

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.

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:

CBOT for wheat futures gained more ground on Tuesday with prices climbing to highest level due to concerns over supply from Russia. Buyers from Asia are worried over supply from Black sea region but would receive enough supplies from Australia by the end of the year.

Egypt's state grain buyer, GASC has announced the result of its latest tender of wheat. Russia is missing once again due to highly expensive price. 60,000 tonnes of Romanian wheat at FOB \$308.50 per tonne, 60,000 tonnes of Ukrainian wheat at FOB \$304.25 per tonne.

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.

Australia's forecast of wheat harvest to reach 32.6 mn tonnes of wheat for 2021-22 marketing season down by 2% from 33.3 mn tonnes in 2020-21. This year the sown area increased 1% to 12.96 mn ha from 12.89 mn ha last year. Average rainfall in major growing season of June and July helped in overall development of the crop.

France is expected to produce 35.6 million tonnes of soft wheat this year. The figure based on projected average yield of 7.2 tonnes per hectare and estimated crop area of 4.94 million hectares. Due to rebound in sowing area the production is expected to be 23% up from last year's low level.

Weather Outlook: Fairly widespread to widespread rainfall activity will likely over Telangana, coastal & north interior Karnataka, Vidarbha and Marathwada on 07th September and reduction thereafter and over Madhya Maharashtra, Konkan, Gujarat state during 07th-11th September. Isolated extensive rainfall are also likely over Madhya Maharashtra & Konkan on 07th& 08th, Gujarat on 08th-09th September.

Wheat Daily Prices and Arrivals

Centre	Market	Variety	Prices (Rs/Qtl)		Change
			07-Sep-21	06-Sep-21	
Delhi	Lawrence Road	Mill Delivery	2070	2075	-5
	Narella	Mill Quality Loose	2000	1975	25
	Nazafgarh	Mill Quality Loose	1950	1950	Unch
Gujarat	Rajkot	Mill Delivery	2100	2100	Unch
	Ahmedabad	Mill Delivery	2130	2150	-20
	Surat	Mill Delivery	2170	2200	-30
	Dhrol	Mill Quality Loose	2080	2070	10
M.P.	Indore	Mill Delivery	Closed	2000	-
	Bhopal	Mill Quality Loose	Closed	1850	-
Rajasthan	Kota	Mill Quality Loose	1885	1800	85
		Mill Delivery	2035	1950	85
U.P.	Kanpur	Mill Delivery	1970	1960	10
	Mathura	Mill Quality Loose	1850	1875	-25
	Kosi	Mill Quality Loose	1840	1850	-10
	Hathras	Mill Quality Loose	1840	1860	-20
	Aligarh	Mill Quality Loose	1850	1870	-20
Punjab	Khanna	Mill Quality Loose	1800	1800	Unch
	Ludhiana (Jagraon)	Mill Delivery	-	-	Unch
Haryana	Sirsa	Mill Delivery loose	1850	1850	Unch
	Hodal	Mill Delivery	-	-	-
	Bhiwani	Mill Quality Loose	1870	1870	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	1850	1850	Unch
FOR	Kandla (Rajasthan-Rajkot)	Mill Quality	-	-	-
	Gandhidham (Rajasthan-Rajkot)	Mill Quality	-	-	-

Centre	Market	Variety	Prices (Rs/Qtl)		Change
			07-Sep-21	06-Sep-21	
Gujarat	Rajkot	Lokwan	2150	2150	Unch
M.P.	Indore	Lokwan	Closed	2300	-
	Bhopal	Lokwan	Closed	2200	-
	Bina	Sarbati 306	Closed	-	-
Rajasthan	Kota	LokwanBilty	2010	1925	85
	Baran	Lokwan	2150	2210	-60

Wheat Arrivals in Key Centers:

Centre	Market	Variety	Arrivals (Bags/Qtl)		Change
			07-Sep-21	06-Sep-21	
Delhi	Lawrence Road	Mill Delivery	7000	6000	1000
	Narella	Mill Quality Loose	150	500	-350
	Nazafgarh	Mill Quality Loose	100	40	60
Gujarat	Rajkot	Mill Quality Loose	3000	800	2200
	Dhrol	Mill Quality Loose	144	95	49
M.P.	Indore	Mill Quality Loose	Closed	2000	-
Rajasthan	Kota	Mill Quality	3000	2500	500
U.P.	Kanpur	Mill Quality Loose	800	1000	-200
	Mathura	Mill Quality Loose	650	1500	-850
	Kosi	Mill Quality Loose	800	1000	-200
	Hathras	Mill Quality Loose	200	400	-200
	Aligarh	Mill Quality Loose	1400	500	900
Punjab	Khanna	Mill Quality Loose	400	300	100
	(Ludhiana)Jagraon	Mill Quality Loose	-	-	Unch
Haryana	Sirsa	Mill Quality Loose	400	400	Unch
	Hodal	Mill Quality Loose	80	100	-20
	Bhiwani	Mill Quality Loose	400	600	-200
	Karnal	Mill Delivery	-	-	-
	Panipat	Mill Quality Loose	-	-	-

Wheat (CBOT) Future Price: 06.09.2021					
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	729.5	743.5	8.25
Jul22	714	720.25	708	715.5	0.25
Sep22	715.75	721.5	710	717.75	0.25

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