

Wheat Domestic Fundamentals:

Wheat output has reached a record 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 food grain production is projected to rise by 3.74 percent to a new high 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 completed 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 higher 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:

Projected value of wheat production in the year 2021-22 has been reduced to 782 million tons by IGC. This is down 6 million tons from July 29 forecasted value and up 1.2 percent from 773 million tons in 2020-21. The ending stock forecasted was 278 million tons, down 2 million tons from July prediction.

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.

Traders and analyst suggests Russia's wheat export stretching to the second half of the season due to Moscow's export taxes and heavy competition from Ukraine and Romania, both of which maintained good harvesting which led to reduced sales of Russian wheat. The export estimate of wheat from Russia is 5.3 for first two moth of the season, down from 7 million by end of August last year.

This week's export sales of US wheat missed the expectations of grain trader. According to USDA, for the marketing year 2021-22 wheat sales totalled 116,000 metric tons for the week ended Aug 19 down 67 percent from prior 4 week average.

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, Bihar and East Uttar Pradesh till 29th August. Isolated extreme rainfall is expected in Ghats over Tamilnadu and Kerala & Mahe on 28th and 29th August.

Wheat Daily Prices and Arrivals

Centre	Market	Variety	Prices (Rs/Qtl)		Change
			27-Aug-21	26-Aug-21	
Delhi	Lawrence Road	Mill Delivery	2050	2030	20
	Narella	Mill Quality Loose	1900	1900	Unch
	Nazafgarh	Mill Quality Loose	1840	1840	Unch
Gujarat	Rajkot	Mill Delivery	2050	2030	20
	Ahmedabad	Mill Delivery	2090	1985	105
	Surat	Mill Delivery	2150	2080	70
	Dhrol	Mill Quality Loose	2005	1960	45
M.P.	Indore	Mill Delivery	2050	2000	50
	Bhopal	Mill Quality Loose	1925	1900	25
Rajasthan	Kota	Mill Quality Loose	1875	1800	75
		Mill Delivery	2050	1960	90
U.P.	Kanpur	Mill Delivery	1975	1975	Unch
	Mathura	Mill Quality Loose	1825	1825	Unch
	Kosi	Mill Quality Loose	1820	1800	20
	Hathras	Mill Quality Loose	1850	1850	Unch
	Aligarh	Mill Quality Loose	1860	1825	35
Punjab	Khanna	Mill Quality Loose	1850	1750	100
	Ludhiana (Jagraon)	Mill Delivery	-	-	Unch
Haryana	Sirsa	Mill Delivery loose	1750	1750	Unch
	Hodal	Mill Delivery	-	-	-
	Bhiwani	Mill Quality Loose	1860	1860	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
			27-Aug-21	26-Aug-21	
Gujarat	Rajkot	Lokwan	2200	2150	50
M.P.	Indore	Lokwan	2400	2300	100
	Bhopal	Lokwan	2350	2300	50
	Bina	Sarbati 306	-	-	-
Rajasthan	Kota	LokwanBilty	2000	1925	75
	Baran	Lokwan	2150	2030	120

Wheat Arrivals in Key Centers:

Centre	Market	Variety	Arrivals (Bags/Qtl)		Change
			27-Aug-21	26-Aug-21	
Delhi	Lawrence Road	Mill Delivery	5000	5000	Unch
	Narella	Mill Quality Loose	200	200	Unch
	Nazafgarh	Mill Quality Loose	100	100	Unch
Gujarat	Rajkot	Mill Quality Loose	1200	1800	-600
	Dhrol	Mill Quality Loose	167	133	34
M.P.	Indore	Mill Quality Loose	700	1000	-300
Rajasthan	Kota	Mill Quality	3000	3000	Unch
U.P.	Kanpur	Mill Quality Loose	800	800	Unch
	Mathura	Mill Quality Loose	850	700	150
	Kosi	Mill Quality Loose	450	300	150
	Hathras	Mill Quality Loose	250	500	-250
	Aligarh	Mill Quality Loose	250	400	-150
Punjab	Khanna	Mill Quality Loose	500	400	100
	(Ludhiana)Jagraon	Mill Quality Loose	-	-	Unch
-	Sirsa	Mill Quality Loose	500	500	Unch
	Hodal	Mill Quality Loose	100	100	Unch
	Bhiwani	Mill Quality Loose	400	400	Unch
	Karnal	Mill Delivery	-	-	-
	Panipat	Mill Quality Loose	-	-	-

Wheat (CBOT) Future Price: 26.08.2021					
Contract Month	Open	High	Low	Close	Change
Sep21	712.5	727	709.25	725.25	14
Dec21	727.25	741	723.25	739.25	13.75
Mar22	739.5	753	736.25	751.25	12.5
May22	744.75	756.25	740.75	755	11.25
Jul22	712.25	721.75	708.25	720.5	7.75
Sep22	710	721.5	710	721.25	7

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