



Wheat Fortnight Outlook Report-June, 21

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Domestic Fortnight market dynamics- June, 21

Price trend: Fortnight average wholesale wheat prices in India stood at Rs.1858 per quintal during the month of June-2021, down by 2.69% from Rs.1908.6 per quintal in May-2021. However, whole sale prices are ruling around and below MSP (Rs.1975/qtl) at almost all markets in India. Wheat prices in coming months would likely to trade bearish as

procurement reaches its peak and arrivals gradually come down in coming months. On an average 1098 markets from across states are trading in wheat for more than 46 different types of wheat varieties.

Wheat Market Summary - June, 21

Total arrivals- 2.23 LMT

Average Price -Rs.1858/qtl

MSP of Wheat- Rs.1975/qtl

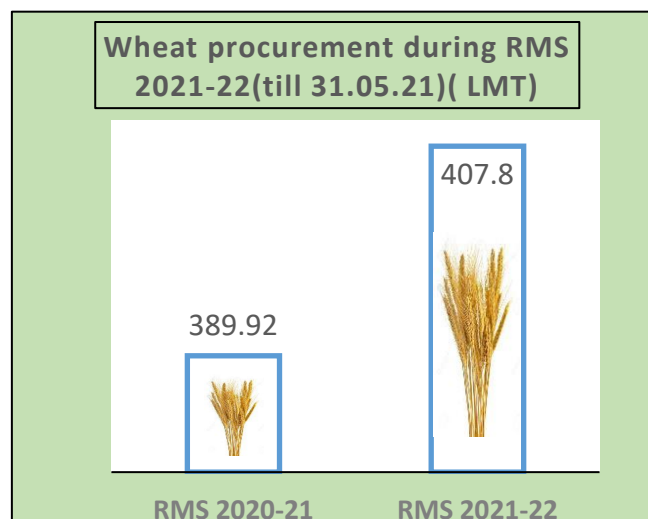
Cheapest market

Buldhana (MH)	Rs.1450/qtl
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Costliest market

Pune (MH)	Rs.4500/qtl
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Domestic market Highlights - June, 21



Ministry of Agriculture and farmers welfare has released the third advance estimate of principal crops for 2020-21. As per 3rd advance estimates, total food grain production in India is estimated at 305.44 Million MT, which is higher by 7.94 Million MT than the previous year production of 297.50 Million MT.

According to 3rd advance estimates for 2020-21, total production of **wheat is estimated at record 108.75 million MT**, it is higher by 8.32 million MT than the last 5-years (2015-16 to 2019-20) average production of 100.42 million MT.

As per USDA, wheat production in India is estimated to decline to 105 million MT due to low yield estimates in Madhya Pradesh, Uttar Pradesh, Rajasthan and Bihar. Earlier, Ministry of Agriculture and farmers welfare has given the estimate an output of 109.2MMT of wheat.

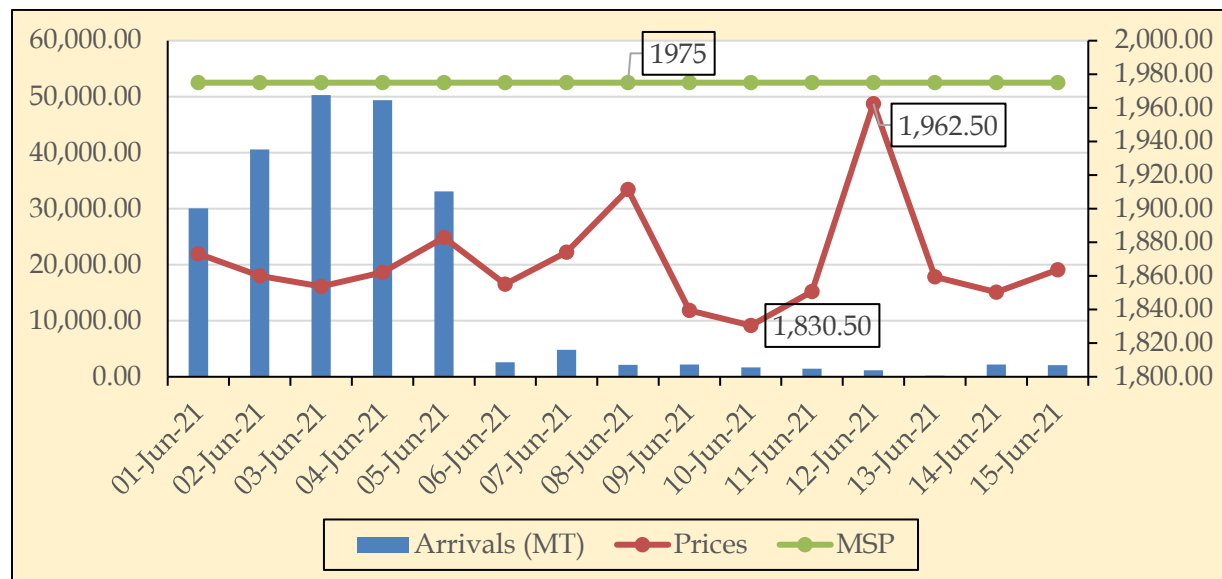
Supply and Demand - India, 2020-21

Sl.no	Particulars (Fig. in MMT)	India	
		2020-21	2021-22
1	Opening stocks	24.30	27.10
2	Production	107.90	110.70
3	Imports	0.1	0.10
4	Total availability (1+2+3)	132.30	138.10
5	Consumption	103.00	105.40
6	Exports	2.2	2
7	Total usage (5+6)	105.00	107.40
8	Ending stocks	27.30	30.70
9	Average fortnight consumption	8.58	8.78

Source: IGC, (as on 29.04.2021)

As per International grain council, India's wheat production for 2021-22 is forecasted at 110.70 MMT compared to 107.90 MMT in 2020-21. Higher production is expecting in 2021-22 due to increase in yield and area. Over all consumption June be increase by 2.40 MMT in 2021-22 from 103 MMT.

Fortnight arrivals and prices analysis of Wheat during June-21



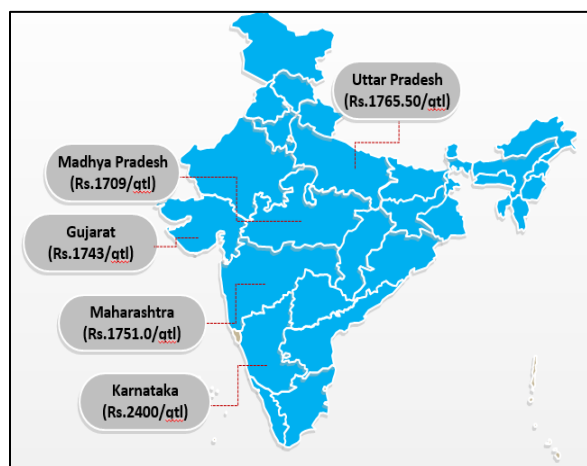
Wheat arrivals during fortnight of June witnessed for high in first week and declined in the second week. But prices are hovering in the steady range through the week at Rs.1860 per quintal.

State wise fortnight price analysis of wheat (Rs/mtl) during June-21

State	01-08 Jun 2021	24-31 May 2021	01-08 Jun 2020	% Change(Over Previous Week)	% Change(Over Previous Year)
Maharashtra	2042.19	2162.64	2223.17	-5.57	-8.14
Rajasthan	1879.15	1916.64	1832.88	-1.96	2.52
West Bengal	1947.44	1888.41	1999.98	3.13	-2.63
Jharkhand	2270	2229.43	2220	1.82	2.25
Karnataka	2456.27	2407.14	2920.07	2.04	-15.88
Gujarat	1761.97	1770.42	1824.14	-0.48	-3.41
Madhya Pradesh	1941.09	1883.98	1870.72	3.03	3.76
Chhattisgarh	1623.55	1662.49	1753.46	-2.34	-7.41
Uttar Pradesh	1969.35	1971.84	1914.55	-0.13	2.86

Fortnight analysis of wheat during June-21 shows the mixed response among the states. Positive trends for West Bengal, Madhya Pradesh and Karnataka states and decreasing trend for Maharashtra, Chhattisgarh and Rajasthan. But compared to previous year it was declining trend for all the states.

Spot Market Dynamics in Wheat during June-21



Prices of Wheat during June-21

Area sown under Kharif crops (As on 11.06.21)			
Crops (in Lakh Ha)	Area sown in 2020	Area sown in 2021	% Change
Rice	7.47	3.89	-47.92
Pulses	1.86	2.52	35.73
Oil seeds	3.27	2.82	-13.62
Millets	6.69	6.43	-3.93
Sugarcane	45.85	46.32	1.02
Cotton	18.91	16.45	-13.04
Total	66.44	80.46	21.10

Price comparison with peers (Cereals and Millets) during June-21

Paddy



Rs.1950/ qtl
(+16.50%)

Wheat



Rs.1858/ qtl
(-2.69%)

Maize



Rs.1549/ qtl
(+1.77%)

Sorghum



Rs.1896.50/ qtl
(-2.42 %)

Pearl Millet



Rs.1386.90/ qtl
(0.70%)

Finger Millet



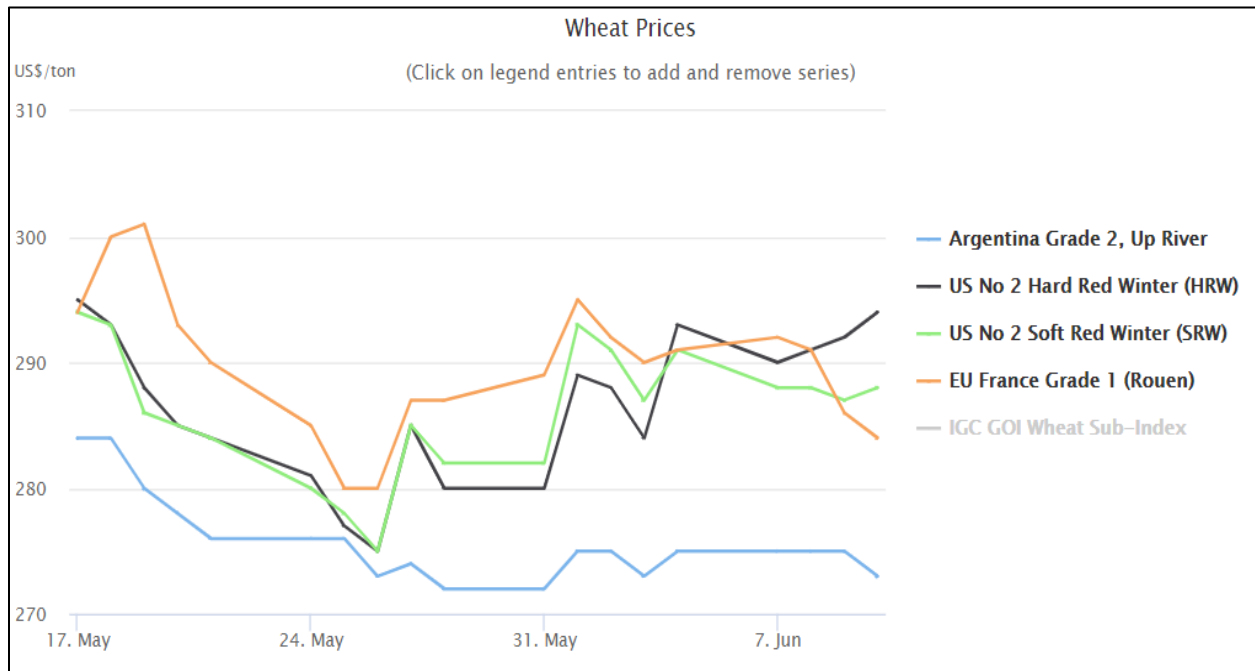
Rs.2924.30/ qtl
(-0.50%)

* () parentheses represents the % change from previous month

Wheat - Global Market Outlook

Free on Board (FOB) prices for Wheat

Countries -type	10 th June	01 th June	\$ change	Annual Change	52 Week High	52 Week Low
Argentina Grade-II	273	275	+2	-13	291	238
EU France Grade-I	284	295	-11	+35	304	201
US No.2(HRW)	294	289	+5	+33	323	209
US No.2(SRW)	288	293	-5	+35	330	204



Source: International Grain Council (IGC)

During June-21 all global FOB quotes are hovering in the range from weak to strong tone. After reaching 52-week high in April and May-21, all wheat FOB quotes are came down to normal zone and all quotes are converged to decline and it settled in the range between \$273 and \$294 per MT.

CBOT future prices of Wheat (USD/bushels)

After reaching 52 week high in during April and May-21, contract Sep-21 of CBOT future prices of wheat dipped by \$30/Bushels to \$693 form \$663/bushels as on 14th June.