

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.

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.

The UP government has informed that Rs 40 hike in MSP of wheat won't impact the farmers as the growth of grain production in India has risen by over 35% in four years. The UP agricultural minister has said that the production of wheat in UP has increased from 28 quintals per hectare in 2016-17 to 28 quintals per hectare in 2020-21.

International Market Update:

The CBOT values of wheat continue to trade in the range not seen since the massive price spike in early 2008. With new season, prices are moving above \$350 a tonne and close to \$380 a tonne. The markets around the world are watching how big the harvest of Australian crop will be and how much it can balance the downgrade being put up by Russian and Canadian crops.

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.

Russia's wheat export price continues to grow for consecutive ninth week due to continued growth in export taxes. Russian wheat with 12.5% protein loading from Black sea ports for supply in early October at \$300 per tonne FOB has grown by \$0.5 tonnes from last week.

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.

According to September World Agricultural supply and demand estimates, the US wheat acreage and yield were left unchanged but ending stocks are lowered by 12 million bushels from last month to 627 million bushels but it is down 12% from 2020 and lowest in last eight years. Exports were unchanged at 875 million bushels. World wheat 2021-22 carryout was raised by more than 4 million metric tons to 283.2 million tons, with increase in Australia and India's production.

Weather Outlook: Fairly widespread to widespread rainfall over Odisha and Chattisgarh with isolated heavy to very heavy rainfall and isolated extremely heavy rainfall are likely over these areas on 13th with reduction thereafter. Fairly widespread to widespread rainfall likely over Konkan & Goa, Gujarat, East Rajasthan, north Madhya Maharashtra and Madhya Pradesh for next 3-4 days.

Wheat Daily Prices and Arrivals

Centre	Market	Variety	Prices (Rs/Qtl)		Change
			13-Sep-21	11-Sep-21	
Delhi	Lawrence Road	Mill Delivery	2080	2085	-5
	Narella	Mill Quality Loose	2000	2000	Unch
	Nazafgarh	Mill Quality Loose	1980	1980	Unch
Gujarat	Rajkot	Mill Delivery	2075	2090	-15
	Ahmedabad	Mill Delivery	2125	2130	-5
	Surat	Mill Delivery	2175	2180	-5
	Dhrol	Mill Quality Loose	-	2090	-
M.P.	Indore	Mill Delivery	2065	2000	65
	Bhopal	Mill Quality Loose	1855	1900	-45
Rajasthan	Kota	Mill Quality Loose	1925	1920	5
		Mill Delivery	2075	2070	5
U.P.	Kanpur	Mill Delivery	1940	1950	-10
	Mathura	Mill Quality Loose	1890	1890	Unch
	Kosi	Mill Quality Loose	1810	1860	-50
	Hathras	Mill Quality Loose	1850	1880	-30
	Aligarh	Mill Quality Loose	1850	1850	Unch
Punjab	Khanna	Mill Quality Loose	1850	1850	Unch
	Ludhiana (Jagraon)	Mill Delivery	-	-	-
Haryana	Sirsa	Mill Delivery loose	1860	1850	10
	Hodal	Mill Delivery	-	-	-
	Bhiwani	Mill Quality Loose	1860	1860	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	1900	1900	Unch
FOR	Kandla (Rajasthan-Rajkot)	Mill Quality	-	-	-
	Gandhidham (Rajasthan-Rajkot)	Mill Quality	-	-	-

Centre	Market	Variety	Prices (Rs/Qtl)		Change
			13-Sep-21	11-Sep-21	
Gujarat	Rajkot	Lokwan	2150	2175	-25
M.P.	Indore	Lokwan	2300	2300	Unch
	Bhopal	Lokwan	2200	2250	-50
	Bina	Sarbati 306	-	-	-
Rajasthan	Kota	LokwanBilty	2050	2045	5
	Baran	Lokwan	2200	2200	Unch

Wheat Arrivals in Key Centers:

Centre	Market	Variety	Arrivals (Bags/Qtl)		Change
			13-Sep-21	11-Sep-21	
Delhi	Lawrence Road	Mill Delivery	4000	5000	-1000
	Narella	Mill Quality Loose	150	250	-100
	Nazafgarh	Mill Quality Loose	20	50	-30
Gujarat	Rajkot	Mill Quality Loose	600	2200	-1600
	Dhrol	Mill Quality Loose	-	60	-
M.P.	Indore	Mill Quality Loose	800	1200	-400
Rajasthan	Kota	Mill Quality	3000	3500	-500
U.P.	Kanpur	Mill Quality Loose	700	800	-100
	Mathura	Mill Quality Loose	1100	1100	Unch
	Kosi	Mill Quality Loose	2000	1000	1000
	Hathras	Mill Quality Loose	200	400	-200
	Aligarh	Mill Quality Loose	1100	1100	Unch
Punjab	Khanna	Mill Quality Loose	500	500	Unch
	(Ludhiana)Jagraon	Mill Quality Loose	-	-	-
Haryana	Sirsa	Mill Quality Loose	300	300	Unch
	Hodal	Mill Quality Loose	80	80	Unch
	Bhiwani	Mill Quality Loose	500	500	Unch
	Karnal	Mill Delivery	-	-	-
	Panipat	Mill Quality Loose	-	-	-

Wheat (CBOT) Future Price: 10.09.2021

Contract Month	Open	High	Low	Close	Change
Sep21	682.5	683.75	673.25	675	-6.5
Dec21	692	695.75	677	688.5	-3.75
Mar22	702	706.25	687.75	699.25	-2.75
May22	706	712	695	705.25	-2
Jul22	684	693.75	678.5	689.75	5.25
Sep22	687	695.25	681.75	692.25	5.5

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