

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.

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 MSPs 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:

Wheat eased on Friday as the market consolidated after pressurized continued US harvest and limited export at hurricane ravaged US gulf export terminals. CBOT wheat futures ended 4-1/4 cents lower at \$7.08-3/4 a bushel, though it has climbed 2.9 percent to add 20-1/4 cents for the week.

The harvest of Ukrainian wheat has completed for 2021 with a threshing of 33 million tonnes in the bunker weight with a yield of 4.65 tonnes per hectare. By September 16, 45.7 million tonnes of grains have been harvested with the yield averaging 4.39 tonnes per hectare. Ukraine's plan is to thresh a record of 80 million tonnes of grains in 2021 up by 15 million from 65 million previous year.

Jordan has issued a tender to buy 120,000 tonnes of milling wheat. The deadline for submission of wheat is Sept 22. The new tender is expected as there was no purchase in its previous tender of 120,000 tonnes of wheat which has closed on 15th September 2021.

After eighteen months of drought in Australian farms, the grain growers are on the course to harvest a second consecutive bumper crop as global wheat price is reach eight years high. The agricultural revival has also boosted an increase in the rural land prices in Australia.

Statista Canada has issues lower than expected estimate for Canadian wheat production, while France reduced its soft wheat crop estimate. Strategie Canada has sharply lowered its projection for world output, partly due to reduced estimate for the European Union.

The USDA in its September World Agricultural Supply and Demand Estimate lowered its forecast for the carryover of wheat on June 1, 2022 to 615 million bushels down 12 million from the August outlook and down 229 million bushel or 27% from 844 million bushel in 2021. It would be the smallest US wheat carryover since 590 million bushels in 2014.

Weather Outlook: Fairly widespread to widespread rainfall are likely over Gujarat State, Rajasthan and Madhya Pradesh during next 5 days. Isolated heavy to very heavy falls is also likely over East Rajasthan on 18th & 19th; over Gujarat region on 19th & 20th and over West Madhya Pradesh 20th & 21st. Isolated heavy falls likely over West Madhya Pradesh on 18th, 19th & 22nd; over East Madhya Pradesh during 19th -22nd; over Saurashtra & Kutch during 20th - 22nd and over Gujarat Region on 18th & 21st September, 2021. Scattered to fairly widespread rainfall with isolated heavy falls very likely over Uttarakhand during 19th-22nd and over Himachal Pradesh on 20th-21st September. Light to moderated isolated/scattered rainfall activity likely over rest parts of northwest India during next 5 days. Rainfall activity is likely to increase over Odisha & Gangetic West Bengal with fairly widespread to widespread rainfall & isolated heavy falls over above areas from 18th to 20th September, 2021.

Wheat Daily Prices and Arrivals

Centre	Market	Variety	Prices (Rs/Qtl)		Change
			18-Sep-21	17-Sep-21	
Delhi	Lawrence Road	Mill Delivery	2080	2070	10
	Narella	Mill Quality Loose	1970	1980	-10
	Nazafgarh	Mill Quality Loose	1960	1980	-20
Gujarat	Rajkot	Mill Delivery	2050	2040	10
	Ahmedabad	Mill Delivery	2120	2125	-5
	Surat	Mill Delivery	2170	2175	-5
	Dhrol	Mill Quality Loose	2125	2130	-5
M.P.	Indore	Mill Delivery	2050	2050	Unch
	Bhopal	Mill Quality Loose	1850	1810	40
Rajasthan	Kota	Mill Quality Loose	1925	1930	-5
		Mill Delivery	2060	2070	-10
U.P.	Kanpur	Mill Delivery	1930	1940	-10
	Mathura	Mill Quality Loose	1865	1870	-5
	Kosi	Mill Quality Loose	1850	1860	-10
	Hathras	Mill Quality Loose	1860	1870	-10
	Aligarh	Mill Quality Loose	1880	1900	-20
Punjab	Khanna	Mill Quality Loose	1850	1850	Unch
	Ludhiana (Jagraon)	Mill Delivery	-	-	Unch
Haryana	Sirsa	Mill Delivery loose	1860	1860	Unch
	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	1850	1850	Unch
	Muzaffarpur	Mill Delivery	1900	1875	25
FOR	Kandla (Rajasthan-Rajkot)	Mill Quality	-	-	-
	Gandhidham (Rajasthan-Rajkot)	Mill Quality	-	-	-

Centre	Market	Variety	Prices (Rs/Qtl)		Change
			18-Sep-21	17-Sep-21	
Gujarat	Rajkot	Lokwan	2125	2125	Unch
M.P.	Indore	Lokwan	2300	2300	Unch
	Bhopal	Lokwan	2200	2200	Unch
	Bina	Sarbati 306	-	-	-
Rajasthan	Kota	LokwanBilty	2050	2055	-5
	Baran	Lokwan	2040	2200	-160

Wheat Arrivals in Key Centers:

Centre	Market	Variety	Arrivals (Bags/Qtl)		Change
			18-Sep-21	17-Sep-21	
Delhi	Lawrence Road	Mill Delivery	6500	5000	1500
	Narella	Mill Quality Loose	200	300	-100
	Nazafgarh	Mill Quality Loose	60	100	-40
Gujarat	Rajkot	Mill Quality Loose	1200	1500	-300
	Dhrol	Mill Quality Loose	154	136	18
M.P.	Indore	Mill Quality Loose	1000	1200	-200
Rajasthan	Kota	Mill Quality	2500	3000	-500
U.P.	Kanpur	Mill Quality Loose	700	1000	-300
	Mathura	Mill Quality Loose	500	600	-100
	Kosi	Mill Quality Loose	500	400	100
	Hathras	Mill Quality Loose	400	300	100
	Aligarh	Mill Quality Loose	300	400	-100
Punjab	Khanna	Mill Quality Loose	600	400	200
	(Ludhiana)Jagraon	Mill Quality Loose	-	-	Unch
Haryana	Sirsa	Mill Quality Loose	300	400	-100
	Hodal	Mill Quality Loose	40	100	-60
	Bhiwani	Mill Quality Loose	400	500	-100
	Karnal	Mill Delivery	-	-	-
	Panipat	Mill Quality Loose	-	-	-

Wheat (CBOT) Future Price: 17.09.2021					
Contract Month	Open	High	Low	Close	Change
Sep21	713.75	716	706.5	708.75	-4.25
Dec21	724.75	726.5	717.75	719.75	-4.25
Mar22	728.5	729.5	720.5	722.75	-4.75
May22	707	707.25	701	703.75	-3
Jul22	707.25	709.25	702.75	706	-3
Sep22	711	714	709.25	711.75	-3

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