

**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. Canada western red spring wheat prices with 13.5% protein were down \$2.20-\$8.10 per tonne. The Canadian dollar gained 0.49 US cent from previous week to close at 79.54 US cents.

**Widespread rain in the major part of Argentina during the last 24 hours brought a great relief for the farmers ahead of 2021/22 harvest** improving production prospects after a drier than normal winter. In 70% of farming area in Central region received 30 to 50 mm of rainfall. The Rosario grains exchange last week has cut down the estimate of wheat production to 20.1 million tones.

**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 Central & East India is likely to increase from 05<sup>th</sup> September with fairly widespread rainfall and isolated heavy falls over Odisha during 04<sup>th</sup>-07<sup>th</sup>, Chhattisgarh during 03<sup>rd</sup>-07<sup>th</sup>, East Madhya Pradesh during 05<sup>th</sup>-07<sup>th</sup> and West Madhya Pradesh during 06<sup>th</sup> and 07<sup>th</sup> September. Fairly widespread rainfall likely over Goa & Maharashtra on 05<sup>th</sup>-08<sup>th</sup> and over Gujarat during 07<sup>th</sup>-08<sup>th</sup> September, 2021.

**Wheat Daily Prices and Arrivals**

Centre	Market	Variety	Prices (Rs/Qtl)		Change
			04-Sep-21	03-Sep-21	
Delhi	Lawrence Road	Mill Delivery	2060	2050	10
	Narella	Mill Quality Loose	1980	1950	30
	Nazafgarh	Mill Quality Loose	1950	1925	25
Gujarat	Rajkot	Mill Delivery	2100	2000	100
	Ahmedabad	Mill Delivery	2140	2060	80
	Surat	Mill Delivery	2200	2100	100
	Dhrol	Mill Quality Loose	-	-	-
M.P.	Indore	Mill Delivery	2000	1970	30
	Bhopal	Mill Quality Loose	1900	1840	60
Rajasthan	Kota	Mill Quality Loose	1900	1875	25
		Mill Delivery	2050	2025	25
U.P.	Kanpur	Mill Delivery	1920	1930	-10
	Mathura	Mill Quality Loose	1860	1880	-20
	Kosi	Mill Quality Loose	1850	1840	10
	Hathras	Mill Quality Loose	1850	1875	-25
	Aligarh	Mill Quality Loose	1850	1825	25
Punjab	Khanna	Mill Quality Loose	1820	1850	-30
	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	2300	2300	Unch
	Madurai	Mill Quality	2357	2357	Unch
	Coimbatore	Mill Quality	2357	2357	Unch
Bihar	Khagariya	Mill Delivery	1900	1900	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
			04-Sep-21	03-Sep-21	
Gujarat	Rajkot	Lokwan	2150	2150	Unch
M.P.	Indore	Lokwan	2300	2300	Unch
	Bhopal	Lokwan	2250	2250	Unch
	Bina	Sarbati 306	-	-	-
Rajasthan	Kota	LokwanBilty	2025	2000	25
	Baran	Lokwan	2190	2200	-10

## Wheat Arrivals in Key Centers:

Centre	Market	Variety	Arrivals (Bags/Qtl)		Change
			04-Sep-21	03-Sep-21	
Delhi	Lawrence Road	Mill Delivery	4000	3000	1000
	Narella	Mill Quality Loose	200	250	-50
	Nazafgarh	Mill Quality Loose	50	70	-20
Gujarat	Rajkot	Mill Quality Loose	1500	1800	-300
	Dhrol	Mill Quality Loose	-	-	-
M.P.	Indore	Mill Quality Loose	1500	1300	200
Rajasthan	Kota	Mill Quality	3000	3500	-500
U.P.	Kanpur	Mill Quality Loose	1200	1300	-100
	Mathura	Mill Quality Loose	1000	1300	-300
	Kosi	Mill Quality Loose	500	800	-300
	Hathras	Mill Quality Loose	300	500	-200
	Aligarh	Mill Quality Loose	200	600	-400
Punjab	Khanna	Mill Quality Loose	500	500	Unch
	(Ludhiana)Jagraon	Mill Quality Loose	-	-	Unch
Haryana	Sirsa	Mill Quality Loose	500	400	100
	Hodal	Mill Quality Loose	50	100	-50
	Bhiwani	Mill Quality Loose	300	500	-200
	Karnal	Mill Delivery	-	-	-
	Panipat	Mill Quality Loose	-	-	-

Wheat (CBOT) Future Price: 03.09.2021					
Contract Month	Open	High	Low	Close	Change
Sep21	702	715	701	714.5	10.5
Dec21	717.25	727.5	712	726.25	9.25
Mar22	729	738.5	723.25	737.75	9.25
May22	735.5	744.5	729.75	743.5	8.25
Jul22	714	720.25	709	715.5	0.25
Sep22	715.75	721.25	710.25	717.75	0.25

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