

Wheat Domestic Fundamentals:

Madhya Pradesh announced no mandi tax on wheat exported from Madhya Pradesh. The state government will provide all possible facilities to the exporters. The exporters can now buy wheat from mandis or farmers directly. Railway Board has also assured to provide racks for wheat export. 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 and others to start wheat export.

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.

International Market Update:

CBOT wheat futures fell as traders looked for signs that U.S. supplies were gaining traction on the export market following the disruption of shipments from the Black Sea region. The CBOT May soft red winter wheat contract settled down 12.5 cents at \$11.05 per bushel.

With the ongoing concern between Russia and Ukraine, the major worry is how much Ukraine would harvest for the winter wheat and to what extent the wheat will be sown for spring. It is expected that only 40-60 percent of average acreage will be seeded during the spring.

Egypt will not hold any international tender till mid-May as they are turning to the local harvests. Egypt has also scrapped two tenders as the participation dwindled and offer prices soared in the wake of the conflict. Egypt often pauses its tenders near this time as its local crop is collected, but a three-month break would be a lengthier than usual lull in purchases.

Bangladesh has issued another international tender to purchase 50,000 tonnes of milling wheat. The deadline for submission of price offers is April 4. Bangladesh has issued a series of wheat and rice tenders in recent months to increase its depleted reserves after extreme weather from floods to heatwaves damaged crops.

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.

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 2 days. Isolated thunderstorm/lightning activity also very likely over Kerala & Mahe during next 5 days, over Coastal & South Interior Karnataka during next 2 days.

Wheat Daily Prices and Arrivals

Centre	Market	Variety	Prices (Rs/Qtl)		Change
			24-Mar-22	23-Mar-22	
Delhi	Lawrence Road	Mill Delivery	2340	2350	-10
	Narella	Mill Quality Loose	2200	Closed	-
	Nazafgarh	Mill Quality Loose	2180	Closed	-
Gujarat	Rajkot	Mill Delivery	Closed	2275	-
	Ahmedabad	Mill Delivery	Closed	2350	-
	Surat	Mill Delivery	Closed	2420	-
	Dhrol	Mill Quality Loose	-	2310	-
M.P.	Indore	Mill Delivery	2125	2100	25
	Bhopal	Mill Quality Loose	2100	2150	-50
Rajasthan	Kota	Mill Quality Loose	2125	2100	25
		Mill Delivery	2275	2250	25
U.P.	Kanpur	Mill Delivery	2100	2090	10
	Mathura	Mill Quality Loose	2040	2050	-10
	Kosi	Mill Quality Loose	2015	2100	-85
	Hathras	Mill Quality Loose	2100	2100	Unch
	Aligarh	Mill Quality Loose	2100	2100	Unch
Punjab	Khanna	Mill Quality Loose	2120	2130	-10
	Ludhiana (Jagraon)	Mill Delivery	-	-	Unch
Haryana	Sirsa	Mill Delivery loose	2120	2110	10
	Hodal	Mill Delivery	-	-	Unch
	Bhiwani	Mill Quality Loose	2210	2200	10
	Karnal	Mill Delivery	-	-	Unch
	Panipat	Mill Quality Loose	-	-	Unch
Tamil Nadu	Chennai	Mill Quality	2500	2500	Unch
	Madurai	Mill Quality	2557	2557	Unch
	Coimbatore	Mill Quality	2557	2557	Unch
Bihar	Khagariya	Mill Delivery	2100	2100	Unch
	Muzaffarpur	Mill Delivery	-	-	Unch
FOR	Kandla (Rajasthan-Rajkot)	Mill Quality	2400	2400	Unch
	Gandhidham (Rajasthan-Rajkot)	Mill Quality	2410	2410	Unch

Centre	Market	Variety	Prices (Rs/Qtl)		Change
			24-Mar-22	23-Mar-22	
Gujarat	Rajkot	Lokwan	Closed	2350	-
M.P.	Indore	Lokwan	2400	2400	Unch
	Bhopal	Lokwan	2300	2300	Unch
	Bina	Sarbati 306	-	-	-
	Sehore	Sarbati	4000	4000	Unch
	Vidisha	Sarbati	3640	3900	-260
Rajasthan	Kota	LokwanBilty	2250	2225	25
	Baran	Lokwan	2410	2350	60

Wheat Arrivals in Key Centres:

Centre	Market	Variety	Arrivals (Bags/Qtl)		Change
			24-Mar-22	23-Mar-22	
Delhi	Lawrence Road	Mill Delivery	5000	6000	-1000
	Narella	Mill Quality Loose	150	Closed	-
	Nazafgarh	Mill Quality Loose	5	Closed	-
Gujarat	Rajkot	Mill Quality Loose	Closed	6000	-
	Dhrol	Mill Quality Loose	-	165	-
M.P.	Indore	Mill Quality Loose	6000	3000	3000
Rajasthan	Kota	Mill Quality	7000	6000	1000
U.P.	Kanpur	Mill Quality Loose	300	400	-100
	Mathura	Mill Quality Loose	350	250	100
	Kosi	Mill Quality Loose	300	200	100
	Hathras	Mill Quality Loose	20	50	-30
	Aligarh	Mill Quality Loose	150	250	-100
Punjab	Khanna	Mill Quality Loose	500	600	-100
	(Ludhiana)Jagraon	Mill Quality Loose	-	-	Unch
Haryana	Sirsa	Mill Quality Loose	500	1000	-500
	Hodal	Mill Quality Loose	50	70	-20
	Bhiwani	Mill Quality Loose	30	50	-20
	Karnal	Mill Delivery	-	-	Unch
	Panipat	Mill Quality Loose	-	-	Unch

Wheat (CBOT) Future Price: 23.03.2022					
Contract Month	Open	High	Low	Close	Change
22-May	1119.25	1139	1101	1105.75	-12.5
22-Jul	1100.75	1121.25	1085.25	1091.25	-9.75
22-Sep	1068	1087.75	1056.25	1062	-6.5
22-Dec	1037	1058	1028.5	1033.75	-3.75
23-Mar	1005.75	1025.75	1002.25	1005.75	-4.75
23-May	973	978.75	965	966	-5.5

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