

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.

The government has hiked the minimum support price for wheat by Rs 40 from Rs 1975 to Rs 2015 per quintal. According to officials, CCEA has approved increase in MSP's of six rabi crops for 2021-22 crop year (July-June) and 2022-2023 marketing year. The cost of production of wheat is estimated at Rs 1008 per quintal. The expected returns to farmers over their cost of production are estimated to be highest for wheat and mustard.

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.

Ukraine has started sowing of winter wheat for 2022 harvest season. According to agriculture ministry, a total of 16.5 million acres of winter wheat are expected to be sown. The farmers had sown 134,400 acres of winter wheat as of September 6th.

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.

The US Gulf Coast grain export facilities are still undergoing the aftermath of hurricane Ida which has badly affected the shipment pace of the country. Report suggests around a dozen terminal still closed yesterday due to power outages.

Weather Outlook: Fairly widespread to widespread rainfall activity will likely over Konkan & Goa, Gujarat & Coastal Karnataka coastal and scattered rainfall in Madhya Maharashtra during 08th-12th September. Scattered to widespread rainfall very likely over most parts of northwest India till 12th September.

Wheat Daily Prices and Arrivals

Centre	Market	Variety	Prices (Rs/Qtl)		Change
			08-Sep-21	07-Sep-21	
Delhi	Lawrence Road	Mill Delivery	2095	2070	25
	Narella	Mill Quality Loose	-	2000	-
	Nazafgarh	Mill Quality Loose	-	1950	-
Gujarat	Rajkot	Mill Delivery	2090	2100	-10
	Ahmedabad	Mill Delivery	2120	2130	-10
	Surat	Mill Delivery	2165	2170	-5
	Dhrol	Mill Quality Loose	2115	2080	35
M.P.	Indore	Mill Delivery	2010	-	-
	Bhopal	Mill Quality Loose	1900	-	-
Rajasthan	Kota	Mill Quality Loose	1900	1885	15
		Mill Delivery	2050	2035	15
U.P.	Kanpur	Mill Delivery	1960	1970	-10
	Mathura	Mill Quality Loose	1900	1850	50
	Kosi	Mill Quality Loose	1880	1840	40
	Hathras	Mill Quality Loose	1870	1840	30
	Aligarh	Mill Quality Loose	1860	1850	10
Punjab	Khanna	Mill Quality Loose	1760	1800	-40
	Ludhiana (Jagraon)	Mill Delivery	-	-	Unch
Haryana	Sirsa	Mill Delivery loose	1860	1850	10
	Hodal	Mill Delivery	-	-	-
	Bhiwani	Mill Quality Loose	1880	1870	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	1800	1900	-100
	Muzaffarpur	Mill Delivery	1850	1850	Unch
FOR	Kandla (Rajasthan-Rajkot)	Mill Quality	-	-	-
	Gandhidham (Rajasthan-Rajkot)	Mill Quality	-	-	-

Centre	Market	Variety	Prices (Rs/Qtl)		Change
			08-Sep-21	07-Sep-21	
Gujarat	Rajkot	Lokwan	2150	2150	Unch
M.P.	Indore	Lokwan	2300	Closed	-
	Bhopal	Lokwan	2250	Closed	-
	Bina	Sarbati 306	-	Closed	-
Rajasthan	Kota	LokwanBilty	2025	2010	15
	Baran	Lokwan	2150	2150	Unch

Wheat Arrivals in Key Centers:

Centre	Market	Variety	Arrivals (Bags/Qtl)		Change
			08-Sep-21	07-Sep-21	
Delhi	Lawrence Road	Mill Delivery	7000	7000	Unch
	Narella	Mill Quality Loose	Closed	150	-
	Nazafgarh	Mill Quality Loose	Closed	100	-
Gujarat	Rajkot	Mill Quality Loose	2200	3000	-800
	Dhrol	Mill Quality Loose	141	144	-3
M.P.	Indore	Mill Quality Loose	3500	Closed	-
Rajasthan	Kota	Mill Quality	4000	3000	1000
U.P.	Kanpur	Mill Quality Loose	1000	800	200
	Mathura	Mill Quality Loose	1000	650	350
	Kosi	Mill Quality Loose	1000	800	200
	Hathras	Mill Quality Loose	500	200	300
	Aligarh	Mill Quality Loose	600	400	200
Punjab	Khanna	Mill Quality Loose	600	400	200
	(Ludhiana)Jagraon	Mill Quality Loose	-	-	Unch
Haryana	Sirsa	Mill Quality Loose	500	400	100
	Hodal	Mill Quality Loose	50	80	-30
	Bhiwani	Mill Quality Loose	400	400	Unch
	Karnal	Mill Delivery	-	-	-
	Panipat	Mill Quality Loose	-	-	-

Wheat (CBOT) Future Price: 07.09.2021

Contract Month	Open	High	Low	Close	Change
Sep21	718.5	718.5	704.25	708.75	-5.75
Dec21	724	733.25	714	719.75	-6.5
Mar22	735.75	743.75	725.75	730.5	-7.25
May22	742	748.75	731.5	736	-7.5
Jul22	712.25	718.75	705.75	707	-8.5
Sep22	719.25	720.75	708	709.25	-8.5

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