

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.

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.

The wheat buyers in Asia are struggling to keep the supplies as the farmers in top exporting countries are holding back sales following production cuts which has made global wheat price reach multi year highs. The wheat processing in the current year is expected to decrease by 10%. Generally Asian countries pay much more price often due to long distance from major market which adds to delivery costs. Currently they are paying \$35 per tonne more in shipping cost from Canada.

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. Fairly widespread to widespread rainfall likely over Saurashtra and Kutch region in the next 24 hours.

Wheat Daily Prices and Arrivals

Centre	Market	Variety	Prices (Rs/Qtl)		Change
			02-Sep-21	01-Sep-21	
Delhi	Lawrence Road	Mill Delivery	2040	2030	10
	Narella	Mill Quality Loose	1950	Closed	-
	Nazafgarh	Mill Quality Loose	1925	Closed	-
Gujarat	Rajkot	Mill Delivery	2000	Closed	-
	Ahmedabad	Mill Delivery	2050	Closed	-
	Surat	Mill Delivery	2105	Closed	-
	Dhrol	Mill Quality Loose	NA	Closed	-
M.P.	Indore	Mill Delivery	1950	2010	-60
	Bhopal	Mill Quality Loose	1850	1840	10
Rajasthan	Kota	Mill Quality Loose	1840	1850	-10
		Mill Delivery	1990	2000	-10
U.P.	Kanpur	Mill Delivery	1925	1900	25
	Mathura	Mill Quality Loose	1875	1800	75
	Kosi	Mill Quality Loose	1830	1800	30
	Hathras	Mill Quality Loose	1880	1800	80
	Aligarh	Mill Quality Loose	1840	1800	40
Punjab	Khanna	Mill Quality Loose	1850	1860	-10
	Ludhiana (Jagraon)	Mill Delivery	0	0	Unch
Haryana	Sirsa	Mill Delivery loose	1850	1850	Unch
	Hodal	Mill Delivery	NA	0	-
	Bhiwani	Mill Quality Loose	1880	1880	Unch
	Karnal	Mill Delivery	NA	0	-
	Panipat	Mill Quality Loose	NA	0	-
Tamil Nadu	Chennai	Mill Quality	2300	2250	50
	Madurai	Mill Quality	2357	2307	50
	Coimbatore	Mill Quality	2357	2307	50
Bihar	Khagariya	Mill Delivery	1900	2100	-200
	Muzaffarpur	Mill Delivery	1900	1950	-50
FOR	Kandla (Rajasthan-Rajkot)	Mill Quality	NA	Closed	-
	Gandhidham (Rajasthan-Rajkot)	Mill Quality	NA	Closed	-

Centre	Market	Variety	Prices (Rs/Qtl)		Change
			02-Sep-21	01-Sep-21	
Gujarat	Rajkot	Lokwan	2150	Closed	-
M.P.	Indore	Lokwan	2300	2400	-100
	Bhopal	Lokwan	2250	2300	-50
	Bina	Sarbati 306	NA	0	-
Rajasthan	Kota	LokwanBilty	1965	1975	-10
	Baran	Lokwan	2175	2250	-75

Wheat Arrivals in Key Centers:

Centre	Market	Variety	Arrivals (Bags/Qtl)		Change
			02-Sep-21	01-Sep-21	
Delhi	Lawrence Road	Mill Delivery	2500	5000	-2500
	Narella	Mill Quality Loose	300	Closed	-
	Nazafgarh	Mill Quality Loose	100	Closed	-
Gujarat	Rajkot	Mill Quality Loose	1500	Closed	-
	Dhrol	Mill Quality Loose	NA	Closed	-
M.P.	Indore	Mill Quality Loose	2000	1000	1000
Rajasthan	Kota	Mill Quality	4000	4000	Unch
U.P.	Kanpur	Mill Quality Loose	1000	1500	-500
	Mathura	Mill Quality Loose	1500	600	900
	Kosi	Mill Quality Loose	1000	250	750
	Hathras	Mill Quality Loose	450	200	250
	Aligarh	Mill Quality Loose	700	500	200
Punjab	Khanna	Mill Quality Loose	600	500	100
	(Ludhiana)Jagraon	Mill Quality Loose	0	0	Unch
-	Sirsa	Mill Quality Loose	300	500	-200
	Hodal	Mill Quality Loose	150	70	80
	Bhiwani	Mill Quality Loose	400	400	Unch
	Karnal	Mill Delivery	NA	0	-
	Panipat	Mill Quality Loose	NA	0	-

Wheat (CBOT) Future Price: 01.09.2021					
Contract Month	Open	High	Low	Close	Change
Sep21	708.25	710.25	699.25	701	-5.75
Dec21	723.5	729.5	709	714.25	-8
Mar22	738.25	743.25	722.25	727.25	-9.75
May22	746	749.25	729.25	734.75	-9.25
Jul22	724	728	712	717.5	-7
Sep22	724.25	729.75	713.75	719	-7

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