Wheat Monthly Research Report

Contents

- Wheat Market Dynamics
- AW Cereal Index
- Wheat Quarterly Balance Sheet
- Supply Demand & Domestic Market Highlights
- Acreage
- Procurement
- Wheat Price Trend
- Export & Import
- Monthly Central Pool Stock & WPI
- Monthly Average Spot Prices
- Spot Prices at Various Centers
- Monthly Arrival
- MSP Vs Mill Delivery
- Technical Analysis
- International Wheat Market Summary
- Global Wheat Average FoB
- Indicative Freight Quotes
- Global Policy Developments
- Spot/Forward Prices at Black Sea
- IGC
- USDA Balance Sheet
- CBOT: Futures/Comparison/Trend
- FoB Quotes & International Outlook

Market Dynamics: ***(Back to Table of Contents)***

Price Trend: *All India average monthly prices for wheat increased by 1.39 percent from Rs 2000.54 in May-2021 to Rs 2028.5 per qtl in June -2021. Average price in June-2021 was lower by 1.71 percent compared to Rs 2063.93 per quintal registered in May-2020. Prices are expected to improve in expectation of less supplies in the market. Strong export demand will also give support to the market, however allocation of PMGKAY which has been extended till November 2021 will curb any major rise.*

AW Production Estimate for Rabi 2021: *Agriwatch has preliminary estimated the production for 2021 is 104 MMT compared to 103.21 MMT last year. Production is higher this year due to better yields and higher area compared to last year. Total availability is likely to increase from 124.13 MMT in 2020-21 to 129.88 MMT this year.*

FoB/CiF Quotes: *Indian FoB quote is hovering at between $244.62 to 250.31 per tonne in the month of June'21. Against it, U.S. is quoting at $262.88 in the month of Jun'21. Indian FoB quote is based on local prices.*

Export: *India exported 4.69 lakh tonnes of Wheat at an average FOB of $278.65 per tonnes in May'21. The exports have picked up because the low prices domestically have made Indian Wheat competitive due to good demand from neighbouring countries. Exports will increase on an average compared to last year.*

Import: *As per trade sources, India has imported 6380 tonnes of Australian wheat during the month of October"20. The government has increased import duty from 30 percent to 40 percent to reduce imports and provide support to domestic sellers. Imports are expecting to be low this year due to adequate domestic availability, low prices, and the increase in import duty. The imported wheat is currently of high-quality wheat, which is getting used for research purposes.*

Supply-Demand: *The demand is emerging back amid depleting stocks of fresh wheat crop. Trades in the south are also active at the current level, and another hand, demand from private companies, is good, giving support to the market. The export trade in wheat is good. Increased export demand in the international market is also supporting the domestic market. In such a situation, the wheat price is expected to trade steady to slightly firm.*

Weather Update: *Prevailing meteorological conditions, large scale atmospheric features and the forecast wind pattern by dynamical models suggest that no favourable conditions are likely to develop for further advance of southwest monsoon into remaining parts of Rajasthan, West Uttar Pradesh, Haryana, Chandigarh & Delhi and Punjab during next 5-6 days. Hence, subdued rainfall activity is very likely to continue to prevail over Northwest, Central and Western parts of Peninsular India during next 5-6 days. Isolated/scattered thunderstorm activity accompanied with lightning & rainfall is also likely over these regions during this period*

Procurement: *Procurement of Wheat in ongoing RMS 2021-22 is almost finished in the procuring States of Punjab, Haryana, Uttar Pradesh, Madhya Pradesh, Himachal Pradesh, Delhi, and Jammu & Kashmir while its remain continue in Rajasthan, Bihar and Gujarat at MSP, as was done in previous seasons, and till now (up-to 04.07.2021) a quantity of over 433.24 LMT of Wheat has been procured all time higher against 389.93 LMT in last year in the corresponding period of time. About 49.16 lakh farmers have already been benefitted with MSP value of Rs.84.369.19 crore from the ongoing RMS procurement operations. According to FCI, there were about 19,036 wheat procurement centres during the ongoing 2021-22 rabi marketing season.*

Procurement Target: *During the current Rabi marketing season, the government may exceed its revised wheat procurement target of 433.5 lakh tonnes. Bihar may extend procurement till July 15, 2021, perhaps raising the set value for the current season. This season, 16 lakh tonnes of wheat were transferred by rail from mandies in Punjab, Haryana, and Madhya Pradesh during the pick procurement period, resulting in a reduction in mandies oversupply and smooth procurement procedures.*

Outlook & Recommendation: *Wheat market is expected to trade steady to slightly firm in coming month.*

Trade Call: There is no major trading at NCDEX for wheat.

India's Wheat Balance Sheet For 2021-22:

(Back to Table of Contents)

	Wheat MY Runs from April To March (Figures in MMT)	2020-21	2021-22
A	**Carry in**	**20.92**	**25.21**
B	Production	103.21	104
C	Imports	0.00	0.00
D	**Total Availability (A+B+C)**	124.13	**129.21**
E	Consumption	96.99	97.30
F	Exports	1.93	1.00
G	Total Usage (E+F)	98.92	98.80
H	**Carry out (D-G)**	**25.51**	**30.41**
I	Av Monthly Consumption	8.08	8.11
J	Stock to Month Use	3.12	3.75
K	Stock to Consumption Ratio	0.03	0.04

*Agriwatch Wheat Production Estimate for Marketing Year 2021-22

Supply-Demand Highlights:

As per Agriwatch estimates, production will be around 104 MMT compared to 103.21 MMT last year. Production will be higher this year due to increased yields and area. Total availability increased to 129.21 MMT from 124.13 MMT in MY 2021-22.

Carry out is expected to be around 30.41 MMT for 2021-22 compared to 25.51 MMT for 2020-21. The domestic availability of wheat is good. Prices are likely to trade steady to slight firm. Good domestic availability will ensure that there is no unexpected surge in prices.

Stock in the central pool as of 1st April stood at 273.04 lakh tonnes lower by 7.57% compared to last month. This quantity is higher by around 10.54% compared to last year for the same month. The government has already applied import duty on wheat to curb imports and provide support to domestic prices. Therefore, the government has abundant supplies this year to tackle any unexpected rise in wheat prices and demand by selling more quantity in the open and international market.

Domestic Market Highlights:

Procurement activities by government and firm export demand supported wheat prices. However, the government has recently decided to extend PMGKAY (Pradhan Mantri Garib Kalyan Anna Yojana) till November 2021 where the central government is distributing 5Kg of Wheat and Rice per person per month at free of cost to around 80 crore beneficiaries under the NFSA. The reallocation of PMGKAY may affect wheat demand in the domestic market. Considering all factors, the wheat price is expected to trade steady to slight firm in the short run.

According to the Union Secretary, Department of Food & Public Distribution, A total quantity of 433.50 lakh tonnes wheat has been estimated for procurement during the forthcoming RMS 2021-22 which is 11.17 per cent more than the 389.93 lakh tonnes procured during RMS 2020-21. Wheat procurement for Rabi 2021-22 has almost closed in the procuring states of Punjab, Haryana, U.P., M.P., while its continue in Rajasthan, Bihar and Gujarat.

According to Government, Procurement of Wheat in ongoing RMS 2021-22 is almost finished in the procuring States of Punjab, Haryana, Uttar Pradesh, Madhya Pradesh, Himachal Pradesh, Delhi, and Jammu & Kashmir while its remain continue in Rajasthan, Bihar and Gujarat at MSP, as was done in previous seasons, and till now *(up-to 04.07.2021) a quantity of over 433.24 LMT of Wheat has been procured all time higher against 389.93 LMT in last year in the corresponding period of time. About 49.16 lakh farmers have already been benefitted with MSP value of Rs.84.369.19 crore from the ongoing RMS procurement operations. According to FCI, there were about 19,036 wheat procurement centres during the ongoing 2021-22 rabi marketing season.*

This Rabi season, government procured 132.10 LMT of wheat from Punjab, higher from MP's procurement record of 128.08 LMT in 2021-22.However, it was procured lower at 127.14 LMT from Punjab compared to 129.42 LMT in MP during 2020-21.

The government procurement agencies in Haryana have procured total 84.93 LMT consisting 6.94 LMT by FCI and 77.99 LMT by state agency. Expecting bumper produce this year, the government had increased the procurement target.

According to 3rd Government estimate, India is likely to harvest a record 108.75 million tonnes of wheat this year, the agriculture ministry said, further boosting stocks at government granaries that are fast running out of storage space due to more than a decade of bumper production. Wheat output in India, the world's second-biggest producer, is expected to go up by 1.3% in the crop year to June 2021, the Ministry of Agriculture and Farmers' Welfare said in its second crop forecast for 2020-21. Whereas, Agriwatch estimates its wheat production estimate for MY 2020-21 will be 104 MMT.

Final Sowing Status 2021-22:

(Back to Table of Contents)

State Wise Wheat Sowing in Lakh Hectares					
State	**Normal area (2021)**	**2019**	**2020**	**2021**	**% Change 2021 vs. 2020**
Bihar	21.25	22.88	22.71	22.299	**-1.81**
Chhattisgarh	1.05	1.68	1.88	2.01	**6.91**
Gujarat	9.62	8.07	13.95	13.66	**-2.08**
Haryana	25.45	25.16	24.9	25.21	**1.24**
Himachal Pradesh	3.31	3.0	3.4	3.4	**0.00**
J&K	2.95	2.43	2.21	2.5	**13.12**
Jharkhand	1.84	2.15	2.11	2.31	**9.48**
Karnataka	1.76	2.04	1.96	1.89	**-3.57**
Madhya Pradesh	57.55	60	79.68	87.98	**10.42**
Maharashtra	10.21	5.6	10.71	11.64	**8.68**
Punjab	35.08	35.2	35.16	35.1	**-0.17**
Rajasthan	29.89	28.25	33.14	32.62	**-1.57**
Uttar Pradesh	97.87	99.13	99.05	99.04	**-0.01**
Uttarakhand	3.38	3.45	3.48	3.27	**-6.03**
West Bengal	2.45	1.02	2.52	1.88	**-25.40**
Others	NA.35	NA.23	0.09	0.1	**11.11**
All-India	**303.27**	**300.35**	**336.42**	**346.35**	**2.95**

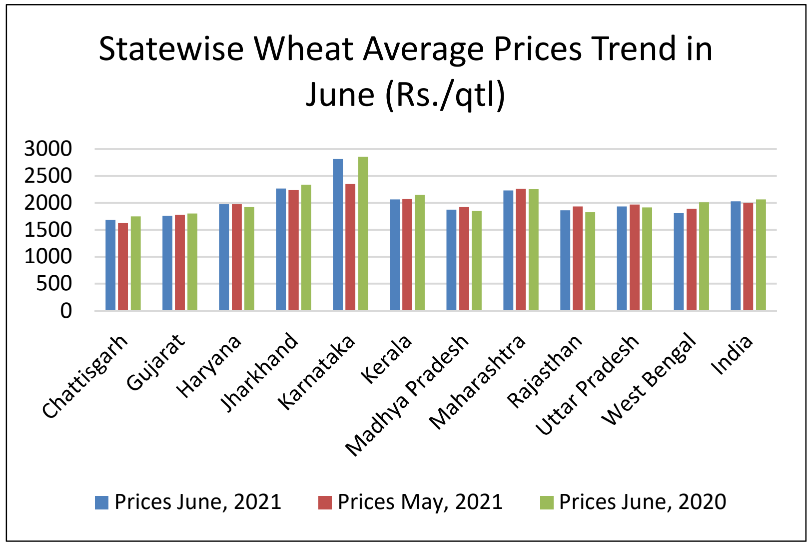
Source: Ministry of Agriculture

Ongoing Wheat Procurement RMS 2021-22 (Source: FCI)

State/UTs	Procurement as of 4th Jul-2021 (Figures in LMT)		
	FCI (A)	**State Agency (B)**	**Total (A+B)**
Punjab	12.2	119.9	132.1
Haryana	6.94	77.99	84.93
Uttar Pradesh	1.39	55.02	56.41
Madhya Pradesh	0	128.09	128.09
Bihar	0	4.56	4.56
Rajasthan	16.56	6.84	23.4
Others	0.6	3.14	3.74
All-India	**37.69**	**395.54**	**433.23**

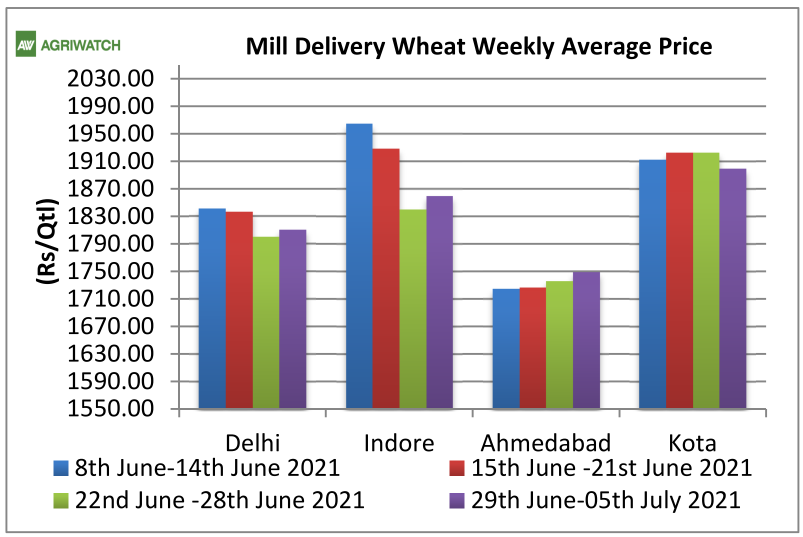
Monthly Average Price Comparison:

India's average monthly prices for wheat increased by 1.39 percent from Rs. 2000.54 in May- 2021 to Rs. 2028.5 per quintal in June-2021. Prices in the wheat market has improved due to weak supplies, and the price is likely to gain further. The crop harvest is completed, and the government procurement of Wheat is almost finished at various states of India. The central government has extended giving free Wheat for till November 2021. There's also widespread export demand for Indian Wheat recently, which supports domestic prices in July too. Agriwatch expects that Wheat would trade steady to slightly firm due to weak supplies.



Mill Delivery Wheat Weekly Average Price Movement at key Spot Market:

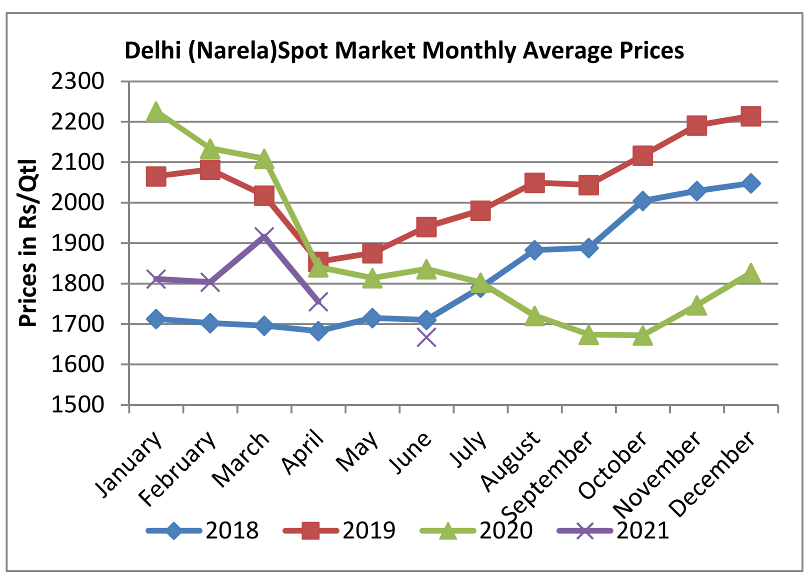
Wheat's average mill delivery prices lower at various trading centres amid good supplies in the markets. Indore centre is remain closed due to the lockdown and spread of Covid -19. Markets had shown weak movement in prices last week due to imposing the PMGKAY scheme once again—high Procurement from last year and strong demand from the export front. Wheat is likely to trade steady to weak tone in upcoming weeks.



Wheat Delhi Average Monthly Price:

The wheat spot market Delhi (Narela) prices were not available in May and June month. Prices are likely to trade in range of Rs 1700 1875 per quintal in the Narela market in the upcoming month as markets are likely to open soon.

In June'21, the prices were not available for Narela center. While, at Lawrence centre, it closed at 1826.73 per quintal in June 2021 lower than 1890 per quintal in May 2021.



Wheat Exports:

According to the latest update, India exported around 3.98 lakhs tonne wheat in the month of March-2021. It is around 0.4 lakh tonnes higher compared to the export quantity (3.5 lakh tonnes) in Feb-2021.

The overall conditions for Indian wheat export are now favourable, and export opportunity is here as parity comes in favour of India now.

An export volume would increase in the coming months as prices in the domestic market ruling lower which can elevate the demand in the international market. The recent price in China is $350 per tonne and the wheat export price in India is $247. Russia has been applying export tax of $30.40 per ton on wheat exports since February 15, due to which the Indian wheat demand will also increase.

Source: DGCIS/Private Traders

Year/Month	Wheat Export (Lakh Tonnes)	Average FoB ($/T)	CBOT Average Quotes ($/MT)
Apr-14-Mar-15	2924	279.96	230.37
Apr-15-Mar-16	666	294.88	179.9
Apr-16-Mar-17	265	338.38	157.04
Apr-17-Mar-18	322	NA	162.36
Apr-18-Mar-19	226	389.15	185.15
Apr-19-Mar-20	207.58	451.42	186.86
Apr-20-Mar-21	1931.00	219.50	214.64
Total 2021-22(000T)	0	0	0

Wheat Import:

India has imported 6.38 thousand tonnes of wheat in October-2020, first time since the month of Mar-2020. Before this India has imported 0.19 thousand tonnes of wheat in Feb-20. Imports are expected to remain at the lower side this year due to good domestic availability.

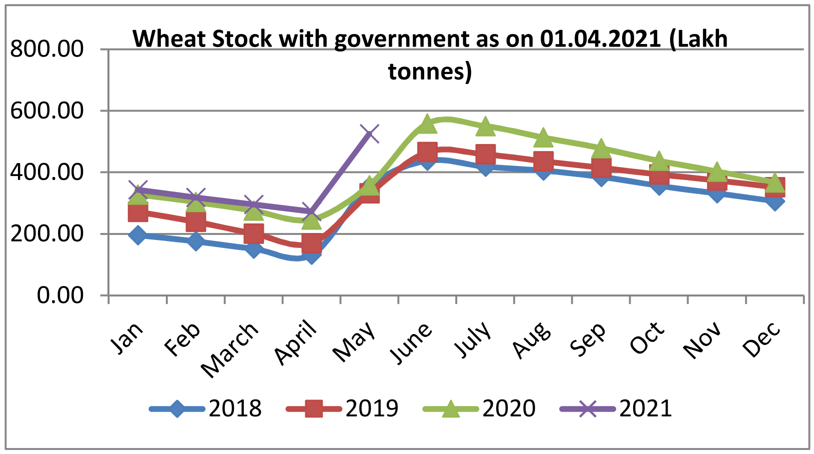
FoB quote in the Black Sea region is hovering around $245.00 per tonne in Russia 249.50 per tonne and $254.93 per tonne in Ukraine. The United States and France are also providing wheat at $261 per tonne and 260.93 per tonne. The government has increased import duty from 30% to 40% to curb imports and provide support to domestic prices.

Source: DGCIS/Private Traders

Year/Month	Wheat Import (In Thousand Tonne)	Average CiF ($/T)	CBOT Average Quotes ($/MT)
Apr-16-Mar-17	5957.79	220.13	157.04
Apr-17- Mar18	1616.97	NA	162.36
Apr-18- Mar19	1.00	239.52	185.15
Apr-19- Mar-20	500.81	229.51	185.35
Apr-20-Mar-21	NA	NA	207.05
Apr-21			
May-21			
June-21			
Total 2020-21 (000T)	0	0	0

Wheat Stock with the Government:

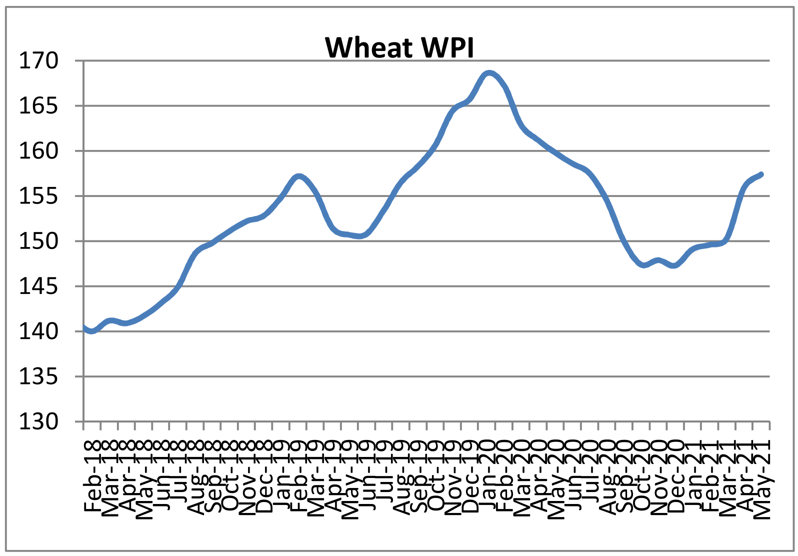
On 01.06.2021 was around 587.68 lakh tonnes. It is higher by 11.80 % from May-2021. Stock in the central pool as of 01st June 2021 is higher by 5.27 percent compared to last year for the same month. The government has increased its procurement target to 43.34 MMT for MY 2021-22 from 38.83 MMT last year.



Wheat Inflation:

Wheat WPI has increased from 155.9 in Apr-2021 to 157.4 in May-2021. Monthly wheat inflation has increased by 0.47 percent in May-2021 compared to the previous month. As compared to Apr-2020 wheat WPI has increased by around 1.52 percent. Wheat WPI is expected to stay steady to slightly firm in the coming month. Food grains WPI decreased by 0.19% in May-21 to 158.6 Compared to Apr-20.

Weight: 1.02823, base year-2011-12=1000.



Month/Year	2017	2018	2019	2020	2021
Jan	151.3	140.8	154.8	168.6	149.1
Feb	149.3	140	157.8	167.3	149.5
Mar	142.9	141.2	155.5	162.9	150.2
Apr	141	140.9	151.5	162.5	155.9
May	137.5	141.7	150.7	159.8	157.4
Jun	136.1	143.1	150.8	158.6	
Jul	136.3	144.9	153.4	157.5	
Aug	137.1	148.6	156.5	154.52	
Sep	137.6	149.8	158.3	150	
Oct	138	151.1	160.6	147.4	
Nov	139.4	152.2	4.4	147.9	
Dec	139.4	152.8	165.7	147.3	

Source: Agriwatch

Monthly Price Comparison of Spot Markets:

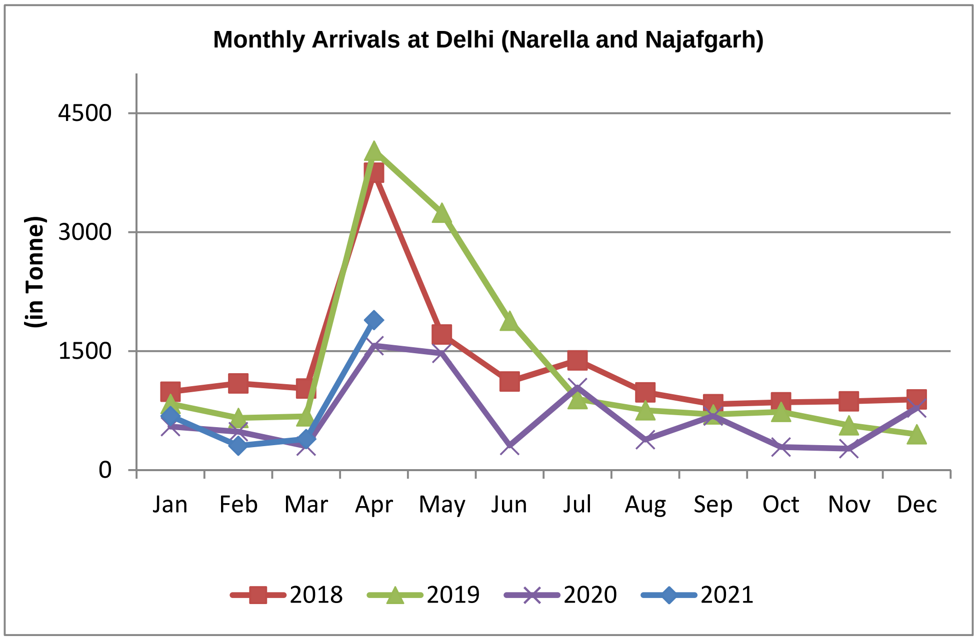
Monthly Average Spot Prices at Various Market (Rs/Quintal)					
Month	**Delhi**	**Indore**	**Kota**	**Rajkot**	**Chennai**
20-Apr	1964.16	1972.5	1729.33	1772.27	2350
20-May	1966.92	1972.5	1837.89	1813.07	2350
20-Jun	1973.26	1885.76	1745.38	1799.4	2350
20-Jul	1976	1883.2	1877.7	1821.04	2179
20-Aug	1856.73	1770.23	1752.1	1695.83	2044.73
20-Sep	1821.37	1729.66	1680	1621.88	2000
20-Jun	1973.26	1885.76	1745.38	1799.4	2350
20-Jul	1976	1883.2	1877.7	1821.04	2179
20-Aug	1856.73	1770.23	1752.1	1695.83	2044.73
20-Sep	1821.37	1729.66	1680	1621.88	2000
20-Oct	1824.23	1666.42	1726.4	1664.61	1956
20-Nov	1869.32	1734.21	1751.25	1692.75	1987.5
20-Dec	1826.92	1676.04	1717.82	1694.2	1991.3
21-Jan	1961.04	1836.73	1878.12	1841.04	2010
21-Feb	1935.41	1813.18	1661.3	1811.04	2070.83
21-Mar	1916.2	1853.8	1872.6	1799.73	2108
21-Apr	1937.66	1833	1869.52	1713	2100
21-May	Closed	Closed	Closed	1765	2072
21-June	Closed	1899	1920.76	1727.50	-

Monthly Price Comparison of Spot Markets

Spot Market Price:							
Centre	Market	Variety	Prices (Rs/Qtl)				
			Today	Yesterday	Week Ago	Month Ago	Year Ago
			5-Jun-21	3-Jun-21	29-May-21	5-May-21	4-Jun-20
Delhi	Lawrence Road	Mill Delivery	1865	1850	1900	Closed	1980
	Narella	Mill Quality Loose	NR	NR	Closed	Closed	1925
	Nazafgarh	Mill Quality Loose	NR	NR	Closed	Closed	NA
Gujarat	Rajkot	Mill Delivery	1740	1740	Closed	Closed	1780
	Ahmedabad	Mill Delivery	1830	1835	Closed	Closed	1860
	Surat	Mill Delivery	1910	1910	Closed	Closed	1930
	Dhrol	Mill Delivery	NA	1750	1650	-	-
M.P.	Indore	Mill Delivery	1870	1850	Closed	Closed	1900
	Bhopal	Mill Quality Loose	1760	1775	Closed	Closed	1750
Rajasthan	Kota	Mill Quality Loose	1800	1800	1750	Closed	1730
		Mill Delivery	1950	1925	1900	Closed	1870
U.P.	Kanpur	Mill Delivery	1750	1730	1725	Closed	2000
	Mathura	Mill Quality Loose	1700	1650	1740	Closed	1780
	Kosi	Mill Quality Loose	1720	1680	1715	Closed	1850
	Hathras	Mill Quality Loose	1690	1670	1680	Closed	1815
	Aligarh	Mill Quality Loose	1700	1650	1750	Closed	1825
Punjab	Khanna	Mill Quality Loose	Closed	Closed	Closed	Closed	1925
	Ludhiana (Jagraon)	Mill Delivery	-	-	-	-	-
Haryana	Sirsa	Mill Delivery loose	1790	1790	1800	Closed	1915
	Hodal	Mill Delivery	-	-	-	-	-
	Bhiwani	Mill Quality Loose	Closed	Closed	Closed	Closed	1925
	Karnal	Mill Delivery	-	-	-	-	-
	Panipat	Mill Quality Loose	-	-	-	-	-
Tamil Nadu	Chennai	Mill Quality	2050	2050	2050	Closed	2150
	Madurai	Mill Quality	2107	2200	2200	Closed	2200
	Coimbatore	Mill Quality	2107	2250	2250	Closed	2250
Bihar	Khagariya	Mill Delivery	1850	1850	1700	1700	2000
	Muzaffarpur	Mill Delivery	1800	1800	1725	1625	1900

Monthly Arrivals at Delhi:

Delhi region (Narela and Najafgarh) were closed in May and June 2021.

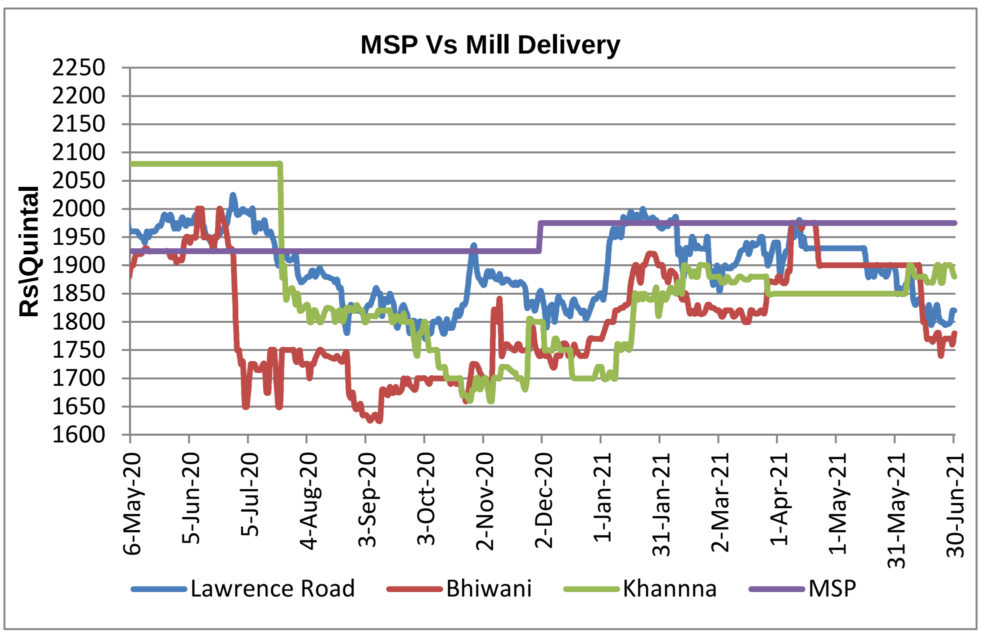


Domestic Outlook:

The wheat cash market is expected to trade steady to firm in Jul-21 in expectation of weak supplies.

MSP vs. Mill Delivery Prices:

As of now Mill delivery prices in all markets are below MSP due to free allocation by Govt and lockdown. Prices is likely to move steady to slightly firm in the coming month. The government set the minimum support price (MSP) of wheat Rs 1925 per quintal in 2019-20, now Government has increased the price from 1925 to 1975 per quintal for 2020-21. As the chart depicts mostly mill delivery prices remained under MSP during MY 2020-21.



Wheat Technical Analysis:

(Back to Table of Contents)

Wheat – Technical Outlook

Technical Commentary:

- A price decrease denotes wait interest in the market.
- RSI is in the neutral region.
- Prices closed below 9 and 18 Day EMAs.
- Candlestick pattern shows a steady movement in the market.

Strategy: Stay Away

Intraday Supports & Resistances			**S1**	**S2**	**PCP**	**R1**	**R2**
Wheat	**NCDEX**	**Aug**	-	-	-	-	-
Pre-Market Intraday Trade Call*			**Call**	**Entry**	**T1**	**T2**	**SL**
Wheat	**NCDEX**	**Aug**	**WAIT**	1729	-	-	-

* Do not carry-forward the position next month.

Note- Due to zero volume, there's no virtual trade in given chart.

International Market Dynamics

(Back to Table of Contents)

As per USDA, CBOT prices are driving through winter wheat harvest in U.S. Heavy supplies of new crop may put more pressures at CBOT prices. The percentage of the crop rated good to excellent slumped 10 points to just 27pc. Due to drought condition in Northern Plains of the U.S. CBOT prices are getting affected. Protein levels are also low in the US Hard Red Winter wheat harvest to date as well.

According to the USDA, the **HRW crop harvest in the United States** is 81 percent complete in Texas, 87 percent in Oklahoma, and 55 percent in Kansas. : The southern and central Great Plains showed cooler temperatures and precipitation this past week while the northern Great Plains saw sporadic rains and average temperatures. The drought worsened in the PNW with high temperatures (110-118°F / 43-48°C), which are expected to continue into next week. The SRW harvest in 2021 is still going strong, with 57 percent of the sampled crop collected so far despite rainfall in growing belts.

According to a Reuters poll, a weekly U.S. Agriculture Department report on Monday afternoon was expected to indicate that good-to-excellent ratings for the spring wheat harvest declined 2 percentage points to 25%. Analysts predict that 50 percent of the winter wheat crop will be graded good to excellent, up from 50 percent a week before.
Argentina is expected to transport 12 million tonnes of wheat in 2021/22, according to the Buenos Aires Cereals Exchange, following a higher output projection for 2021/22. Internal wheat milling should also increase by 8.3% to 6.5 million tonnes in 2021/22 under this scenario.

In its June 2021 report, the WASDE **upped wheat production predictions** in the United States. Overall wheat production is expected to reach 1,898 million bushels, up 26 million from last month, as stronger Hard Red Winter and Soft Red Winter production offset decreased White Winter production. In comparison to last month, the wheat yield is expected to increase by 0.7 bushels to 50.7 bushels per acre. Beginning stocks fell as 2020/21 shipments were increased by 20 million bushels to 985 million, owing to greater recent monthly exports. Due to the greater supplies, feed and residual use has been increased by 10 million bushels to 180 million bushels, as wheat is likely to be priced competitively with corn throughout the summer months.
Ending stocks have been reduced by 4 million bushels to 770 million bushels, a reduction of 10% from the projected 2020/21 ending stocks for 2021/22.

Global wheat supplies are expected to increase by 4.3 million tons to 1,087.9 million tons, owing to increased production in the EU, Russia, and Ukraine, as world production is expected to reach a new high of 794.4 million tons. On the back of recent favorable precipitation across Northern and Central Europe, the EU has increased its quota to 137.5 million tons. Germany, France, and Romania have seen the most significant rises. Russia's production has increased by 1.0 million tons to an all-time high of 86.0 million tons.

Argentina is expected to transport 12 million tonnes of wheat in 2021/22, according to the Buenos Aires Cereals Exchange, following a higher output projection for 2021/22. Internal wheat milling should also increase by 8.3% to 6.5 million tonnes in 2021/22 under this scenario.

Wheat export prices **in Russia** fell last week as a result of an expected good crop in the Black Sea region. In the new 2021/22 marketing season, wheat exports in Russia, Ukraine, and Kazakhstan could increase by 5%. At the end of last week, prices for new-crop Russian wheat with 12.5 percent protein loading from Black Sea ports and for supply in July were $248 per tonne FOB, down $7 from the previous week, potentially boosting Russia's exports in June 2021.IKAR, an agricultural consultancy, cut its projection for Russia's wheat output in 2021 from 79.5 MMT to 80 MMT. The estimate is 500,000 tonnes greater than the previous estimate.

European Union soft wheat exports reached at 25.10 million tonnes by June 20,2021 for the current season which is lower from 34.28 million tonnes in the corresponding period of time in last season. According to Strategie Grains, EU may grow higher soft wheat production for 2021 at 131.1 million tonnes, against 129.6 million in May'21 and 119.4 million tonnes last year. EU soft wheat exports in 2021/22 were now expected higher at 28.6 million tonnes from 27.0 million projected last month on account of improved competitiveness on the world market.

China may harvest 5.0 billion bushels of wheat by the end of summer – a new high for the world's largest wheat producer. However, rising Chinese livestock, poultry, and human food demand will consume all of those bushels, plus another 367 million bushels of imports.

Ukraine's wheat harvest is expected to grow by 9.5% to 27.7 MMT this year and wheat exports are boosted to 21.0 MMT for the 2021/22 July June season said the Ukrainian grain trader's union UGA.

The USDA's Foreign Agriculture Service (FAS) forecasted **Australia's wheat production** in 2021/22 to be 27.0 MMT. The FAS officials in Australia also expect wheat exports at 19.0 MMT, down from 23.0 MMT forecast in 2020/21.

Global Wheat Average FoB

(Back to Table of Contents)

Global Indicative FoB Quotes							
Month	US SRW2 (USD/MT)	US HRW2 (USD/MT)	Argentina P1 (USD/MT)	Ukraine 12.5% (USD/MT)	Russia 12.5% (USD/MT)	Rouen 11% (EUR/MT)	Australia ASW1 (AUD/MT)
20-Mar	240.87	229.22	NA	209.57	210.48	184.33	375.55
20-Apr	237.13	234.21	NA	224.1	222.72	193.75	257.07
20-May	214.58	223.48	NA	227.5	NA	193.25	248.85
20-Jun	208.78	217.7	NA	197.73	198.64	190.5	237.96
20-Jul	228.82	223.55	NA	202.22	202.61	178.5	233.83
20-Aug	229.69	235.53	NA	203.58	203.63	184.94	232.35
20-Sep	260.2	246.3	245	227	227.45	188.25	226.22
20-Oct	NA	NA	254.26	248.91	248.41	204.19	224.46
20-Nov	264.3	266.3	255	254.93	207.25	230.31	232.28
20-Dec	279	281	254	256.52	256.33	208.82	226.51
21-Jan	283	282	NA	289.7	292.81	210.21	253.11
21-Feb	289	282	273	241	287	280	275
21-Mar	282	285	267	240	288	292	283
21-Apr	256	260	261	238	249	255	266
Source: Reuters							

Spot Prices Black Sea Region					
Date		03.02.2021	30.12.2020	02.12.2020	30.09.2020
Odessa, FOB($/tonnes)					
Milling wheat 12.5%	242-248	280-286	280-290	254-260	250-255
Milling wheat 11.5%	242-248	280-286	280-290	254-260	249-255
Feed wheat	-	267-270	267-270	246-249	238-241
Novorossiysk, FOB($/tonnes)					
Milling wheat 12.5%	246-250	283-288	280-290	254-260	252-255
Milling wheat 11.5%	246-250	280-286	280-290	253-259	249-255
Feed wheat	-	-	-	-	-

Source: Reuters

IGC Wheat Balance Sheet					
(Fig. in MMT)	2018-19	2019-20 est.	2020-21 F'cast.	2021-22 proj.	
				27.05.2021	24.06.2021
Production	732	761	773	790	789
Trade	168	185	191	188	191
Consumptions	740	745	769	787	787
Carryover stocks	260	276	281	288	283
Y-O-Y change	-8	17	4	-	3
Major Export	69	64	62	59	60

IGC Balance Sheet Highlight:

- IGC has estimated global wheat production at 789 MMT for 2021-22, lower by 1 MMT as compared to last month's estimate. According to estimates by IGC the 2019-20 global wheat production was around 761 MMT and 732 MMT for 2018-19.
- The trade estimates for 2021-22 have increased to 188 MMT. It is 3 MMT higher compared to the previous estimate and same as 2020-21.
- Consumption has been placed same at 787 MMT for 2021-22. The forecast is higher by 18 MMT compared to 2020-21.
- Carryout for 2021-22 is forecast at 283 MMT compared to an estimate of 288 MMT in previous month. It is higher by around 2 MMT compared to 2020-21.

USDA Balance Sheet

(Back to Table of Contents)

USDA Global Wheat Balance Sheet: 2020-21 Fig. In Thousand Tonne (As on 10.06.2021)							
Country	Opening Stock 2020-21	Production projected 2020-21	Domestic Consumption 2020-21	Import 2020-21	Export 2020-21	Ending Stock 2020-21	Production 2020-21
Argentina	1722	17,630	6,350	10	10,500	2,510	1,7630
Australia	2,680	33,000	8,500	200	22,000	5,380	33,000
Canada	5,500	35,180	9,900	550	27,500	3,830	35,183
China	1,51,680	1,34,250	1,50,000	10,500	800	1,45,630	1,34,250
EU	11,970	1,25,940	1,04,35	5600	30,000	9,170	1,25,940
India	24700	1,07,860	103,090	30	2,400	24,000	1,07,860
Pakistan	1292	25,200	25,800	3,600	300	3,792	25,200
Russia	7230	85,350	42,500	450	38,500	12,030	85,350
Ukraine	1510	25,420	8,600	130	17,000	1,450	25,420
U S	27,990	49,690	30,550	2,860	26,810	23,180	49,690
Others	NA	NA	2,70,828	1,66,601	22881	2887	1,26,903
World total	**2,99,220**	**7,75,820**	**7,81,550**	**1,92,790**	**1,99,100**	**2,93,480**	**7,75,820**

Source: USDA

CBOT Futures Jul-21 Chart:

1st Support: 601.20
2nd Support: 560.10
1st Resistance: 710.10
2nd Resistance: 773.20
($ per tonne)

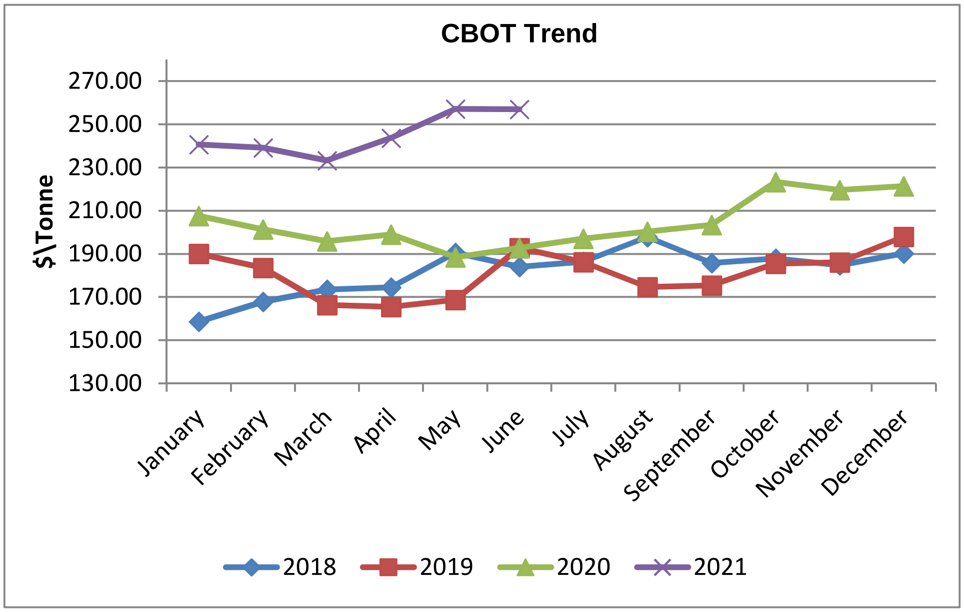
The Jul'21 contract closed lower the end of the month of June'21 and likely to trade steady to weak during the next month. Candlestick's pattern denotes a bearish trend in the chart. Decrease in price and decrease in open interest compared to last month, interprets short build up phase in market. We expect wheat prices to move steady to weak in the coming month.

CBOT comparison over a period of time:

CBOT Futures Prices:(USD/T)							
CONTRACT MONTH	Today	Week Ago	Month Ago	3 Month Ago	6 Month Ago	Year Ago	% Change over prev. year
	4-Jun-21	28-May-21	4-May-21	4-Mar-21	4-Dec-20	4-Jun-20	
Jul-21	252.68	243.77	267.01	235.50	212.91	200.97	25.73
Sep-21	254.42	245.15	266.92	235.04	214.47	202.44	25.68
Dec-21	257.09	247.90	267.65	236.97	217.59	205.65	25.01
Mar-22	259.57	250.47	269.12	238.81	220.53	205.38	26.39
May-22	259.94	250.75	267.01	238.44	219.34	209.42	24.12
Jul-22	257.91	244.60	251.67	231.09	212.45	212.27	21.51

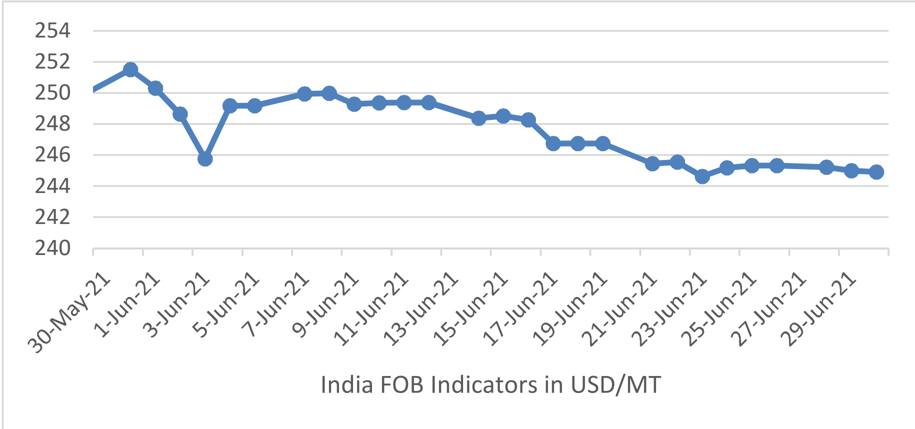
CBOT Trend: -

CBOT declined amid heavy new crop supplies in June 2021 as shown in the chart. Wheat firm on positioning ahead of USDA monthly reports and on continued boosted demand of global consumption in china more than offsets a reduction in the European Union. Global production is marginally lower as downward revisions for the European Union, Ethiopia, and
Japan more than offset a larger crop in Argentina. CBOT average monthly price for June'21 is higher by \$36.51/tonne compared to last year for the same month and higher by \$5.56/tonne compared to April'21.



Comparative Month on Month FOB quotes: (Fig in USD/MT)							
All prices are for SRW/milling grade	1st Oct-20	1st Nov-20	1st Dec-20	1st Jan-21	1st Feb-21	1st Mar-21	1st Apr-2021
USA	246.4	NA	279	279	289	285	256
France	191.86	204.19	220.25	220.25	289	240.25	255
Australia	226.22	224.6	244.09	244.09	275	246.48	266
Russia	227.45	248.41	280	280	227	290.00	249
India	228.39	235.35	248.25	248.25	258.72	248.09	246.61

Global Indicative FoB Quotes:



Indian FoB quote is based on local prices. Indian FoB quote is being quoted at $244.91 per tonne. US quotes is hovering at $246.45 per tonne.

Heavy supplies of new wheat crop in the international market pulled prices downside. Indian wheat demand may also affect.

However, exports will increase on an average compared to last year. Export to the surrounding countries will be good, but it does not seem to be exported in all the countries.