Wheat Domestic Fundamentals:

The container issue is continuing as a persistent problem and is expected to continue in near future as well. India has estimated *to spend $14.1 billion on imports of goods in 2021 which is 64 percent higher compared to previous year. The container shortage has led to rise in the shipping rate by 300-350 percent over the past one year. Though container production volume has increased drastically, the demand is on higher side which is ultimately making an imbalance. With the ongoing issue between Russia and Ukraine is also going to increase shipping cost which includes high insurance premiums.*

The result of the e-auction of wheat dated 23rd February 2022 includes around 100 metric tonne (MT) of wheat was sold against the same bided *quantity in Jammu and Kashmir. In Himachal Pradesh, around 800 MT of wheat was sold against the same bided quantity. In Punjab 24,850 MT of wheat was sold against the bided 25,100 MT quantity of wheat. In Haryana 200 MT of wheat was sold against the same bided quantity.*

As per Ministry of Agriculture's second advance estimate, wheat production for 2021-22 is estimated at 111.32 million metric *tonne (MMT). AgriWatch has preliminary estimated the wheat production to be around 104.66 MMT. The higher production despite lower acreage is due to good yield because of favorable environmental conditions.*

International Market Update:

Due to Russia's invasion of Ukraine, the CBOT market rallied sharply over the supply concerns. The rising tension in Ukraine and *Russia has created volatility in the wheat market as traders fear disruptions of trade flow in the black sea region. CBOT may future of soft red winter wheat rose 48 cents to reach $9.32 per bushel. And may future of hard red winter wheat rose 50 cents to reach $9.68 per bushel. With the tension escalating, the uncertainty in the black sea region is expected to prevail for next few weeks as well. There is also possibility that the demand for Black Sea wheat is likely to shift to EU, Argentina or Australia.*

Bangladesh purchased about 50,000 tonnes of milling wheat in an international tender which closed on February 14th. The *purchase was made at an estimated $390.92 per tonne CIF. And Thailand issued an international tender to purchase up to 294,600 tonnes of animal feed wheat. The wheat can be sourced from any optional origins worldwide except Pakistan. Turkey issued an international tender to purchase about 435,000 tonnes of milling wheat. The deadline for submission of price offers in the wheat tender is March 2.*

The average retail price of fertilizers has climbed the full second week of February. The prices of the most of the fertilizers were *high compared to previous month. The DAP had an average price of $874 per tonne compared to last month, MAP $935 per tonne, potash $815 per tonne, anhydrous $1,488 per tonne which is an all-time high price.*

Volatility in wheat prices is continuing due to the tensions undergoing between Russia and Ukraine. The export prices of *wheat have risen both in Russia and Ukraine. On February 22nd, the prices of 12.5% protein Russian wheat were at $312 per tonne, while 11.5% protein Ukrainian wheat prices were at $306 per tonne, both up $3 day on day. Demand for wheat remained weak in the Black Sea region amid the tensions, while buyers are inquiring about the food grain from alternative origins, like Romania and Germany. Buying interest remained very limited after the escalation of tensions. Although the weather conditions are favorable in key producing regions in both countries.*

During June 1st to February 21st, Ukraine exported 17.8 MMT of wheat, up by 34% on the year. Ukraine *shipped out 16.6 MMT of wheat in MY 2020-21. However, since tensions emerged in the region, Ukraine's pace of exports has declined. In January, the average weekly exports declined to around 200,000 MT from the weekly average of nearly 400,000 MT in December. The tension between Ukraine and Russia is escalating and it is expected that the pace of wheat exports from Ukraine to remain slow in the coming weeks. For Russia, too, the momentum of shipments is expected to be poor as buyers are uncertain about the trade prospects in the region. Between June 1st and February 17th, Russia had shipped out 25.2 MMT, lower by 24% over the year.*

As per USDA's February report, condition ratings for winter wheat declined during February in Kansas and Oklahoma, USDA rated *26% of the Kansas winter wheat crop in good to excellent condition as of February 20th, which is down from 30% in its previous monthly report released on January 24th. In Oklahoma, only 9% of the state's wheat was rated good to excellent, which is down from 16% the prior month. Wheat ratings also declined in South Dakota, but improved in Colorado and Montana.*

Weather Outlook: *Scattered to fairly widespread light/moderate rainfall/snowfall with isolated thunderstorm & lightning activity very likely over Jammu-Kashmir-Gilgit- Baltistan-Muzaffarabad, Himachal Pradesh and Uttarakhand during next 2 days and isolated rainfall/snowfall during subsequent 2 days. Isolated hailstorm also likely over Uttarakhand during next 2 days.*

Wheat Daily Prices and Arrivals

Centre	Market	Variety	Prices (Rs/Qtl)		Change
			24-Feb-22	23-Feb-22	
Delhi	Lawrence Road	Mill Delivery	2265	2280	-15
	Narella	Mill Quality Loose	2090	Closed	-
	Nazafgarh	Mill Quality Loose	2120	Closed	-
Gujarat	Rajkot	Mill Delivery	2075	2075	Unch
	Ahmedabad	Mill Delivery	2190	2180	10
	Surat	Mill Delivery	2250	2240	10
	Dhrol	Mill Quality Loose	2180	2330	-150
M.P.	Indore	Mill Delivery	2180	2080	100
	Bhopal	Mill Quality Loose	1980	1925	55
Rajasthan	Kota	Mill Quality Loose	1980	1975	5
		Mill Delivery	2130	2125	5
U.P.	Kanpur	Mill Delivery	2100	2090	10
	Mathura	Mill Quality Loose	2040	2035	5
	Kosi	Mill Quality Loose	2050	2050	Unch
	Hathras	Mill Quality Loose	2060	2100	-40
	Aligarh	Mill Quality Loose	2050	2025	25
Punjab	Khanna	Mill Quality Loose	2030	2060	-30
	Ludhiana (Jagraon)	Mill Delivery	-	-	Unch
Haryana	Sirsa	Mill Delivery loose	2070	2070	Unch
	Hodal	Mill Delivery	-	-	-
	Bhiwani	Mill Quality Loose	2300	2300	Unch
	Karnal	Mill Delivery	-	-	-
	Panipat	Mill Quality Loose	-	-	-
Tamil Nadu	Chennai	Mill Quality	2450	2450	Unch
	Madurai	Mill Quality	2507	2507	Unch
	Coimbatore	Mill Quality	2507	2507	Unch
Bihar	Khagariya	Mill Delivery	2050	2050	Unch
	Muzaffarpur	Mill Delivery	-	-	-
FOR	Kandla (Rajasthan-Rajkot)	Mill Quality	-	-	-
	Gandhidham (Rajasthan-Rajkot)	Mill Quality	-	-	-

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Centre	Market	Variety	Prices (Rs/Qtl)		Change
			24-Feb-22	23-Feb-22	
Gujarat	Rajkot	Lokwan	2175	2175	Unch
M.P.	Indore	Lokwan	2000	2250	-250
	Bhopal	Lokwan	2150	2200	-50
	Bina	Sarbati 306	-	-	-
Rajasthan	Kota	LokwanBilty	2105	2100	5
	Baran	Lokwan	2130	2170	-40

Wheat Arrivals in Key Centres:

Centre	Market	Variety	Arrivals (Bags/Qtl)		Change
			24-Feb-22	23-Feb-22	
Delhi	Lawrence Road	Mill Delivery	4000	5000	-1000
	Narella	Mill Quality Loose	50	Closed	-
	Nazafgarh	Mill Quality Loose	20	Closed	-
Gujarat	Rajkot	Mill Quality Loose	1500	1300	200
	Dhrol	Mill Quality Loose	43	78	-35
M.P.	Indore	Mill Quality Loose	3000	1500	1500
Rajasthan	Kota	Mill Quality	3500	3500	Unch
U.P.	Kanpur	Mill Quality Loose	600	900	-300
	Mathura	Mill Quality Loose	100	100	Unch
	Kosi	Mill Quality Loose	400	400	Unch
	Hathras	Mill Quality Loose	200	100	100
	Aligarh	Mill Quality Loose	100	100	Unch
Punjab	Khanna	Mill Quality Loose	500	500	Unch
	(Ludhiana)Jagraon	Mill Quality Loose	-	-	Unch
Haryana	Sirsa	Mill Quality Loose	300	300	Unch
	Hodal	Mill Quality Loose	50	50	Unch
	Bhiwani	Mill Quality Loose	100	100	Unch
	Karnal	Mill Delivery	-	-	-
	Panipat	Mill Quality Loose	-	-	-

Wheat (CBOT) Future Price: 23.01.2022					
Contract Month	**Open**	**High**	**Low**	**Close**	**Change**
22-Mar	841	880	834	876	31.75
22-May	849	888.75	842.75	884.75	32.25
22-Jul	845	882.5	839	878.75	31.25
22-Sep	845	878.75	838.75	874.75	27.75
22-Dec	849	880.5	840.75	876.5	27
23-Mar	847.5	881	844.5	877	26.25