



Commodity Outlook and Situation Analysis



Wheat Fortnight Outlook Report

(01st April- 15th April, 2021)

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Domestic fortnight market dynamics

Price trend: All India's daily average price of wheat increased by 9.47 percent to Rs.1895 per quintal from Rs. 1731 from first week of April. Prices are expected to increase still due to slow procurement process in most of the states. Procurement process begun in Punjab from 10th April and in Bihar, likely to start from 20th April, 2020. On an average 1098 markets from across states are trading in wheat for more than 46 different types of wheat varieties.

Export: As per the trade resources, India exported 3.93 lakh tonnes of wheat in the month of February 2021. It is around 85 thousand tonnes higher compared to export of wheat in January 2021(3.07 lakh tonnes).In addition, from the last six months trend of wheat export is positive, hence there is favorable condition for Indian wheat export and may expect more export volume in the upcoming months

Import: India has not imported wheat since from March-2020. Before that, India has imported 219 tonnes of wheat in Feb-20.This means, wheat imports are not expected in the coming months due to adequate domestic availability.

Procurement target: As per the latest report by Press trust of India (PTI), About 65 lakh tonnes of wheat have been procured till 14th April. It's higher than last year by 4 lakh tonnes. Government have set a estimated target of procuring 427 lakh tonnes of wheat. In the previous year, India surpassed the procurement target of 32 MT and procured 34 MT. In state wise, Madhya Pradesh has increased its procurement target of 135 lakh tonnes for this Rabi season, which is almost doubled compared to previous year.

Area sown: Area sown under wheat in the current Rabi season has increased slightly by 2.95 % in 346.35 lakh hectares from 336.43 lakh hectares in the 2019-20.

International Wheat Market Dynamics

Wheat FOB: US and France FOB quotes are hovering in the range of \$259-\$284 and \$ 256 -268 per tonne in the first fortnight of April. Wheat prices in global Market observed range-bound to strong tone in the second week of April. FOB quotes of Argentina (G-II) was weak and lowered by \$2 to \$259 per tonne

CBOT future price of wheat: CBOT future prices of wheat were up in trend throughout the first fortnight of April (01st -15th April, 2021). The May-21 day contract is ended up in positive side by \$ 15 to \$242.22 per tonne of wheat form first week of April.

Arrivals trend (in tonnes) -Fortnightly

Fortnight arrivals of wheat at various markets –April, 21								
state	Markets	15.4.21	14.4.21	7.4.21	1.4.21	% change from previous day	% change from previous week	% change from first week
Uttara Pradesh	Aligarh	200	210	380	280	-4.8	-47.4	-28.6
Uttara Pradesh	Lakhimpur	4500	4100	1800	1700	9.8	150.0	164.7
Uttara Pradesh	Mathura	1100	1000	580	75	10.0	89.7	1366.7
Uttara Pradesh	Pilibhit	1643.5	1133.9	1347.1	1.8	44.9	22.0	91205.6
Uttara Pradesh	Puwaha	957.5	937.6	774.23	5	2.1	23.7	19050.0
Uttara Pradesh	Sitapur	846	Closed	467.8	52	-	80.8	1526.9
Rajasthan	Baran	2500	3000	2500	2500	-16.7	0.0	0.0
Rajasthan	Bundi	1500	1600	1600	1500	-6.3	-6.3	0.0
Rajasthan	Khanpur	257.5	202	382	316.4	27.5	-32.6	-18.6
Rajasthan	Kota	4827.5	3882		4664	24.4	-	3.5
Rajasthan	Lalsot	253	375	429.3	37.8	-32.5	-41.1	569.3
Madhya Pradesh	Badnawar	10	1488.4	457	2236	-99.3	-97.8	-99.6
Madhya Pradesh	Sonkatch	Closed	1128.7	1903.1	Closed	-100.0	-100.0	-
Haryana	Pillukhera	12319.4	7446.8	Closed	Closed	65.4	-	-
Haryana	Uchana	5806.5	17402.9	Closed	Closed	-66.6	-	-
Punjab	Bhikhi	7115	9770	Closed	Closed	-27.2	-	-
Punjab	Giddarbaha	10614	6501	Closed	Closed	63.3	-	-
Punjab	Sadiq	8767	7380	Closed	Closed	18.8	-	-
Punjab	Sardulgarh	8365	6890	Closed	Closed	21.4	-	-

*Markets are selected based on highest arrivals in the states.

Source: AGMARKNET

- Procurement in Punjab is started from 10th April with full swing mode, as on 15th April, 2021 7.56 lakh tonnes of wheat arrived in various mandis in Punjab which is likely to shot up in coming days.
- In other states like Uttar Pradesh, Rajasthan and Madhya Pradesh, cumulative procurement reached its peak in second week of April-2021. Procurement in Uttar Pradesh mandis is likely to continue the positive trend as arrivals increased in first two weeks of April.
- In Rajasthan and Madhya Pradesh mandis, volume of arrivals of wheat begun lower in the second week compared to first week of April.

Price Outlook (Rs/q)

Fortnight price outlook of wheat at various markets –April, 21								
states	Markets	15.4.21	14.4.21	7.4.21	1.4.21	% change from previous day	% change from previous week	% change from first week
Uttara Pradesh	Aligarh	1975	1975	1975	1720	0.00	0.00	14.83
Uttara Pradesh	Lakhimpur	1730	1740	1720	1640	-0.57	0.58	5.49
Uttara Pradesh	Mathura	1975	1975	1975	1725	0.00	0.00	14.49
Uttara Pradesh	Pilibhit	1880	1875	1811	1715	0.27	3.81	9.62
Uttara Pradesh	Puwaha	1975	1975	1975	1700	0.00	0.00	16.18
Uttara Pradesh	Sitapur	1710		1680	1595		1.79	7.21
Rajasthan	Baran	1860	1880	1850	1780	-1.06	0.54	4.49
Rajasthan	Bundi	1820	1835	1800	Closed	-0.82	1.11	-
Rajasthan	Khanpur	1850	1800	1750	Closed	2.78	5.71	-
Rajasthan	Kota	1875	1885		Closed	-0.53	-	-
Rajasthan	Lalsot	1767	1750	1726	Closed	0.97	2.38	-
Madhya Pradesh	Badnawar	1850	2100	1770	Closed	-11.90	4.52	-
Haryana	Pillukhera	1975	1975	Closed	Closed	0.00	-	-
Haryana	Uchana	1975	1975	Closed	Closed	0.00	-	-
Punjab	Bhikhi	1975	1975	Closed	Closed	0.00	-	-
Punjab	Giddarbaha	1975	1975	Closed	Closed	0.00	-	-
Punjab	Sadiq	1975	1975	Closed	Closed	0.00	-	-
Punjab	Sardulgarh	1975	1975	Closed	Closed	0.00	-	-
Average		1895	1926	1823	1731	-1.58	3.98	9.48

Source: AGMARKNET

- Except Punjab, in all mandis of other states wheat prices are ruling lower than MSP (Rs.1975/q).

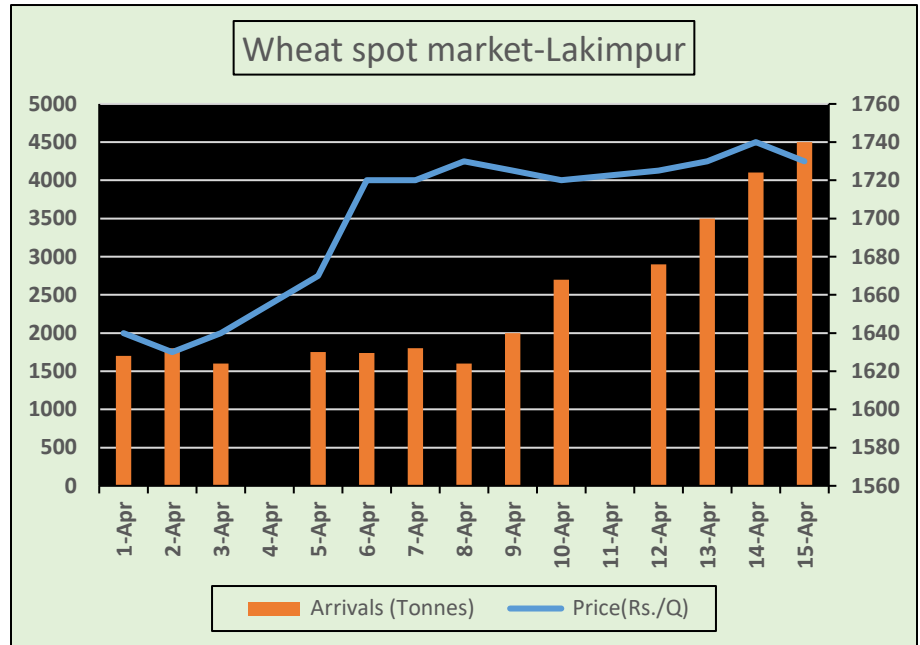
Spot market dynamics

Daily arrivals at Lakimpur (Uttar Pradesh)

Arrivals in Lakimpur market are shot up from the second week of April from 1500 tonnes to 4500 tonnes on 15th April.

Price trend

Wheat price is increased by Rs.100 to 1740 per quintal with first week of April and hovering around it till mid-April. Hence we can expect the ruling of wheat prices around MSP in coming days once official procurement starts in all the mandis

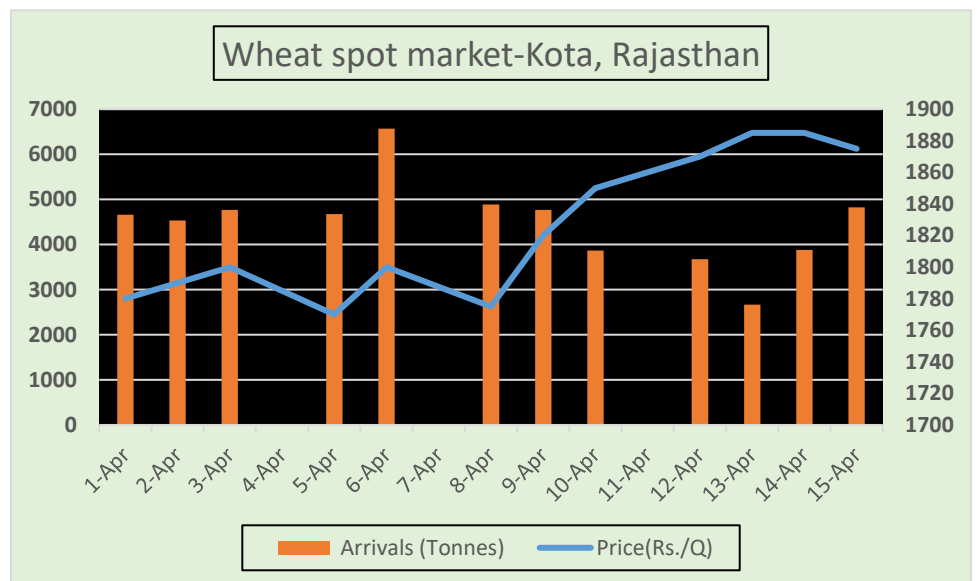


Daily arrivals at Kota (Rajasthan)

Volume of arrivals of wheat begun lower in the second week compared to first week of April.

Price trend

Wheat mandi prices are increased by Rs.100 to 1880 from 1780 per quintal. Although, Prices are ruled below their MSP of Wheat.



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

Countries -type	15-Apr-21	14-Apr-21	7-Apr-21	1-Apr-21	Change in \$ from previous day	Change in \$ from previous week	Change in \$ from first week
Argentina Grade-II	259	259	261	261	0	-2	-2
EU France Grade-I	267	268	256	258	-1	11	9
US No.2(HRW)	277	275	268	259	2	9	18
US No.2(SRW)	284	282	272	270	2	12	14

Source: International Grain Council (IGC)

- US and France FOB quotes are hovering in the range of \$259-\$284 and \$ 256 -268 per tonne in the first fortnight of April. Wheat prices in global Market observed range-bound to strong tone in the second week of April.
- FOB quotes of Argentina (G-II) was week and lowered by \$2 to \$259 per tonne.

Chicago Board of Trade Wheat (CBOT) Future prices: USD/Tone

Months	15-April	14-April	7-April	1-April	Change in \$ from previous day	Change in \$ from previous week	Change in \$ from first week
21-May	242.22	239.91	228.24	226.30	2.31	13.98	15.93
21-Jul	242.87	240.83	234.52	226.02	2.04	8.35	16.85
21-Sep	243.33	241.39	228.89	226.94	1.94	14.44	16.39
21-Dec	245.09	243.43	230.83	229.07	1.67	14.26	16.02
22-Mar	246.67	245.37	232.78	231.19	1.30	13.89	15.48
22-May	245.19	244.17	232.78	228.33	1.02	12.41	16.85
22-Jul	236.02	235.74	226.57	224.63	0.28	9.44	11.39

Source: CME Group

- CBOT future prices of wheat were up in trend throughout the first fortnight of April (01st -15th April, 2021). The May-21 day contract is ended up increasing \$ 15 to \$242.22 per tonne of wheat form first week of April.

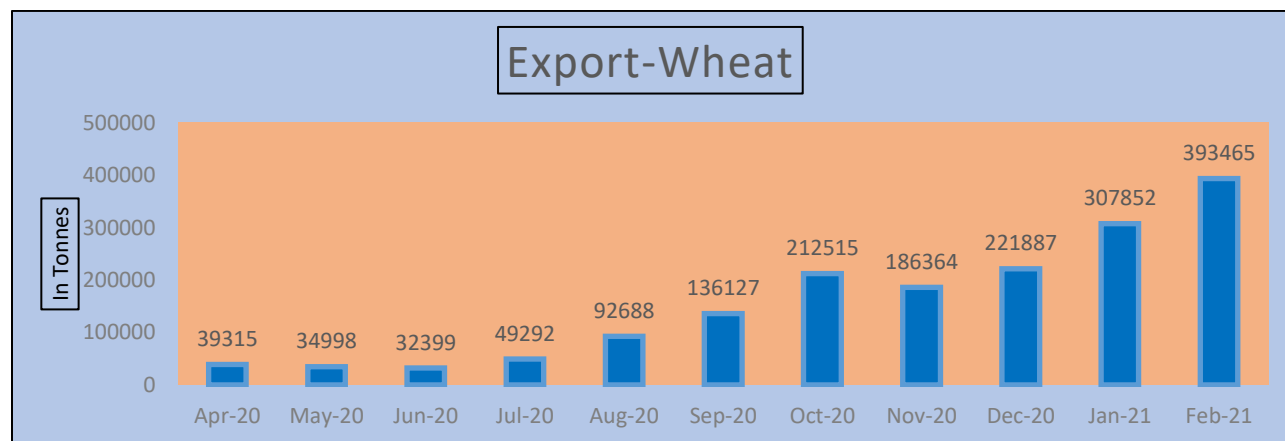
Procurement target of Wheat for Rabi Market season (RMS) 2020-21

States	2019-20	2020-21	% of change
Punjab	129.1	130	0.70%
Haryana	93.2	80	-14.16%
Uttar Pradesh	37	55	48.65%
Rajasthan	14.11	22.25	57.69%
Chandigarh	0.12	0.11	-8.33%
Himachal Pradesh	0.01	0.03	200.00%
Bihar	0.03	0.05	66.67%
Gujarat	0.05	0.77	1440.00%
Madhya Pradesh	67.25	135	100.74%
Uttarakhand	0.42	0.39	-7.14%
Total	341.29	423.6	19.43%

Source: FCI

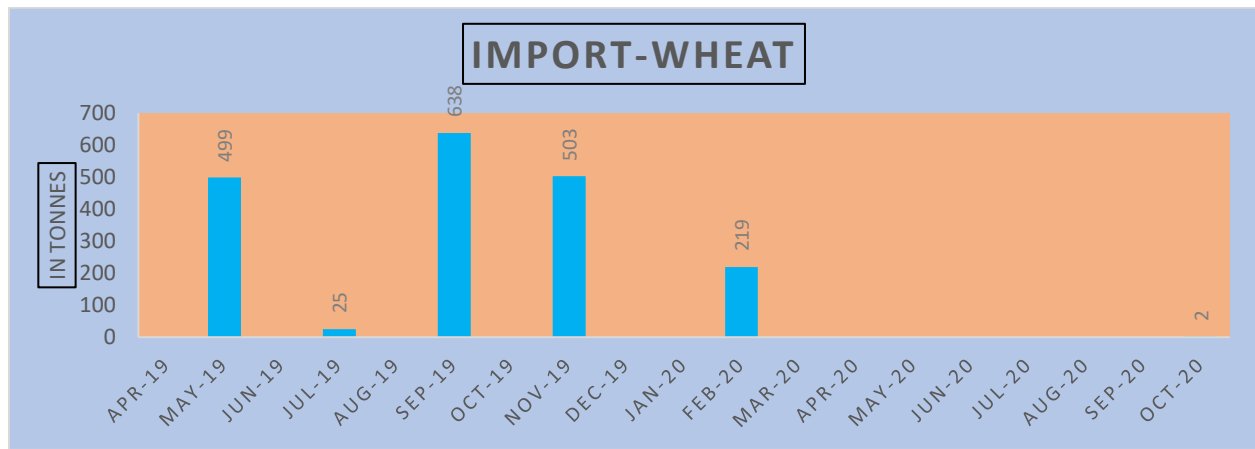
- In the current year, government have set a target of procuring 423.60 lakh tonnes of wheat with Madhya Pradesh to contribute the maximum 135 lakh tonnes followed by Punjab (130 LT), Haryana (80 LT) and Uttar Pradesh (55 LT).

India's Export (in Tonnes)



- India exported 3.93 lakh tonnes of wheat in the month of February 2021. It is around 85 thousand tonnes higher compared to export of wheat in January 2021(3.07 lakh tonnes)

India's Import (in Tonnes)



- India has not imported wheat since from March-2020. Before that, India has imported 219 tonnes of wheat in Feb-20

State wise wheat sowing (Lakh hectares)

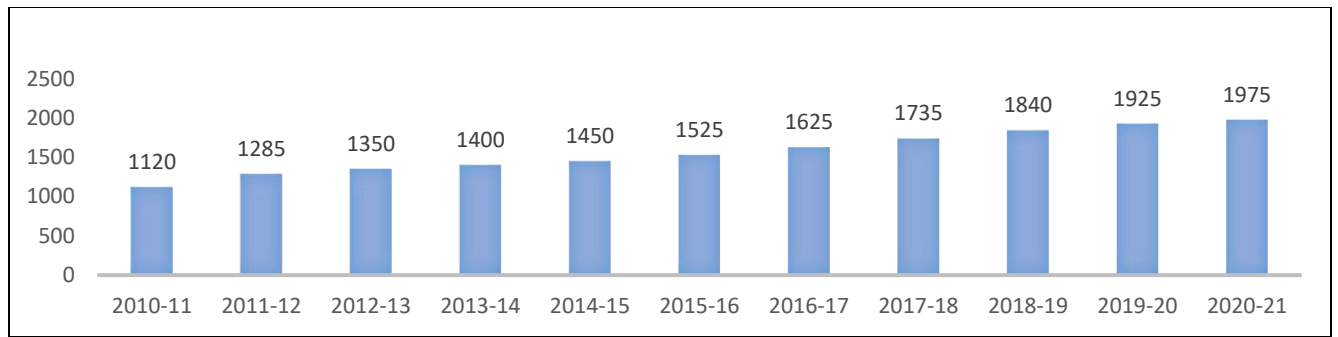
States	2018-19	2019-20	2020-21	% change over last year
Bihar	22.88	22.71	22.29	-1.85
Chhattisgarh	1.68	1.88	2.01	6.91
Gujarat	8.07	13.95	13.66	-2.08
Haryana	25.16	24.9	25.21	1.24
Himachal Pradesh	3	3.4	3.4	0.00
J&K	2.43	2.21	2.5	13.12
Jharkhand	2.15	2.11	2.31	9.48
Karnataka	2.04	1.96	1.89	-3.57
Madhya Pradesh	60	79.68	87.98	10.42
Maharashtra	5.6	10.71	11.64	8.68
Punjab	35.2	35.16	35.1	-0.17
Rajasthan	28.25	33.14	32.62	-1.57
Uttar Pradesh	99.13	99.05	99.04	-0.01
Uttarakhand	3.45	3.48	3.27	-6.03
West Bengal	1.02	2.52	1.88	-25.40
Others	0.23	0.09	0.1	11.11
All India	300.35	336.42	346.35	2.95

Source: Ministry of Agriculture

As on 29.01.2021

- Over all, wheat was sown in 346.35 lakh hectares during 2020-21 which is increased by 2.5 percent over previous year.
- There was an increase in area under wheat cultivation in the major states like Madhya Pradesh, Maharashtra, Jammu & Kashmir and Jharkhand over the previous year.
- There was a decline in area under wheat cultivation in the states of West Bengal, Uttarakhand and Karnataka over the previous year.

Minimum Support Price (Rs. /Q)



➤ Minimum support price (MSP) of wheat, major crop of Rabi season has been increased by Rs.50 to Rs.1975 per quintal for 2021 Rabi season. Increasing in MSP was low when compared to previous year (2018-19).