AGRIWATCH

Wheat Weekly Research Report
08th Nov-2021

Wheat Weekly Research Report

Table of Contents

Wheat Domestic Market Fundamentals

(Back to Table of Contents)

During the week of Nov 01 to Nov 08, 2021, the weekly average price in India increased by 6.22 percent to Rs. 2198.01 per quintal against Rs. 2069.24 per quintal in the previous week. Wheat average prices also increased by 19.13 percent from Rs. 1845.10 per quintal in last year during the same period of time. The prices are moving in the firm bias and since the off season is going we can expect the market to trade in mix bias range.

India is transferring 50,000 MT of wheat to Afghanistan as a humanitarian aid which is facing logistic issue as they need to be transferred via Pakistan.

With delay in sowing of wheat, farmers in Punjab fears low moisture level in the soil during which compel them to irrigate the field. Also, the DAP shortages still persists and government has notified price of wheat at Rs. 1200 per bag which contains 50 Kg of DAP, while it can go beyond the range of Rs. 1800 per bag in coming days. Farmers are going for DAP alternative like NPK.

As per Punjab remote sensing center, the stubble burning cases in Punjab has reached 18,000 marks in 48-day period from September 16 to November 2. Tarn Tarn and Amritsar districts contribute most to the stubble burning.

As of November 5, wheat sowing in rabi was done in 1.47 lakh hectares all over India down by 2.2 lakh hectares. Lat year around this time 3.6 lakh hectares were sown.

As per Agriwatch sources, 1.85 lakh tonnes of wheat were exported from India during the month of September 2021 at an average FOB of $323.66 per tonne. It is 59 percent lower compared to August with export of 4.51 lakh tonnes. This is due to the container shortages and more waiting time observed in various ports during the month of September. Bangladesh continues to be the largest importer of Indian wheat with 1.41 lakh tonnes 64 percent lower compared to previous month export of 3.89 lakh tonnes. Srilanka and Nepal are the second and third largest importers with 0.16 lakh tonnes and 0.15 lakh tonnes.

According to sowing data by Ministry, around 34,000 hectares of wheat has been sown so far in the rabi season 2021-22 as against 35,000 hectares in the previous year. Wheat planting has already started in Uttar Pradesh, Uttarakhand, Karnataka and Jammu & Kashmir but not started in Punjab and Haryana as the harvesting of paddy has not been completed in these states yet.

As per sources, 51,000 MT of wheat vessel OCEAN REEF is loading at Kandla Port since 28th October 2021. And 31,000 MT of wheat vessel EAST AYUTTHAYA is loading at Kandla Port since 04th November 2021. Also, 54,000 MT of wheat vessel ORCHID is waiting at Kandla Port since 06th November 2021. And 30,000 MT of wheat vessel ARAWANA is waiting for loading at Kandla Port since 03rd November 2021. Also, 3000 MT of wheat vessel SUVARI KAPTAN is waiting for loading at Kandla Port since 30th October.

Outlook & Recommendation: As currently off season is going with supplies only coming from FCI, we can expect wheat to trade in the mix bias range.

Trade Call: There is no NCDEX trading currently.

Weather Outlook: Widespread light to moderate rainfall is very likely over Kerala, south Coastal Andhra Pradesh and Tamil Nadu during next 5 days. Isolated heavy to very heavy rainfall is likely over Tamil Nadu on 08th & 09th and heavy to very heavy rain at few places with Isolated extremely heavy falls are very likely on 10th & 11th November, 2021. Heavy to very heavy rain with extremely heavy falls at isolated places are also likely over south Coastal Andhra Pradesh during same period.

Wheat Weekly Export

(Back to Table of Contents)

A week-on-week Exports	Quantity in MT	Average FoB ($/T)
01-08 Sep-2021	70550.24	327.97
9-15 Sep-2021	31206.52	300.29
16-23 Sep-2021	5236.02	343.20
24-30 Sep-2021	5915.70	313.23
Total	**185054.82**	**323.66**

Source: Trade

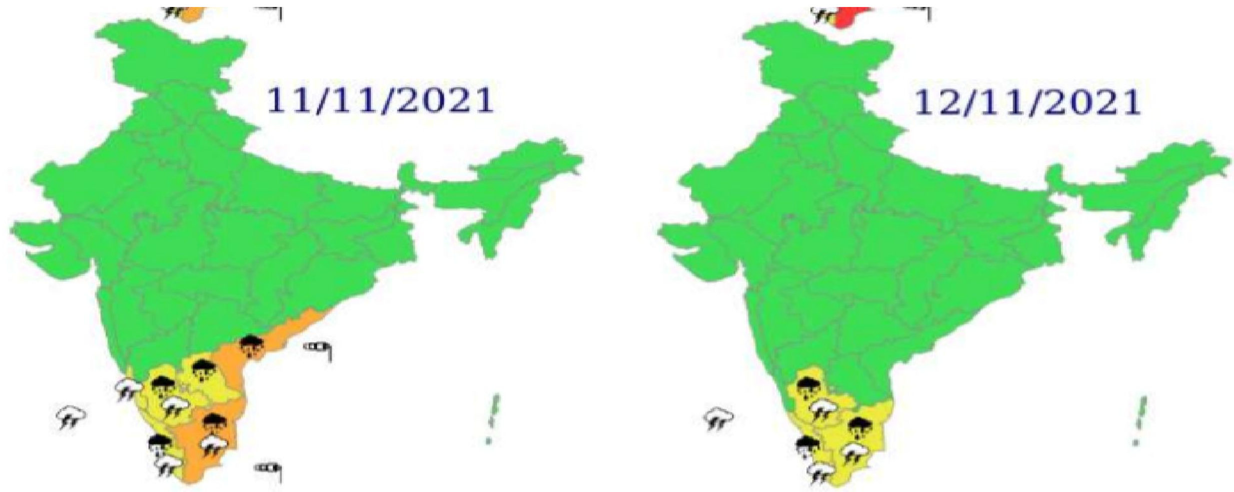
Wheat Import

Date	Origin	Port	Quantity in MT
Oct-2021	Australia, UK	Tuticorin	4.0
	Mexico		2.3
	Total		6.38

Source: Traders
No Import so far.

Monsoon:-

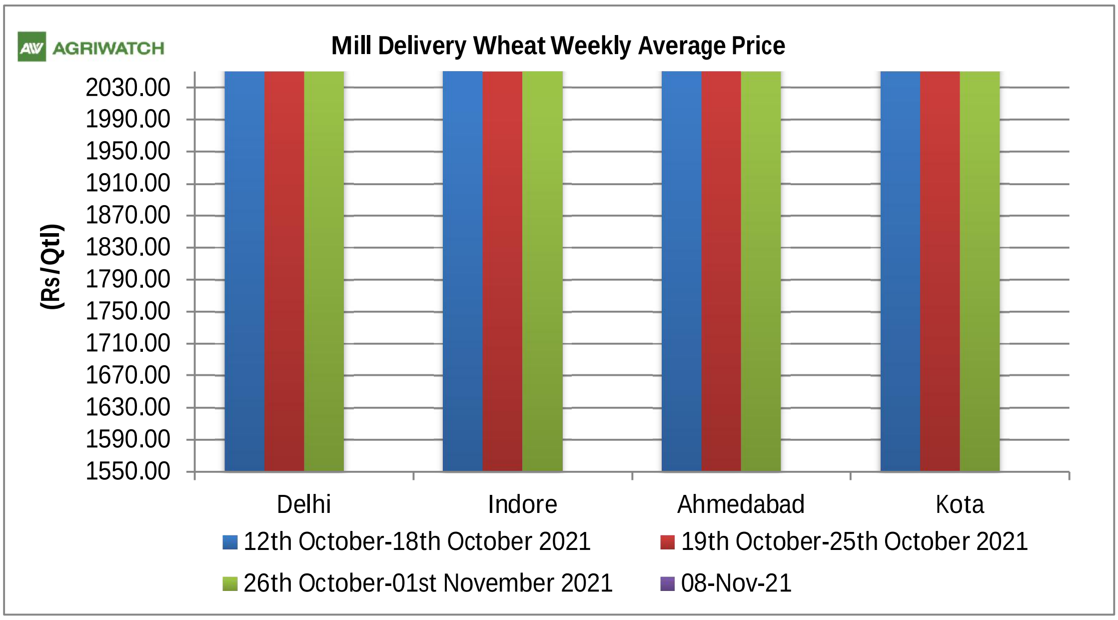
Probability rainfall forecast:
Forecast: - November 2021



Source: IMD

Wheat Weekly Average Price Chart

(Back to Table of Contents)



Wheat prices were trading almost steady in these four markets since last four weeks. Also the previous week most of the markets were closed due to Diwali and related festivals. The demand has been stable in the previous weeks which was stabilized with normal supplies. Since the Diwali festival is almost over and the off season is undergoing, we can expect market to trade in mix bias in the coming days.

Wheat and Rice Stocking Norms

Wheat Stock Norms

Fig. In Lakh Tonne	Operational Stock			Strategic Reserve		
As on	Rice	Wheat	Total	Rice	Wheat	Grand Total
1st April	115.80	44.60	160.40	20.00	30.00	210.40
1st July	115.40	245.80	361.20	20.00	30.00	411.20
1st October	82.50	175.20	257.70	20.00	30.00	307.70
1st January	56.10	108.00	164.10	20.00	30.00	214.10
Buffer Norms w.e.f. 01.07.2017						

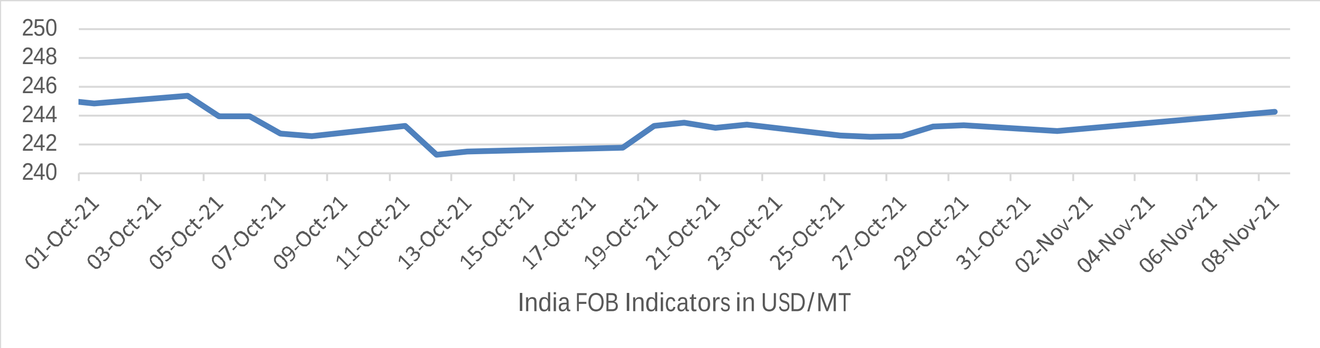
Procurement RMS 2021-22

State/UTs	Procurement as of 15th 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	128.16	128.16

Bihar	0	4.56	4.56
Rajasthan	16.56	6.84	23.4
Others	0.6	3.16	3.76
All-India	**37.69**	**395.63**	**433.32**

FOB Quote for Wheat at Kandla

(Back to Table of Contents)



The wheat FoB quote in India showed steady tone in the past week. Wheat FoB quotes for Kandla are likely to witness range bound with mix in the coming weeks due to mix bias in the prices of wheat in domestic market and hover in the range of $243.70-$245.50 in the coming week.

Indicative FOB Quotes:						
Wheat FOB	**Variety**	**Today**	**Week Ago**	**Month Ago**	**Year Ago**	**% Change over Prev. Week**
		05-Nov-21	**29-Oct-21**	**05-Oct-21**	**05-Nov-20**	
USA (Chicago)	2srw	335	339	-	-	1.80
France	FCW3	337	331	-	247.98	0.61
Australia	ASW	-	-	-	-	-
Russia	SRW	-	-	-	253.00	-
India	Fob	Closed	243.35	243.94	237.68	-0.01

International Weekly Outlook:

Prices for all U.S. wheat U.S. Soft Red Winter wheat have decreased in the week due to fall in the dollar and lower demand in domestic market. Hard Red Winter (HRW) is down by 1.37% to $361 on lower demand in domestic markets. Soft Red Winter (SRW) is down by 1.18% to $335.

Spot Price at NCDEX Delivery Centers:

Spot prices of wheat at NCDEX Delivery Centers					
NCDEX SPOT	Today	Week Ago	Month Ago	Year Ago	% Change over prev. Year
	05-Nov-21	29-Oct-21	05-Oct-21	05-Nov-20	
Indore	2165	2050	1998	1690	28.11
Delhi	2050	2154	2060	1880	9.04
Kanpur	2015	2020	1940	1690	19.23
Rajkot	2100	2120	2036	1735	21.04
Kota	2122	2114	2017	1778	19.35

Domestic Market Weekly Outlook:

(Back to Table of Contents)

Spot Market Price:							
Centre	Market	Variety	Prices (Rs/Qtl)				
			Today	Yesterday	Week Ago	Month Ago	Year Ago
			05-Nov-21	04-Nov-21	30-Oct-21	05-Oct-21	05-Nov-20
Delhi	Lawrence Road	Mill Delivery	-	-	2180	2080	1880
	Narella	Mill Quality Loose	-	-	1980	1960	1725
	Nazafgarh	Mill Quality Loose	-	-	2000	1950	1700
Gujarat	Rajkot	Mill Delivery	-	-	2085	2020	1700
	Ahmedabad	Mill Delivery	-	-	2130	2120	1750
	Surat	Mill Delivery	-	-	2190	2160	1800
	Dhrol	Mill Delivery	-	-	1955	1930	1605
M.P.	Indore	Mill Delivery	-	-	2075	2000	1725
	Bhopal	Mill Quality Loose	-	-	1940	1860	1560
Rajasthan	Kota	Mill Quality Loose	-	-	1980	1940	1700
		Mill Delivery	-	-	2130	2100	1825
U.P.	Kanpur	Mill Delivery	-	-	2020	1950	1700
	Mathura	Mill Quality Loose	-	-	1960	1860	1640
	Kosi	Mill Quality Loose	-	-	1925	1880	1640
	Hathras	Mill Quality Loose	-	-	1965	1870	1635
	Aligarh	Mill Quality Loose	-	-	1970	1860	1610
Punjab	Khanna	Mill Quality Loose	-	-	1780	1800	1600
	Ludhiana (Jagraon)	Mill Delivery	-	-	-	-	-
Haryana	Sirsa	Mill Delivery loose	-	-	1950	1880	1740
	Hodal	Mill Delivery	-	-	-	-	-
	Bhiwani	Mill Quality Loose	-	-	2050	1940	1650
	Karnal	Mill Delivery	-	-	-	-	-
	Panipat	Mill Quality Loose	-	-	-	-	-
Tamil	Chennai	Mill Quality	-	-	2400	2300	1975

Nadu	Madurai	Mill Quality	-	-	2600	2500	2125
	Coimbatore	Mill Quality	-	-	2650	2550	2175
Bihar	Khagariya	Mill Delivery	-	-	1900	1900	1900
	Muzaffarpur	Mill Delivery	-	-	1950	1900	1700

Ongoing Rabi sowing 2021-22

(*Back to Table of Contents*)

State Wise Wheat Sowing in Lakh Hectares (as on 29.10.2021)					
State	**Normal area (2021)**	**2019**	**2020**	**2021**	**% Change 2021 vs. 2020**
Bihar	21.25	0.000	0.000	0.000	**0.00**
Chhattisgarh	1.08	0.000	0.000	0.000	**0.00**
Gujarat	9.44	0.000	0.000	0.000	**0.00**
Haryana	25.32	0.000	0.000	0.000	**0.00**
Himachal Pradesh	3.22	0.000	0.000	0.000	**0.00**
J&K	2.80	0.013	0.066	0.023	**-65.15**
Jharkhand	1.94	0.000	0.000	0.000	**0.00**
Karnataka	1.67	0.290	0.015	0.050	**233.33**
Madhya Pradesh	58.65	0.740	0.260	0.000	**-100.00**
Maharashtra	10.20	0.000	0.000	0.002	**0.00**
Punjab	35.11	0.000	0.000	0.000	**0.00**
Rajasthan	29.49	0.000	0.002	0.000	**-100.00**
Uttar Pradesh	96.89	0.000	0.007	0.029	**-314.28**
Uttarakhand	3.32	0.000	0.000	0.240	**0.00**
West Bengal	2.16	0.000	0.000	0.000	**0.00**
Others	0.35	0.001	0.001	0.000	**-100.00**
All-India	**303.06**	**1.044**	**0.351**	**0.344**	**-2.00**

Source: Ministry of Agriculture

International Market Update:

(*Back to Table of Contents*)

Ukraine's wheat export rose to 16 percent on the year to 12.4 million MT since the start of 2021-22 marketing year on July 1 to November 1. Ukraine's 2022 wheat sowing completed by 91 percent. Ukraine had sown almost 6.1 million hectares of winter wheat for 2022 harvest as of November 1. The expected acreage of wheat is 6.6 million hectares. Winter wheat accounts for 95 percent of Ukraine's total wheat sowing area.

On 2nd November, Chicago wheat rose to trade a nine year high due to declining condition of US winter wheat which is raising concerns over global supply. The most active wheat contract on CBOT was up 0.3% at $7.99 per bushel.

Japan is seeking to buy a total of 143,396 tonnes of food quality wheat from US, Canada and Australia in a regular tender.

Australian wheat farmers expect China to buy more wheat as it looks to offset supply shortfall from top northern hemisphere supplies. Indonesia accounts for 19 percent of Australian wheat exports in five years to 2019-2020.

As per UN FAO global food prices have reached highest in over a decade. The prices of wheat rose by 5 percent in October. The food prices rose even after rising by 30 percent last year. The year-on-year price of wheat rose by 38.3 percent after major exporters such as Canada, USA and Russia had a poor harvest.

In Pakistan, to achieve self-sufficiency in wheat, the government has decided to increase its minimum support price to 1950 rupees per 40 kilogram as compared to 1800 rupees per 40-kilogram last year. The step is taken to promote farmers to grow wheat to meet the target of 28.90 million tons.

As per reports, Australia is expected to export 24.5 million tonnes of wheat while another southern hemisphere country Argentina is all set to export 13.5 million tonnes of wheat. As per USDA, these two nations are about to constitute 20% of world exports.

Russian wheat prices gained last week amid price gains in Paris and demand from Egypt has increased. Egypt has bought 180,000 tonnes of wheat in tender last week for the shipment in December. Russian wheat with 12.5% protein in second half of November was $326 per tonne FOB up $2 from previous week.

Argentina wheat exporters asked the government to identify farmers growing GM wheat so that they can halt sales from those areas until top importer Brazil approves the technology.

USDA said export sales were higher across during the week ending on October 28. Wheat sales came in just over 400,000 metric tonnes, 49 percent higher than the previous week.

IGC Wheat Balance Sheet:

(Back to Table of Contents)

IGC Forecast (Fig- In MMT)	2018-19	2019-20	2020-21 est.	2021-22 F'cast	
				23.09.2021	21.10.2021
Production	732	761	773	781	781
Trade	168	185	190	191	194
Consumptions	740	745	770	783	783
Carryover stocks	260	276	279	277	276
Y-O-Y change	-8	16	3		-3
Major Export	69	63	60	54	54

- IGC has estimated global wheat production at 781 MMT for 2021-22, same 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 194 MMT. It is 3 MMT higher compared to the previous estimate and also higher from 2020-21.
- Consumption has been same at 783 MMT for 2021-22. The forecast is higher by 13 MMT compared to 2020-21.
- Carryout for 2021-22 is forecast at 276 MMT compared to an estimate of 277 MMT in previous month. It is lower by around 3 MMT compared to 2020-21.

CBOT FUTURES CONTRACT:

CBOT Futures Prices:(USD/T)							
CONTRACT MONTH	Today	Week Ago	Month Ago	3 Month Ago	6 Month Ago	Year Ago	% Change over prev. year
	05-Nov-21	29-Oct-21	05-Oct-21	05-Aug-21	07-May-21	05-Nov-20	
Dec-21	281.61	283.91	273.62	261.86	280.05	223.65	25.91
Mar-22	286.48	288.41	278.21	266.46	281.15	226.04	26.74
May-22	287.95	289.51	279.32	270.22	282.53	227.70	26.46
Jul-22	284.28	285.01	272.24	270.50	280.05	224.76	26.48
Sep-22	284.37	285.19	272.98	261.41	261.86	-	-
Dec-22	286.30	286.30	274.82	261.41	212.45	-	-
Mar-23	286.85	286.85	275.55			-	-

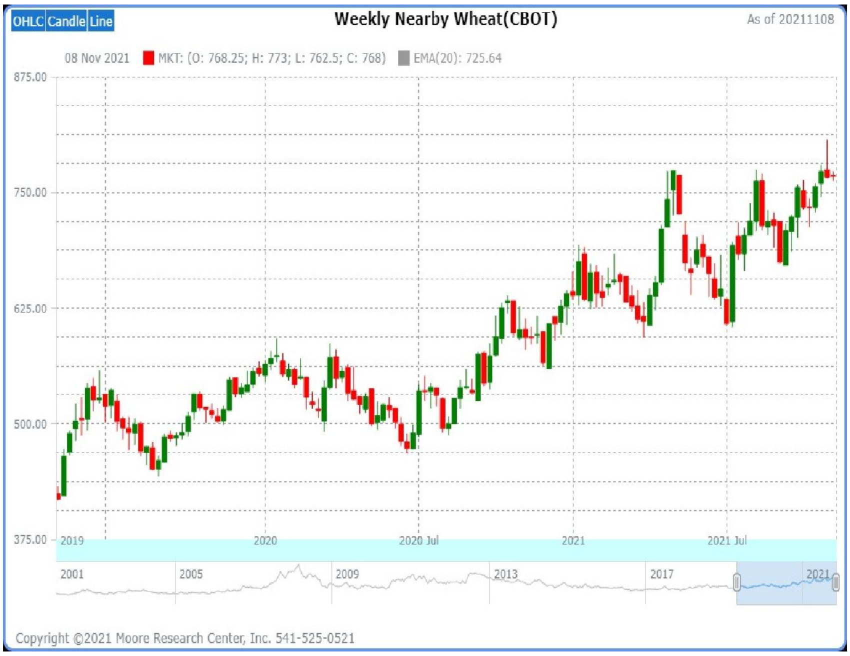
AGRIWATCH

Wheat Weekly Research Report
08th Nov-2021

CBOT Dec -21

(Back to Table of Contents)

1st Support: 670
2nd Support: 600
1stResistance: 750
2nd Resistance: 800
($ per tonne)



The Dec'21 contract showed bullish trend last week. It also showed the nine-year highest mark on 2nd November. Due to tightening supplies and high demand along with great tenders from Saudi Arabia and Egypt the CBOT rose. It is likely to stay in the mix bias range in the coming week.

International FOB Weekly Price Movement

Indian FoB quote is based on local prices. Indian FoB quote is being quoted at $244.25 per tonne. Wheat is on higher demand in the worldwide market with great number of trades happening in the world along with high number of tenders. Indian wheat in domestic market is expected to stay in mix bias range in the coming week. It can be expected that FOB can stay slightly firm to mix bias range in coming days.