

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. Total 49.15 lakh farmers have been benefitted. 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 extended its gain on Friday after lower production estimates of the major exporting countries in USDA recent reports. USDA cut production estimates by 24% for Canada from its July estimates and also cut 15% for Russia on account of hot and dry condition. It also cut U.S. production estimates by 2.8% due to drought.

USDA cut U.S. wheat supply, domestic use and ending stocks in Aug 2021 for MY 2021/21, which might support an increase in the CBOT price in the near future. In Aug'21 report, U.S. wheat output for 2021/22 is estimated to be 46.18 MMT, down from 47.52 MMT in Jul '21 report, based primarily on reductions to hard red winter and soft white winter production. Total supplies are expected to be 74.43 MMT, down from 78.24 MMT in the June report. The country's ending stockpiles have decreased to 17.05 MMT from 18.09 MMT in the previous report.

According to the Russian agriculture ministry, the country harvested 50.2 million MT of wheat from the start of the MY2021-22 and Aug. 3, 2021, down from 53.4 million MT the previous year over the same period. So far, farmers have harvested 14.7 million hectares of crop, up from 14.5 million hectares last year.

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: Fairly widespread to widespread rainfall activity very likely over Maharashtra (except Vidarbha area) during next 3 days till 19 Aug with reduction thereafter. Isolated heavy falls very likely over these areas during 16 and 17th August and Isolated heavy to very heavy falls very likely on 19th August. Subdued rainfall very likely to continue over northwest India and Gujarat during next 4 days.

Wheat Daily Prices and Arrivals on 14.08.2021

Centre	Market	Variety	Prices (Rs/Qtl)		Change
			16-Aug-21	14-Aug-21	
Delhi	Lawrence Road	Mill Delivery	1900	1880	20
	Narella	Mill Quality Loose	1850	1880	-30
	Nazafgarh	Mill Quality Loose	1815	1825	-10
Gujarat	Rajkot	Mill Delivery	1940	1880	60
	Ahmedabad	Mill Delivery	1950	1940	10
	Surat	Mill Delivery	2050	2030	20
	Dhrol	Mill Quality Loose	1880	NA	-
M.P.	Indore	Mill Delivery	1910	1925	-15
	Bhopal	Mill Quality Loose	1800	1825	-25
Rajasthan	Kota	Mill Quality Loose	1800	1780	20
		Mill Delivery	1950	1930	20
U.P.	Kanpur	Mill Delivery	1750	Closed	-
	Mathura	Mill Quality Loose	1700	Closed	-
	Kosi	Mill Quality Loose	1710	Closed	-
	Hathras	Mill Quality Loose	1730	Closed	-
	Aligarh	Mill Quality Loose	1730	Closed	-
Punjab	Khanna	Mill Quality Loose	1720	1800	-80
	Ludhiana (Jagraon)	Mill Delivery	-	-	-
Haryana	Sirsa	Mill Delivery loose	1730	1735	-5
	Hodal	Mill Delivery	NA	NA	-
	Bhiwani	Mill Quality Loose	1800	1790	10
	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	1700	1600	100
	Muzaffarpur	Mill Delivery	1700	1650	50
FOR	Kandla (Rajasthan-Rajkot)	Mill Quality	NA	NA	-
	Gandhidham (Rajasthan-Rajkot)	Mill Quality	NA	NA	-

Centre	Market	Variety	Prices (Rs/Qtl)		Change
			16-Aug-21	14-Aug-21	
Gujarat	Rajkot	Lokwan	2000	1950	50
M.P.	Indore	Lokwan	2100	2100	Unch
	Bhopal	Lokwan	2250	2300	-50
	Bina	Sarbati 306	NA	NA	-
Rajasthan	Kota	Lokwan Bilty	1925	1905	20
	Baran	Lokwan	1970	2110	-140

Wheat Arrivals in Key Centers:

Centre	Market	Variety	Arrivals (Bags/Qtl)		Change
			16-Aug-21	14-Aug-21	
Delhi	Lawrence Road	Mill Delivery	7000	6000	1000
	Narella	Mill Quality Loose	300	150	150
	Nazafgarh	Mill Quality Loose	200	100	100
Gujarat	Rajkot	Mill Quality Loose	2000	1800	200
	Dhrol	Mill Quality Loose	122	NA	-
M.P.	Indore	Mill Quality Loose	2000	1000	1000
Rajasthan	Kota	Mill Quality	5000	4000	1000
U.P.	Kanpur	Mill Quality Loose	1200	Closed	-
	Mathura	Mill Quality Loose	1200	Closed	-
	Kosi	Mill Quality Loose	1500	Closed	-
	Hathras	Mill Quality Loose	500	Closed	-
	Aligarh	Mill Quality Loose	300	Closed	-
Punjab	Khanna	Mill Quality Loose	600	500	100
	(Ludhiana)Jagraon	Mill Quality Loose	-	-	-
Haryana	Sirsa	Mill Quality Loose	300	200	100
	Hodal	Mill Quality Loose	100	100	Unch
	Bhiwani	Mill Quality Loose	200	350	-150
	Karnal	Mill Delivery	NA	NA	-
	Panipat	Mill Quality Loose	NA	NA	-

Wheat (CBOT) Future Price: 13.08.2021

Contract Month	Open	High	Low	Close	Change
Sep21	753	774.75	747.5	762.25	8.75
Dec21	763.75	786.5	759	774.25	9.5
Mar22	773.5	795.75	768.75	784	9.5
May22	775	795.5	770.75	784.25	7.25
Jul22	738	748	731	741	1.5
Dec22	736.75	746.25	735	740.75	0.75

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