

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:

In the wheat market, run of tenders by importers, harvest issues in the northern hemisphere and rumours about further increase in the Russian export duty has supported wheat futures. Wheat added 0.3% to \$7.26 per bushel in CBOT.

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: On 27th Sept, Heavy to very heavy rainfall with extremely heavy falls very likely at isolated places over north Coastal Andhra Pradesh, south Chhattisgarh, Vidarbha, Marathwada, Kerala and Telangana; Heavy to very heavy rainfall at isolated places over south Odisha, Madhya Maharashtra, Konkan, Gujarat State, North Interior Karnataka and Tamilnadu. On 28th Sept, Heavy to very heavy rainfall with extremely heavy falls very likely at isolated places over Gujarat Region, Madhya Maharashtra and Konkan; Heavy to very heavy rainfall at isolated places over Marathwada and Saurashtra & Kutch.

Wheat Daily Prices and Arrivals

Centre	Market	Variety	Prices (Rs/Qtl)		Change
			27-Sep-21	25-Sep-21	
Delhi	Lawrence Road	Mill Delivery	2085	2070	15
	Narella	Mill Quality Loose	1960	1960	Unch
	Nazafgarh	Mill Quality Loose	1970	1970	Unch
Gujarat	Rajkot	Mill Delivery	2040	2000	40
	Ahmedabad	Mill Delivery	2120	2115	5
	Surat	Mill Delivery	2165	2160	5
	Dhrol	Mill Quality Loose	1900	-	-
M.P.	Indore	Mill Delivery	2000	2000	Unch
	Bhopal	Mill Quality Loose	1800	1825	-25
Rajasthan	Kota	Mill Quality Loose	1900	1875	25
		Mill Delivery	2050	2025	25
U.P.	Kanpur	Mill Delivery	1940	1925	15
	Mathura	Mill Quality Loose	1870	1880	-10
	Kosi	Mill Quality Loose	1900	1875	25
	Hathras	Mill Quality Loose	1880	1860	20
	Aligarh	Mill Quality Loose	1860	1870	-10
Punjab	Khanna	Mill Quality Loose	1800	1800	Unch
	Ludhiana (Jagraon)	Mill Delivery	-	-	Unch
Haryana	Sirsa	Mill Delivery loose	1875	1875	Unch
	Hodal	Mill Delivery	-	-	-
	Bhiwani	Mill Quality Loose	1950	1920	30
	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	1850	50
FOR	Kandla (Rajasthan-Rajkot)	Mill Quality	-	-	-
	Gandhidham (Rajasthan-Rajkot)	Mill Quality	-	-	-

Centre	Market	Variety	Prices (Rs/Qtl)		Change
			27-Sep-21	25-Sep-21	
Gujarat	Rajkot	Lokwan	2125	2100	25
M.P.	Indore	Lokwan	2000	2000	Unch
	Bhopal	Lokwan	2100	2100	Unch
	Bina	Sarbati 306	-	-	-
Rajasthan	Kota	LokwanBilty	2025	2000	25
	Baran	Lokwan	2100	2080	20

Wheat Arrivals in Key Centers:

Centre	Market	Variety	Arrivals (Bags/Qtl)		Change
			27-Sep-21	25-Sep-21	
Delhi	Lawrence Road	Mill Delivery	6000	4000	2000
	Narella	Mill Quality Loose	150	300	-150
	Nazafgarh	Mill Quality Loose	70	50	20
Gujarat	Rajkot	Mill Quality Loose	4000	1600	2400
	Dhrol	Mill Quality Loose	209	-	-
M.P.	Indore	Mill Quality Loose	2000	1000	1000
Rajasthan	Kota	Mill Quality	3000	3000	Unch
U.P.	Kanpur	Mill Quality Loose	600	800	-200
	Mathura	Mill Quality Loose	500	500	Unch
	Kosi	Mill Quality Loose	300	400	-100
	Hathras	Mill Quality Loose	200	300	-100
	Aligarh	Mill Quality Loose	700	200	500
Punjab	Khanna	Mill Quality Loose	600	400	200
	(Ludhiana)Jagraon	Mill Quality Loose	-	-	Unch
Haryana	Sirsa	Mill Quality Loose	300	500	-200
	Hodal	Mill Quality Loose	50	100	-50
	Bhiwani	Mill Quality Loose	500	400	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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