

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:

Argentina's wheat harvest for 2021/22 was destroyed last week, according to sources, due to early morning frosts and persistently low temperatures. So far, 99 percent of Argentina's wheat planting has been completed.

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.

Weather Outlook: Previous week's extremely heavy rainfall spells (24 hours rainfall > 204.4 mm) over Konkan and Goa, and Ghat areas of Maharashtra was continued till 24th July followed with drastic reduction thereafter. It was only moderate to isolated heavy rainfall occurrences over these areas during 24-29th July. Weekly cumulative % rainfall departure for the country as a whole is +15% from its Long Period Average (LPA) during the week, while it's Seasonal cumulative % Rainfall departure from LPA since 1 June till 28 July, 2021 is -2 %.

Wheat Futures Contract: NCDEX Price							Date:30.07.2021 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
			31-Jul-21	30-Jul-21	
Delhi	Lawrence Road	Mill Delivery	1900	1910	-10
	Narella	Mill Quality Loose	1830	1840	-10
	Nazafgarh	Mill Quality Loose	1825	1830	-5
Gujarat	Rajkot	Mill Delivery	1800	1810	-10
	Ahmedabad	Mill Delivery	1990	1980	10
	Surat	Mill Delivery	2050	2040	10
	Dhrol	Mill Quality Loose	1850	1780	70
M.P.	Indore	Mill Delivery	1945	1945	Unch
	Bhopal	Mill Quality Loose	1850	1825	25
Rajasthan	Kota	Mill Quality Loose	1825	1825	Unch
		Mill Delivery	1975	1975	Unch
U.P.	Kanpur	Mill Delivery	Closed	1735	-
	Mathura	Mill Quality Loose	Closed	1720	-
	Kosi	Mill Quality Loose	Closed	1710	-
	Hathras	Mill Quality Loose	Closed	1650	-
	Aligarh	Mill Quality Loose	Closed	1640	-
Punjab	Khanna	Mill Quality Loose	1800	1800	Unch
	Ludhiana (Jagraon)	Mill Delivery	NA	NA	-
Haryana	Sirsa	Mill Delivery loose	1740	1740	Unch
	Hodal	Mill Delivery	NA	NA	-
	Bhiwani	Mill Quality Loose	1790	1790	Unch
	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
			31-Jul-21	30-Jul-21	
Gujarat	Rajkot	Lokwan	1900	1900	Unch
M.P.	Indore	Lokwan	2200	2225	-25
	Bhopal	Lokwan	2230	2230	Unch
	Bina	Sarbati 306	NA	NA	-
Rajasthan	Kota	Lokwan Bilty	1950	1950	Unch
	Baran	Lokwan	2275	2275	Unch

Wheat Arrivals in Key Centers:

Centre	Market	Variety	Arrivals (Bags/Qtl)		Change
			31-Jul-21	30-Jul-21	
Delhi	Lawrence Road	Mill Delivery	4500	4000	500
	Narella	Mill Quality Loose	100	70	30
	Nazafgarh	Mill Quality Loose	100	60	40
Gujarat	Rajkot	Mill Quality Loose	1800	1500	300
	Dhrol	Mill Quality Loose	69	75	-6
M.P.	Indore	Mill Quality Loose	4000	5000	-1000
Rajasthan	Kota	Mill Quality	3500	3000	500
U.P.	Kanpur	Mill Quality Loose	Closed	1200	-
	Mathura	Mill Quality Loose	Closed	1800	-
	Kosi	Mill Quality Loose	Closed	1000	-
	Hathras	Mill Quality Loose	Closed	300	-
	Aligarh	Mill Quality Loose	Closed	2200	-
Punjab	Khanna	Mill Quality Loose	300	200	100
	(Ludhiana)Jagraon	Mill Quality Loose	NA	NA	-
Haryana	Sirsa	Mill Quality Loose	200	200	Unch
	Hodal	Mill Quality Loose	100	30	70
	Bhiwani	Mill Quality Loose	300	200	100
	Karnal	Mill Delivery	NA	NA	-
	Panipat	Mill Quality Loose	NA	NA	-

Wheat (CBOT) Future Price: 31.07.2021

Contract Month	Open	High	Low	Close	Change
Sep21	673.25	679.5	664	673.25	-1.25
Dec21	683.75	690.25	675	684.25	-1
Mar22	690.5	697.5	682.5	691.5	-0.75
May22	692	698.75	685.5	694.25	unch
Jul22	678	683.5	670.75	680.75	1
Dec22	676	685	676	682	1.25

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