

Wheat Domestic Fundamentals:

Wheat output is expected to reach a new high of 109.52 million tonnes in 2020-21, according to the agriculture ministry's fourth advance estimate. It is 9.10 million tonnes higher than the average production estimates of 100.42 million tonnes over the previous five years. It is also higher by 1.53% from 107.86 from last year record amid good monsoon rain last year. Due to higher output of rice, wheat, and pulses, India's foodgrain production is expected to rise by 3.74 percent to a new record of 308.65 million tonnes in the crop year 2020-21 compared to 297.5 million tonnes in 2019-20 due to good monsoon rains last year. From its third estimate of 305.43 million tonnes for the same year, the estimate has been revised higher by 3.22 million tonnes.

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.

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.

International Market Update:

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
			18-Aug-21	17-Aug-21	
Delhi	Lawrence Road	Mill Delivery	1885	1885	Unch
	Narella	Mill Quality Loose	Closed	1830	-
	Nazafgarh	Mill Quality Loose	Closed	1800	-
Gujarat	Rajkot	Mill Delivery	1925	1950	-25
	Ahmedabad	Mill Delivery	1980	1990	-10
	Surat	Mill Delivery	2070	2080	-10
	Dhrol	Mill Quality Loose	NA	1925	-
M.P.	Indore	Mill Delivery	1880	1860	20
	Bhopal	Mill Quality Loose	1800	1760	40
Rajasthan	Kota	Mill Quality Loose	1800	1770	30
		Mill Delivery	1950	1920	30
U.P.	Kanpur	Mill Delivery	1750	1730	20
	Mathura	Mill Quality Loose	1680	1680	Unch
	Kosi	Mill Quality Loose	1670	1680	-10
	Hathras	Mill Quality Loose	1700	1680	20
	Aligarh	Mill Quality Loose	1680	1700	-20
Punjab	Khanna	Mill Quality Loose	1700	1700	Unch
	Ludhiana (Jagraon)	Mill Delivery	-	-	
Haryana	Sirsa	Mill Delivery loose	1745	1745	Unch
	Hodal	Mill Delivery		-	-
	Bhiwani	Mill Quality Loose	1780	1800	-20
	Karnal	Mill Delivery	NA	-	-
	Panipat	Mill Quality Loose	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	1700	Unch
	Muzaffarpur	Mill Delivery	1700	1700	Unch
FOR	Kandla (Rajasthan-Rajkot)	Mill Quality	-	-	-
	Gandhidham (Rajasthan-Rajkot)	Mill Quality	-	-	-

Centre	Market	Variety	Prices (Rs/Qtl)		Change
			18-Aug-21	17-Aug-21	
Gujarat	Rajkot	Lokwan	2000	2000	Unch
M.P.	Indore	Lokwan	2000	2000	Unch
	Bhopal	Lokwan	2150	2150	Unch
	Bina	Sarbati 306	-	-	-
Rajasthan	Kota	Lokwan Bilty	1925	1895	30
	Baran	Lokwan	2000	1920	80

Wheat Arrivals in Key Centers:

Centre	Market	Variety	Arrivals (Bags/Qtl)		Change
			18-Aug-21	17-Aug-21	
Delhi	Lawrence Road	Mill Delivery	4000	6000	-2000
	Narella	Mill Quality Loose	Closed	300	-
	Nazafgarh	Mill Quality Loose	Closed	250	-
Gujarat	Rajkot	Mill Quality Loose	1500	1300	200
	Dhrol	Mill Quality Loose	NA	102	-
M.P.	Indore	Mill Quality Loose	3000	4000	-1000
Rajasthan	Kota	Mill Quality	5000	4500	500
U.P.	Kanpur	Mill Quality Loose	2000	1500	500
	Mathura	Mill Quality Loose	1500	1400	100
	Kosi	Mill Quality Loose	1000	2000	-1000
	Hathras	Mill Quality Loose	300	270	30
	Aligarh	Mill Quality Loose	400	280	120
Punjab	Khanna	Mill Quality Loose	500	800	-300
	(Ludhiana)Jagraon	Mill Quality Loose	-	-	-
Haryana	Sirsa	Mill Quality Loose	300	300	Unch
	Hodal	Mill Quality Loose	150	200	-50
	Bhiwani	Mill Quality Loose	500	300	200
	Karnal	Mill Delivery	NA	-	-
	Panipat	Mill Quality Loose	NA	-	-

Wheat (CBOT) Future Price: 17.08.2021

Contract Month	Open	High	Low	Close	Change
Sep21	762.5	763.75	732.25	734.5	-26
Dec21	777	778.25	745.5	748.5	-26.5
Mar22	787.25	789.5	758.25	761.25	-24.75
May22	787.75	789.5	761.25	764.25	-23
Jul22	746.5	747.75	722.5	730.25	-15
Dec22	744.5	746.5	722.5	730.5	-14

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