

Wheat Domestic Fundamentals:

Currently there is lower chance of a major inflation like scenario in the Indian market as the stocks available is huge and new crop arrivals is about to come in all the major markets. But it is expected that if Indian wheat exports rise by 45-50 percent in 2022, it will push the price of wheat by 8-10 percent from a year ago in the first quarter of next Fiscal Year.

In Haryana, the procurement of wheat will start from April 1st and would continue till May 15th. For the Rabi Marketing Season 2022-23, around 398 mandis and procurement centres have been in the state for the procurement of wheat.

Currently the wheat in Uttar Pradesh is trading at Rs. 2,100-2,300 per quintal 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 LMT 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.

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:

Ukraine is likely to export just 200,000 tonne of wheat from March to June due to its Black Sea ports being blocked by the Russian invasion. As per reports, 2021-22 (July-June) wheat exports would not exceed 18.3 million tonne, while ending stocks will reach 5.9 million tonne. Ukraine exported 18.1 million tonne of wheat from July 2021 to March 2022.

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 tonne 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 handy-size cargoes on Russian FOB basis.

Currently U.S. wheat prices are 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 tonne 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: Light isolated/scattered rainfall very likely over Kerala & Mahe, Tamilnadu, Puducherry & Karaikal, Andhra Pradesh and Karnataka during next 5 days and isolated thunderstorm/lightning activity likely over Kerala & Mahe, Tamil Nadu, Puducherry & Karaikal and Coastal & South Interior Karnataka during next 3 days and over Coastal Andhra Pradesh & Rayalaseema during next 24 hours.

Wheat Daily Prices and Arrivals

Centre	Market	Variety	Prices (Rs/Qtl)		Change
			22-Mar-22	21-Mar-22	
Delhi	Lawrence Road	Mill Delivery	2300	2275	25
	Narella	Mill Quality Loose	2140	2150	-10
	Nazafgarh	Mill Quality Loose	2180	2175	5
Gujarat	Rajkot	Mill Delivery	2230	2200	30
	Ahmedabad	Mill Delivery	2335	2315	20
	Surat	Mill Delivery	2360	2370	-10
	Dhrol	Mill Quality Loose	Closed	2365	-
M.P.	Indore	Mill Delivery	Closed	2120	-
	Bhopal	Mill Quality Loose	Closed	2050	-
Rajasthan	Kota	Mill Quality Loose	2100	2080	20
		Mill Delivery	2250	2230	20
U.P.	Kanpur	Mill Delivery	2100	2120	-20
	Mathura	Mill Quality Loose	2100	2100	Unch
	Kosi	Mill Quality Loose	2200	2200	Unch
	Hathras	Mill Quality Loose	2100	2125	-25
	Aligarh	Mill Quality Loose	2090	2120	-30
Punjab	Khanna	Mill Quality Loose	2100	2070	30
	Ludhiana (Jagraon)	Mill Delivery	-	-	Unch
Haryana	Sirsa	Mill Delivery loose	2110	2110	Unch
	Hodal	Mill Delivery	-	-	Unch
	Bhiwani	Mill Quality Loose	2200	2200	Unch
	Karnal	Mill Delivery	-	-	Unch
	Panipat	Mill Quality Loose	-	-	Unch
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	-	-	Unch
FOR	Kandla (Rajasthan-Rajkot)	Mill Quality	2370	2375	-5
	Gandhidham (Rajasthan-Rajkot)	Mill Quality	2380	2385	-5

Centre	Market	Variety	Prices (Rs/Qtl)		Change
			22-Mar-22	21-Mar-22	
Gujarat	Rajkot	Lokwan	2325	2400	-75
M.P.	Indore	Lokwan	Closed	2400	-
	Bhopal	Lokwan	Closed	2300	-
	Bina	Sarbati 306	Closed	0	Unch
	Sehore	Sarbati	Closed	4000	-
	Vidisha	Sarbati	Closed	3800	-
Rajasthan	Kota	LokwanBilty	2225	2205	20
	Baran	Lokwan	2450	2450	Unch

Wheat Arrivals in Key Centres:

Centre	Market	Variety	Arrivals (Bags/Qtl)		Change
			22-Mar-22	21-Mar-22	
Delhi	Lawrence Road	Mill Delivery	2000	3500	-1500
	Narella	Mill Quality Loose	100	100	Unch
	Nazafgarh	Mill Quality Loose	10	10	Unch
Gujarat	Rajkot	Mill Quality Loose	9500	12000	-2500
	Dhrol	Mill Quality Loose	Closed	109	-
M.P.	Indore	Mill Quality Loose	Closed	2000	-
Rajasthan	Kota	Mill Quality	5000	3500	1500
U.P.	Kanpur	Mill Quality Loose	600	500	100
	Mathura	Mill Quality Loose	200	100	100
	Kosi	Mill Quality Loose	450	250	200
	Hathras	Mill Quality Loose	60	100	-40
	Aligarh	Mill Quality Loose	300	300	Unch
Punjab	Khanna	Mill Quality Loose	500	600	-100
	(Ludhiana)Jagraon	Mill Quality Loose	-	-	Unch
Haryana	Sirsa	Mill Quality Loose	1000	1000	Unch
	Hodal	Mill Quality Loose	60	70	-10
	Bhiwani	Mill Quality Loose	100	100	Unch
	Karnal	Mill Delivery	-	-	-
	Panipat	Mill Quality Loose	-	-	-

Wheat (CBOT) Future Price: 21.03.2022					
Contract Month	Open	High	Low	Close	Change
22-Mar	1075	1148.75	1061.75	1119.25	55.5
22-May	1054.75	1124.75	1041	1093	48.25
22-Jul	1013.75	1080.5	1005	1054	48.25
22-Sep	975.75	1038.5	971.5	1016.25	49.25
22-Dec	952.25	1005	950	988.25	47.5
23-Mar	916.5	965	912.25	952.25	45.5

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