

Wheat Domestic Fundamentals:

According to the agriculture ministry's fourth advance estimate, Wheat output has reached a record of 109.52 million tonnes in 2020-21. 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 433.44 LMT, a record high compared to 389.93 LMT in previous seasons. Total 49.20 lakh farmers have been benefitted with MSP value of Rs.85,603.57 crore. This season's procurement volume is also higher than the previous four years record.

Wheat export from India have increased sharply as the global supplies are affected due to lower production in Russia, Canada and USA. In India the export of wheat during this fiscal year is expected to be somewhere around 2.5 million to 3 million due to higher demand of Indian wheat and this is higher compared to 2.08 million tons last year valued at Rs 4033.81 crore. So far India has exported 1.5 million tons of wheat. Bangladesh, Nepal, UAE, Sri Lanka, Indonesia are considered to be big buyers of Indian wheat.

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.

Ukraine has completed the wheat harvesting of the current season threshing 32.52 million tonnes of wheat from 99.4% sown area with a yield of 4.62 tonnes per hectare. The ministry allowed export of 23.8 million tonnes of wheat in the 2021/22 July-June season.

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.

Russian export price of wheat rose for seventh consecutive week. Russian wheat with 12 % protein loading from Black sea ports for supply in September or October was \$299 a tonne FOB up by \$4 from previous week.

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.

The US trading at CBOT for wheat was steady at 2 percent per bushel after falling at Thursday. CBOT December soft red winter wheat faced a contract resistance at a weekly high of \$7.45 a bushel during the trading session. CBOT December soft red winter was last traded up 3/4 cents at \$7.40 per bushel. K.C. December hard red winter wheat was last traded at 1-1/2 cent lower at \$7.26 per bushel and MGEX December spring wheat was traded at 1 cent up at \$9.12.

Wheat Daily Prices and Arrivals

Centre	Market	Variety	Prices (Rs/Qtl)		Change
			31-Aug-21	28-Aug-21	
Delhi	Lawrence Road	Mill Delivery	2000	2050	-50
	Narella	Mill Quality Loose	1960	1925	35
	Nazafgarh	Mill Quality Loose	1900	1880	20
Gujarat	Rajkot	Mill Delivery	Closed	2050	-
	Ahmedabad	Mill Delivery	Closed	2085	-
	Surat	Mill Delivery	Closed	2145	-
	Dhrol	Mill Quality Loose	Closed	2005	-
M.P.	Indore	Mill Delivery	2000	2040	-40
	Bhopal	Mill Quality Loose	1850	1930	-80
Rajasthan	Kota	Mill Quality Loose	1870	1860	10
		Mill Delivery	2020	2010	10
U.P.	Kanpur	Mill Delivery	1900	1980	-80
	Mathura	Mill Quality Loose	1820	1830	-10
	Kosi	Mill Quality Loose	1800	1800	Unch
	Hathras	Mill Quality Loose	1780	1840	-60
	Aligarh	Mill Quality Loose	1840	1850	-10
Punjab	Khanna	Mill Quality Loose	1860	1850	10
	Ludhiana (Jagraon)	Mill Delivery	-	-	Unch
Haryana	Sirsa	Mill Delivery loose	1850	1750	100
	Hodal	Mill Delivery	-	-	-
	Bhiwani	Mill Quality Loose	1880	1870	10
	Karnal	Mill Delivery	-	-	-
	Panipat	Mill Quality Loose	-	-	-
Tamil Nadu	Chennai	Mill Quality	2250	2250	Unch
	Madurai	Mill Quality	2307	2307	Unch
	Coimbatore	Mill Quality	2307	2307	Unch
Bihar	Khagariya	Mill Delivery	2100	2000	100
	Muzaffarpur	Mill Delivery	1925	1900	25
FOR	Kandla (Rajasthan-Rajkot)	Mill Quality	Closed	-	-
	Gandhidham (Rajasthan-Rajkot)	Mill Quality	Closed	-	-

Centre	Market	Variety	Prices (Rs/Qtl)		Change
			31-Aug-21	28-Aug-21	
Gujarat	Rajkot	Lokwan	Closed	2200	-
M.P.	Indore	Lokwan	2400	2400	Unch
	Bhopal	Lokwan	2300	2350	-50
	Bina	Sarbati 306	-	-	-
Rajasthan	Kota	LokwanBilty	1995	1985	10
	Baran	Lokwan	2200	2150	50

Wheat Arrivals in Key Centers:

Centre	Market	Variety	Arrivals (Bags/Qtl)		Change
			31-Aug-21	28-Aug-21	
Delhi	Lawrence Road	Mill Delivery	4000	4500	-500
	Narella	Mill Quality Loose	200	300	-100
	Nazafgarh	Mill Quality Loose	100	50	50
Gujarat	Rajkot	Mill Quality Loose	Closed	1000	-
	Dhrol	Mill Quality Loose	Closed	167	-
M.P.	Indore	Mill Quality Loose	1000	1200	-200
Rajasthan	Kota	Mill Quality	500	3500	-3000
U.P.	Kanpur	Mill Quality Loose	1200	1000	200
	Mathura	Mill Quality Loose	200	500	-300
	Kosi	Mill Quality Loose	100	500	-400
	Hathras	Mill Quality Loose	350	400	-50
	Aligarh	Mill Quality Loose	300	300	Unch
Punjab	Khanna	Mill Quality Loose	400	500	-100
	(Ludhiana)Jagraon	Mill Quality Loose	-	-	Unch
-	Sirsa	Mill Quality Loose	500	400	100
	Hodal	Mill Quality Loose	100	50	50
	Bhiwani	Mill Quality Loose	500	300	200
	Karnal	Mill Delivery	-	-	-
	Panipat	Mill Quality Loose	-	-	-

Wheat (CBOT) Future Price: 30.08.2021					
Contract Month	Open	High	Low	Close	Change
Sep21	720.5	728.5	707.5	708.75	-9.75
Dec21	734.75	743.5	722.25	723.5	-9
Mar22	748.5	755.5	735.75	736.75	-8.5
May22	750.75	759.75	741	741.75	-7.75
Jul22	719.25	727	714.25	715.5	-3
Sep22	726.25	727	716	716.5	-3.25

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