

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:

Japan, the sixth largest importer of wheat is expected to import 81,853 tons of food wheat from Canada and US. This includes 29,805 tons of Western White from USA and 52,048 tons of Western Red spring from Canada.

The projected yield of soft wheat in EU is expected to decline in the August month compared to the last month. The projected value of August is still 5 percent higher than the last year and 5 percent above the average of last 5 years. The forecasted value of soft is expected to reach 5.98 tons per hectare less than the previous month value of 6.05 tons.

Wheat sales has risen 5 percent to reach a height of 306,700 metric tons. South Korea leads with a sale of 76,600 metric tons of wheat followed by Taiwan and Vietnam. Exports of wheat have faced a 6 percent decrease in the current week compared to last week reporting at 592,000 metric tons of exports.

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..

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. Scattered rainfall is expected in coming days over Northwest & Central India and West Coast for next 4 days.

Wheat Daily Prices and Arrivals

Centre	Market	Variety	Prices (Rs/Qtl)		Change
			25-Aug-21	24-Aug-21	
Delhi	Lawrence Road	Mill Delivery	2040	2000	40
	Narella	Mill Quality Loose	Closed	1900	-
	Nazafgarh	Mill Quality Loose	Closed	1850	-
Gujarat	Rajkot	Mill Delivery	2040	1950	90
	Ahmedabad	Mill Delivery	2040	1995	45
	Surat	Mill Delivery	2100	2065	35
	Dhrol	Mill Quality Loose	1950	1915	35
M.P.	Indore	Mill Delivery	1950	1940	10
	Bhopal	Mill Quality Loose	1830	1850	-20
Rajasthan	Kota	Mill Quality Loose	1825	1800	25
		Mill Delivery	1975	1950	25
U.P.	Kanpur	Mill Delivery	1850	1850	Unch
	Mathura	Mill Quality Loose	1780	1760	20
	Kosi	Mill Quality Loose	1720	1700	20
	Hathras	Mill Quality Loose	1770	1750	20
	Aligarh	Mill Quality Loose	1800	1740	60
Punjab	Khanna	Mill Quality Loose	1740	1760	-20
	Ludhiana (Jagraon)	Mill Delivery	-	-	Unch
Haryana	Sirsa	Mill Delivery loose	1750	1745	5
	Hodal	Mill Delivery	-	-	-
	Bhiwani	Mill Quality Loose	1850	1830	20
	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
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			25-Aug-21	24-Aug-21	
Gujarat	Rajkot	Lokwan	2150	2050	100
M.P.	Indore	Lokwan	2100	2100	Unch
	Bhopal	Lokwan	2200	2200	Unch
	Bina	Sarbati 306	-	-	-
Rajasthan	Kota	LokwanBilty	1950	1925	25
	Baran	Lokwan	2050	2020	30

Wheat Arrivals in Key Centers:

Centre	Market	Variety	Arrivals (Bags/Qtl)		Change
			25-Aug-21	24-Aug-21	
Delhi	Lawrence Road	Mill Delivery	4000	4000	Unch
	Narella	Mill Quality Loose	Closed	300	-
	Nazafgarh	Mill Quality Loose	Closed	200	-
Gujarat	Rajkot	Mill Quality Loose	1500	2000	-500
	Dhrol	Mill Quality Loose	98	117	-19
M.P.	Indore	Mill Quality Loose	1200	1500	-300
Rajasthan	Kota	Mill Quality	3000	4500	-1500
U.P.	Kanpur	Mill Quality Loose	2000	1500	500
	Mathura	Mill Quality Loose	500	1200	-700
	Kosi	Mill Quality Loose	500	800	-300
	Hathras	Mill Quality Loose	500	300	200
	Aligarh	Mill Quality Loose	300	500	-200
Punjab	Khanna	Mill Quality Loose	400	500	-100
	(Ludhiana)Jagraon	Mill Quality Loose	-	-	Unch
-	Sirsa	Mill Quality Loose	500	300	200
	Hodal	Mill Quality Loose	100	100	Unch
	Bhiwani	Mill Quality Loose	400	500	-100
	Karnal	Mill Delivery	-	-	-
	Panipat	Mill Quality Loose	-	-	-

Wheat (CBOT) Future Price: 23.08.2021

Contract Month	Open	High	Low	Close	Change
Sep21	722.75	723.25	710.75	718	-1.75
Dec21	737	737.5	724.75	732.25	-1.25
Mar22	750.25	750.25	738	745.5	-1.50
May22	754.5	755	743.25	750.25	-1.75
Jul22	754.5	755	743.25	750.25	-1.75
Sep22	717.25	726	717.25	721.75	-2.25

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