

#### **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.

**As on 15<sup>th</sup> September 2021, 56.53% of foodgrains have been lifted in the country under PMGKAY phase IV.** A total 112.39 LMT of foodgrains is lifted against 198.78 LMT allocated, as per Ministry of consumer affairs, food & public distribution. In wheat, 49.53 LMT is lifted against allocated 97.09 LMT making lifting percentage as 51.01%. Andaman & Nicobar tops the country for lifting highest percentage of foodgrains with 93%. The PMGKAY is extended till November 2021.

#### **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.

**According to report, Philippines is tendering to purchase an estimated 224,000 tonnes of animal feed wheat.** The wheat was sought in four 56,000 tonne consignments for shipment between Oct 18, 2021 and Jan 16, 2022 depending on origin.

**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
			22-Sep-21	21-Sep-21	
Delhi	Lawrence Road	Mill Delivery	2090	2100	-10
	Narella	Mill Quality Loose	Closed	1980	-
	Nazafgarh	Mill Quality Loose	Closed	1990	-
Gujarat	Rajkot	Mill Delivery	2010	2040	-30
	Ahmedabad	Mill Delivery	2110	2120	-10
	Surat	Mill Delivery	2160	2165	-5
	Dhrol	Mill Quality Loose	1985	1995	-10
M.P.	Indore	Mill Delivery	2020	2000	20
	Bhopal	Mill Quality Loose	1830	1840	-10
Rajasthan	Kota	Mill Quality Loose	1875	1920	-45
		Mill Delivery	2025	2050	-25
U.P.	Kanpur	Mill Delivery	1950	1940	10
	Mathura	Mill Quality Loose	1900	1860	40
	Kosi	Mill Quality Loose	1890	1860	30
	Hathras	Mill Quality Loose	1880	1870	10
	Aligarh	Mill Quality Loose	1910	1870	40
Punjab	Khanna	Mill Quality Loose	1825	1850	-25
	Ludhiana (Jagraon)	Mill Delivery	-	-	Unch
Haryana	Sirsa	Mill Delivery loose	1875	1875	Unch
	Hodal	Mill Delivery	-	-	-
	Bhiwani	Mill Quality Loose	1900	1940	-40
	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
			22-Sep-21	21-Sep-21	
Gujarat	Rajkot	Lokwan	2125	2125	Unch
M.P.	Indore	Lokwan	2000	2250	-250
	Bhopal	Lokwan	2200	2300	-100
	Bina	Sarbati 306	-	-	-
Rajasthan	Kota	LokwanBilty	2000	2045	-45
	Baran	Lokwan	2130	2100	30

## Wheat Arrivals in Key Centers:

Centre	Market	Variety	Arrivals (Bags/Qtl)		Change
			22-Sep-21	21-Sep-21	
Delhi	Lawrence Road	Mill Delivery	5500	5000	500
	Narella	Mill Quality Loose	Closed	300	-
	Nazafgarh	Mill Quality Loose	Closed	100	-
Gujarat	Rajkot	Mill Quality Loose	1500	2300	-800
	Dhrol	Mill Quality Loose	120	158	-38
M.P.	Indore	Mill Quality Loose	2000	1200	800
Rajasthan	Kota	Mill Quality	2500	3500	-1000
U.P.	Kanpur	Mill Quality Loose	800	1000	-200
	Mathura	Mill Quality Loose	500	1200	-700
	Kosi	Mill Quality Loose	400	800	-400
	Hathras	Mill Quality Loose	200	400	-200
	Aligarh	Mill Quality Loose	400	500	-100
Punjab	Khanna	Mill Quality Loose	600	500	100
	(Ludhiana)Jagraon	Mill Quality Loose	-	-	Unch
Haryana	Sirsa	Mill Quality Loose	400	500	-100
	Hodal	Mill Quality Loose	50	100	-50
	Bhiwani	Mill Quality Loose	400	150	250
	Karnal	Mill Delivery	-	-	-
	Panipat	Mill Quality Loose	-	-	-

Wheat (CBOT) Future Price: 21.09.2021					
Contract Month	Open	High	Low	Close	Change
Dec21	700.25	701	686	690.25	-10.5
Mar22	710.75	711.75	697	701	-10.5
May22	714.5	714.5	700.5	705	-10
Jul22	699	699	686.5	692.5	-7.25
Sep22	699.75	701	690.75	695.25	-7
Dec22	706	707	696	701.5	-6.75

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