

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.

The export price of wheat in Russia rose for the consecutive eighth week. The reason for the increase includes high export tax, high domestic demand, lower 2021 crop output and stronger value of rouble. Russian wheat loading from Black sea with 12.5% protein was \$299.50 a tonne FOB at the end of the week up by \$0.50 from last week.

U.S. wheat futures ended slightly lower as wheat maintain its status as the bullish leader of the world grain space. The major reason behind the bullish trade is the continued tightening of major exporter balance sheets amid reduced production in Canada. Only account for a much smaller portion of U.S. wheat exports belongs to Gulf elevators, as most U.S. wheat export shipments are executed off the Pacific Northwest.

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: Fairly widespread to widespread rainfall activity will likely over Odisha, Coastal Andhra Pradesh, Telangana, Karnataka, Vidarbha and Chhattisgarh on 06th-07th September and Marathwada, Madhya Maharashtra, Konkan, Gujarat during 06th-10th September. Isolated extremely heavy falls are also likely over Coastal Andhra Pradesh on 06th, over Telangana on 06th and 07th, over North Konkan during 07th-08th, Gujarat state on 08th-09th September.

Wheat Daily Prices and Arrivals

Centre	Market	Variety	Prices (Rs/Qtl)		Change
			06-Sep-21	04-Sep-21	
Delhi	Lawrence Road	Mill Delivery	2075	2060	15
	Narella	Mill Quality Loose	1975	1980	-5
	Nazafgarh	Mill Quality Loose	1950	1950	Unch
Gujarat	Rajkot	Mill Delivery	2100	2100	Unch
	Ahmedabad	Mill Delivery	2150	2140	10
	Surat	Mill Delivery	2200	2200	Unch
	Dhrol	Mill Quality Loose	2070	-	-
M.P.	Indore	Mill Delivery	2000	2000	Unch
	Bhopal	Mill Quality Loose	1850	1900	-50
Rajasthan	Kota	Mill Quality Loose	1800	1900	-100
		Mill Delivery	1950	2050	-100
U.P.	Kanpur	Mill Delivery	1960	1920	40
	Mathura	Mill Quality Loose	1875	1860	15
	Kosi	Mill Quality Loose	1850	1850	Unch
	Hathras	Mill Quality Loose	1860	1850	10
	Aligarh	Mill Quality Loose	1870	1850	20
Punjab	Khanna	Mill Quality Loose	1800	1820	-20
	Ludhiana (Jagraon)	Mill Delivery	-	-	Unch
Haryana	Sirsa	Mill Delivery loose	1850	1850	Unch
	Hodal	Mill Delivery	-	-	-
	Bhiwani	Mill Quality Loose	1870	1880	-10
	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	1850	1900	-50
FOR	Kandla (Rajasthan-Rajkot)	Mill Quality	-	-	-
	Gandhidham (Rajasthan-Rajkot)	Mill Quality	-	-	-

Centre	Market	Variety	Prices (Rs/Qtl)		Change
			06-Sep-21	04-Sep-21	
Gujarat	Rajkot	Lokwan	2150	2150	Unch
M.P.	Indore	Lokwan	2300	2300	Unch
	Bhopal	Lokwan	2200	2250	-50
	Bina	Sarbati 306	-	-	-
Rajasthan	Kota	LokwanBilty	1925	2025	-100
	Baran	Lokwan	2210	2190	20

Wheat Arrivals in Key Centers:

Centre	Market	Variety	Arrivals (Bags/Qtl)		Change
			06-Sep-21	04-Sep-21	
Delhi	Lawrence Road	Mill Delivery	6000	4000	2000
	Narella	Mill Quality Loose	500	200	300
	Nazafgarh	Mill Quality Loose	40	50	-10
Gujarat	Rajkot	Mill Quality Loose	800	1500	-700
	Dhrol	Mill Quality Loose	95	-	-
M.P.	Indore	Mill Quality Loose	2000	1500	500
Rajasthan	Kota	Mill Quality	2500	3000	-500
U.P.	Kanpur	Mill Quality Loose	1000	1200	-200
	Mathura	Mill Quality Loose	1500	1000	500
	Kosi	Mill Quality Loose	1000	500	500
	Hathras	Mill Quality Loose	400	300	100
	Aligarh	Mill Quality Loose	500	200	300
Punjab	Khanna	Mill Quality Loose	300	500	-200
	(Ludhiana)Jagraon	Mill Quality Loose	-	-	Unch
Haryana	Sirsa	Mill Quality Loose	400	500	-100
	Hodal	Mill Quality Loose	100	50	50
	Bhiwani	Mill Quality Loose	600	300	300
	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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