

Wheat Domestic Fundamentals:

The Centre has announced that it would procure only 19.5 MMT of wheat in 2022-23, which is about 56 percent less than the target decided for this year. It was also announced that government procurement of wheat in Punjab would stop from May 5 due to lesser amount of wheat reaching the mandis or wholesale markets.

Government has changed the allocation of wheat and rice in PMGKAY. The wheat allocation has been reduced by 61%. In states of Bihar, Uttar Pradesh and Kerala, the wheat has been completely replaced by Rice. For the upcoming 5 months, around 3.55 MMT of wheat is expected to be allocated across various states against 10.92 MMT of wheat expected to be allocated for April-September.

Due to higher exports and lower production, wheat procurement is about to reduce by 19.5 MMT. This is way less than the procurement target of 44 MMT.

Food secretary has confirmed that there is enough stocks available in the market and export duty imposition or export restrictions are very much unlikely.

The agriculture ministry has revised wheat output for 2021-22 crop year at 105 MMT which down from previous estimate of 111.3 MMT. The lower production is due to heatwave condition that has occurred during the month of March and April.

With the procurement on lower side, the government is planning to increase supply of rice instead of wheat for the Anna yojana. It is expected that 75% of the wheat stocks is about to substitute by rice. For NFSA, PMGKAY and other welfare schemes, the government would require 32 MMT of wheat till April 2023.

As on May 1st, wheat procurement stood at 161.95 LMT which is down from 288.42 LMT procured during previous year. The procurement in Punjab stood at 89.11 LMT against 112.12 LMT the previous year. It is unlikely that the procurement in Punjab would cross 100 LMT as the daily procurement has reached below 0.50 LMT mark.

In the benchmark market of Indore, the sentiments were steady to weak and most of the mandis were closed due to Eid festival.

As per trade sources, 57,500 MT of wheat vessel DARYA HEERA is loading at Kandla Port since 29th April 2022. And 52,500 MT of wheat vessel EMMANUEL C is loading at Kandla Port since 29th April 2022. And 55,600 MT of wheat vessel INCE AKDENIZ is loading at Kandla Port since 01st May 2022.

International Market Update:

Russian wheat export prices fell last week due to higher domestic supply from farmers willing to free up storage before the new crop arrives in summer. Russia continues to export despite difficulties with logistics and payments caused by Western sanctions. Prices for wheat with 12.5% protein content for supply in May from Black Sea ports were down by \$10 to \$370 free on board (FOB) at the end of last week. Russia exported 780,000 tonnes of grains last week, compared with 590,000 tonnes a week earlier. This is the highest weekly amount of wheat exports since mid-February.

South Korea has issued a tender to purchase about 50,000 tonnes of milling wheat which is to be sourced from the United States. The deadline for submission of price offers in the tender is May 4th. The tender seeks a range of different wheat types for shipment between June 16 and July 15.

Turkey is believed to have cancelled all their purchase after provisionally buying 480,000 MT of wheat in tenders on April 29th. The reason cited for cancelling the tender is said to be expensive pricing.

In Russia, there is good moisture content in soil which is expected to help the crop for coming spring season. The winter crop is also in good condition.

The European Union is expected to export 40 MMT of wheat in the upcoming season. Carryover stocks is also expected to be higher. Also, 92 percent of the French wheat crop is rated good to excellent and only one percent is rated as poor.

Weather Outlook: Scattered to fairly widespread light/moderate rainfall very likely over Arunachal Pradesh, Assam & Meghalaya and Nagaland, Manipur, Mizoram & Tripura during next 5 days with isolated thunderstorm/lightning over the region on 05th & 06th May. Isolated to scattered light/moderate rainfall very likely over Bihar, Jharkhand, West Bengal & Sikkim and Odisha during next 5 days with isolated thunderstorm/lightning/gusty winds (speed reaching 40-50 kmph) over the region on 05th & 06th May.

Wheat Daily Prices and Arrivals

Centre	Market	Variety	Prices (Rs/Qtl)		Change
			05-May-22	04-May-22	
Delhi	Lawrence Road	Mill Delivery	2280	2260	20
	Narella	Mill Quality Loose	2160	Closed	-
	Nazafgarh	Mill Quality Loose	2170	Closed	-
Gujarat	Rajkot	Mill Delivery	2425	2420	5
	Ahmedabad	Mill Delivery	2420	2420	Unch
	Surat	Mill Delivery	2460	2460	Unch
	Dhrol	Mill Quality Loose	2855	2465	390
M.P.	Indore	Mill Delivery	2280	2300	-20
	Bhopal	Mill Quality Loose	2025	2020	5
Rajasthan	Kota	Mill Quality Loose	2230	2250	-20
		Mill Delivery	2400	2400	Unch
U.P.	Kanpur	Mill Delivery	2180	2175	5
	Mathura	Mill Quality Loose	2200	2180	20
	Kosi	Mill Quality Loose	2200	2210	-10
	Hathras	Mill Quality Loose	2130	2180	-50
	Aligarh	Mill Quality Loose	2100	2100	Unch
Punjab	Khanna	Mill Quality Loose	2080	2040	40
	Ludhiana (Jagraon)	Mill Delivery	2150	2150	Unch
Haryana	Sirsa	Mill Delivery loose	2100	2100	Unch
	Hodal	Mill Delivery	-	-	-
	Bhiwani	Mill Quality Loose	2150	2200	-50
	Karnal	Mill Delivery	-	-	-
	Panipat	Mill Quality Loose	2050	2030	20
Tamil Nadu	Chennai	Mill Quality	2500	2500	Unch
	Madurai	Mill Quality	2557	2557	Unch
	Coimbatore	Mill Quality	2557	2557	Unch
Bihar	Khagariya	Mill Delivery	2150	2200	-50
	Muzaffarpur	Mill Delivery	2100	2125	-25
FOR	Kandla (Rajasthan-Rajkot)	Mill Quality	2470	2460	10
	Gandhidham (Rajasthan-Rajkot)	Mill Quality	2480	2470	10

Centre	Market	Variety	Prices (Rs/Qtl)		Change
			05-May-22	04-May-22	
Gujarat	Rajkot	Lokwan	2500	2500	Unch
M.P.	Indore	Lokwan	2400	2400	Unch
	Bhopal	Lokwan	2400	2400	Unch
	Bina	Sarbati 306	-	-	-
	Sehore	Sarbati	4000	4000	Unch
	Vidisha	Sarbati	4000	4200	-200
Rajasthan	Kota	LokwanBilty	2430	2450	-20
	Baran	Lokwan	2500	Closed	-

Wheat Arrivals in Key Centres:

Centre	Market	Variety	Arrivals (Bags/Qtl)		Change
			05-May-22	04-May-22	
Delhi	Lawrence Road	Mill Delivery	6500	5000	1500
	-rella	Mill Quality Loose	4000	Closed	-
	-zafgarh	Mill Quality Loose	500	Closed	-
Gujarat	Rajkot	Mill Quality Loose	1800	2000	-200
	Dhrol	Mill Quality Loose	15	124	-109
M.P.	Indore	Mill Quality Loose	4000	6000	-2000
Rajasthan	Kota	Mill Quality	40000	30000	10000
U.P.	Kanpur	Mill Quality Loose	3500	4000	-500
	Mathura	Mill Quality Loose	1000	1700	-700
	Kosi	Mill Quality Loose	4000	4000	Unch
	Hathras	Mill Quality Loose	1100	1000	100
	Aligarh	Mill Quality Loose	1000	3000	-2000
Punjab	Khan-	Mill Quality Loose	10000	13000	-3000
	(Ludhia-)Jagraon	Mill Quality Loose	100	100	Unch
Harya-	Sirsa	Mill Quality Loose	2000	2000	Unch
	Hodal	Mill Quality Loose	600	400	200
	Bhiwani	Mill Quality Loose	8000	10000	-2000
	Kar-l	Mill Delivery	1500	2000	-500
	Panipat	Mill Quality Loose	1000	1000	Unch

Wheat (CBOT) Future Price: 04.05.2022					
Contract Month	Open	High	Low	Close	Change
22-May	1042.25	1069.75	1042.25	1066	32.25
22-Jul	1047	1089	1042.25	1076.5	31
22-Sep	1049.5	1090.5	1046	1079.25	29.75
22-Dec	1054.25	1091.75	1049.5	1081.75	29
23-Mar	1057.25	1091	1051.75	1082.25	28
23-May	1053	1080.5	1046	1074	25.5

Disclaimer

The information and opinions contained in the document have been compiled from sources believed to be reliable. The company does not warrant its accuracy, completeness and correctness. Use of data and information contained in this report is at your own risk. This document is not, and should not be construed as, an offer to sell or solicitation to buy any commodities. This document may not be reproduced, distributed or published, in whole or in part, by any recipient hereof for any purpose without prior permission from the Company. IASL and its affiliates and/or their officers, directors and employees may have positions in any commodities mentioned in this document (or in any related investment) and may from time to time add to or dispose of any such commodities (or investment). Please see the detailed disclaimer at <http://www.agriwatch.com/Disclaimer.asp> © 2022 Indian Agribusiness Systems Limited.