

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:

The most active wheat future on CBOT were down by 0.1% at \$6.91-1/2 a bushel, near a session low of \$6.90-3/4 a bushel the weakest since July 29. Wheat closed down 2.4% on Thursday. U.S. wheat futures edged lower to hit a six week low as expectations of ample global supplies pushed the grains towards a weekly loss of nearly 5%.

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.

Irregular weather in Canada and Europe is resulting in the spike of price of raw materials which along with increase in freight prices is spiralling the durum wheat market completely out of control. The price of durum has skyrocketed by approx 90% due to poor weather that has affected the quality and yield of wheat.

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 with isolated heavy to very heavy falls likely over Konkan & Goa, Odisha and Chhattisgarh during 12th-14th September. Isolated extremely heavy falls also likely over Odisha on 13th and Konkan & Goa during 13th-14th September. Scattered to fairly widespread rainfall likely to continue over Peninsular India during next 5 days.

Wheat Daily Prices and Arrivals

Centre	Market	Variety	Prices (Rs/Qtl)		Change
			10-Sep-21	09-Sep-21	
Delhi	Lawrence Road	Mill Delivery	2090	2080	10
	Narella	Mill Quality Loose	2000	2000	Unch
	Nazafgarh	Mill Quality Loose	1980	1980	Unch
Gujarat	Rajkot	Mill Delivery	2080	2085	-5
	Ahmedabad	Mill Delivery	2130	2120	10
	Surat	Mill Delivery	2180	2160	20
	Dhrol	Mill Quality Loose	2115	2090	25
M.P.	Indore	Mill Delivery	2000	2000	Unch
	Bhopal	Mill Quality Loose	1900	1900	Unch
Rajasthan	Kota	Mill Quality Loose	1900	1880	20
		Mill Delivery	2050	2030	20
U.P.	Kanpur	Mill Delivery	1950	1960	-10
	Mathura	Mill Quality Loose	1890	1900	-10
	Kosi	Mill Quality Loose	1860	1850	10
	Hathras	Mill Quality Loose	1880	1850	30
	Aligarh	Mill Quality Loose	1900	1850	50
Punjab	Khanna	Mill Quality Loose	1850	1760	90
	Ludhiana (Jagraon)	Mill Delivery	-	-	Unch
Haryana	Sirsa	Mill Delivery loose	1850	1860	-10
	Hodal	Mill Delivery	-	-	-
	Bhiwani	Mill Quality Loose	1860	1880	-20
	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	1800	100
	Muzaffarpur	Mill Delivery	1900	1850	50
FOR	Kandla (Rajasthan-Rajkot)	Mill Quality	-	-	-
	Gandhidham (Rajasthan-Rajkot)	Mill Quality	-	-	-

Centre	Market	Variety	Prices (Rs/Qtl)		Change
			10-Sep-21	09-Sep-21	
Gujarat	Rajkot	Lokwan	2175	2150	25
M.P.	Indore	Lokwan	2300	2300	Unch
	Bhopal	Lokwan	2250	2250	Unch
	Bina	Sarbati 306	-	-	-
Rajasthan	Kota	LokwanBilty	2025	2005	20
	Baran	Lokwan	2150	2150	Unch

Wheat Arrivals in Key Centers:

Centre	Market	Variety	Arrivals (Bags/Qtl)		Change
			10-Sep-21	09-Sep-21	
Delhi	Lawrence Road	Mill Delivery	6000	6500	-500
	Narella	Mill Quality Loose	200	200	Unch
	Nazafgarh	Mill Quality Loose	30	50	-20
Gujarat	Rajkot	Mill Quality Loose	1500	2500	-1000
	Dhrol	Mill Quality Loose	88	50	38
M.P.	Indore	Mill Quality Loose	1000	2000	-1000
Rajasthan	Kota	Mill Quality	4000	3500	500
U.P.	Kanpur	Mill Quality Loose	1000	1200	-200
	Mathura	Mill Quality Loose	1200	1000	200
	Kosi	Mill Quality Loose	2000	700	1300
	Hathras	Mill Quality Loose	250	300	-50
	Aligarh	Mill Quality Loose	1100	500	600
Punjab	Khanna	Mill Quality Loose	400	500	-100
	(Ludhiana)Jagraon	Mill Quality Loose	0	0	Unch
Haryana	Sirsa	Mill Quality Loose	300	500	-200
	Hodal	Mill Quality Loose	80	100	-20
	Bhiwani	Mill Quality Loose	600	500	100
	Karnal	Mill Delivery	-	-	-
	Panipat	Mill Quality Loose	-	-	-

Wheat (CBOT) Future Price: 09.09.2021					
Contract Month	Open	High	Low	Close	Change
Sep21	700	700	681.5	681.5	-16.75
Dec21	711	711.25	691.5	692.25	-17.25
Mar22	721.25	721.5	701.25	702	-18.75
May22	726.5	726.75	706.25	707.25	-19
Jul22	698.75	700	683.75	684.5	-14.25
Sep22	700.5	700.5	686	686.75	-14.5

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