



Wheat Monthly Outlook Report-May, 21

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Domestic Monthly market dynamics- May, 21

Price trend: Monthly average wholesale wheat prices in India stood at Rs.1908.6 per quintal during the month of May-2021, up by 1.3% from Rs.1883 per quintal in April-2021 and up by 0.20 % from Rs.2067 per quintal a year ago. However, whole prices are ruling around and Above MSP (Rs.1975/qtl) at almost all markets in India. Wheat prices

in coming months would likely to trade bullish 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 - May, 21

Total arrivals-26.80 LMT

Average Price – Rs.1908.6/qtl

MSP of Wheat- Rs.1975/qtl

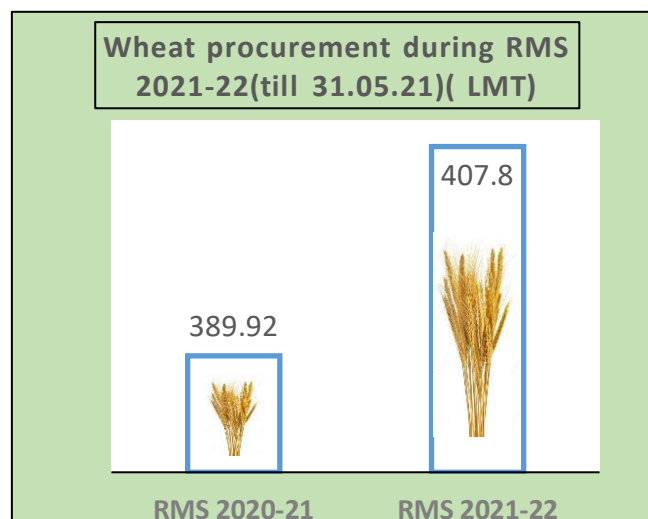
Cheapest market

Amargol (MH)	Rs.910/qtl
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Costliest market

Pune (MH)	Rs.4519/qtl
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Domestic market Highlights - May, 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 on 31st May, the Food Corporation of India (FCI) and state agencies has procured 407.80 lakh MT of wheat for this current rabi market season (RMS) 2021-22 from major growing states, which is nearly 95 percent of 427 lakh MT of targeted wheat for this season. Out of 407.80 lakh MT of wheat, around 132.10 lakh MT of wheat has been procured from Punjab (32 %), followed by Madhya Pradesh (31%) and Haryana (201 %).

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 monthly 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 may be increase by 2.40 MMT in 2021-22 from 103 MMT.

Trends in arrivals of wheat for major markets in India -May, 2021

States	Markets	May_21	April_21	May_20	% change from previous month	% change from a year ago
Punjab	Abohar	135093	158928	223308	-15.00	-65.30
Madhya Pradesh	Vidisha	83031	136333	173729	-39.10	-109.23
Rajasthan	Sangriya	70192	29381	61016	138.90	13.07
Madhya Pradesh	Gautampura	48811	122419	22597	-60.13	53.70
Punjab	Zira	42690	978650	46810	-95.64	-9.65
Rajasthan	Sriganganagar	34182	34581	57004	-1.15	-66.77
Uttar Pradesh	Pilibhit	17417	20785	27788	-16.21	-59.55
Uttar Pradesh	Shahjahanpur	16460	51357	18900	-67.95	-14.82
Maharashtra	Mumbai	11660	24777	5017	-52.94	56.97
Gujarat	Jamnagar	8842	15512	9713	-43.00	-9.85
Rajasthan	Kota	8809	80264	61872	-89.02	-602.37

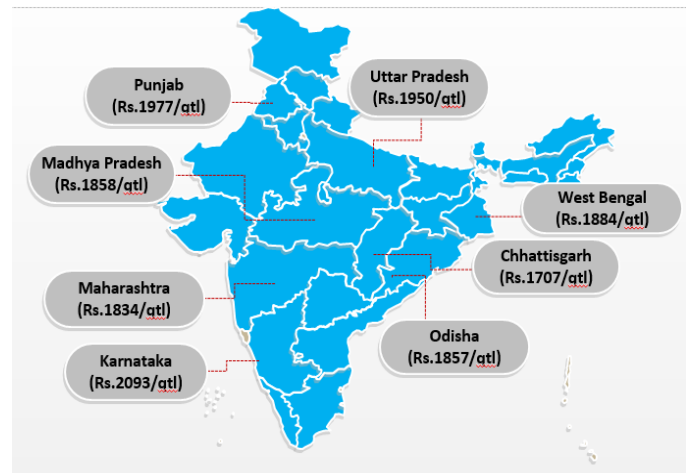
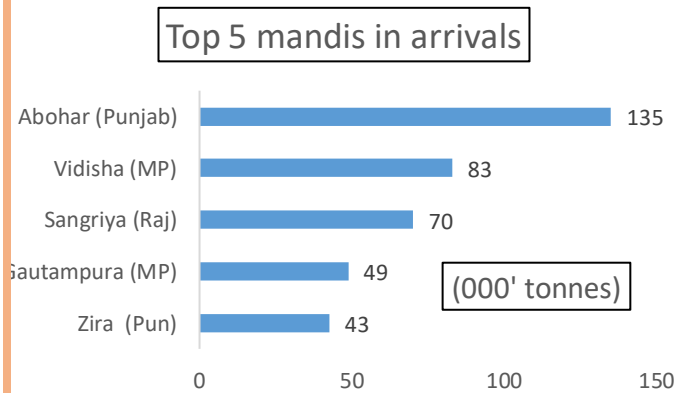
During the month of May-21, most part of arrivals in wheat came from Punjab, Madhya Pradesh, Rajasthan and Uttar Pradesh markets. Especially, in Punjab, procurement was peak during May-21 with huge arrivals at minimum support price i.e Rs.1975/qtl. However, compared to April, volumes of arrivals become low during May in most of the markets.

Trends in prices of wheat for major markets in India -May, 2021

States	Markets	May_21	April_21	May_20	% change from previous month	% change from a year ago
Punjab	Abohar	1975	1975	1925	0.00	2.60
Madhya Pradesh	Vidisha	1975	1916	2003	3.11	-1.39
Rajasthan	Sangriya	1975	1975	1925	0.00	2.60
Madhya Pradesh	Gautampura	1978	1980	1937	-0.11	2.13
Punjab	Zira	1975	1975	1925	0.00	2.60
Rajasthan	Sriganganagar	1840	1865	1906	-1.37	-3.46
Uttara Pradesh	Pilibhit	1975	1875	1909	5.34	3.47
Uttara Pradesh	Shahjahanpur	1975	1887	1877	4.65	5.20
Maharashtra	Mumbai	3408	3338	3250	2.11	4.87
Gujarat	Jamnagar	1698	1708	1798	-0.58	-5.56
Rajasthan	Kota	1825	1844	1799	-1.00	1.47

Monthly average wholesale wheat prices in India were traded at in the range of Rs.1825 to 1975 per quintal. Since April-21, wheat prices are in steady form due to steady procurement across the markets. Wheat prices in coming months would likely to trade around MSP as procurement being slow in all the states.

Spot market dynamics of wheat during May-21



State wise spot prices of wheat during May-21

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

Paddy



Rs.1670.70/ qtl
(-2.40%)

Wheat



Rs.1909.20/ qtl
(+1.40%)

Maize



Rs.1522/ qtl
(+2.40%)

Sorghum



Rs.1942.50/ qtl
(-7.10 %)

Pearl Millet



Rs.1376.90/ qtl
(+4.20%)

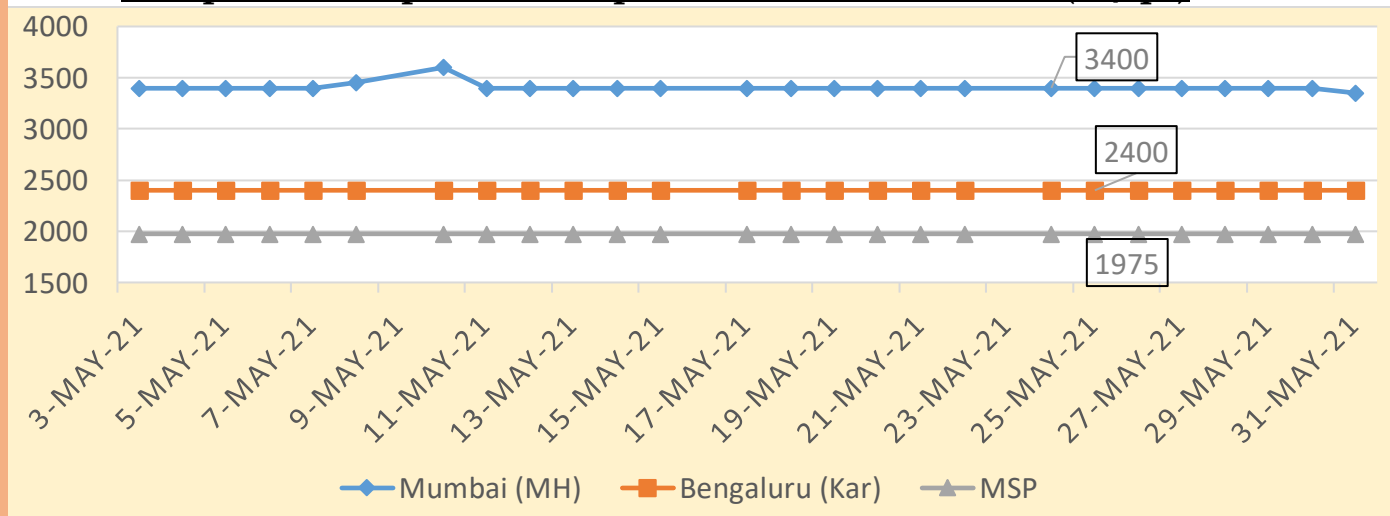
Finger Millet



Rs.2924.30/ qtl
(+3.3%)

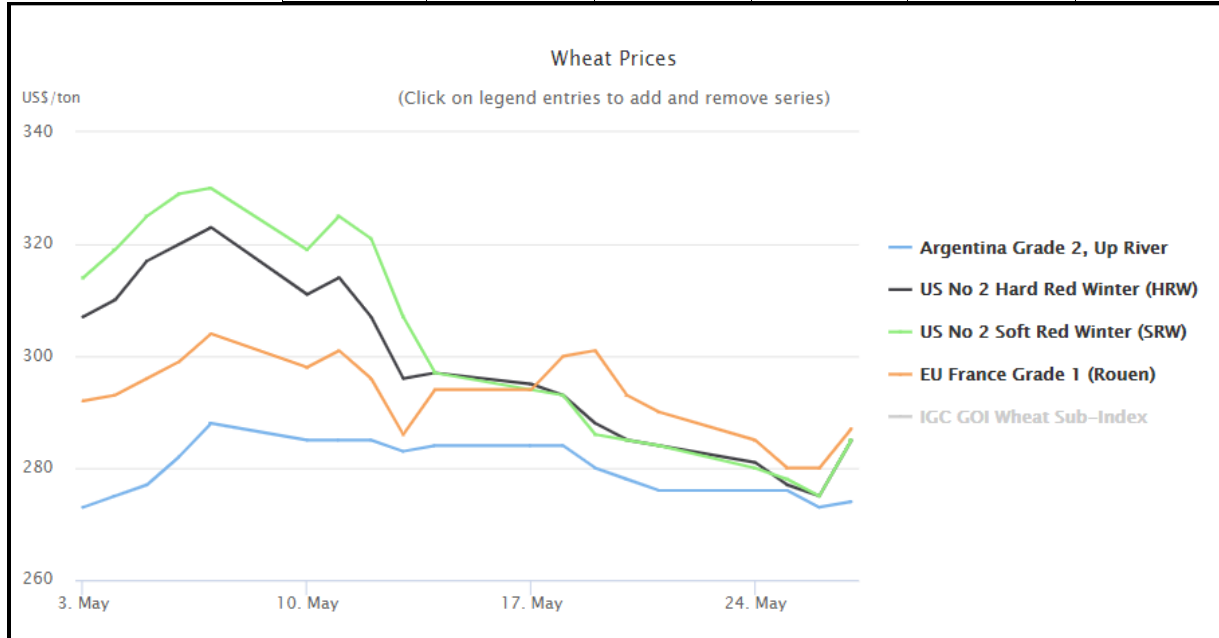
* () parentheses represents the % change from previous month

Comparison of spot markets prices of wheat with MSP (Rs/qtl)



Wheat Export prices-Free on board (FOB) (USD/T)

Countries -type	27 th May	03 rd May	\$ change	Annual Change	52 Week High	52 Week Low
Argentina Grade-II	274	273	1	14%	291	238
EU France Grade-I	287	292	-5	32%	304	201
US No.2(HRW)	285	267	-18	30%	323	209
US No.2(SRW)	285	314	-29	34%	330	204



Source: International Grain Council (IGC)

During May-21 all global FOB quotes are hovering in the range from strong zone to weak tone. After reaching 52-week high in April-21, all wheat FOB quotes are came down to normal zone and all quotes are converged to decline around \$285 per MT.

CBOT future prices of Wheat (USD/bushels)

After reaching 52 week high in end of the April-21, July- 21 contract of CBOT future prices of wheat dipped by \$93/Bushels to \$667 form \$760/bushels.