
	Bhiwani	Mill Quality Loose	200	300	-100
	Karnal	Mill Delivery	NA	NA	-
	Panipat	Mill Quality Loose	NA	NA	-

Wheat (CBOT) Future Price: 28.07.2021

Contract Month	Open	High	Low	Close	Change
Sep21	675	696.25	673.75	688.75	14.25
Dec21	684.5	705.5	684	697.75	13.5
Mar22	691	712	691	704.75	13.25
May22	692.75	712.5	692.75	705.25	12.75
Jul22	676	694.5	676	687.5	10.75
Dec22	687.5	692.5	687	689.75	10.5

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