

Wheat Domestic Fundamentals:

The agriculture ministry's fourth advance estimate suggests wheat output has reached a record of 109.52 million tonnes in 2020-21, 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. 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.

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.

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. 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 exports 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:

Drought in Canada has impacted the wheat production to a 14 year low. The estimated value of wheat production this year stood at 22.9 million tons, down 35% from last year and slightly larger than average trade expectation of 22.6 million tons.

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.

Russian agricultural consultancy has reduced the forecast of Russia's 2021 wheat crop to 75.4 million tonnes from 76.2 million tonnes due to low spring wheat yields. The yield impact is due to climatic factors where both Volga and Ural region received only 50-80% of normal rainfall in past three months along with 3-5 degree more temperature than the normal.

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.

The CBOT trend suggest that the wheat price attempted to break 717.00 level but is fluctuating above it and facing negative pressure with a chance of breaking the mentioned level. The bearish trend will continue unless the price breach 741.90 mark and hold above it.

Weather Outlook: Rainfall activity over south peninsular region is expected to extend till 03rd September when fairly widespread to widespread rainfall is expected over Coastal Andhra Pradesh, Tamil Nadu, Karnataka, Kerala, Telangana during 4th-5th September. Rainfall activity in Northeast region will remain subdued over the region from 02nd September onwards. Isolated rainfall expected for next 24 hours in North Madhya Pradesh region and Maharashtra.

Wheat Daily Prices and Arrivals

Centre	Market	Variety	Prices (Rs/Qtl)		Change
			01-Sep-21	31-Aug-21	
Delhi	Lawrence Road	Mill Delivery	2030	2000	30
	Narella	Mill Quality Loose	Closed	1960	-
	Nazafgarh	Mill Quality Loose	Closed	1900	-
Gujarat	Rajkot	Mill Delivery	Closed	Closed	-
	Ahmedabad	Mill Delivery	Closed	Closed	-
	Surat	Mill Delivery	Closed	Closed	-
	Dhrol	Mill Quality Loose	Closed	Closed	-
M.P.	Indore	Mill Delivery	2010	2000	10
	Bhopal	Mill Quality Loose	1840	1850	-10
Rajasthan	Kota	Mill Quality Loose	1850	1870	-20
		Mill Delivery	2000	2020	-20
U.P.	Kanpur	Mill Delivery	1900	1900	Unch
	Mathura	Mill Quality Loose	1800	1820	-20
	Kosi	Mill Quality Loose	1800	1800	Unch
	Hathras	Mill Quality Loose	1800	1780	20
	Aligarh	Mill Quality Loose	1800	1840	-40
Punjab	Khanna	Mill Quality Loose	1860	1860	Unch
	Ludhiana (Jagraon)	Mill Delivery	-	-	Unch
Haryana	Sirsa	Mill Delivery loose	1850	1850	Unch
	Hodal	Mill Delivery	-	-	-
	Bhiwani	Mill Quality Loose	1880	1880	Unch
	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	2100	Unch
	Muzaffarpur	Mill Delivery	1950	1925	25
FOR	Kandla (Rajasthan-Rajkot)	Mill Quality	Closed	Closed	-
	Gandhidham (Rajasthan-Rajkot)	Mill Quality	Closed	Closed	-

Centre	Market	Variety	Prices (Rs/Qtl)		Change
			01-Sep-21	31-Aug-21	
Gujarat	Rajkot	Lokwan	Closed	Closed	-
M.P.	Indore	Lokwan	2400	2400	Unch
	Bhopal	Lokwan	2300	2300	Unch
	Bina	Sarbati 306	-	-	-
Rajasthan	Kota	LokwanBilty	1975	1995	-20
	Baran	Lokwan	2250	2200	50

Wheat Arrivals in Key Centers:

Centre	Market	Variety	Arrivals (Bags/Qtl)		Change
			01-Sep-21	31-Aug-21	
Delhi	Lawrence Road	Mill Delivery	5000	4000	1000
	Narella	Mill Quality Loose	Closed	200	-
	Nazafgarh	Mill Quality Loose	Closed	100	-
Gujarat	Rajkot	Mill Quality Loose	Closed	Closed	-
	Dhrol	Mill Quality Loose	Closed	Closed	-
M.P.	Indore	Mill Quality Loose	1000	1000	Unch
Rajasthan	Kota	Mill Quality	4000	500	3500
U.P.	Kanpur	Mill Quality Loose	1500	1200	300
	Mathura	Mill Quality Loose	600	200	400
	Kosi	Mill Quality Loose	250	100	150
	Hathras	Mill Quality Loose	200	350	-150
	Aligarh	Mill Quality Loose	500	300	200
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	70	100	-30
	Bhiwani	Mill Quality Loose	400	500	-100
	Karnal	Mill Delivery	-	-	-
	Panipat	Mill Quality Loose	-	-	-

Wheat (CBOT) Future Price: 31.08.2021					
Contract Month	Open	High	Low	Close	Change
Sep21	706.5	707.5	690.25	706.75	-2
Dec21	723	725.5	707	722.25	-1.25
Mar22	737.25	739.75	722	737	0.25
May22	742.5	745	729.25	744	2.25
Jul22	713.5	725.5	711.5	724.5	9
Sep22	717.75	726.75	714.5	726	9.5

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