

Wheat Domestic Fundamentals:

India is having more than 21 MMT of wheat in the central pool as of March 16th and various strategies are being implemented by the government to improve India's wheat exports. Government is exploring markets in Egypt, Turkey and Italy. The government is also keen to export wheat to China and Iran as well. Practically speaking every market needs to consider Indian wheat now, particularly in the vicinity of Asia, Africa and the Middle East.

Uttar Pradesh is targeting to procure 6 million tonnes (MT) of wheat in the coming rabi marketing season commencing April 1 at the MSP of Rs 2,015 per quintal. However, the prevailing market price of the commodity is hovering around Rs 2,200 per quintal. But currently the state farmers are likely to gravitate towards buyers who offer remunerative prices.

Procurement of wheat in Bhopal will start from April 4 to April 16. The MSP of the wheat was fixed at Rs 2015. And all the necessary arrangements were made at the procurement centers.

Currently Russia's invasion has not only crashed Ukraine's export infrastructure, but has forced many countries to look for alternatives outside Russia. The export share of these countries has come down to just 5-6 per cent from 25 percent and it is expected that it will at least a year to start recovering, in case things don't go worse. And 75 per cent of global wheat gap can be filled by India.

The Punjab government has started constructing covered godowns with a capacity to store 63 lakh tonnes of wheat procured from farmers. Among the state's four procurement agencies, the state government so far has allotted 10.8 lakh tonnes capacity to Markfed, 17.5 lakh tonnes to Punsup, 7 lakh tonnes to state warehousing corporation and 17 lakh tonnes to Pungrain.

International Market Update:

The drought affecting most of the Middle East where they imported 24.4 million tonnes of wheat in 2021-22, a 40 percent increase over the previous year. Iran and Iraq are experiencing "severe drought" and are looking at big crop losses ahead of the late-May harvest. There are also reports of dryness in Spain but France and Germany, which are the two main wheat-producing states, are in good shape.

France will ensure that Egypt gets the wheat it needs in the coming months as the war in Ukraine creates supply risks for grain importing countries. Egypt has been largely impacted by the war and is seeking alternate options for wheat from France and India.

Ukraine is expected to ease wheat exports curbs from April once spring sowing is progressing enough despite Russia's invasion, though export capacity remains affected by the war leading to closure of seaports.

Russia has kept its wheat exports steady via Black Sea ports last week as Azov Sea routes remain restricted. The domestic prices for the grain continued to rally because of the recent weakening of the rouble. Western sanctions imposed on Russia have complicated trade logistics and transactions in foreign banks for many Russian firms in the last four weeks. Though Export flow continues as a combination of old and newly signed contracts. Russia has exported 400,000 tonnes of grains last week compared with 520,000 tonnes a week earlier. Russia's southern regions have started spring grains sowing amid favourable weather. As of March 18, spring grains were planted on 222,000 hectares compared with 178,000 hectares on the same date a year ago.

China has sold 546,015 tonnes of wheat which is 98.41% of the total offer, at an auction of its state reserves on March 23. The average selling price of the wheat was 2,884 yuan (\$453.05) per tonne.

It is expected that there is a 8.2% drop in Israel's wheat production to 90 million tonnes in 2022-23, according to a report by the Foreign Agricultural Service of the US Department of Agriculture (USDA). The 2022-23 growing season began with late rains and almost no rainfall in some of the wheat growing areas. The production increase in 2021-22 was largely due to good precipitation during the mild winter with no extreme weather. Total wheat imports are estimated at 1.74 million tonnes, a slight increase from the 1.7 million tonnes imported a year ago. Most feed wheat is imported from Ukraine.

Weather Outlook: Light to moderate isolated/scattered rainfall very likely over Kerala-Mahe, Tamilnadu-Puducherry-Karaikal, Lakshadweep and Coastal & South Interior Karnataka during next 5 days. Isolated thunderstorm/lightning activity also very likely over Tamilnadu-Puducherry-Karaikal & Lakshadweep on 29th March and Kerala & Mahe during next 5 days.

Wheat Daily Prices and Arrivals

| Centre | Market | Variety | Prices (Rs/Qtl) | | Change |
|------------|-------------------------------|---------------------|-----------------|-----------|--------|
| | | | 29-Mar-22 | 28-Mar-22 | |
| Delhi | Lawrence Road | Mill Delivery | 2300 | 2325 | -25 |
| | Narella | Mill Quality Loose | 2150 | 2200 | -50 |
| | Nazafgarh | Mill Quality Loose | 2170 | 2200 | -30 |
| Gujarat | Rajkot | Mill Delivery | Closed | Closed | - |
| | Ahmedabad | Mill Delivery | Closed | Closed | - |
| | Surat | Mill Delivery | Closed | Closed | - |
| | Dhrol | Mill Quality Loose | - | - | - |
| M.P. | Indore | Mill Delivery | 2230 | 2250 | -20 |
| | Bhopal | Mill Quality Loose | 2100 | 2100 | Unch |
| Rajasthan | Kota | Mill Quality Loose | 2150 | 2150 | Unch |
| | | Mill Delivery | 2300 | 2300 | Unch |
| U.P. | Kanpur | Mill Delivery | 2170 | 2180 | -10 |
| | Mathura | Mill Quality Loose | 2050 | 2130 | -80 |
| | Kosi | Mill Quality Loose | 2015 | 2015 | Unch |
| | Hathras | Mill Quality Loose | 2100 | 2100 | Unch |
| | Aligarh | Mill Quality Loose | 2125 | 2120 | 5 |
| Punjab | Khanna | Mill Quality Loose | 2130 | 2100 | 30 |
| | Ludhiana (Jagraon) | Mill Delivery | - | - | Unch |
| Haryana | Sirsa | Mill Delivery loose | 2125 | 2135 | -10 |
| | Hodal | Mill Delivery | - | - | - |
| | Bhiwani | Mill Quality Loose | 2225 | 2230 | -5 |
| | Karnal | Mill Delivery | - | - | - |
| | Panipat | Mill Quality Loose | - | - | - |
| Tamil Nadu | Chennai | Mill Quality | 2500 | 2500 | Unch |
| | Madurai | Mill Quality | 2557 | 2557 | Unch |
| | Coimbatore | Mill Quality | 2557 | 2557 | Unch |
| Bihar | Khagariya | Mill Delivery | 2050 | 2100 | -50 |
| | Muzaffarpur | Mill Delivery | - | - | Unch |
| FOR | Kandla (Rajasthan-Rajkot) | Mill Quality | Closed | Closed | - |
| | Gandhidham (Rajasthan-Rajkot) | Mill Quality | Closed | Closed | - |

| Centre | Market | Variety | Prices (Rs/Qtl) | | Change |
|------------------|---------|-------------|-----------------|-----------|-------------|
| | | | 29-Mar-22 | 28-Mar-22 | |
| Gujarat | Rajkot | Lokwan | Closed | Closed | - |
| M.P. | Indore | Lokwan | 2400 | 2450 | -50 |
| | Bhopal | Lokwan | 2350 | 2350 | Unch |
| | Bina | Sarbati 306 | - | - | - |
| | Sehore | Sarbati | 4000 | 4000 | Unch |
| | Vidisha | Sarbati | Closed | Closed | - |
| Rajasthan | Kota | LokwanBilty | 2275 | 2275 | Unch |
| | Baran | Lokwan | 2350 | 2500 | -150 |

Wheat Arrivals in Key Centres:

| Centre | Market | Variety | Arrivals (Bags/Qtl) | | Change |
|------------------|-------------------|--------------------|---------------------|-----------|--------------|
| | | | 29-Mar-22 | 28-Mar-22 | |
| Delhi | Lawrence Road | Mill Delivery | 5500 | 4500 | 1000 |
| | Narella | Mill Quality Loose | 100 | 200 | -100 |
| | Nazafgarh | Mill Quality Loose | 10 | 20 | -10 |
| Gujarat | Rajkot | Mill Quality Loose | Closed | Closed | - |
| | Dhrol | Mill Quality Loose | - | - | - |
| M.P. | Indore | Mill Quality Loose | 25000 | 30000 | -5000 |
| Rajasthan | Kota | Mill Quality | 30000 | 20000 | 10000 |
| U.P. | Kanpur | Mill Quality Loose | 1700 | 2000 | -300 |
| | Mathura | Mill Quality Loose | 4000 | 2000 | 2000 |
| | Kosi | Mill Quality Loose | 8000 | 7000 | 1000 |
| | Hathras | Mill Quality Loose | 60 | 70 | -10 |
| | Aligarh | Mill Quality Loose | 3000 | 3000 | Unch |
| Punjab | Khanna | Mill Quality Loose | 800 | 800 | Unch |
| | (Ludhiana)Jagraon | Mill Quality Loose | - | - | Unch |
| Haryana | Sirsa | Mill Quality Loose | 1000 | 500 | 500 |
| | Hodal | Mill Quality Loose | 15000 | 5000 | 10000 |
| | Bhiwani | Mill Quality Loose | 20 | 10 | 10 |
| | Karnal | Mill Delivery | - | - | Unch |
| | Panipat | Mill Quality Loose | - | - | Unch |

| Wheat (CBOT) Future Price: 28.03.2022 | | | | | |
|---------------------------------------|---------|---------|---------|--------|--------|
| Contract Month | Open | High | Low | Close | Change |
| 22-May | 1092.75 | 1096 | 1047 | 1057 | -45.25 |
| 22-Jul | 1080 | 1082.25 | 1038.75 | 1051.5 | -41 |
| 22-Sep | 1059.25 | 1062.25 | 1021.25 | 1038 | -31.75 |
| 22-Dec | 1039 | 1039 | 998 | 1022 | -21.75 |
| 23-Mar | 1008.5 | 1008.5 | 970.75 | 997.75 | -13.75 |
| 23-May | 954.5 | 966 | 936.75 | 966 | -4 |

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