

Wheat Domestic Fundamentals:

Wheat output has reached 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 has increased by 1.53% from 107.86 from last year record amid good monsoon rain last year. Due to large 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 export value for wheat reached 4.72 lakh tonnes 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, Punjab government procured 132.10 LMT of wheat, 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 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.

Germany's wheat production in the year 2021 is expected to fall 3.6 percent to 21.37 million tons according to Agriculture ministry. This was a result of swings in the weather, with cold spring followed by a hot, dry start of summer and then challenged harvest time storm and rains.

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.

Importers from Philippines are trying to get a tender on the purchase of an estimated 168,000 tonnes in three consignments of 56,000 tonnes each from different origin. The shipment of consignment will occur in the month of September to October from EU/Black sea region or Australia.

A record wheat harvest was seen in the European Black sea region in which two of the major producer of the region delivered 18.5 million mt. Romania has harvested a record of 11.4 million mt with productivity reaching 5.34 mt/ha, higher than the previous 4.7-4.8 mt/ha.

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 Uttarakhand till 29th August and isolated heavy to very heavy rainfall in Bihar and East Uttar Pradesh till 28th August. Isolated extreme rainfall is expected in ghats over Tamilnadu and Kerala & Mahe on 29th and 30th 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
			26-Aug-21	25-Aug-21	
Delhi	Lawrence Road	Mill Delivery	2030	2040	-10
	Narella	Mill Quality Loose	1900	Closed	-
	Nazafgarh	Mill Quality Loose	1840	Closed	-
Gujarat	Rajkot	Mill Delivery	2030	2040	-10
	Ahmedabad	Mill Delivery	1985	2040	-55
	Surat	Mill Delivery	2080	2100	-20
	Dhrol	Mill Quality Loose	1960	1950	10
M.P.	Indore	Mill Delivery	2000	1950	50
	Bhopal	Mill Quality Loose	1900	1830	70
Rajasthan	Kota	Mill Quality Loose	1800	1825	-25
		Mill Delivery	1960	1975	-15
U.P.	Kanpur	Mill Delivery	1975	1850	125
	Mathura	Mill Quality Loose	1825	1780	45
	Kosi	Mill Quality Loose	1800	1720	80
	Hathras	Mill Quality Loose	1850	1770	80
	Aligarh	Mill Quality Loose	1825	1800	25
Punjab	Khanna	Mill Quality Loose	1750	1740	10
	Ludhiana (Jagraon)	Mill Delivery	-	-	Unch
Haryana	Sirsa	Mill Delivery loose	1750	1750	Unch
	Hodal	Mill Delivery	-	-	-
	Bhiwani	Mill Quality Loose	1860	1850	10
	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
			26-Aug-21	25-Aug-21	
Gujarat	Rajkot	Lokwan	2150	2150	Unch
M.P.	Indore	Lokwan	2300	2100	200
	Bhopal	Lokwan	2300	2200	100
	Bina	Sarbati 306	-	-	-
Rajasthan	Kota	LokwanBilty	1925	1950	-25
	Baran	Lokwan	2030	2050	-20

Wheat Arrivals in Key Centers:

Centre	Market	Variety	Arrivals (Bags/Qtl)		Change
			26-Aug-21	25-Aug-21	
Delhi	Lawrence Road	Mill Delivery	5000	4000	1000
	Narella	Mill Quality Loose	200	Closed	-
	Nazafgarh	Mill Quality Loose	100	Closed	-
Gujarat	Rajkot	Mill Quality Loose	1800	1500	300
	Dhrol	Mill Quality Loose	133	98	35
M.P.	Indore	Mill Quality Loose	1000	1200	-200
Rajasthan	Kota	Mill Quality	3000	3000	Unch
U.P.	Kanpur	Mill Quality Loose	800	2000	-1200
	Mathura	Mill Quality Loose	700	500	200
	Kosi	Mill Quality Loose	300	500	-200
	Hathras	Mill Quality Loose	500	500	Unch
	Aligarh	Mill Quality Loose	400	300	100
Punjab	Khanna	Mill Quality Loose	400	400	Unch
	(Ludhiana)Jagraon	Mill Quality Loose	-	-	Unch
-	Sirsa	Mill Quality Loose	500	500	Unch
	Hodal	Mill Quality Loose	100	100	Unch
	Bhiwani	Mill Quality Loose	500	400	100
	Karnal	Mill Delivery	-	-	-
	Panipat	Mill Quality Loose	-	-	-

Wheat (CBOT) Future Price: 25.08.2021					
Contract Month	Open	High	Low	Close	Change
Sep21	718	719.75	704.25	711.25	-6.75
Dec21	732.25	734	718.5	725.5	-6.75
Mar22	744.75	747.25	732	738.75	-6.75
May22	751.25	751.75	737	743.75	-6.5
Jul22	720	720.5	707.5	712.75	-7.75
Sep22	716	718.25	709.5	714.25	-7.5

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