

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.

Russia had started flat tax on wheat exports in February and floating tax duties in June. The floating duty increased from \$30.40 last week to \$31.70 this week. The USDA expects Russia to produce a total of 72.5 million tons of wheat this month which is 15 percent lower than the forecasted value..

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. Eastern India to experience thunderstorm along with lightning for the coming 3 days.

Wheat Daily Prices and Arrivals

Centre	Market	Variety	Prices (Rs/Qtl)		Change
			24-Aug-21	23-Aug-21	
Delhi	Lawrence Road	Mill Delivery	2000	2000	Unch
	Narella	Mill Quality Loose	1900	1900	Unch
	Nazafgarh	Mill Quality Loose	1850	1825	25
Gujarat	Rajkot	Mill Delivery	1950	1950	Unch
	Ahmedabad	Mill Delivery	1995	1995	Unch
	Surat	Mill Delivery	2065	2065	Unch
	Dhrol	Mill Quality Loose	1915	1925	-10
M.P.	Indore	Mill Delivery	1940	1940	Unch
	Bhopal	Mill Quality Loose	1850	1825	25
Rajasthan	Kota	Mill Quality Loose	1800	1800	Unch
		Mill Delivery	1950	1950	Unch
U.P.	Kanpur	Mill Delivery	1850	1800	50
	Mathura	Mill Quality Loose	1760	1775	-15
	Kosi	Mill Quality Loose	1700	1700	Unch
	Hathras	Mill Quality Loose	1750	1750	Unch
	Aligarh	Mill Quality Loose	1740	1750	-10
Punjab	Khanna	Mill Quality Loose	1760	1760	Unch
	Ludhiana (Jagraon)	Mill Delivery	-	-	Unch
Haryana	Sirsa	Mill Delivery loose	1745	1745	Unch
	Hodal	Mill Delivery	-	-	-
	Bhiwani	Mill Quality Loose	1830	1830	Unch
	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	2000	Unch
	Muzaffarpur	Mill Delivery	1900	1900	Unch
FOR	Kandla (Rajasthan-Rajkot)	Mill Quality	-	-	-
	Gandhidham (Rajasthan-Rajkot)	Mill Quality	-	-	-

Centre	Market	Variety	Prices (Rs/Qtl)		Change
			24-Aug-21	23-Aug-21	
Gujarat	Rajkot	Lokwan	2050	2050	Unch
M.P.	Indore	Lokwan	2100	2100	Unch
	Bhopal	Lokwan	2200	2200	Unch
	Bina	Sarbati 306	-	-	-
Rajasthan	Kota	LokwanBilty	1925	1925	Unch
	Baran	Lokwan	2020	2000	20

Wheat Arrivals in Key Centers:

Centre	Market	Variety	Arrivals (Bags/Qtl)		Change
			24-Aug-21	23-Aug-21	
Delhi	Lawrence Road	Mill Delivery	4000	5000	-1000
	Narella	Mill Quality Loose	300	150	150
	Nazafgarh	Mill Quality Loose	200	100	100
Gujarat	Rajkot	Mill Quality Loose	2000	1700	300
	Dhrol	Mill Quality Loose	117	97	20
M.P.	Indore	Mill Quality Loose	1500	2000	-500
Rajasthan	Kota	Mill Quality	4500	800	3700
U.P.	Kanpur	Mill Quality Loose	1500	700	800
	Mathura	Mill Quality Loose	1200	200	1000
	Kosi	Mill Quality Loose	800	300	500
	Hathras	Mill Quality Loose	300	300	Unch
	Aligarh	Mill Quality Loose	500	400	100
Punjab	Khanna	Mill Quality Loose	500	600	-100
	(Ludhiana)Jagraon	Mill Quality Loose	-	-	Unch
-	Sirsa	Mill Quality Loose	300	300	Unch
	Hodal	Mill Quality Loose	100	80	20
	Bhiwani	Mill Quality Loose	500	400	100
	Karnal	Mill Delivery	-	-	-
	Panipat	Mill Quality Loose	-	-	-

Wheat (CBOT) Future Price: 23.08.2021

Contract Month	Open	High	Low	Close	Change
Sep21	712.75	730.75	710.25	719.75	+5.50
Dec21	726.25	745.00	724.00	733.50	+5.25
Mar22	739.50	757.75	737.00	747.00	+5.75
May22	744.00	761.75	742.25	752.00	+6.00
Jul22	714.00	728.25	713.75	722.75	+8.25
Dec22	720.00	730.50	720.00	727.75	+9.00

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