

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 futures on the CBOT fell over the weekend Friday after gaining the day before. Due to concerns about global wheat supply and lower-than-expected yields in a key U.S. growing region, wheat prices have risen to a new high of 2.5 percent on 29th July 2021.

European Union soft wheat exports is kept unchanged at 30 million tonnes for 2021/22 compared to last month. EU union member countries may grow higher soft wheat production for 2021/22 at 127.7 million tonnes, against 125.8 million as estimated in June'21 and 119.4 million tonnes last year.

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.

Weather Outlook: Current activity of Intense wet spell over Central and adjoining plains of Northwest India (West Madhya Pradesh and East Rajasthan) likely to continue till 4th August. Reduced rainfall activity over Peninsular India and adjoining Eastcentral India, Maharashtra and Gujarat state likely to continue during next 4-5 days.

Wheat Futures Contract: NCDEX Price							Date:02.08.2021 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 02.08.2021

Centre	Market	Variety	Prices (Rs/Qtl)		Change
			02-Aug-21	31-Jul-21	
Delhi	Lawrence Road	Mill Delivery	1875	1900	-25
	Narella	Mill Quality Loose	1760	1830	-70
	Nazafgarh	Mill Quality Loose	1790	1825	-35
Gujarat	Rajkot	Mill Delivery	1820	1800	20
	Ahmedabad	Mill Delivery	1870	1990	-120
	Surat	Mill Delivery	1950	2050	-100
	Dhrol	Mill Quality Loose	NA	1850	-
M.P.	Indore	Mill Delivery	-	1900	-1900
	Bhopal	Mill Quality Loose	-	1800	-1800
Rajasthan	Kota	Mill Quality Loose	1775	1825	-50
		Mill Delivery	1925	1975	-50
U.P.	Kanpur	Mill Delivery	1730	Closed	-
	Mathura	Mill Quality Loose	1680	Closed	-
	Kosi	Mill Quality Loose	1700	Closed	-
	Hathras	Mill Quality Loose	1700	Closed	-
	Aligarh	Mill Quality Loose	1700	Closed	-
Punjab	Khanna	Mill Quality Loose	1790	1800	-10
	Ludhiana (Jagraon)	Mill Delivery	-	-	-
Haryana	Sirsa	Mill Delivery loose	-	1740	-1740
	Hodal	Mill Delivery	-	NA	-
	Bhiwani	Mill Quality Loose	-	1770	-1770
	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	1850	-150
	Muzaffarpur	Mill Delivery	1750	1825	-75
FOR	Kandla (Rajasthan-Rajkot)	Mill Quality	-	-	-
	Gandhidham (Rajasthan-Rajkot)	Mill Quality	-	-	-

Centre	Market	Variety	Prices (Rs/Qtl)		Change
			02-Aug-21	31-Jul-21	
Gujarat	Rajkot	Lokwan	1900	1900	Unch
M.P.	Indore	Lokwan	-	-	-
	Bhopal	Lokwan	-	-	-
	Bina	Sarbati 306	-	-	-
Rajasthan	Kota	Lokwan Bilty	1900	1950	-50
	Baran	Lokwan	2000	2300	-300

Wheat Arrivals in Key Centers:

Centre	Market	Variety	Arrivals (Bags/Qtl)		Change
			02-Aug-21	31-Jul-21	
Delhi	Lawrence Road	Mill Delivery	8000	4500	3500
	Narella	Mill Quality Loose	150	100	50
	Nazafgarh	Mill Quality Loose	50	100	-50
Gujarat	Rajkot	Mill Quality Loose	1800	1800	Unch
	Dhrol	Mill Quality Loose	NA	69	-
M.P.	Indore	Mill Quality Loose	-	1000	-
Rajasthan	Kota	Mill Quality	2000	3500	-1500
U.P.	Kanpur	Mill Quality Loose	1000	Closed	-
	Mathura	Mill Quality Loose	500	Closed	-
	Kosi	Mill Quality Loose	500	Closed	-
	Hathras	Mill Quality Loose	150	Closed	-
	Aligarh	Mill Quality Loose	500	Closed	-
Punjab	Khanna	Mill Quality Loose	600	300	300
	(Ludhiana)Jagraon	Mill Quality Loose	-	-	-
Haryana	Sirsa	Mill Quality Loose	-	300	-
	Hodal	Mill Quality Loose	-	50	-
	Bhiwani	Mill Quality Loose	-	400	-
	Karnal	Mill Delivery	-	-	-
	Panipat	Mill Quality Loose	-	-	-

Wheat (CBOT) Future Price: 30.07.2021

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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