



Wheat Weekly Research Report

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Wheat Domestic Market Fundamentals**[\(Back to Table of Contents\)](#)**

During the week of November 24 to 30, 2021, the weekly average price in India was up by 1.18 percent at Rs. 2144.68 per quintal against Rs. 2119.72 per quintal the previous week. Also, wheat average prices increased by 13.60 percent from Rs. 1887.97 per quintal same time last year. On the 29th November the price of wheat in Kanpur market for mill delivery was Rs. 2060 per quintal which is 1.98% higher than Rs. 2020 per quintal the previous month. The prices were higher last week as the arrivals in most of the markets were lower compared to previous week. The arrivals are drastically lower compared to the corresponding period last year. Due to good export demand and tenders in the coming month, we expect market to stay in range bound to slightly firm bias.

As on 26th November 2021, area sown to wheat rose 3.36 per cent to 138.35 lakh hectare so far in the current rabi season from 133.84 lakh hectare the previous year during the corresponding period. Wheat has been sown in 35.8 lakh hectare in Madhya Pradesh, 34.98 lakh hectare in Uttar Pradesh, 29.45 lakh hectare in Punjab, 13.78 lakh hectare in Haryana and 13.37 lakh hectare in Rajasthan so far in the ongoing season.

Rajasthan farmers preferring wheat over grams in the current rabi sowing season which may affect the state government's target of diverting more areas from cereals to pulses and oilseed crops. As against 3.2 lakh hectares reduction in wheat area target from last year's actual sowing of 31 lakh hectares, farmers have so far expanded the acreage by 25 percent at 19.01 lakh hectares. Wheat procurement by FCI for central pool stocks increased in 2021 in Rajasthan by 5 percent to 2.34 million tonnes from previous years.

As per Agriwatch sources, 1.86 lakh tonnes of wheat were exported from India during the month of October 2021 at an average FOB of \$322.21 per tonne. It is 0.45 percent higher compared to September with export of 1.85 lakh tonnes. Bangladesh continues to be the largest importer of Indian wheat with 1.43 lakh tonnes 1.42 percent higher compared to previous month export of 1.41 lakh tonnes. Nepal is the second largest importer with 0.09 lakh tonnes of imports and Sri Lanka being the third largest importer with 0.04 lakh tonnes.

During the Rabi Marketing Season 2021-22, the Corporation has recorded an all-time high wheat procurement of 433.44 lakh MT, recording 11% increase over last year's procurement. Centre has decided to extend the free food grains supply under PMGKAY scheme by another four months till March 2022, with an estimated outlay of Rs 53,334 crore.

As per USDA, wheat shipment from India may top 4 million tonnes this fiscal year pegging at 7 year high. India has already signed deal to export 2 million tonnes of wheat during December-January as the food grains are offered at attractive prices to South, South-East and South West Asian countries amidst tight global supplies. Exports are currently being contracted at \$325 per tonne FOB against \$265 per tonne at the start of the fiscal year.

Outlook & Recommendation: Due to high export demand coming from various Asian countries and offseason going domestically, we can expect wheat to trade steady to slightly firm in the coming week.

Trade Call: There is no NCDEX trading currently.

Weather Outlook: Fairly widespread to widespread rain/thunderstorm with isolated heavy to very heavy rainfall likely over Gujarat State on 01st December and isolated heavy rainfall over Gujarat Region on 02nd December. Isolated heavy rainfall also likely over north Konkan and Madhya Maharashtra on 01st December.

Wheat Weekly Export

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A week-on-week Exports	Quantity in MT	Average FoB (\$/T)
01-08 Oct-2021	42666.089	301.75
9-15 Oct-2021	19211.331	386.20
16-23 Oct-2021	53300.734	315.40
24-31 Oct-2021	70715.035	321.79
Total	185893.190	322.21

Source: Trade

Wheat Import

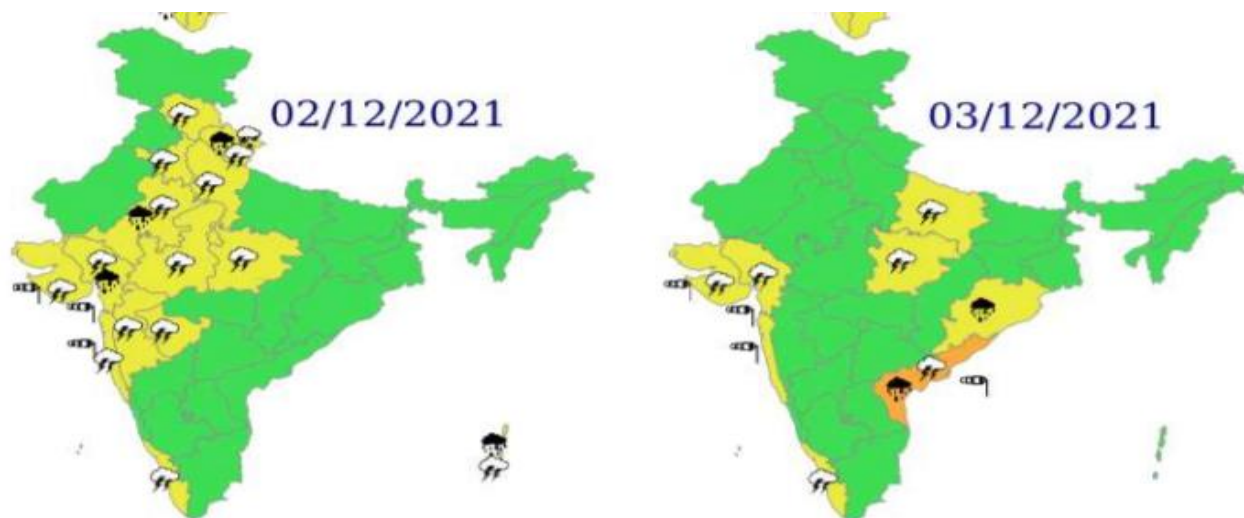
Date	Origin	Port	Quantity in MT
Oct-2021	Australia, UK	Tuticorin	4.0
	Mexico		2.3
	Total		6.38

Source: Traders
No Import so far.

Monsoon:-

Probability rainfall forecast:

Forecast: - December 2021

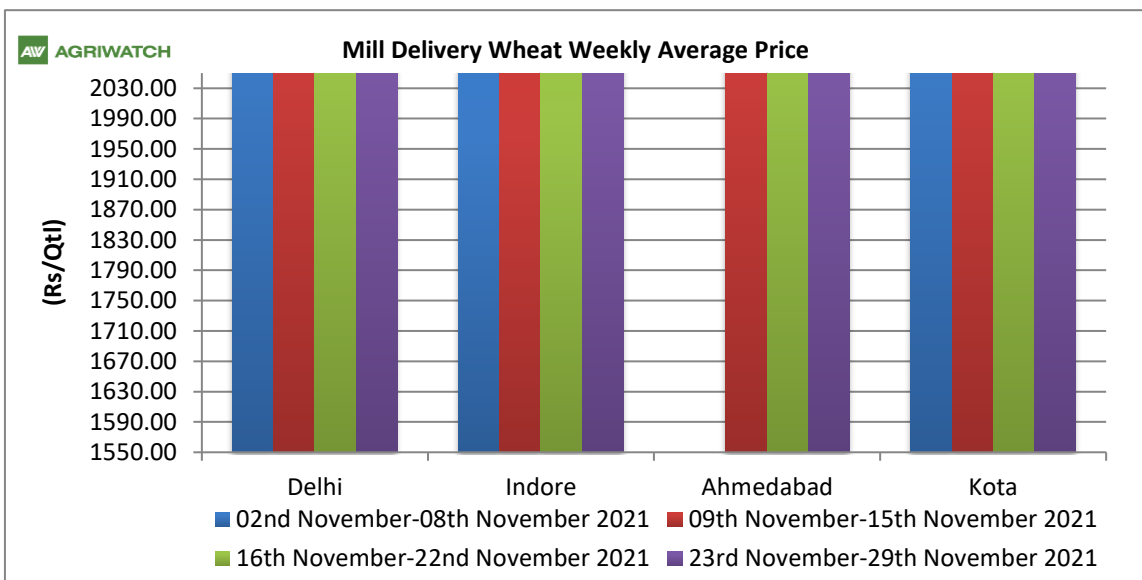


Source: IMD

Wheat Weekly Average Price Chart
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Wheat prices were trading almost steady in these four markets since last four weeks. The market is expected to trade steady to slightly firm in the coming week as there is good export demand coming from international market as well as

lower availability of stocks domestically.


Wheat and Rice Stocking Norms

Wheat Stock Norms						
Fig. In Lakh Tonne	Operational Stock			Strategic Reserve		
	Rice	Wheat	Total	Rice	Wheat	Grand Total
As on						
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 15 th 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 & CIF Quote for Wheat at Kandla
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INR Value : 75.04 As On 26.11.2021	At Kandla
FOR Kandla (From Saurashtra Region)	21200
Misc. Charges (port handling)	650
FOB (at Kandla Rs/T)	21850
FOB value in \$ for FAQ	291.18
Freight Charges (US \$/ton) to Dubai	36
Insurance @ 0.1% (\$/MT)	0.29
CIF to Chittagong (value in \$ for SRW)	327.47

Wheat FOB quotes for Kandla are likely to witness range bound with mix bias in the coming weeks due to mix bias in the prices of wheat in domestic market and hover in the range of \$285.70-\$295.50 in the coming week.

Indicative FOB Quotes:						
Wheat FOB	Variety	Today	Week Ago	Month Ago	Year Ago	% Change over Prev. Week
		26-Nov-21	19-Nov-21	26-Oct-21	26-Nov-20	
USA (Chicago)	2srw	357	356	-	-	0.28
France	FCW3	346	347	-	253.15	-0.28
Australia	ASW	347.04	345.29	-	224.84	0.51
Russia	SRW	345	339	-	255.00	1.77
India	Fob	291.18	295.88	-	236.29	-1.59

International Weekly Outlook:

Prices for all U.S. wheat U.S. Soft Red Winter wheat have increased in the week due to lower supply and higher demand leading to higher domestic price. Hard Red Winter (HRW) is up by 2.88% to \$393 on higher demand in domestic markets. Soft Red Winter (SRW) is up by 0.28% to \$357.



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
	27-Nov-21	20-Nov-21	27-Oct-21	27-Nov-20	
Indore	2037	2058	2045	1650	23.45
Delhi	2150	2163	2156	1811	18.72
Kanpur	2000	2025	1972	1650	21.21
Rajkot	2112	2130	2100	1700	24.24
Kota	2112	2125	2100	1767	19.52

Domestic Market Weekly Outlook:

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Spot Market Price:							
Centre	Market	Variety	Prices (Rs/Qtl)				
			Today	Yesterday	Week Ago	Month Ago	Year Ago
			26-Nov-21	25-Nov-21	19-Nov-21	26-Oct-21	26-Nov-20
Delhi	Lawrence Road	Mill Delivery	2175	2180	-	2180	1835
	Narella	Mill Quality Loose	2040	2050	-	1980	1740
	Nazafgarh	Mill Quality Loose	2030	2050	-	2000	1745
Gujarat	Rajkot	Mill Delivery	2115	2125	-	2100	1680
	Ahmedabad	Mill Delivery	2160	2180	-	2160	1730
	Surat	Mill Delivery	2220	2240	-	2225	1780
	Dhrol	Mill Delivery	1895	1960	-	2000	1585
M.P.	Indore	Mill Delivery	2140	2180	-	2130	1735
	Bhopal	Mill Quality Loose	1925	1950	-	1950	1600
Rajasthan	Kota	Mill Quality Loose	2030	2050	-	1980	1600
		Mill Delivery	2140	2170	-	2130	1725
U.P.	Kanpur	Mill Delivery	2000	2030	-	2030	1790
	Mathura	Mill Quality Loose	1960	1990	-	1940	1665
	Kosi	Mill Quality Loose	1920	1960	-	1930	1690
	Hathras	Mill Quality Loose	1925	1980	-	1910	1600
	Aligarh	Mill Quality Loose	1920	1960	-	1925	1640
Punjab	Khanna	Mill Quality Loose	1910	1925	-	1780	1700
	Ludhiana (Jagraon)	Mill Delivery	-	-	-	-	-
Haryana	Sirsa	Mill Delivery loose	1945	1950	-	1950	1750
	Hodal	Mill Delivery	-	-	-	-	-
	Bhiwani	Mill Quality Loose	2070	2100	-	2030	1760
	Karnal	Mill Delivery	-	-	-	-	-
	Panipat	Mill Quality Loose	-	-	-	-	-
Tamil Nadu	Chennai	Mill Quality	2500	2500	-	2400	2000
	Madurai	Mill Quality	2557	2600	-	2600	2200



	Coimbatore	Mill Quality	2557	2650	-	2650	2250
Bihar	Khagariya	Mill Delivery	2100	2100	-	1900	2100
	Muzaffarpur	Mill Delivery	2050	2050	-	2000	1725

Ongoing Rabi sowing 2021-22

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Rabi sowing update (as on 26.11.2021)				
State	Normal area (2021)	2020	2021	% Change 2021 vs. 2020
Bihar	21.25	2.360	0.620	-73.73
Chhattisgarh	1.08	0.174	0.070	-59.77
Gujarat	9.44	3.167	2.034	-35.74
Haryana	25.32	14.090	13.780	-2.20
Himachal Pradesh	3.22	2.040	1.950	-4.41
J&K	2.80	0.586	1.078	83.96
Jharkhand	1.94	0.258	0.192	25.58
Karnataka	1.67	0.939	1.080	15.02
Madhya Pradesh	58.65	33.710	35.800	6.20
Maharashtra	10.20	1.476	1.436	-2.71
Punjab	35.11	29.320	29.450	0.44
Rajasthan	29.49	9.140	13.379	46.38
Uttar Pradesh	96.89	33.952	34.980	3.03
Uttarakhand	3.32	2.510	2.400	4.38
West Bengal	2.16	0.065	0.070	7.69
Others	0.20	0.000	0.000	0.00
All-India	303.06	133.840	138.349	3.37

Source: Ministry of Agriculture

International Market Update:***([Back to Table of Contents](#))***

South Korea has issued international tender to purchase up to 65,000 tonnes of animal wheat. The deadline for submission of price offer in the tender is November 24.

Turkey's state grain agency bought about 385,000 tonnes of wheat in an international tender which closed on 25th November. The tender sought 12.5 percent and 13.5 percent protein content for shipment to several Turkish ports between January 10 and January 31, 2022.

Jordan's state grain buyer has made no purchase in an international tender to buy 120,000 tonnes of wheat which closed on 25th November. A new tender is expected to be issued in coming days for the shipment during May and June 2022.

U.S. exporters sold 567,500 tonnes of wheat during the week ended Nov. 18, mainly to Japan and Nigeria, as per USDA which is up by 42% from the previous week and 70% from the prior 4-week average. Export sales of wheat beat analyst expectations of 250,000 to 550,000 tonnes.

As per agriculture ministry, Ukraine has exported almost 24.8 million tonnes of grain so far in the 2021/22 July-June season, up by 18% from 21 million tonnes at the same stage a year earlier, including 14.3 million tonnes of wheat.

As per Buenos Aires grain exchange, Argentina's 2021/22 wheat crop is expected at a record 20.3 million tonnes citing better than expected yields as the reason for increasing from previous estimate of 19.8 million tonne.

Russia's wheat exports fell year on year to 18 million tonnes during July 1 to November 25th. Turkey was the largest buyer of Russian wheat buying 3.5 million tonnes as of 25th November followed by Egypt with 2.7 million tonnes and Kazakhstan with 1.1 million tonnes.

CBOT wheat futures climbed more on Monday bouncing from previous losses as tightening global supplies and strong demand buoyed the market. The most active wheat contract on CBOT rose to 1.3 percent to \$8.51 per bushel.

Russian wheat prices gained last week for sixth consecutive weeks due to strong export demand and an earlier rally in global benchmarks. Russian wheat with 12.5% protein loading from black sea for supply in first half of December was \$340 per tonne FOB at the end of last week up \$6 from previous week.

The lowest offer at an Egyptian state wheat tender on Monday was \$350.85 per tonne for 60,000 of Romanian wheat on FOB basis.

Jordan's state grain buyer has issued an international tender to buy 120,000 tonnes of milling wheat. The deadline for submission of price offers in tender is December 2.

IGC Wheat Balance Sheet:
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IGC Forecast (Fig-In MMT)	2018-19	2019-20	2020-21 est.	2021-22 F'cast	
				21.10.2021	18.11.2021
Production	732	761	773	781	777
Trade	168	185	191	194	196
Consumptions	740	745	771	783	782
Carryover stocks	260	276	278	276	274
Y-O-Y change	-8	16	3		-4
Major Export	69	63	60	54	53

- IGC has estimated global wheat production at 777 MMT for 2021-22, 4 MT down from 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 196 MMT. It is 2 MMT higher compared to the previous estimate and also higher from 2020-21.
- Consumption has been down at 782 MMT for 2021-22. The forecast is higher by 11 MMT compared to 2020-21.
- Carryout for 2021-22 is forecast at 274 MMT compared to an estimate of 276 MMT in previous month. It is lower by around 4 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
	26-Nov-21	19-Nov-21	26-Oct-21	26-Aug-21	28-May-21	26-Nov-20	
Dec-21	303.29	302.37	276.38	271.60	247.90	222.92	36.05
Mar-22	308.71	306.50	281.15	276.01	250.47	225.22	37.07
May-22	311.00	308.62	282.44	277.39	250.75	223.10	39.40
Jul-22	306.41	304.48	279.04	264.71	244.60	-	-
Sep-22	304.94	303.84	279.78	264.99	244.96	-	-
Dec-22	305.86	305.03	281.52	264.99	212.45	-	-
Mar-23	306.32	305.13	282.35	-	-	-	-

CBOT Dec -21

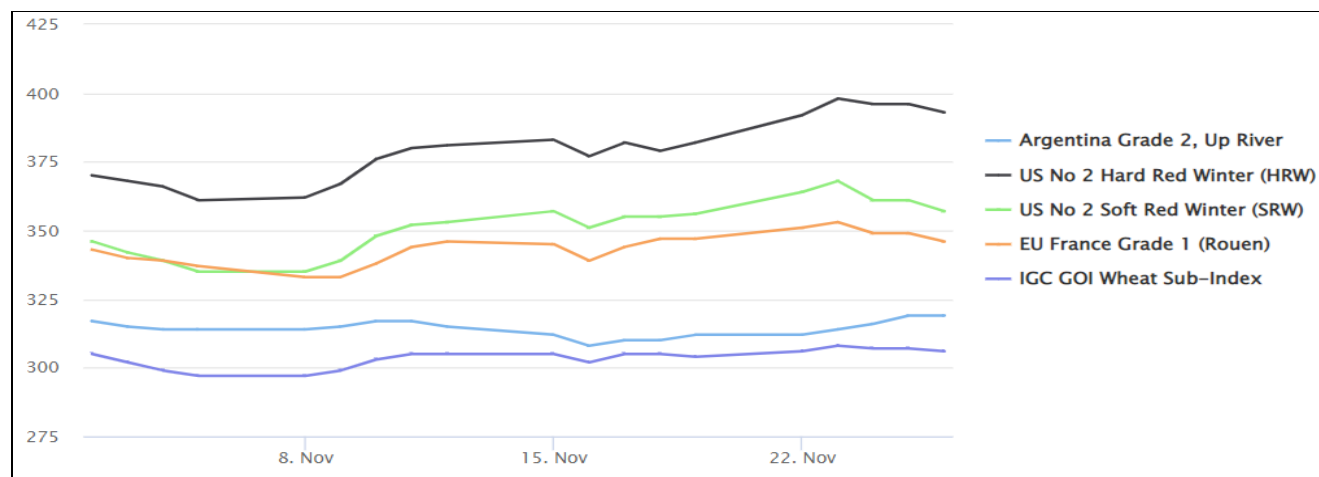
1st Support: 670
2nd Support: 604
1st Resistance: 799
2nd Resistance: 845
(\$ per tonne)

The Dec'21 contract showed bearish trend last week as new variant of coronavirus hits the commodity market. Due to global concerns pertaining to Australian wheat which has been impacted by the rains in Queensland region leading to poor quality wheat, we can expect the cbot to trade in range bound to mix bias in coming week.

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International FOB Weekly Price Movement

Indian FoB quote is based on local prices. Indian FoB quote is being quoted at \$291.18 per tonne. Indian wheat in domestic market is expected to stay steady to slightly firm bias in the coming week as the prices is expected to be slightly firm in the domestic market. Worldwide the prices are on rise as the Australian wheat quality issue is creating major global concern for wheat.





AGRIWATCH

Wheat Weekly Research Report 29th Nov-2021

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