Wheat Domestic Fundamentals:

As per sources, India's exports as of 21st March 2022 has crossed 7.04 MMT for 2021-22 against 2.1 MMT in 2020-21. India is *drawing up a strategy to step up the country's wheat exports to an all-time record of 21 million tons (MT) in the fiscal year 2022-23 as the Russia-Ukraine conflict has disrupted global trade.*

Indian export is witnessing requirement for wheat and wheat-related products including durum wheat and milled wheat from *500-2,000 tonnes per customer enquiry before the war to 1-2 lakh tonnes in post-war enquiries. The exports enquiries have also jumped over 3X from around 20-30 per week before the war to around 100 currently. The growth in demand is huge currently, particularly for durum wheat and milled wheat in our case from buyers in the Middle East, Europe, Africa, and Bangladesh.*

There is also jump in freight rates particularly to Europe due to the disruption caused in the shipping network amid the container *jam post Covid and it might dampen the export potential of at least small exporters who operate on limited financial bandwidth. The freight rates to Europe have jumped from earlier Rs 1.5-1.9 lakh per container to around Rs 4.5 lakh or above. Hence, sending containers to Europe is not cheap in comparison to shipping to Dubai that costs Rs 75,000 upwards.*

Considering India's exports, Egypt seems to be the lucrative option for India. But Egypt is not looking for imports anytime soon. *Egypt expects to float tenders after its harvest in April, but it will surely need to meet its import "shortfall". Egypt doesn't face an immediate crisis because it maintains a wheat buffer, but it has to replenish its stocks because it is a net importer. A key constraint is rising global shipping costs which have increased over 60% than a year ago.*

In Haryana, 90% of the wheat crop has been sold to government under MSP and private traders are not purchasing wheat from *the farmers in Haryana. Also, flour mills and seed plants buy a limited stock of wheat and they buy it directly from the farmers and traders outside the mandis to avoid charges. The private buyers will have to buy wheat above MSP and then they will have to pay a 4% market fee besides transportation and handling charges.*

In Punjab, there will be no shortage of gunny bags as they have already got 70 per cent of the allotted bags and remaining 30 per *cent are in transit. They are expecting wheat arrival from April 1 at some focal points, but the peak season will start from April 7. The sudden rise in temperature will not decrease the yield. The wheat arrival is expected after a few days.*

Most of the mandis in Gujarat and Madhya Pradesh are closed due to closing of the year and they are expected to reopen from *April 4th when the RMS 2022-23 procurement would start by the government.*

It is expected that Egyptian delegations would meet Indian exporters for import of Indian wheat. It is highly expected that Egypt *could possibly buy 12 MMT from India. On 24th March, Egypt is in talks with Argentina, India, France and the United States for future wheat imports but indicated that it is in no rush to buy wheat at this moment. India is also trying to increase its exports to Bangladesh, Sri Lanka and South Korea.*

International Market Update:

Compared to previous week, the fertilizer prices have increased almost by 10% and this is largely due to the ongoing war between *Russia and Ukraine. The prices are $1,515 per ton for anhydrous ammonia, $892 per ton for urea, $862 for Diammonium Phosphate (DAP), and 818 for potash. Increasing prices assumes that the sanctions resulting from the Ukraine-Russia conflict will be long-lasting and result in higher prices. In Brazil, fertilizer stocks amount to at least 13 million tons, including the inputs that have been already internalized and the ones that have been ordered.*

Taiwan has purchased an estimated 40,000 tonnes of milling wheat to be sourced from the United States in a tender which closed *on 30th March 2022. The wheat was bought in one consignment comprising various wheat types for shipment from the U.S. Pacific Northwest coast between May 14 and May 28. The purchase involved U.S. dark northern spring wheat of 14.5% protein content bought at $439.82 a tonne FOB. Hard red winter wheat of 12.5% protein was bought at $462.94 a tonne FOB and soft white wheat of 10.5% protein was bought at $415.47 a tonne FOB. The purchase has an additional freight charge of $74.14 per tonne for ocean shipping from the U.S. Pacific Northwest coast to Taiwan.*

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
			31-Mar-22	30-Mar-22	
Delhi	Lawrence Road	Mill Delivery	2300	2275	25
	Narella	Mill Quality Loose	2170	Closed	-
	Nazafgarh	Mill Quality Loose	2190	Closed	-
Gujarat	Rajkot	Mill Delivery	Closed	Closed	-
	Ahmedabad	Mill Delivery	Closed	Closed	-
	Surat	Mill Delivery	Closed	Closed	-
	Dhrol	Mill Quality Loose	Closed	Closed	-
M.P.	Indore	Mill Delivery	Closed	Closed	-
	Bhopal	Mill Quality Loose	Closed	Closed	-
Rajasthan	Kota	Mill Quality Loose	2125	2125	Unch
		Mill Delivery	2250	2250	Unch
U.P.	Kanpur	Mill Delivery	2140	2160	-20
	Mathura	Mill Quality Loose	2040	2080	-40
	Kosi	Mill Quality Loose	2000	2020	-20
	Hathras	Mill Quality Loose	2120	2150	-30
	Aligarh	Mill Quality Loose	2090	2110	-20
Punjab	Khanna	Mill Quality Loose	2030	2050	-20
	Ludhiana (Jagraon)	Mill Delivery	-	-	-
Haryana	Sirsa	Mill Delivery loose	2110	2115	-5
	Hodal	Mill Delivery	-	-	-
	Bhiwani	Mill Quality Loose	2225	2225	Unch
	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	2050	Unch
	Muzaffarpur	Mill Delivery	-	-	Unch
FOR	Kandla (Rajasthan-Rajkot)	Mill Quality	Closed	Closed	-
	Gandhidham (Rajasthan-Rajkot)	Mill Quality	Closed	Closed	-

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Centre	Market	Variety	Prices (Rs/Qtl)		Change
			31-Mar-22	30-Mar-22	
Gujarat	Rajkot	Lokwan	Closed	Closed	-
M.P.	Indore	Lokwan	Closed	2400	-
	Bhopal	Lokwan	Closed	2350	-
	Bina	Sarbati 306	-	-	-
	Sehore	Sarbati	Closed	Closed	-
	Vidisha	Sarbati	Closed	Closed	-
Rajasthan	Kota	LokwanBilty	2250	2250	Unch
	Baran	Lokwan	2350	2350	Unch

Wheat Arrivals in Key Centres:

Centre	Market	Variety	Arrivals (Bags/Qtl)		Change
			31-Mar-22	30-Mar-22	
Delhi	Lawrence Road	Mill Delivery	3000	7000	-4000
	Narella	Mill Quality Loose	60	Closed	-
	Nazafgarh	Mill Quality Loose	7	Closed	-
Gujarat	Rajkot	Mill Quality Loose	Closed	Closed	-
	Dhrol	Mill Quality Loose	Closed	Closed	-
M.P.	Indore	Mill Quality Loose	Closed	Closed	-
Rajasthan	Kota	Mill Quality	17000	30000	-13000
U.P.	Kanpur	Mill Quality Loose	2500	2000	500
	Mathura	Mill Quality Loose	9000	6000	3000
	Kosi	Mill Quality Loose	9000	7000	2000
	Hathras	Mill Quality Loose	400	100	300
	Aligarh	Mill Quality Loose	3200	3000	200
Punjab	Khanna	Mill Quality Loose	300	700	-400
	(Ludhiana)Jagraon	Mill Quality Loose	-	-	-
Haryana	Sirsa	Mill Quality Loose	700	1000	-300
	Hodal	Mill Quality Loose	20000	20000	Unch
	Bhiwani	Mill Quality Loose	20	20	Unch
	Karnal	Mill Delivery	-	-	Unch
	Panipat	Mill Quality Loose	-	-	Unch

Wheat (CBOT) Future Price: 30.03.2022					
Contract Month	**Open**	**High**	**Low**	**Close**	**Change**
22-May	1015	1041.75	1002.25	1027.25	**13**
22-Jul	1010.5	1037.5	996	1023	**13.75**
22-Sep	996.75	1020.5	985	1008.25	**10.25**
22-Dec	980	1004	970.5	991	**7.25**
23-Mar	955	982	949.25	970.75	**5.75**
23-May	928.5	955.5	924.75	945.75	**6.5**