

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 Jul'21, India exported 4.72 lakh tonnes of wheat higher against 4.10 lakh tonnes in June 2021. Indian wheat exports has increased amid global supplies concern. Indian wheat export volume has also increased in Jul month despite higher FOB price. 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: Rainfall activity is very likely to increase with fairly widespread rainfall with isolated heavy falls over Tamilnadu, Puducherry & Karaikal, Kerala & Mahe and South Interior Karnataka during 21st to 23rd August, 2021. Light/moderate isolated to scattered rainfall likely over rest parts of Peninsular India.

Wheat Daily Prices and Arrivals

Centre	Market	Variety	Prices (Rs/Qtl)		Change
			21-Aug-21	20-Aug-21	
Delhi	Lawrence Road	Mill Delivery	1930	1950	-20
	Narella	Mill Quality Loose	1900	1900	Unch
	Nazafgarh	Mill Quality Loose	1800	1800	Unch
Gujarat	Rajkot	Mill Delivery	1940	1950	-10
	Ahmedabad	Mill Delivery	1970	1980	-10
	Surat	Mill Delivery	2070	2080	-10
	Dhrol	Mill Quality Loose	1950	1905	45
M.P.	Indore	Mill Delivery	1930	1925	5
	Bhopal	Mill Quality Loose	1830	1800	30
Rajasthan	Kota	Mill Quality Loose	1825	1800	25
		Mill Delivery	1975	1950	25
U.P.	Kanpur	Mill Delivery	1750	1760	-10
	Mathura	Mill Quality Loose	1720	1710	10
	Kosi	Mill Quality Loose	1720	1700	20
	Hathras	Mill Quality Loose	1700	1725	-25
	Aligarh	Mill Quality Loose	1730	1700	30
Punjab	Khanna	Mill Quality Loose	1725	1725	Unch
	Ludhiana (Jagraon)	Mill Delivery	-	-	-
Haryana	Sirsa	Mill Delivery loose	1740	1740	Unch
	Hodal	Mill Delivery	NA	NA	-
	Bhiwani	Mill Quality Loose	1800	1800	Unch
	Karnal	Mill Delivery	NA	NA	-
	Panipat	Mill Quality Loose	NA	NA	-
Tamil Nadu	Chennai	Mill Quality	2200	2200	Unch
	Madurai	Mill Quality	2257	2257	Unch
	Coimbatore	Mill Quality	2257	2257	Unch
Bihar	Khagariya	Mill Delivery	1700	1700	Unch
	Muzaffarpur	Mill Delivery	1700	1700	Unch
FOR	Kandla (Rajasthan-Rajkot)	Mill Quality	NA	NA	-
	Gandhidham (Rajasthan-Rajkot)	Mill Quality	NA	NA	-

Centre	Market	Variety	Prices (Rs/Qtl)		Change
			21-Aug-21	20-Aug-21	
Gujarat	Rajkot	Lokwan	2100	2100	Unch
M.P.	Indore	Lokwan	2100	2100	Unch
	Bhopal	Lokwan	2250	2250	Unch
	Bina	Sarbati 306	NA	NA	-
Rajasthan	Kota	Lokwan Bilty	1950	1925	25
	Baran	Lokwan	2050	2020	30

Wheat Arrivals in Key Centers:

Centre	Market	Variety	Arrivals (Bags/Qtl)		Change
			21-Aug-21	20-Aug-21	
Delhi	Lawrence Road	Mill Delivery	3000	2500	500
	Narella	Mill Quality Loose	200	250	-50
	Nazafgarh	Mill Quality Loose	100	50	50
Gujarat	Rajkot	Mill Quality Loose	1200	1300	-100
	Dhrol	Mill Quality Loose	120	70	50
M.P.	Indore	Mill Quality Loose	1000	1000	Unch
Rajasthan	Kota	Mill Quality	4000	3000	1000
U.P.	Kanpur	Mill Quality Loose	1200	1000	200
	Mathura	Mill Quality Loose	1000	700	300
	Kosi	Mill Quality Loose	1000	500	500
	Hathras	Mill Quality Loose	250	150	100
	Aligarh	Mill Quality Loose	500	300	200
Punjab	Khanna	Mill Quality Loose	300	300	Unch
	(Ludhiana)Jagraon	Mill Quality Loose	0	0	Unch
Haryana	Sirsa	Mill Quality Loose	200	300	-100
	Hodal	Mill Quality Loose	50	100	-50
	Bhiwani	Mill Quality Loose	200	300	-100
	Karnal	Mill Delivery	NA	NA	-
	Panipat	Mill Quality Loose	NA	NA	-

Wheat (CBOT) Future Price: 19.08.2021

Contract Month	Open	High	Low	Close	Change
Sep21	737	737	716	727.5	-9.75
Dec21	751	751	730.75	742.75	-8.5
Mar22	764.5	764.5	744.25	756.25	-7.75
May22	763.75	765.5	748	760.25	-6.75
Jul22	728.25	730.25	714.75	725.75	-5.25
Dec22	727.5	727.5	714.75	726.25	-4

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