

Wheat Domestic Fundamentals:

Currently the wheat in Uttar Pradesh is trading at Rs. 2100-2300 at various markets and it is expected that farmers will be inclined towards the private traders for selling of wheat. The procurement in Uttar Pradesh will start from April 1st. The government is targeting purchase of 60-65 LMT of wheat this year compared to 58 MMT the previous year with special focus on purchase through the PoS (point of sales) machine.

The increase in temperature during the month of March is causing concerns as the rising temperature is expected to reduce the yield of the crop. In Punjab, the harvesting generally starts from mid-April, but due to high temperatures in the month of March, it is expected that the maturation will be early. The irrigation to the crop is also impacted due to power supply in various parts of Punjab.

The number of farmers in Madhya Pradesh registering to sell wheat to state agencies has dropped by more than 17 per cent because of the huge demand for the cereals by the private players owing to spike in global prices because of Russia Ukraine crisis. Till March 10th, around 1.98 million farmers applied to sell wheat to government agencies, while last year during the same period it was around 2.4 million.

Due to global supply concerns over wheat from Ukraine and Russia, several countries are preferring Indian wheat. India is in final talks to start wheat export to Egypt, while discussions are going on with countries like Turkey, China, Bosnia, Sudan, Nigeria, Iran, etc to start wheat export.

International Market Update:

CBOT wheat rose on Monday for a second session in three, as the Russia-Ukraine war and dry weather in parts of the U.S. grain belt raised concerns over global supplies. Wheat prices have declined since hitting their peak earlier in March, which is generating some buying interest. The CBOT most-active wheat contract rose 0.4% to \$10.67 per bushel.

Argentina increased its annual wheat export quota for the 2022-23 season by 8 MMT from 2 MMT to a total of 10 MMT to take advantages of high international prices. Argentina limits exports of wheat in a bid to ensure domestic supply and to avoid local price hikes. But Russia's invasion of Ukraine has led to a surge in wheat prices, as both countries combined normally provided 30% of global supply of the grain. The new increased export quota remains lower than the previous 2021-2022 cycle, in which Argentina allowed exports of 14.5 million tonnes of wheat. In Argentina, next wheat season will only begin when planting starts in May, but sales are often decided months in advance, especially in times of high prices.

In Russia in the month of March, larger proportions of shipment of wheat are taking place in small cargoes reflecting difficulty in arranging insurance and shipping. Many traders with large vessels were unwilling to load from Russia. There is no more market for large cargoes as there is lack of handysize cargoes on Russian FOB basis.

Currently U.S. wheat prices were already high because of inflation and restricted supplies, but globally the wheat prices are driven up due to Russia Ukraine war and could increase the prices of wheat globally. Prices depends on type of grain but in recent days the cost of white soft wheat was \$11.70 per bushel higher compared to \$7.35 per bushel the previous year. It is expected that countries that rely on wheat exports from Ukraine could face shortages starting in July which increases food insecurity and potentially throwing more people into poverty in countries that depend on the product. In the coming year people might turn to more affordable grains and substitutes for wheat which could potentially affect wheat prices.

As per reports, 92% of French soft wheat crops were in good or excellent condition by March 14th, unchanged from a week earlier and above a year-ago rating of 87%. The condition is better compared to previous year indicating better crop conditions in the coming harvest season.

In Turkey, the lowest price in the first round of offers in tender dated on 17th March to purchase and import 270,000 tonnes of milling wheat was believed to be \$450.00 a tonne C&F. No purchase has yet been made and initial results of the tender are expected later.

In Pakistan, there is a fear of fall in production by 10 percent due to drought and low fertilizer offtake and as a result the ministry has proposed to import 3 MMT of wheat. And if wheat is not imported from Russia on due to sanctions on Russia, Pakistan may be allowed to import the entire quantity of 3 MMT of wheat through international tendering.

Weather Outlook: Under the influence of a fresh Western Disturbance, isolated rainfall/snowfall with isolated thunderstorm/lightning very likely over Jammu & Kashmir, Ladakh, Gilgit-Baltistan & Muzaffarabad, Himachal Pradesh during 23rd & 24th and over Uttarakhand on 24th March.

Wheat Daily Prices and Arrivals

Centre	Market	Variety	Prices (Rs/Qtl)		Change
			21-Mar-22	19-Mar-22	
Delhi	Lawrence Road	Mill Delivery	2275	2280	-5
	Narella	Mill Quality Loose	2150	2150	Unch
	Nazafgarh	Mill Quality Loose	2175	2200	-25
Gujarat	Rajkot	Mill Delivery	2200	2250	-50
	Ahmedabad	Mill Delivery	2315	2320	-5
	Surat	Mill Delivery	2370	2375	-5
	Dhrol	Mill Quality Loose	2365	2335	30
M.P.	Indore	Mill Delivery	2120	2200	-80
	Bhopal	Mill Quality Loose	2050	2000	50
Rajasthan	Kota	Mill Quality Loose	2080	2050	30
		Mill Delivery	2230	2200	30
U.P.	Kanpur	Mill Delivery	2120	Closed	-
	Mathura	Mill Quality Loose	2100	Closed	-
	Kosi	Mill Quality Loose	2200	Closed	-
	Hathras	Mill Quality Loose	2125	Closed	-
	Aligarh	Mill Quality Loose	2120	Closed	-
Punjab	Khanna	Mill Quality Loose	2070	2060	10
	Ludhiana (Jagraon)	Mill Delivery	-	-	Unch
Haryana	Sirsa	Mill Delivery loose	2110	2140	-30
	Hodal	Mill Delivery	-	-	-
	Bhiwani	Mill Quality Loose	2200	2240	-40
	Karnal	Mill Delivery	-	-	-
	Panipat	Mill Quality Loose	-	-	-
Tamil Nadu	Chennai	Mill Quality	2400	2400	Unch
	Madurai	Mill Quality	2457	2457	Unch
	Coimbatore	Mill Quality	2457	2457	Unch
Bihar	Khagariya	Mill Delivery	2100	2100	Unch
	Muzaffarpur	Mill Delivery	-	-	-
FOR	Kandla (Rajasthan-Rajkot)	Mill Quality	2375	2380	-5
	Gandhidham (Rajasthan-Rajkot)	Mill Quality	2385	2390	-5

Centre	Market	Variety	Prices (Rs/Qtl)		Change
			21-Mar-22	19-Mar-22	
Gujarat	Rajkot	Lokwan	2400	2300	100
M.P.	Indore	Lokwan	2400	2400	Unch
	Bhopal	Lokwan	2300	2200	100
	Bina	Sarbati 306	-	-	-
	Sehore	Sarbati	40000	Closed	-
	Vidisha	Sarbati	3800	Closed	-
Rajasthan	Kota	LokwanBilty	2205	2175	30
	Baran	Lokwan	2450	2210	240

Wheat Arrivals in Key Centres:

Centre	Market	Variety	Arrivals (Bags/Qtl)		Change
			21-Mar-22	19-Mar-22	
Delhi	Lawrence Road	Mill Delivery	3500	500	3000
	Narella	Mill Quality Loose	100	40	60
	Nazafgarh	Mill Quality Loose	10	5	5
Gujarat	Rajkot	Mill Quality Loose	12000	9000	3000
	Dhrol	Mill Quality Loose	109	81	28
M.P.	Indore	Mill Quality Loose	2000	2500	-500
Rajasthan	Kota	Mill Quality	3500	1500	2000
U.P.	Kanpur	Mill Quality Loose	500	Closed	-
	Mathura	Mill Quality Loose	100	Closed	-
	Kosi	Mill Quality Loose	250	Closed	-
	Hathras	Mill Quality Loose	100	Closed	-
	Aligarh	Mill Quality Loose	300	Closed	-
Punjab	Khanna	Mill Quality Loose	600	500	100
	(Ludhiana)Jagraon	Mill Quality Loose	-	-	Unch
Haryana	Sirsa	Mill Quality Loose	1000	500	500
	Hodal	Mill Quality Loose	70	50	20
	Bhiwani	Mill Quality Loose	100	50	50
	Karnal	Mill Delivery	-	-	-
	Panipat	Mill Quality Loose	-	-	-

Wheat (CBOT) Future Price: 18.03.2022					
Contract Month	Open	High	Low	Close	Change
22-Mar	1095	1106	1055.75	1063.75	-34.25
22-May	1071	1086.5	1036.5	1044.75	-31.25
22-Jul	1025.75	1042	999	1005.75	-25
22-Sep	980.25	995.75	962	967	-20.5
22-Dec	943.75	962	934.5	940.75	-10
23-Mar	906.5	915	894.5	906.75	0.25

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