

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 15th 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:

As on Wednesday the CBOT wheat future rebounded after three sessions of decline due to strong global wheat demand. CBOT December soft red winter wheat ended up at 15-1/2 cents at \$7.05-3/4 per bushel while KC December hard red winter wheat rose 15-1/2 cents at \$7.06 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 20th September 2021, Russia's wheat export prices have risen for 10th 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.

As per the Grain Industry Association of Western Australia in its September report reduced its estimate for wheat output in Western Australia for the marketing year 2021-22 (October-September) to 10.6 million mt, 6.2% lower from the 11.3 million mt in August. However, the output is 15.2 % higher than previous year at 9.2 million mt.

Weather Outlook: Fairly widespread to widespread rainfall with isolated heavy falls very likely over East Rajasthan, West Madhya Pradesh, Gujarat state, Konkan & Goa and Coastal Andhra Pradesh during next 5 days. Isolated very heavy falls is also likely over Gujarat Region on 25th & 26th; Saurashtra & Kutch on 26th & 27th and over Coastal Andhra Pradesh on 26th September, 2021. Due to likely formation of low pressure area over Northeast & adjoining East central Bay of Bengal around 24th evening and its west-north-westwards movement, a fresh spell of heavy rainfall likely over Odisha and Gangetic West Bengal from 26th September, 2021. Scattered to fairly widespread rainfall with isolated heavy falls very likely over Jammu & Kashmir, Himachal Pradesh, Uttarakhand, Punjab, Haryana on today, the 23rd September. Isolated very heavy rainfall likely over Punjab on today, the 23rd September, 2021. Rainfall activity is likely to increase over Kerala & Mahe with fairly widespread rainfall & isolated heavy falls from 25th September, 2021.

Wheat Daily Prices and Arrivals

Centre	Market	Variety	Prices (Rs/Qtl)		Change
			23-Sep-21	22-Sep-21	
Delhi	Lawrence Road	Mill Delivery	2100	2090	10
	Narella	Mill Quality Loose	1990	Closed	-
	Nazafgarh	Mill Quality Loose	1980	Closed	-
Gujarat	Rajkot	Mill Delivery	2010	2010	Unch
	Ahmedabad	Mill Delivery	2125	2110	15
	Surat	Mill Delivery	2170	2160	10
	Dhrol	Mill Quality Loose	1945	1985	-40
M.P.	Indore	Mill Delivery	2020	2020	Unch
	Bhopal	Mill Quality Loose	1800	1830	-30
Rajasthan	Kota	Mill Quality Loose	1900	1875	25
		Mill Delivery	2030	2025	5
U.P.	Kanpur	Mill Delivery	1940	1950	-10
	Mathura	Mill Quality Loose	1890	1900	-10
	Kosi	Mill Quality Loose	1900	1890	10
	Hathras	Mill Quality Loose	1875	1880	-5
	Aligarh	Mill Quality Loose	1900	1910	-10
Punjab	Khanna	Mill Quality Loose	1830	1825	5
	Ludhiana (Jagraon)	Mill Delivery	-	-	Unch
Haryana	Sirsa	Mill Delivery loose	1875	1875	Unch
	Hodal	Mill Delivery	-	-	-
	Bhiwani	Mill Quality Loose	1940	1900	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
			23-Sep-21	22-Sep-21	
Gujarat	Rajkot	Lokwan	2150	2125	25
M.P.	Indore	Lokwan	2000	2000	Unch
	Bhopal	Lokwan	2100	2200	-100
	Bina	Sarbati 306	-	-	-
Rajasthan	Kota	LokwanBilty	2025	2000	25
	Baran	Lokwan	2100	2130	-30

Wheat Arrivals in Key Centers:

Centre	Market	Variety	Arrivals (Bags/Qtl)		Change
			23-Sep-21	22-Sep-21	
Delhi	Lawrence Road	Mill Delivery	6000	5500	500
	Narella	Mill Quality Loose	400	Closed	-
	Nazafgarh	Mill Quality Loose	150	Closed	-
Gujarat	Rajkot	Mill Quality Loose	1500	1500	Unch
	Dhrol	Mill Quality Loose	80	120	-40
M.P.	Indore	Mill Quality Loose	1600	2000	-400
Rajasthan	Kota	Mill Quality	3000	2500	500
U.P.	Kanpur	Mill Quality Loose	900	800	100
	Mathura	Mill Quality Loose	500	500	Unch
	Kosi	Mill Quality Loose	600	400	200
	Hathras	Mill Quality Loose	500	200	300
	Aligarh	Mill Quality Loose	300	400	-100
Punjab	Khanna	Mill Quality Loose	500	600	-100
	(Ludhiana)Jagraon	Mill Quality Loose	-	-	Unch
Haryana	Sirsa	Mill Quality Loose	400	400	Unch
	Hodal	Mill Quality Loose	60	50	10
	Bhiwani	Mill Quality Loose	200	400	-200
	Karnal	Mill Delivery	-	-	-
	Panipat	Mill Quality Loose	-	-	-

Wheat (CBOT) Future Price: 22.09.2021					
Contract Month	Open	High	Low	Close	Change
Dec21	689.5	706.75	688	705.75	15.5
Mar22	700.5	717	699.25	716	15
May22	704.5	719.75	703	719.25	14.25
Jul22	692.75	705	690.25	704	11.5
Sep22	693.75	707	693.75	706.25	11
Dec22	702	712.5	702	711.75	10.25

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