

### Wheat Domestic Fundamentals:

**Lebanon is planning to import 50,000 tonne of wheat through an international tender from India but the timing depends on Lebanon Central Bank's set criteria.** They have asked the Central Bank to provide advance of \$26 million in order to issue a tender. Lebanon is also waiting response from USA and Kazakhstan. And 26,000 tonne of Ukrainian wheat are on its way.

**The government's food subsidy costs are expected to fall by roughly Rs 26,000 crore during 2022-23 due to smaller volume of wheat procurement in the Rabi Marketing Session, which starts on April 1.** The procurement is expected to be around 34 million metric tonne (MMT), as opposed to the target of 44 MMT.

**As per sources, exports from other wheat-producing states, particularly Punjab and Haryana, will be difficult due to a lack of necessary transportation infrastructure, greater transportation costs to western ports, and higher grain purchase taxes.**

**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.**

### International Market Update:

**As per sources, it is unlikely that Australia's next wheat crop to cross the record tonnage produced in 2021-22.** According to ABARES, Australian growers are forecasted to plant 12.4 million hectares of wheat in coming months which is 5 percent below the 13.039 million hectares planted in 2021-22 producing a record 37.3 MMT of wheat which is followed by the previous record of 33.3 MMT, grown over 12.885 million hectares in 2020-21. The low wheat acreage is due to high input costs, dry weather conditions and possibility of wheat prices to reverse by the time Australia's 2022-23 harvest rolls out.

**Turkey has issued an international tender to purchase and import about 210,000 tonne of milling wheat. The deadline for submission of price offers in the wheat tender is March 23.** Wheat shipment is sought between April 1-April 30.

**Iraq is expected to produce approximately 500,000 tonne less wheat than 2021. Iraq is expected to produce 3 million tonne of wheat this year.** Iraq's present wheat reserves, stored in silos, will only last three months. Iraq is working on increasing wheat production in the country to bolster its self-sufficiency and reduce its heavy reliance on imports.

**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.

**Weather Outlook:** Light isolated/scattered rainfall very likely over Kerala & Mahe, Tamilnadu, Puducherry & Karaikal and Karnataka during next 5 days and over Coastal Andhra Pradesh & Rayalaseema during next 3 days. Isolated thunderstorm/lightning activity also very likely over Kerala & Mahe during next 5 days, over Coastal & South Interior Karnataka during next 3 days and over Tamilnadu, Puducherry-Karaikal, Coastal Andhra Pradesh & Rayalaseema during next 24 hours.

Wheat Daily Prices and Arrivals

Centre	Market	Variety	Prices (Rs/Qtl)		Change
			23-Mar-22	22-Mar-22	
Delhi	Lawrence Road	Mill Delivery	2350	2300	50
	Narella	Mill Quality Loose	Closed	2140	-
	Nazafgarh	Mill Quality Loose	Closed	2180	-
Gujarat	Rajkot	Mill Delivery	2275	2230	45
	Ahmedabad	Mill Delivery	2350	2335	15
	Surat	Mill Delivery	2420	2360	60
	Dhrol	Mill Quality Loose	2310	-	-
M.P.	Indore	Mill Delivery	2100	Closed	-
	Bhopal	Mill Quality Loose	2150	Closed	-
Rajasthan	Kota	Mill Quality Loose	2100	2100	Unch
		Mill Delivery	2250	2250	Unch
U.P.	Kanpur	Mill Delivery	2090	2100	-10
	Mathura	Mill Quality Loose	2050	2100	-50
	Kosi	Mill Quality Loose	2100	2200	-100
	Hathras	Mill Quality Loose	2100	2100	Unch
	Aligarh	Mill Quality Loose	2100	2090	10
Punjab	Khanna	Mill Quality Loose	2130	2100	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	2500	2400	100
	Madurai	Mill Quality	2557	2457	100
	Coimbatore	Mill Quality	2557	2457	100
Bihar	Khagariya	Mill Delivery	2100	2100	Unch
	Muzaffarpur	Mill Delivery	-	-	Unch
FOR	Kandla (Rajasthan-Rajkot)	Mill Quality	2400	2370	30
	Gandhidham (Rajasthan-Rajkot)	Mill Quality	2410	2380	30

Centre	Market	Variety	Prices (Rs/Qtl)		Change
			23-Mar-22	22-Mar-22	
<b>Gujarat</b>	Rajkot	Lokwan	2350	2325	<b>25</b>
<b>M.P.</b>	Indore	Lokwan	2400	Closed	-
	Bhopal	Lokwan	2300	Closed	-
	Bina	Sarbati 306	Closed	0	<b>Unch</b>
	Sehore	Sarbati	4000	Closed	-
	Vidisha	Sarbati	3900	Closed	-
<b>Rajasthan</b>	Kota	LokwanBilty	2225	2225	<b>Unch</b>
	Baran	Lokwan	2350	2450	<b>-100</b>

**Wheat Arrivals in Key Centres:**

Centre	Market	Variety	Arrivals (Bags/Qtl)		Change
			23-Mar-22	24-Mar-22	
<b>Delhi</b>	Lawrence Road	Mill Delivery	6000	2000	<b>4000</b>
	Narella	Mill Quality Loose	Closed	100	-
	Nazafgarh	Mill Quality Loose	Closed	10	-
<b>Gujarat</b>	Rajkot	Mill Quality Loose	6000	9500	<b>-3500</b>
	Dhrol	Mill Quality Loose	165	-	-
<b>M.P.</b>	Indore	Mill Quality Loose	3000	Closed	-
<b>Rajasthan</b>	Kota	Mill Quality	6000	5000	<b>1000</b>
<b>U.P.</b>	Kanpur	Mill Quality Loose	400	600	<b>-200</b>
	Mathura	Mill Quality Loose	250	200	<b>50</b>
	Kosi	Mill Quality Loose	200	450	<b>-250</b>
	Hathras	Mill Quality Loose	50	60	<b>-10</b>
	Aligarh	Mill Quality Loose	250	300	<b>-50</b>
<b>Punjab</b>	Khanna	Mill Quality Loose	600	500	<b>100</b>
	(Ludhiana)Jagraon	Mill Quality Loose	-	-	<b>Unch</b>
<b>Haryana</b>	Sirsa	Mill Quality Loose	1000	1000	<b>Unch</b>
	Hodal	Mill Quality Loose	70	60	<b>10</b>
	Bhiwani	Mill Quality Loose	50	100	<b>-50</b>
	Karnal	Mill Delivery	-	-	<b>Unch</b>
	Panipat	Mill Quality Loose	-	-	<b>Unch</b>

Wheat (CBOT) Future Price: 22.03.2022					
Contract Month	Open	High	Low	Close	Change
22-May	1119.25	1169.25	1102.25	1118.25	-1
22-Jul	1102	1139.75	1083.5	1101	8
22-Sep	1054	1096.75	1048.25	1068.5	14.5
22-Dec	1009.75	1054.5	1009.75	1037.5	21.25
23-Mar	983	1014.5	983	1010.5	22.25
23-May	958.75	973.5	952.25	971.5	19.25

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