

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:

Chicago wheat future slid for third consecutive day due pressure from slowing export. The most active wheat contract on CBOT has dropped 0.2% to \$7.04-1/4 per bushel.

The Turkish government has decided to lift the import duties on wheat will subject to 0pc import duty till December 31 from 17.3-130pc previously applied. Russia and Ukraine are the major exporters of wheat to Turkey but were held back in the black sea congestion due to ongoing construction work around strait of Gallipoli.

French soft wheat shipment outside EU has been the highest in three years as the export to Algeria has taken the pace after a slow start in July.

Saudi Arabia's main state wheat buying agency (SAGO) has issued an international tender of 360,000 tonnes of milling wheat for purchase. They lowered the test weight requirement to 76 which would help European wheat in France and elsewhere which was damaged by late harvest rain.

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 rainfall with isolated heavy to very heavy falls are likely over Gujarat, south east Rajasthan and west Madhya Pradesh during 09th-12th September. Rainfall likely to increase with isolated rainfall over south Haryana, southwest Uttar Pradesh during 10th-11th September. Isolated heavy to very heavy rainfall likely over Uttarakhand and isolated heavy falls are likely over Jammu division and Himachal Pradesh during next 3 days.

Wheat Daily Prices and Arrivals

Centre	Market	Variety	Prices (Rs/Qtl)		Change
			09-Sep-21	08-Sep-21	
Delhi	Lawrence Road	Mill Delivery	2080	2095	-15
	Narella	Mill Quality Loose	2000	Closed	-
	Nazafgarh	Mill Quality Loose	1980	Closed	-
Gujarat	Rajkot	Mill Delivery	2085	2090	-5
	Ahmedabad	Mill Delivery	2120	2120	Unch
	Surat	Mill Delivery	2160	2165	-5
	Dhrol	Mill Quality Loose	2090	2115	-25
M.P.	Indore	Mill Delivery	2000	2010	-10
	Bhopal	Mill Quality Loose	1900	1900	Unch
Rajasthan	Kota	Mill Quality Loose	1880	1900	-20
		Mill Delivery	2030	2050	-20
U.P.	Kanpur	Mill Delivery	1960	1960	Unch
	Mathura	Mill Quality Loose	1900	1900	Unch
	Kosi	Mill Quality Loose	1850	1880	-30
	Hathras	Mill Quality Loose	1850	1870	-20
	Aligarh	Mill Quality Loose	1850	1860	-10
Punjab	Khanna	Mill Quality Loose	1760	1760	Unch
	Ludhiana (Jagraon)	Mill Delivery	-	-	Unch
Haryana	Sirsa	Mill Delivery loose	1860	1860	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	1800	1800	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
			09-Sep-21	08-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	2005	2025	-20
	Baran	Lokwan	2150	2150	Unch

Wheat Arrivals in Key Centers:

Centre	Market	Variety	Arrivals (Bags/Qtl)		Change
			09-Sep-21	08-Sep-21	
Delhi	Lawrence Road	Mill Delivery	6500	7000	-500
	Narella	Mill Quality Loose	200	Closed	-
	Nazafgarh	Mill Quality Loose	50	Closed	-
Gujarat	Rajkot	Mill Quality Loose	2500	2200	300
	Dhrol	Mill Quality Loose	50	141	-91
M.P.	Indore	Mill Quality Loose	2000	3500	-1500
Rajasthan	Kota	Mill Quality	3500	4000	-500
U.P.	Kanpur	Mill Quality Loose	1200	1000	200
	Mathura	Mill Quality Loose	1000	1000	Unch
	Kosi	Mill Quality Loose	700	1000	-300
	Hathras	Mill Quality Loose	300	500	-200
	Aligarh	Mill Quality Loose	500	600	-100
Punjab	Khanna	Mill Quality Loose	500	600	-100
	(Ludhiana)Jagraon	Mill Quality Loose	-	-	Unch
Haryana	Sirsa	Mill Quality Loose	500	500	Unch
	Hodal	Mill Quality Loose	100	50	50
	Bhiwani	Mill Quality Loose	500	400	100
	Karnal	Mill Delivery	-	-	-
	Panipat	Mill Quality Loose	-	-	-

Wheat (CBOT) Future Price: 08.09.2021					
Contract Month	Open	High	Low	Close	Change
Sep21	704.5	704.5	698.25	698.25	-10.5
Dec21	720	724	707.5	709.5	-10.25
Mar22	730.25	734.5	719	720.75	-9.75
May22	736.5	739.5	725	726.25	-9.75
Jul22	708	710	697.75	698.75	-8.25
Sep22	709.5	712	700.75	701.25	-8

Disclaimer

The information and opinions contained in the document have been compiled from sources believed to be reliable. The company does not warrant its accuracy, completeness and correctness. Use of data and information contained in this report is at your own risk. This document is not, and should not be construed as, an offer to sell or solicitation to buy any commodities. This document may not be reproduced, distributed or published, in whole or in part, by any recipient hereof for any purpose without prior permission from the Company. IASL and its affiliates and/or their officers, directors and employees may have positions in any commodities mentioned in this document (or in any related investment) and may from time to time add to or dispose of any such commodities (or investment). Please see the detailed disclaimer at <http://www.agriwatch.com/Disclaimer.asp> © 2021 Indian Agribusiness Systems Pvt Ltd.