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India to see record wheat harvest in 2021-22 amid higher export prospects

Rohan Somwanshi | February 11, 2021

New Delhi — India is heading for its largest wheat harvest on record in 2021-22 (April-March) amid recently brightened prospects for higher exports in the current marketing season that ends on March 31.

India's 2020-21 wheat harvest is expected to hit a record 107.6 million mt, and a record planting and favorable weather conditions have fueled the expectation of a bumper wheat harvest in 2021, the US Department of Agriculture's India attaché said Feb. 11 in its Grain and Feed report. The agency did not provide exact production numbers for the 2021-22 season.

A 2020-21 rabi crop report from India's Ministry of Agriculture and Farmers Welfare estimates the country's 2021 wheat crop planting area at a new record of 34.5 million hectares, 1 million hectares larger than the previous year.

"Improved soil moisture and irrigation water availability due to an excellent 2020 monsoon, coupled with the Indian government's timely announcement of a higher [minimum support price] encouraged farmers to increase wheat planting," the attaché said



INDIA'S WHEAT PROSPECTS GROWING STRONG

Source: USDA

On the weather front, India's wheat crop has benefited from relatively low temperatures and occasional rains over the past two months.

"Field sources report that the standing wheat crop is progressing well under adequate soil moisture and weather conditions throughout the wheat growing region," the agency added. Winter wheat is usually planted in India during October-December, and the harvest begins from February and can last until end June.

Strong wheat exports in offing

India's higher production prospects in 2021 come amid a renewed stronger pace seen in the country's wheat exports after several years.

Indian wheat has been making bigger inroads into global markets in 2020-21 after a gap of six years, helped by tightening supply from major exporters and larger domestic inventories.

Domestic wheat prices have also eased, leading to lower export prices, and it is expected prices will likely remain weak in the coming months on the back of the strong production prospects in 2021-22.

India's wheat prices in January in the major wheat-producing states ranged from \$229/mt to \$250/mt, according to the agency.

Analysts have suggested Russia's grain export curbs may help India expand its wheat exports in the coming months, mostly in countries like Bangladesh.

The USDA's attaché said most of India's wheat exports are heading for neighboring Bangladesh, Nepal, Sri Lanka, and smaller quantities to Middle Eastern countries.

Bangladesh is a major buyer of Russian wheat, and is expected to buy 6.6 million mt of wheat from global origins in 2020-21, according to the USDA.

Over April-December 2020, India exported 976,083 mt of wheat globally, according to data from India's Agricultural and Processed Food Products Export Development Authority. In 2019-20, India only shipped 217,010 mt.

Source: <u>https://www.spglobal.com/platts/en/market-insights/latest-</u> news/agriculture/021121-india-to-see-record-wheat-harvest-in-2021-22-amid-higherexport-prospects