

**Wheat Domestic Fundamentals:**

**According to 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.

**It was informed by UP government 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 has reached near 8 days high due to global supply concerns.** The wheat futures have edged up on Monday due to growing concerns of global supplies following Canada's drought affected harvest and lowering of production estimate by European Union and France. The wheat futures on CBOT were up 0.1% to reach \$7.09-3/4 per bushel.

**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.

**Russia resumes wheat export to Algeria after 5 years.** The first shipment of 30,000 tonnes is on the way and second shipment is currently being loaded in Black Sea and expected to sail soon. Russia is also expected to send two vessels containing 60,000 tons of wheat in September. It marked first major supply of wheat from Russia to Algeria since 2016.

**As on 20<sup>th</sup> September 2021, Russia's wheat export prices have risen for 10<sup>th</sup> consecutive week following higher global** benchmark in Chicago and Paris. The Russian wheat with 12.5% protein, loading from Black Sea ports were FOB \$301 a tonne last week, up by \$1 from previous week.

**The winter wheat harvest 2021 dealt with many weather condition past year from delays in harvest to early harvest in** some areas. However, the 2021 hard red winter wheat crop quality ended up better than expected on average. HRW wheat account for 40% of total wheat production of USA while SRW account for 15 to 20% of total production.

**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.

**In both Canada and USA, dry and hot weather across the prairies has affected the crop yields and dragging wheat** production to multi year lows. The small harvest has helped provoke large increase in the crop prices also strengthening the demand.

**Weather Outlook:** Fairly widespread to widespread Rainfall with Isolated very heavy falls are likely over Gangetic West Bengal & Odisha on 21st; isolated heavy falls on 22nd September, 2021 and decrease in rainfall activity thereafter. Scattered to fairly widespread rainfall with isolated heavy falls very likely over Uttarakhand during 21st-25th and over Himachal Pradesh, Punjab & Haryana during 21st-22nd September, 2021. Fairly widespread to widespread Rainfall with Isolated heavy falls are likely over East Madhya Pradesh, Vidarbha & Chhattisgarh till 24th September and decrease thereafter. A cyclonic circulation likely to develop over East central & adjoining Northeast Bay of Bengal around 25th September. It is likely to move west- north westwards and reach Odisha coast during subsequent 48 hours. Under its influence; a fresh spell of heavy rainfall likely over Odisha and adjoining areas from 26th September, 2021.

**Wheat Daily Prices and Arrivals**

Centre	Market	Variety	Prices (Rs/Qtl)		Change
			21-Sep-21	20-Sep-21	
Delhi	Lawrence Road	Mill Delivery	2100	2100	Unch
	Narella	Mill Quality Loose	1980	1980	Unch
	Nazafgarh	Mill Quality Loose	1990	1990	Unch
Gujarat	Rajkot	Mill Delivery	2040	2040	Unch
	Ahmedabad	Mill Delivery	2120	2115	5
	Surat	Mill Delivery	2165	2160	5
	Dhrol	Mill Quality Loose	1995	2130	-135
M.P.	Indore	Mill Delivery	2000	2000	Unch
	Bhopal	Mill Quality Loose	1840	1825	15
Rajasthan	Kota	Mill Quality Loose	1920	1900	20
		Mill Delivery	2050	2050	Unch
U.P.	Kanpur	Mill Delivery	1940	1940	Unch
	Mathura	Mill Quality Loose	1860	1860	Unch
	Kosi	Mill Quality Loose	1860	1830	30
	Hathras	Mill Quality Loose	1870	1870	Unch
	Aligarh	Mill Quality Loose	1870	1900	-30
Punjab	Khanna	Mill Quality Loose	1850	1850	Unch
	Ludhiana (Jagraon)	Mill Delivery	-	-	Unch
Haryana	Sirsa	Mill Delivery loose	1875	1875	Unch
	Hodal	Mill Delivery	-	-	-
	Bhiwani	Mill Quality Loose	1940	1940	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
			21-Sep-21	20-Sep-21	
Gujarat	Rajkot	Lokwan	2125	2125	Unch
M.P.	Indore	Lokwan	2250	2250	Unch
	Bhopal	Lokwan	2300	2300	Unch
	Bina	Sarbati 306	-	-	-
Rajasthan	Kota	LokwanBilty	2045	2025	20
	Baran	Lokwan	2100	2050	50

## Wheat Arrivals in Key Centers:

Centre	Market	Variety	Arrivals (Bags/Qtl)		Change
			21-Sep-21	20-Sep-21	
Delhi	Lawrence Road	Mill Delivery	5000	4000	1000
	Narella	Mill Quality Loose	300	250	50
	Nazafgarh	Mill Quality Loose	100	50	50
Gujarat	Rajkot	Mill Quality Loose	2300	2500	-200
	Dhrol	Mill Quality Loose	158	190	-32
M.P.	Indore	Mill Quality Loose	1200	1500	-300
Rajasthan	Kota	Mill Quality	3500	2000	1500
U.P.	Kanpur	Mill Quality Loose	1000	1200	-200
	Mathura	Mill Quality Loose	1200	1000	200
	Kosi	Mill Quality Loose	800	1000	-200
	Hathras	Mill Quality Loose	400	350	50
	Aligarh	Mill Quality Loose	500	500	Unch
Punjab	Khanna	Mill Quality Loose	500	500	Unch
	(Ludhiana)Jagraon	Mill Quality Loose	-	-	Unch
Haryana	Sirsa	Mill Quality Loose	500	500	Unch
	Hodal	Mill Quality Loose	100	100	Unch
	Bhiwani	Mill Quality Loose	150	100	50
	Karnal	Mill Delivery	-	-	-
	Panipat	Mill Quality Loose	-	-	-

Wheat (CBOT) Future Price: 20.09.2021					
Contract Month	Open	High	Low	Close	Change
Dec21	708	710.75	695.75	700.75	-8
Mar22	718.75	720.75	706.75	711.5	-8.25
May22	722	722.75	709.75	715	-7.75
Jul22	701.5	704.5	692.25	699.75	-4
Sep22	703	703.5	695.75	702.25	-3.75
Dec22	709.25	709.25	702	708.25	-3.5

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