



# **Wheat Weekly Research Report**

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

During the week of December 24 to 31, 2021, the weekly average price in India was down by 0.18 percent at Rs. 2140.38 per quintal against Rs. 2144.29 per quintal the previous week. Also, wheat average prices increased by 22.45 percent from Rs. 1747.90 per quintal same time last year. On the 27th December the price of wheat in Kanpur market for mill delivery was Rs. 2020 per quintal which is 1% higher than Rs. 2000 per quintal the previous month. The market is not moving with high movements as the demand remains on lower side with low buyers available for purchase. Also due to the festive holidays, the demand from international markets also remains low.

As of 24<sup>th</sup> December, wheat sowing was done in 305.47 lakh hectares down by 4.21 lakh hectares from 309.68 lakh hectares the previous year during corresponding period. In Madhya Pradesh, sowing was done in around 83.10 lakh hectares up by 4.48 lakh hectares from 78.620 lakh hectares the previous year as per ministry of agriculture. The sowing is almost completed in Punjab and other northern states.

As per sources, 8.97 lakh tonnes of wheat were exported from India during the month of November 2021 at an average FOB of \$320.67 per tonne. Bangladesh continues to be the largest importer of Indian wheat with 4.45 lakh tonnes followed by Philippines with 1.56 lakh tonnes of wheat.

FCI is proving the stocks to the traders, but since due to free ration scheme extended further for next four months, the demand has fallen as a result the sales have been lower. During the week ending 24<sup>th</sup> December, approximately 0.27 MT of wheat was sold by FCI which is down by 67.07 percent from 0.82 lakh tonnes during the week ending at 17<sup>th</sup> December. In Punjab, 0.14 MT of wheat was sold against 0.23 MT sold the previous week.

The overall procurement of wheat in the country has consistently been increasing where the top five wheat-producing states reported nearly 98% of total procurement in the country in 2021-22.

**Outlook & Recommendation:** Currently the market is trading weak domestically as the demand is on lower side. As per sources, there were no buyers to purchase wheat in major market and the new restrictions over omicron has further affected the situation. With more restrictions coming, we can expect the market to trade steady to slightly weak as impact in hotel, tourism and various occasions can be seen in coming week.

**Trade Call:** There is no NCDEX trading currently.

**Weather Outlook:** Light/moderate isolated to scattered rainfall/snowfall very likely over Jammu & Kashmir, Ladakh, Gilgit-Baltistan, Muzaffarabad and Himachal Pradesh on 27th & 28th; and over Uttarakhand during 27th to 29th December, 2021. Light isolated rainfall very likely over Punjab, Haryana, Chandigarh & Delhi, Rajasthan on 27th & 28th and scattered rainfall over Uttar Pradesh during 27th to 29th December, 2021. Isolated thunderstorm, lightning & hailstorm also likely over East & adjoining West Uttar Pradesh and East Rajasthan on 28th December, 2021.

## Wheat Weekly Export

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A week-on-week Exports	Quantity in MT	Average FoB (\$/T)
01-08 Nov-2021	102766.099	326.7238388
9-15 Nov-2021	357157.7151	316.9045161
16-23 Nov-2021	268247.3431	320.7547705
24-30 Nov-2021	168684.8616	318.6101718
Total	896856.0189	320.669386

Source: Trade

## Wheat Import

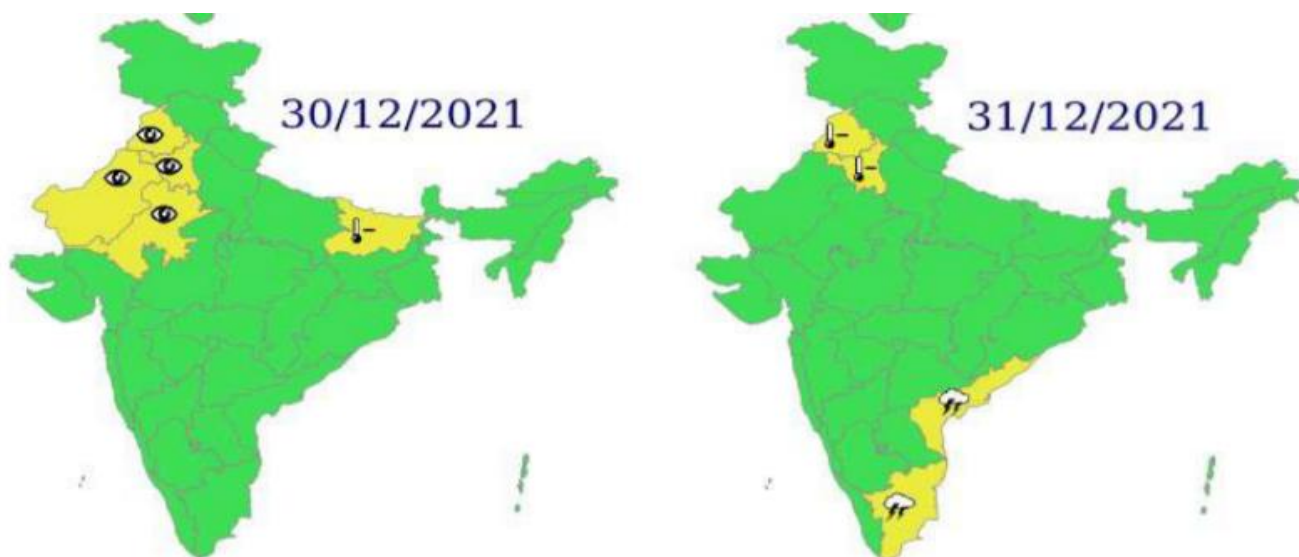
Date	Origin	Port	Quantity in MT
Oct-2021	Australia, UK	Tuticorin	4.0
	Mexico		2.3
	Total		6.38

Source: Traders  
No Import so far.

## Weather: -

Weather forecast:

Forecast: - December 2021



Source: IMD

Wheat Weekly Average Price Chart
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In all the four markets, the prices remain on the down side. In Lawrence Road the price fell by 0.45 percent compared to previous week. In Indore market, the price fell by 0.38 percent and Ahmedabad market prices were steady compared to previous week. In Kota market, the price fell drastically by almost 2 percent and reach the lowest average price since the week ending at 11<sup>th</sup> October.

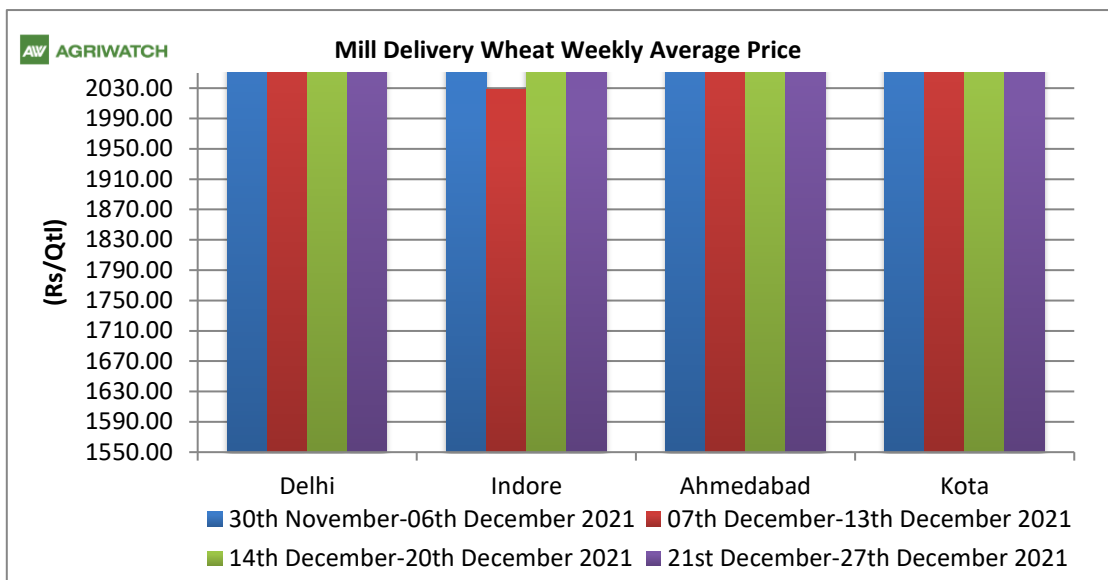

Wheat and Rice Stocking Norms
Wheat Stock Norms

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 <sup>th</sup> 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 : 75.118 As On 25.12.2021	At Kandla
Mill delivery (Rajkot)	20750
Freight charge	310
Misc. Charges (port handling)	650
FOB (at Kandla Rs/T)	21710
FOB value in \$ for FAQ	289.012
Freight Charges (US \$/ton) to Dubai	36
Insurance @ 0.1% (\$/MT)	0.29
CIF to Dubai (value in \$ for SRW)	325.302

Due to strengthening of rupee the FOB prices were slightly higher compared to previous week despite lower domestic wheat prices. It is expected to trade with mix bias in coming days as well and hover in the range of \$287.50-\$292.50 in the coming week.

Indicative FOB Quotes:						
Wheat FOB	Variety	Today	Week Ago	Month Ago	Year Ago	% Change over Prev. Week
		24-Dec-21	17-Dec-21	24-Nov-21	24-Dec-20	
USA (Chicago)	2srw	349	334	361.00	-	4.49
France	FCW3	332	321	349.00	-	3.43
Australia	ASW	-	346.48	-	241.50	-
Russia	SRW	336	332	345.00	259.00	1.20
India	Fob	287.03	285.14	297.64	242.69	0.66

### International Weekly Outlook:

Prices for all U.S. wheat U.S. Soft Red Winter wheat have increased in the week as the concern related to global supplies still persist and large exports of 4.25 lakh tonnes were made during last week by US.

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
	25-Dec-21	18-Dec-21	25-Nov-21	25-Dec-20	
Indore	2023	2050	2052	1655	22.24
Delhi	2180	2175	2156	1812	20.31
Kanpur	2020	2000	2025	1600	26.25
Rajkot	2097	2100	2125	1728	21.35
Kota	2100	2110	2100	1728	21.53

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
			24-Dec-21	23-Dec-21	17-Dec-21	23-Nov-21	24-Dec-20
Delhi	Lawrence Road	Mill Delivery	2175	2200	2190	2190	1805
	Narella	Mill Quality Loose	2040	2060	2050	2060	1740
	Nazafgarh	Mill Quality Loose	2040	2060	2060	2050	1700
Gujarat	Rajkot	Mill Delivery	2060	2070	2080	2130	1705
	Ahmedabad	Mill Delivery	2160	2160	2150	2175	1750
	Surat	Mill Delivery	2240	2240	2240	2240	1800
	Dhrol	Mill Delivery	1995	-	1985	2075	1645
M.P.	Indore	Mill Delivery	2050	2080	2080	2150	1650
	Bhopal	Mill Quality Loose	1910	1940	1950	1980	1525
Rajasthan	Kota	Mill Quality Loose	1960	1980	2030	2020	1550
		Mill Delivery	2110	2130	2180	2170	1675
U.P.	Kanpur	Mill Delivery	1980	2020	2010	2020	1650
	Mathura	Mill Quality Loose	1955	1980	2000	2000	1620
	Kosi	Mill Quality Loose	1940	1960	1980	1960	1600
	Hathras	Mill Quality Loose	1950	1975	1990	1960	1610
	Aligarh	Mill Quality Loose	1930	1950	1970	1960	1600
Punjab	Khanna	Mill Quality Loose	1940	1940	1960	1950	Closed
	Ludhiana (Jagraon)	Mill Delivery	-	-	-	-	-
Haryana	Sirsa	Mill Delivery loose	2000	2000	2010	1940	1750
	Hodal	Mill Delivery	-	-	-	-	-
	Bhiwani	Mill Quality Loose	2015	2015	2120	2080	1720
	Karnal	Mill Delivery	-	-	-	-	-
	Panipat	Mill Quality Loose	-	-	-	-	-
Tamil	Chennai	Mill Quality	2450	2450	2500	2500	2000



Nadu	Madurai	Mill Quality	2507	2550	2600	2600	2200
	Coimbatore	Mill Quality	2507	2600	2650	2650	2250
Bihar	Khagariya	Mill Delivery	2000	2000	2000	2100	1880
	Muzaffarpur	Mill Delivery	-	-	-	2000	1650

[Ongoing Rabi sowing 2021-22](#)

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Rabi sowing update (as on 24.12.2021)				
State	Normal area (2021)	2021	2020	Absolute Change 2021 vs. 2020
Bihar	21.25	10.570	17.050	-1.480
Chhattisgarh	1.08	1.071	1.324	-0.253
Gujarat	9.44	11.301	12.530	-1.229
Haryana	25.32	23.480	24.870	-1.390
Himachal Pradesh	3.22	3.400	3.400	0.00
J&K	2.80	2.383	2.404	-0.021
Jharkhand	1.94	1.080	1.933	-0.853
Karnataka	1.67	1.460	1.598	-0.138
Madhya Pradesh	58.65	83.100	78.620	4.480
Maharashtra	10.20	7.028	8.215	-1.187
Punjab	35.11	34.930	35.170	-1.612
Rajasthan	29.49	26.958	28.570	-1.98
Uttar Pradesh	96.89	88.822	89.231	-0.409
Uttarakhand	3.32	3.190	3.200	-0.010
West Bengal	2.16	1.450	1.350	0.100
Others	0.20	0.00	0.000	0.00
All-India	303.06	305.470	309.679	-4.209

Source: Ministry of Agriculture



### International Market Update:

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**In Pakistan, the agriculture experts have advised the farmers to make proper arrangements for timely removal of weeds as these badly affect the yield and cause reduction in wheat production up to 42 per cent.**

**In Pakistan, as wheat crop sowing comes to a close in Sindh, farmers complain that higher prices of urea and its unavailability are likely to affect crop productivity across the province.**

**Russian wheat prices rose slightly last week after three weeks of declines, tracking higher prices in Chicago and Paris. As per reports, Russian wheat was quoted at \$330 per tonne FOB.**

**Argentina's 2021-22 wheat crop is expected at a record 21.5 million tonnes as per the Buenos Aires Grains Exchange, citing better than expected yields as its reason for increasing its previous 21 million tonne forecast.**

**The Taiwan Flour Millers' Association purchased an estimated 110,000 tonnes of milling wheat to be sourced from the United States in a tender which closed on 23rd December.**

**U.S. and European wheat futures fell about 1.5% on Monday as growing investor fears about a resurgence in coronavirus cases pushed prices further from last month's multi-year highs.**

**Germany's winter wheat sown area for the 2022 crop has increased by a moderate 0.4% on the year to about 2.87 million hectares.**

**Ukraine's wheat exports were nearly up by 21 percent year on year at 14.6 million tonnes from July 1 through December 6. However, the pace of exports as the on-year gap slightly narrowed from 22 percent on week ending November 29 to 21 percent.**

**Syria in 2021 saw its lowest level of wheat production in 50 years as drought, high input costs and dire economic conditions took their toll.**

**As per Freightos Baltic index, Asia-US West Coast prices fell 2 percent to \$14,616/FEU. This is 277 percent higher than the same time last year, while Asia-US East Coast prices increased 1 percent to \$16,680/FEU and higher by 238 percent from previous year.**

**The container demand is expected to increase ahead of Chinese new year which will begin at February 1, so we can see further increase in the price of container in coming weeks as well. And if the omicron spread continues, we can see delays in operations at port as well as reduction in capacities which can further increase the prices.**



**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
	24-Dec-21	17-Dec-21	23-Nov-21	23-Sep-21	25-Jun-21	24-Dec-20	
Mar-22	299.34	286.02	318.72	268.94	240.46	231.55	29.27
May-22	300.72	282.81	320.46	262.05	241.38	229.44	31.06
Jul-22	296.03	283.36	315.32	262.60	239.64	222.64	32.96
Sep-22	295.57	284.55	313.76	264.44	240.46	-	-
Dec-22	296.40	284.74	314.49	265.08	242.94	-	-
Mar-23	296.49	280.60	314.49	265.08	-		-
May-23	290.98	266.73	308.06				-

### CBOT Dec -21

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**1<sup>st</sup> Support: 670**

**2<sup>nd</sup> Support: 604**

**1<sup>st</sup> Resistance: 780**

**2<sup>nd</sup> Resistance: 850**

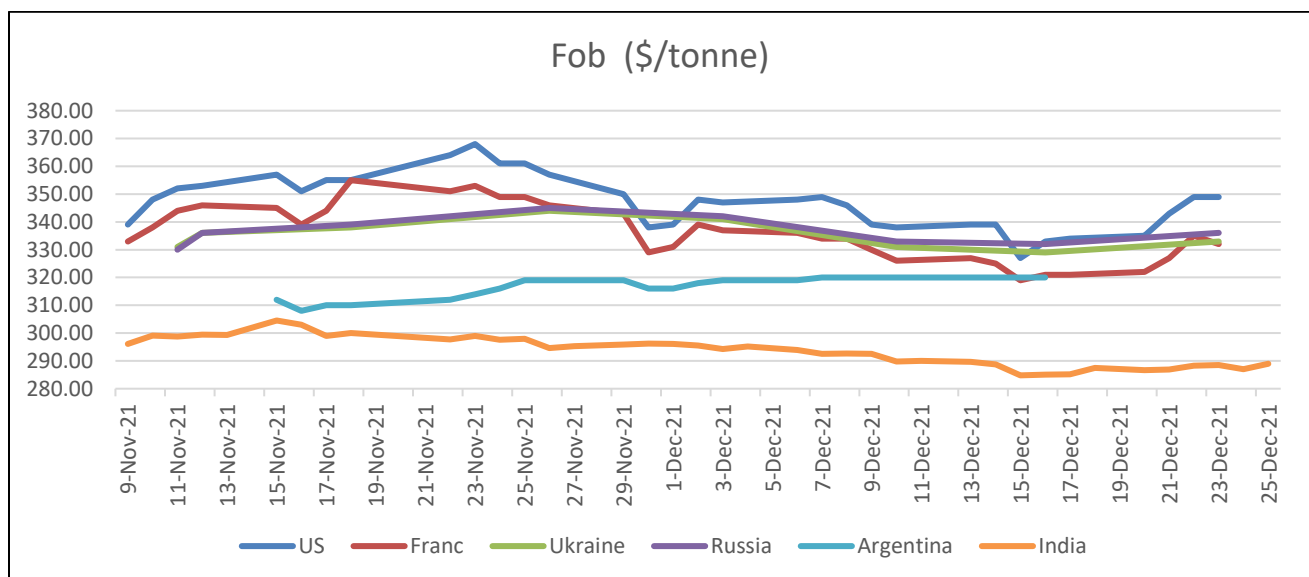
**(\$ per tonne)**

The Dec'21 contract showed bullish trend last week which is driven supply concerns globally as Australian wheat quality concerns still persists in the market. We can expect the cbot to trade in range bound to mix bias in

coming week as there is ambiguity in the Australian wheat crop also Argentina wheat is expected to produce good harvest.



### International FOB Weekly Price Movement



Indian FoB quote is based on local prices. Indian FoB quote is being quoted at \$289.012 per tonne. Indian wheat in domestic market is expected to stay with mix bias in the coming week as the prices can be impacted domestically due to free ration. Worldwide the prices are on higher side as global supply concerns still persists in the market and higher trades are taking place.

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