

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 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:

The wheat harvest in Ukraine is completed producing a total of 32 million tonnes from 97.6 percent of sown area. According to agriculture ministry, the productivity came out to be 4.62 tonne per hectare.

Russia, the world's largest wheat exporter is expected to send a total of 120,000 tonnes of Russian wheat to Algeria in September. Also, Algeria agreed to import 290,000 tonnes of optional milling wheat from Russia earlier this week. Algeria's import relaxations regarding bug damage has helped Russia to export wheat with higher protein from Black Sea.

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 with isolated heavy falls very likely to continue over Bihar, East Uttar Pradesh and Uttarakhand till 27th August. Scattered to fairly widespread rainfall activity with isolated heavy falls over Tamilnadu and Kerala & Mahe on 23rd, 26th & 27th August.

Wheat Daily Prices and Arrivals

Centre	Market	Variety	Prices (Rs/Qtl)		Change
			23-Aug-21	21-Aug-21	
Delhi	Lawrence Road	Mill Delivery	2000	1930	70
	Narella	Mill Quality Loose	1900	1900	Unch
	Nazafgarh	Mill Quality Loose	1825	1800	25
Gujarat	Rajkot	Mill Delivery	1950	1940	10
	Ahmedabad	Mill Delivery	1995	1970	25
	Surat	Mill Delivery	2065	2070	-5
	Dhrol	Mill Quality Loose	1925	1950	-25
M.P.	Indore	Mill Delivery	1940	1930	10
	Bhopal	Mill Quality Loose	1825	1830	-5
Rajasthan	Kota	Mill Quality Loose	1800	1825	-25
		Mill Delivery	1950	1975	-25
U.P.	Kanpur	Mill Delivery	1800	1750	50
	Mathura	Mill Quality Loose	1775	1720	55
	Kosi	Mill Quality Loose	1700	1720	-20
	Hathras	Mill Quality Loose	1750	1700	50
	Aligarh	Mill Quality Loose	1750	1730	20
Punjab	Khanna	Mill Quality Loose	1760	1725	35
	Ludhiana (Jagraon)	Mill Delivery	-	-	-
Haryana	Sirsa	Mill Delivery loose	1745	1740	5
	Hodal	Mill Delivery	NA	0	-
	Bhiwani	Mill Quality Loose	1830	1800	30
	Karnal	Mill Delivery	-	-	-
	Panipat	Mill Quality Loose	-	-	-
Tamil Nadu	Chennai	Mill Quality	2200	2200	Unch
	Madurai	Mill Quality	2257	2257	Unch
	Coimbatore	Mill Quality	2257	2257	Unch
Bihar	Khagariya	Mill Delivery	2000	1700	300
	Muzaffarpur	Mill Delivery	1900	1700	200
FOR	Kandla (Rajasthan-Rajkot)	Mill Quality	-	-	-
	Gandhidham (Rajasthan-Rajkot)	Mill Quality	-	-	-

Centre	Market	Variety	Prices (Rs/Qtl)		Change
			23-Aug-21	21-Aug-21	
Gujarat	Rajkot	Lokwan	2050	2100	-50
M.P.	Indore	Lokwan	2100	2100	Unch
	Bhopal	Lokwan	2200	2250	-50
	Bina	Sarbati 306	-	-	-
Rajasthan	Kota	Lokwan Bilty	1925	1950	-25
	Baran	Lokwan	2000	2050	-50

Wheat Arrivals in Key Centers:

Centre	Market	Variety	Arrivals (Bags/Qtl)		Change
			23-Aug-21	21-Aug-21	
Delhi	Lawrence Road	Mill Delivery	5000	3000	2000
	Narella	Mill Quality Loose	150	200	-50
	Nazafgarh	Mill Quality Loose	100	100	Unch
Gujarat	Rajkot	Mill Quality Loose	1700	1200	500
	Dhrol	Mill Quality Loose	97	120	-23
M.P.	Indore	Mill Quality Loose	2000	1000	1000
Rajasthan	Kota	Mill Quality	800	4000	-3200
U.P.	Kanpur	Mill Quality Loose	700	1200	-500
	Mathura	Mill Quality Loose	200	1000	-800
	Kosi	Mill Quality Loose	300	1000	-700
	Hathras	Mill Quality Loose	300	250	50
	Aligarh	Mill Quality Loose	400	500	-100
Punjab	Khanna	Mill Quality Loose	600	300	300
	(Ludhiana)Jagraon	Mill Quality Loose	-	-	-
-	Sirsa	Mill Quality Loose	300	200	100
	Hodal	Mill Quality Loose	80	50	30
	Bhiwani	Mill Quality Loose	400	200	200
	Karnal	Mill Delivery	-	-	-
	Panipat	Mill Quality Loose	-	-	-

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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