



# Wheat Outlook Report

BKC Aggregators' AI based advance technology FASAL SALAH App is in market since 2016 and we directly in touch with lacs of farmers, traders and millers through the app. Farmers on the app helps us to measure the crop area, yield and production prior harvesting by sharing the information like geo-located crop pictures, crop health, situation and direct query handling and campaigning in the field. Mandi traders are involved with us through app and mandi Whatsapp groups which helps us in price monitoring of the essential commodities from major spot markets. Our research analyst consult with the market players and farmers to predict the area, yield and production and to take their views on the market outlook. All the following references makes the BKC Aggregators' Commodity reports more authentic and attractive which helps in taking right decisions at right time for the millers, processors, exporters and corporates.

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## Market Drivers

Factors	Impact
Stock disposal by Govt. Agencies in OMSS at below MSP	Bearish
Higher domestic wheat acreage against last year	Bearish
Higher production estimate against previous year	Bearish
Good export demand from the foreign countries	Bullish
Farmers' agitation puts pressure on Govt. for wheat procurement target	Bullish
Increase of Minimum Support Price (MSP) for 2021-22 season	Bullish
Unviable import and viable export parity	Bullish
Sluggish demand from bulk buyers and higher supply	Bearish
Higher global wheat production	Bearish
Govt. free wheat distribution schemes ends	Bullish

## Market Highlights

### Domestics

- In the coming Rabi harvesting season, India's wheat production is expected to exceed all previous records and could reach over 112 million tonnes, compared to last year's 107.06 million tonnes. The primary reason for this is that the area under wheat cultivation increased by 4% about 32.5 million hectares, against 31.4 million hectares in the same time from last year.
- Traders have signed a \$220-\$230 per tn free on board agreement to export around 100,000 tn of wheat to Bangladesh. This financial year, further exports to Bangladesh are likely as the nation is looking to import more food grain in anticipation of a food deficit and as Indian wheat prices have become more reasonable over the past few months.
- India's wheat exports were at 750,672 tn compared to 154,945 tn a year ago during Apr-Nov. Indian traders prefer, to export food grain to closer nations such as Bangladesh, Sri Lanka and other South and Southeast Asian country.
- In the next few months, domestic wheat prices are expected to decline further as the total crop acreage has improved. In order to compensate for weak domestic demand, traders are taking advantage of opportunities to export wheat.

### International

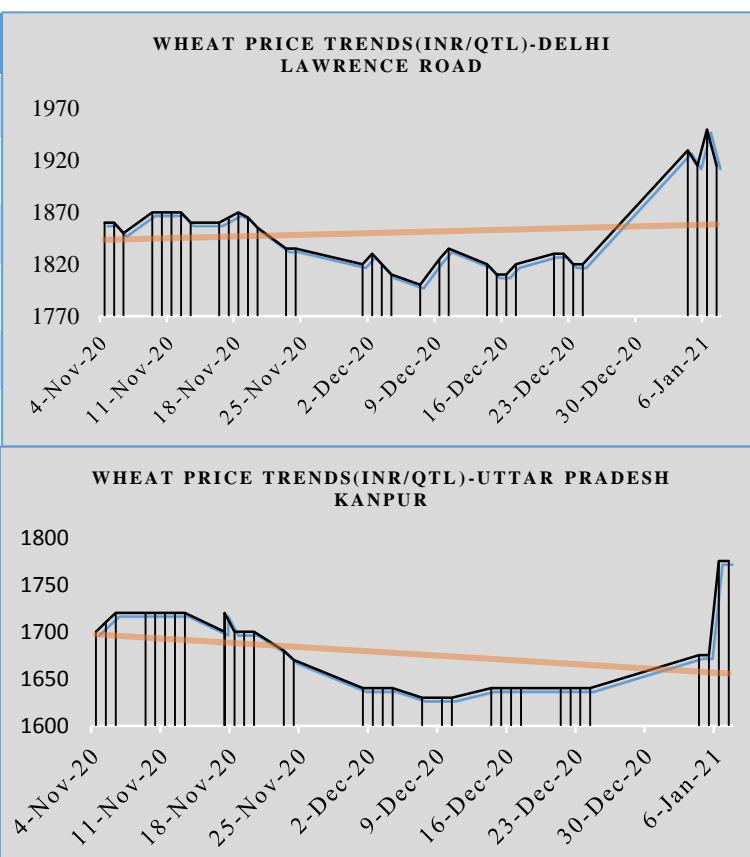
- Global wheat exports have risen to a record 194 million metric tons and U.S. exports also increased by 0.5 million. wheat production increases in primary exporting nations Australia, Russia, and Canada, resultant global wheat harvest increases by almost 1.3 million tons in 2020/21.
- In 2020/21, Australia's wheat production will improve dramatically. The output of the current marketing year is over twice that of the 2019/20 harvest. Australia's wheat crop has risen 1.5 million tons from 28.5 million tons of last month to 30 million this month. Nevertheless, Australian wheat yields have risen 5%

from last month to 2.31 million tons. Significantly increased in annual rainfall managed to boost yields by almost 55% from the previous year.

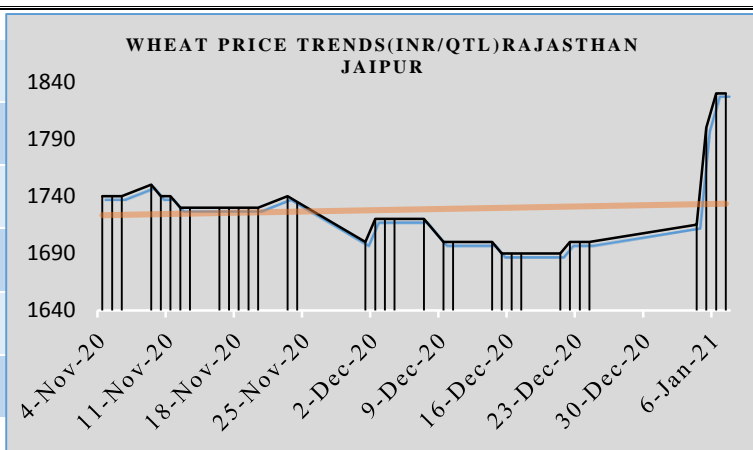
- ✚ Russia's forecast for all-wheat production is 84 million. Russia's 2020/21 wheat harvest is second only in comparison to 2017/18 harvest, which was almost 85.2 million tons. The Russian export projection for the current marketing year or for exportable supplies is 40 million. in the current marketing year Russia is expected to remain the top wheat-exporting country, surpassing the second-largest exporter, the United States, by more than 13 million tons.
- ✚ Canada's wheat production recent estimate of 2020/21 is raised a scant 0.2 million tons from November forecast bringing total to 35.2 million. An increase of nearly 8 percent from the year prior.
- ✚ Canada's latest 2020/21 projection of wheat production has lifted a mere 0.2 million tons from November's prediction, bringing the total to 35.2 million. that is almost 8 percent higher from year ago.
- ✚ Global wheat consumption also risen 5.1 million tons to 757.8 million on higher feed and residual consumption, primarily due to an increase in China. For China, feed and residual consumption rose by 3 million tons from the November forecast to 24 million.
- ✚ Increased imports from China and Pakistan are helping to bring production to global markets for trading. China's demand for high-quality imported wheat is highly notable. China 's 2020/21 wheat import projection for this month rose 0.5 million tons to 8.5 million tons, up from 5.38 million from year prior.

## Price Outlook

State	Location	7-Jan-21	24-Dec-20	% Change
Delhi	Lawrence Road	1915	1820	5.22
Gujarat	Rajkot	1900	1800	5.56
Gujarat	Gondal	2250	2200	2.27
Karnataka	Bengaluru	2060	2020	1.98
Madhya Pradesh	Vidisha	1905	1870	1.87
Madhya Pradesh	Neemuch	2100	1950	7.69
Madhya Pradesh	Indore	2100	1680	25.00
Maharashtra	Jalgaon	1840	1680	9.52
Punjab	Khanna	1850	1825	1.37
Rajasthan	Jaipur	1830	1700	7.65
Rajasthan	Kota	1780	1600	11.25
Rajasthan	Ganganagar	1800	1690	6.51
Tamil Nadu	Coimbatore	1990	1950	2.05



Uttar Pradesh	Kanpur	1775	1640	8.23
Uttar Pradesh	Etah	1690	1560	8.33
Uttar Pradesh	Shahjahanpur	1701	1601	6.25
Uttar Pradesh	Gonda	1700	1660	2.41
Uttar Pradesh	Agra	1830	1670	9.58
West Bengal	Kolkata	1680	1650	1.82



### Cumulative arrival/ Mandi arrival (Qty. in MT)

State	This year	Last year	% Change
	(01/04/2020-08/01/2021)	(01/04/2019-08/01/2020)	
Assam	1233.4	5838	-78.9
Bihar	0	12	-100.0
Chhattisgarh	68718.47	59825.21	14.9
Gujarat	530257.12	567400.82	-6.5
Haryana	1012400.43	3105036.3	-67.4
Jharkhand	495	1427.72	-65.3
Karnataka	38588.66	39361	-2.0
Kerala	587.5	826.5	-28.9
Madhya Pradesh	7679408.73	8916065.09	-13.9
Maharashtra	249631	322245	-22.5
NCT of Delhi	31275	128780.6	-75.7
Odisha	89.9	171.39	-47.5
Punjab	2470081.89	5521850.92	-55.3
Rajasthan	2019119.38	2173988.91	-7.1
Telangana	2.4	7.5	-68.0
Uttar Pradesh	2686332.97	4187756.03	-35.9
Uttarakhand	81687.19	250993.23	-67.5
West Bengal	21555.19	29656.02	-27.3
India	16891464.23	25311242.24	-33.3

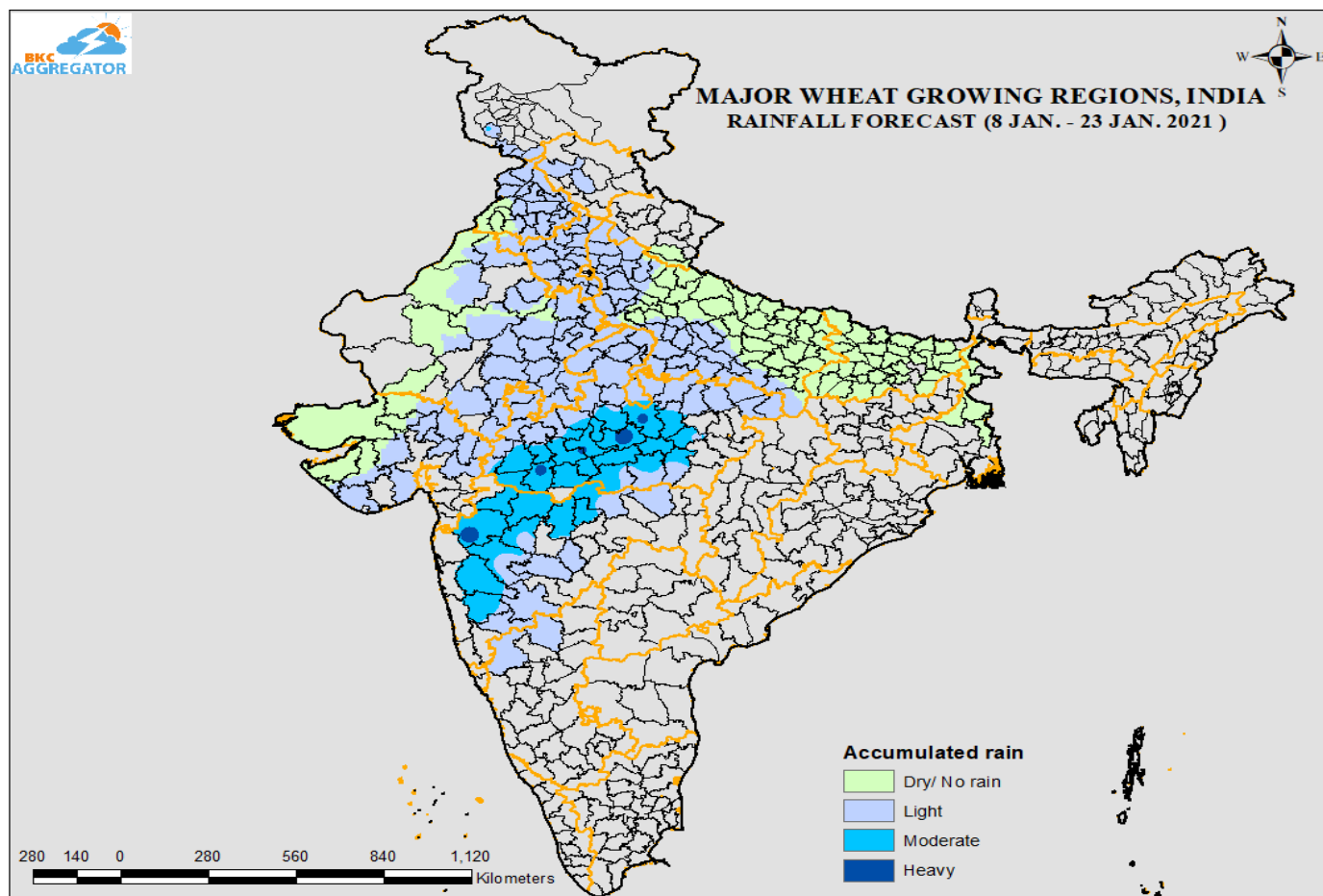
### CBOT WHEAT (USD/MT)

Contract/Month	6-Jan-21	7-Dec-20	% Change
March-21	255	225	13.3
May-21	255	227	12.3
July-21	252	229	10.0
Sep-21	252	229	10.0
Dec-21	255	231	10.4

### India Weather Outlook

The present weather conditions in primary wheat growing regions of India is highly beneficial for all varieties of wheat and may accelerate the production. Cold wave, fog and drizzling have jointly resulted in a dip in temperature which is favorable for the wheat crop. Meanwhile moderate to heavy rainfall is projected over

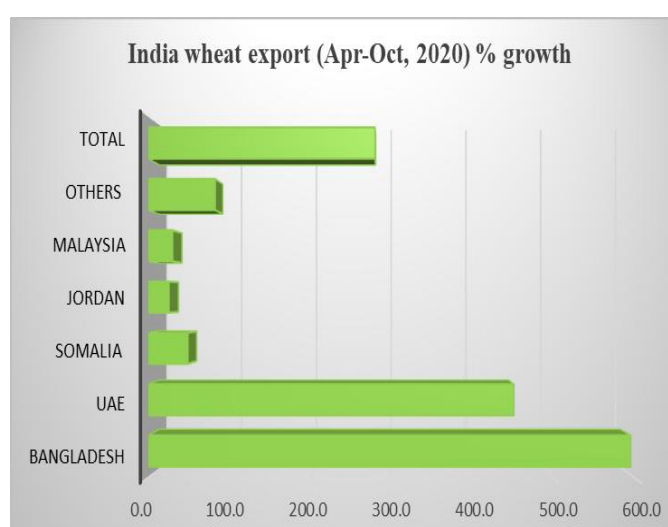
the wheat growing regions of Madhya Pradesh and Maharashtra during the next 15 days. while light rainfall, cold wave and moderate to dense fog expected to persist over the Wheat growing regions of norther India.



### Trade Details

#### India wheat export (Apr.-Oct.) 2019-2020

Country	Apr- Oct 2019 (R)	Apr- Oct 2020 (F)	%Growth
Nepal	93,930.78	202,360.37	115.4
Bangladesh	28,822.95	200,762.75	596.5
Afghanistan		55,584.00	
UAE	4,930.27	27,208.96	451.9
Sri Lanka	1,030.35	14,339.60	1291.7
Somalia	2,358.00	3,484.00	47.8
Bhutan	0.24	2,046.54	852625.0
Jordan	863	1,072.00	24.2
Malaysia	639.93	824.06	28.8
Others	2,037.39	3,700.11	81.6
<b>Total</b>	<b>134,612.91</b>	<b>511,382.39</b>	<b>279.9</b>



### India wheat Rabi sowing

State	Area covered (in Lakh Ha)		% Change
	2020-21	2019-20	
Assam	0.1	0.1	50
Bihar	19.9	17.5	13

Chhattisgarh	1.6	1.2	34
Gujarat	12.7	12.3	3
Haryana	25.2	24.7	2
Himachal Pradesh	3.4	3.4	0
Jammu & Kashmir	2.5	2.0	23
Jharkhand	2.1	1.7	26
Karnataka	1.7	2.0	-14
Madhya Pradesh	85.4	75.1	14
Maharashtra	9.2	7.6	21
Punjab	35.0	35.0	0
Rajasthan	28.9	31.7	-9
Utter Pradesh	92.5	94.6	-2
Uttarakhand	3.3	3.2	0
West Bengal	1.9	1.8	7
Others	0.1	0.1	5
India	325.4	314.0	4

### Balance Sheet

#### India wheat balance sheet:

Attributes (in 000 Tonnes)	2018-19	2019-20	2020-21
Closing Stock	17537	22936	27922
Area	29930	32515	33101
Yield	3.25	3.30	3.32
Production	97273	107300	109895
Imports	2.75	0.50	0.20
<b>Total Availability</b>	<b>114812</b>	<b>130236</b>	<b>137818</b>
Household Consumption	67250	76258	82762
Industrial Consumption	17256	18215	16550
Domestic Consumption	91666	102084	108197
Exports	210	230	509
<b>Total Consumption</b>	<b>91876</b>	<b>102314</b>	<b>108706</b>
Ending Stock	22936	27922	29112

#### World wheat balance sheet (Fig. in MMT)

Attributes	2017/18	2018/19	2019/20	2020/21
Opening Stocks	248.3	268.2	261.7	278.9
Production	761.9	732	763.4	765
Imports	176.4	168.3	184.3	186
<b>Total Availability</b>	<b>1010.2</b>	<b>1000.2</b>	<b>1025.1</b>	<b>1043.9</b>
<b>Total Consumption</b>	<b>742</b>	<b>738.5</b>	<b>746.2</b>	<b>751.8</b>
Exports	176.4	168.3	184.3	186
Ending Stocks	268.2	261.7	278.9	292.1

## Crop calendar of major wheat growing country

<b>INDIA</b>												
<b>RUSSIA (CENTRAL)</b>												
<b>ARGENTINA</b>												
<b>UKRAINE</b>												
<b>Australia</b>												
	<b>JAN</b>	<b>FEB</b>	<b>MAR</b>	<b>APR</b>	<b>MAY</b>	<b>JUN</b>	<b>JUL</b>	<b>AUG</b>	<b>SEP</b>	<b>OCT</b>	<b>NOV</b>	<b>DEC</b>
<b>Planting</b>												
<b>Mid-Season</b>												
<b>Harvesting</b>												