

Wheat price forecast for the year 2021-2022

Wheat is considered as one of the prime cereal crops grown internationally and an important staple food of nearly 2.5 billion people across 89 countries of the world. Wheat is grown yearly on 215 million hectares — an area equivalent to that of Greenland and distributed from Scandinavia to South America and across Asia, making it more widely grown than any other staple food crop. It supersedes maize or rice as a source of protein in low- and middle-income nations and is second only to rice as a source of calories. Wheat is the dominant staple in North Africa and West and Central Asia, providing as much as half of all calories consumed in the region.

In the world during 2020-21, 221 million hectare area was covered under wheat with a production of 775 million tonnes against year of 2019-20, 216 million hectare area with a production of 764 million tonnes. The forecasted production for the year 2021-22 is 781.70 million tonnes. As per Statista in the year 2020-21, major wheat producing countries in world are European Union (135.8 million metric tonnes), China (134.2 million metric tonnes), India (107.5 million metric tonnes) and Russia (85.3 million metric tonnes). World's closing stock of wheat for the year 2020-21 is estimated to be 289.92 million tonnes, whereas in 2019-20 it accounted for 277.93 million tonnes.

In India, as per the fourth advance estimates by Ministry of Agriculture and Farmers Welfare, during 2020-21, wheat production stood at 109.52 million tonnes as against 107.52 in 2019-20. Exports from India during 2020-21 is estimated to be 1.32 million tonnes which stood at 0.49 million tonnes during 2019-20. India's closing stock in 2020-21 is estimated to be around 26 million tonnes, whereas in 2019-20 it accounted for 21.80 million tonnes.

Food Corporation of India announced to procure 427 Lakh Metric tonnes of wheat from the country for the rabi marketing season 2021-22, wherein 1.50 Lakh metric tonnes was proposed to procure from Gujarat in between 16th March to 31st of May, 2021. The wheat MSP for the *rabi* crop of 2021-22, to be marketed in *rabi* marketing season 2022-23, has been fixed at Rs 2,015 per quintal i.e. Rs 40 more than Rs 1,975 in the last year.

For the year 2020-21, as per the fourth advance estimates released by Directorate of Agriculture, Gujarat (D.A.G), area under wheat was 1366.65 thousand hectares, with a production of 4378.08 thousand tonnes and yield 3203.52 kg/ha as compared to final estimates of 2019-20 which indicated area under wheat as 1393.49 thousand hectares, with a production of 4553.68 thousand tonnes and yield of 3267.83 kg/ha. In March-April, 2021 wheat was trading at Rs 1818 to 1827 per quintal in the markets of Gujarat which were Rs 1876 to 1890 per quintal in March-April, 2020.

Considering this all and traders reviews, the research team of NAHEP-CAAST, IABMI, Anand Agricultural University, Anand, analyzed the previous years monthly price data of wheat collected from major markets of Gujarat. The econometric analysis revealed that the prices of wheat during **March-April, 2022** may remain in the range of **Rs. 350- 420 per 20 Kg. (Rs. 1750-2100 per quintal)**.

Note: There may be some deviation of the actual prices from the predicted prices due to new developments in the commodity markets such as change in international prices, export or import restrictions, etc and these price forecasts are based on past market price data & different econometric models and that actual market price may not remain to be the same as forecasted.