

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:

US wheat firmed on Friday, posting second straight weekly gain due to rising prices, strong demand and weaker dollar. CBOT December soft red winter wheat gained 6 cents to settle at \$7.23-3/4 per bushel which is the highest closing price since September 3rd. CBOT December contract was up by 2.1% for the week. KC December hard red winter wheat ended 1/4 cent lower at \$7.19-3/4 per bushel while MGEX December spring wheat added 4-1/2 cents at \$9.16 per bushel.

China has started importing wheat from Australia despite a bitter trade-off between the countries. This came when Australia is expecting bumper production for second consecutive year and downgrade production in Northern hemisphere. China has emerged as leading buyer for wheat taking close to 2 million tonnes out of 5 million sold so far. China has cancelled some cargoes of French wheat over quality issues and are turning to Australia..

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.

As of 23rd September, Ukraine has sown 1.2 million hectares of winter wheat which is 18.3% of expected 6.68 million hectares. Winter wheat accounts for 95% of Ukraine's total wheat sowing area.

The state-run Trading corporation of Pakistan is believed to have bought 575,000 tonnes of wheat in an international tender at \$383.50 c&f. According to the report, Cargill has sold 290,000 tonnes, Agropur sold 60,000 tonnes, Falconbridge sold 120,000 tonnes and CHS sold 105,000 tonnes.

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 and Konkan & Goa during next 5 days. Isolated very heavy falls is also very likely over north Madhya Maharashtra and Southwest Madhya Pradesh on 28th and Gujarat State on 28th & 29th September, 2021. Rainfall activity is very likely to increase over Kerala & Mahe with fairly widespread to widespread rainfall and isolated heavy falls from today, the 25th September, 2021 and over Lakshadweep area from 26th September, 2021.

Wheat Daily Prices and Arrivals

Centre	Market	Variety	Prices (Rs/Qtl)		Change
			25-Sep-21	24-Sep-21	
Delhi	Lawrence Road	Mill Delivery	2070	2100	-30
	Narella	Mill Quality Loose	1960	1980	-20
	Nazafgarh	Mill Quality Loose	1970	1980	-10
Gujarat	Rajkot	Mill Delivery	2000	2000	Unch
	Ahmedabad	Mill Delivery	2115	2130	-15
	Surat	Mill Delivery	2160	2170	-10
	Dhrol	Mill Quality Loose	-	1925	-
M.P.	Indore	Mill Delivery	2000	2010	-10
	Bhopal	Mill Quality Loose	1825	1810	15
Rajasthan	Kota	Mill Quality Loose	1875	1900	-25
		Mill Delivery	2025	2030	-5
U.P.	Kanpur	Mill Delivery	1925	1940	-15
	Mathura	Mill Quality Loose	1880	1890	-10
	Kosi	Mill Quality Loose	1875	1875	Unch
	Hathras	Mill Quality Loose	1860	1890	-30
	Aligarh	Mill Quality Loose	1870	1900	-30
Punjab	Khanna	Mill Quality Loose	1800	1840	-40
	Ludhiana (Jagraon)	Mill Delivery	-	-	Unch
Haryana	Sirsa	Mill Delivery loose	1875	1875	Unch
	Hodal	Mill Delivery	-	-	-
	Bhiwani	Mill Quality Loose	1920	1940	-20
	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	1850	1900	-50
FOR	Kandla (Rajasthan-Rajkot)	Mill Quality	-	-	-
	Gandhidham (Rajasthan-Rajkot)	Mill Quality	-	-	-

Centre	Market	Variety	Prices (Rs/Qtl)		Change
			25-Sep-21	24-Sep-21	
Gujarat	Rajkot	Lokwan	2100	2150	-50
M.P.	Indore	Lokwan	2000	2000	Unch
	Bhopal	Lokwan	2100	2100	Unch
	Bina	Sarbati 306	-	-	-
Rajasthan	Kota	LokwanBilty	2000	2025	-25
	Baran	Lokwan	2080	2090	-10

Wheat Arrivals in Key Centers:

Centre	Market	Variety	Arrivals (Bags/Qtl)		Change
			25-Sep-21	24-Sep-21	
Delhi	Lawrence Road	Mill Delivery	4000	5000	-1000
	Narella	Mill Quality Loose	300	500	-200
	Nazafgarh	Mill Quality Loose	50	100	-50
Gujarat	Rajkot	Mill Quality Loose	1600	1700	-100
	Dhrol	Mill Quality Loose	-	53	-
M.P.	Indore	Mill Quality Loose	1000	1200	-200
Rajasthan	Kota	Mill Quality	3000	3500	-500
U.P.	Kanpur	Mill Quality Loose	800	1200	-400
	Mathura	Mill Quality Loose	500	600	-100
	Kosi	Mill Quality Loose	400	700	-300
	Hathras	Mill Quality Loose	300	300	Unch
	Aligarh	Mill Quality Loose	200	150	50
Punjab	Khanna	Mill Quality Loose	400	500	-100
	(Ludhiana)Jagraon	Mill Quality Loose	-	-	Unch
Haryana	Sirsa	Mill Quality Loose	500	400	100
	Hodal	Mill Quality Loose	100	100	Unch
	Bhiwani	Mill Quality Loose	400	300	100
	Karnal	Mill Delivery	-	-	-
	Panipat	Mill Quality Loose	-	-	-

Wheat (CBOT) Future Price: 24.09.2021					
Contract Month	Open	High	Low	Close	Change
Dec21	718.5	725.75	711.5	723.75	6
Mar22	729.25	736.25	722.75	734.75	6.25
May22	732.75	739.25	726.5	738	6
Jul22	711.5	716.75	710	716	2.75
Sep22	713.5	717	711.5	716.5	1.75
Dec22	717.5	722	717	720.75	1

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