

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.

According to USDA, India is expected to ship more wheat in 2020-21 as a result of weaker output in the European Union, smaller crop sizes in Ukraine, and Russian government policy. China's strong demand will also assist India's export volume grow.

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.

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 prices on the CBOT were unchanged yesterday. On August 10th, 2021, prices increased by 2.2 percent. Lower winter wheat yields in Russia, drought damage in North America's spring wheat crop, and excessive rain during the European Union harvest have all prompted concerns regarding export supply.

According to the Russian agriculture ministry, the country harvested 47.4 million mt of wheat from the start of the MY2021-22 and Aug. 3, 2021, down from 49.7 million mt the previous year over the same period. So far, farmers have harvested 13.8 million hectares of crop, up from 13.6 million hectares last year. Wheat yields have dropped to 34.3 kg/hectare, down from 36.6 kg/hectare in the previous year. From July 28 through August 3, 2021, the agency has set the wheat export tariff at \$31.4 per tonne. The FOB price of Russia's 12.5 percent protein wheat was \$267/mt at the end of last week up \$13 from the previous week. Export volume was estimated to be lower in July'21 due to delayed harvesting, but it is expected to increase between 4 and 4.5 million tonnes in August 2021.

According to IKRA, due to low yields in the Central and Volga regions, Russia may produce 3 million MT less wheat harvest, bringing the total to 78.5 million MT. S&P Platts estimates the crop size for MY 2021-22 to be 83.8 million MT.

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.

Weather Outlook: Weak monsoon conditions also prevailed over other parts of the country covering northwest India and central India towards end of the week during 10-12 July, with the eastern end of the monsoon trough close to the foot hills of the Himalayas and western end to the north of its normal position. It caused fairly widespread to widespread rainfall with isolated heavy to very heavy rainfall during 10-12 Aug over northeast and adjoining eastern parts of India and isolated extremely heavy rainfall over Meghalaya on 10th and 12th Aug.2021.

Wheat Futures Contract: NCDEX Price							Date:12.08.2021 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	-	-	-	-	1908	-	-	-	-
21-Sep	-	-	-	-	-	-	-	-	-

Wheat Daily Prices and Arrivals on 02.08.2021

Centre	Market	Variety	Prices (Rs/Qtl)		Change
			12-Aug-21	11-Aug-21	
Delhi	Lawrence Road	Mill Delivery	1890	1890	Unch
	Narella	Mill Quality Loose	1780	Closed	-
	Nazafgarh	Mill Quality Loose	1790	Closed	-
Gujarat	Rajkot	Mill Delivery	1900	1900	Unch
	Ahmedabad	Mill Delivery	1925	1910	15
	Surat	Mill Delivery	2010	2000	10
	Dhrol	Mill Quality Loose	1830	1845	-15
M.P.	Indore	Mill Delivery	1940	1925	15
	Bhopal	Mill Quality Loose	1850	1800	50
Rajasthan	Kota	Mill Quality Loose	1775	1780	-5
		Mill Delivery	1900	1925	-25
U.P.	Kanpur	Mill Delivery	1740	1740	Unch
	Mathura	Mill Quality Loose	1710	1680	30
	Kosi	Mill Quality Loose	1660	1680	-20
	Hathras	Mill Quality Loose	1690	1670	20
	Aligarh	Mill Quality Loose	1680	1710	-30
Punjab	Khanna	Mill Quality Loose	1780	1780	Unch
	Ludhiana (Jagraon)	Mill Delivery	-	-	-
Haryana	Sirsa	Mill Delivery loose	1735	1740	-5
	Hodal	Mill Delivery	NA	NA	-
	Bhiwani	Mill Quality Loose	1780	1780	Unch
	Karnal	Mill Delivery	NA	NA	-
	Panipat	Mill Quality Loose	NA	NA	-
Tamil Nadu	Chennai	Mill Quality	2150	2150	Unch
	Madurai	Mill Quality	2207	2207	Unch
	Coimbatore	Mill Quality	2207	2207	Unch
Bihar	Khagariya	Mill Delivery	1600	1600	Unch
	Muzaffarpur	Mill Delivery	1650	1650	Unch
FOR	Kandla (Rajasthan-Rajkot)	Mill Quality	NA	NA	-
	Gandhidham (Rajasthan-Rajkot)	Mill Quality	NA	NA	-

Centre	Market	Variety	Prices (Rs/Qtl)		Change
			12-Aug-21	11-Aug-21	
Gujarat	Rajkot	Lokwan	1950	1950	Unch
M.P.	Indore	Lokwan	2100	2100	Unch
	Bhopal	Lokwan	2300	2250	50
	Bina	Sarbati 306	NA	NA	-
Rajasthan	Kota	Lokwan Bilty	1900	1905	-5
	Baran	Lokwan	2040	2015	25

Wheat Arrivals in Key Centers:

Centre	Market	Variety	Arrivals (Bags/Qtl)		Change
			12-Aug-21	11-Aug-21	
Delhi	Lawrence Road	Mill Delivery	4000	6000	-2000
	Narella	Mill Quality Loose	400	Closed	-
	Nazafgarh	Mill Quality Loose	200	Closed	-
Gujarat	Rajkot	Mill Quality Loose	1200	1300	-100
	Dhrol	Mill Quality Loose	71	60	11
M.P.	Indore	Mill Quality Loose	3000	1600	1400
Rajasthan	Kota	Mill Quality	9000	8000	1000
U.P.	Kanpur	Mill Quality Loose	700	1000	-300
	Mathura	Mill Quality Loose	800	1500	-700
	Kosi	Mill Quality Loose	1800	1000	800
	Hathras	Mill Quality Loose	370	150	220
	Aligarh	Mill Quality Loose	300	250	50
Punjab	Khanna	Mill Quality Loose	500	500	Unch
	(Ludhiana)Jagraon	Mill Quality Loose	-	-	-
Haryana	Sirsa	Mill Quality Loose	200	300	-100
	Hodal	Mill Quality Loose	80	150	-70
	Bhiwani	Mill Quality Loose	200	300	-100
	Karnal	Mill Delivery	-	-	-
	Panipat	Mill Quality Loose	-	-	-

Wheat (CBOT) Future Price: 12.08.2021

Contract Month	Open	High	Low	Close	Change
Sep21	726.75	732.25	718.75	727	Unch
Dec21	739.5	744.75	731.5	739.25	-0.25
Mar22	748.25	754.25	741.5	749	-0.25
May22	750.75	756.5	744.5	752	Unch
Jul22	725.25	729	719	726.25	-0.75
Dec22	721.5	728.75	720.75	727.75	-0.25

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