

**Wheat Domestic Fundamentals:**

**India's wheat production in the 3<sup>rd</sup> advance estimate has been reduced to 106.41 MMT from previous estimate of 111 MMT. The reduction in production is due to yield losses reported in many Northern states.**

**As per reports, India has exported wheat worth \$ 177 Million in the month of March and \$473 worth wheat in April month. India has been largely benefitted from export ban of Ukraine, Belarus, Turkey, Egypt, Kazakhstan and Kuwait.**

**In Punjab, the retention by the farmers for wheat remains on larger side. Around 12-15 MMT of wheat is yet to arrive to the market. Farmers are holding in view that the prices may increase further in coming days.**

**In Rajasthan, Delhi and Gujarat, the mandi prices of wheat were in the range of Rs 2,050 a quintal to Rs 2,100 a quintal against MSP of Rs 2,015 a quintal. The arrivals have dipped drastically because of a decline in prices following the government announcing a ban on wheat export.**

**As on 16th May 2022, In RMS 2022-23 around 180.71 LMT wheat procured from five states. Wheat procurement in RMS 2022-23 has so far benefitted 16.99 Lakh farmers with an MSP value of Rs.36,412.86 crore.**

**In Kandla Port, around 15 LMT of wheat has been stranded since 13th May in around 5000 trucks. Due to piling up of wheat stocks, rents have shot up by around 200% and causing loss for exporters.**

**As per the sources, only 42.72 LMT of wheat was procured from April 1 to May 15, which is around 50% less than the last year's 84.93 LMT. Also 1.32 LMT was procured by the private traders as per the government record. This is the lowest procurement in the state after 2007-08 when the government agencies had procured 33.5 LMT wheat. The extension of Procurement period is unlikely to increase the procurement numbers.**

**Punjab and Haryana governments have decided that the wheat procurements in the two states will continue and the markets will remain open till May 31.**

**International Market Update:**

**Argentina is planning to limit the wheat exports to 12.5 MMT for the 2021-22 MY. The wheat exports has reached 11.2 MMT in 2020-21 MY.**

**European wheat fell in a correction move and profit taking after a two-week rally on concerns about global supply. Benchmark September milling wheat on Paris-based Euronext closed down 5.50 euros or 1.25% at 432.75 euros (\$453.57) per tonne. The contract had gained nearly 50 euros/tonne or more than 12% in just two weeks**

**As per sources, Russia may export 39 MMT of wheat in the 2022-23 season, which starts on July 1. In the current season, it is expected that the exports will be at 32.0-32.5 MMT.**

**As per sources, Iraq's current wheat reserves are sufficient for four months after buying 800,000 tonnes from local farmers.**

**USDA report is indicating the worsening condition of the U.S. winter crop which is creating supply worries in an already-tight market. The USDA on Monday 27% of the U.S. winter wheat crop in good to excellent condition, which is down by 2 percentage points from the previous week, while spring wheat was 39% planted, below expectations of 43%.**

**Russian wheat export prices rose last week due to higher CBOT prices and Russia's export pace is also slowing due to seasonal factors. Prices for wheat with 12.5% protein content for supply in May from Black Sea ports were at \$390 FOB, up by \$5 from a week earlier. Russia has exported 330,000 tonnes of grains last week compared with 440,000 tonnes a week earlier. It is expected that the pace of wheat exports from Russia to slow to 1 MMT in May from 2.2 MMT in April as the state export quota is being depleted.**

**As per USDA, wheat output for China is expected to fall by 1.4 % to 135 MMT. The production in Argentina, Australia and EU is likely to be lower compared to last year. However, the wheat crop in Russia is likely to be 80 MMT, higher than previous year production but still lower than Russia's own estimate of 87 MMT.**

**Weather Outlook: Due to strong south westerly winds from Bay of Bengal to northeast & adjoining East India at lower tropospheric levels: Widespread light/moderate rainfall with isolated heavy to very heavy falls very likely over Arunachal Pradesh on 19th-21st; over Assam-Meghalaya and Sub-Himalayan West Bengal & Sikkim during 19th-22nd May. Isolated extremely heavy falls likely over Meghalaya on 19th & 21st May. Substantial reduction in rainfall activity over Northeast India from 22nd May onwards**

Wheat Daily Prices and Arrivals

Centre	Market	Variety	Prices (Rs/Qtl)		Change
			20-May-22	19-May-22	
Delhi	Lawrence Road	Mill Delivery	2300	2330	-30
	Narella	Mill Quality Loose	2150	2100	50
	Nazafgarh	Mill Quality Loose	2150	2110	40
Gujarat	Rajkot	Mill Delivery	2225	2240	-15
	Ahmedabad	Mill Delivery	2350	2350	Unch
	Surat	Mill Delivery	2400	2400	Unch
	Dhrol	Mill Quality Loose	2210	2200	10
M.P.	Indore	Mill Delivery	2180	2200	-20
	Bhopal	Mill Quality Loose	2050	2100	-50
Rajasthan	Kota	Mill Quality Loose	2130	2100	30
		Mill Delivery	2280	2250	30
U.P.	Kanpur	Mill Delivery	2150	2140	10
	Mathura	Mill Quality Loose	2150	2150	Unch
	Kosi	Mill Quality Loose	2180	2140	40
	Hathras	Mill Quality Loose	2100	2125	-25
	Aligarh	Mill Quality Loose	2140	2120	20
Punjab	Khanna	Mill Quality Loose	2080	2050	30
	Ludhiana (Jagraon)	Mill Delivery	2250	2250	Unch
Haryana	Sirsa	Mill Delivery loose	2070	2015	55
	Hodal	Mill Delivery	-	-	-
	Bhiwani	Mill Quality Loose	2100	2100	Unch
	Karnal	Mill Delivery	-	-	-
	Panipat	Mill Quality Loose	-	-	-
Tamil Nadu	Chennai	Mill Quality	2450	2450	Unch
	Madurai	Mill Quality	2507	2507	Unch
	Coimbatore	Mill Quality	2507	2507	Unch
Bihar	Khagariya	Mill Delivery	2250	2250	Unch
	Muzaffarpur	Mill Delivery	2100	2100	Unch
FOR	Kandla (Rajasthan-Rajkot)	Mill Quality	-	-	-
	Gandhidham (Rajasthan-Rajkot)	Mill Quality	-	-	-

Centre	Market	Variety	Prices (Rs/Qtl)		Change
			20-May-22	19-May-22	
<b>Gujarat</b>	Rajkot	Lokwan	2300	2350	<b>-50</b>
<b>M.P.</b>	Indore	Lokwan	2500	2500	<b>Unch</b>
	Bhopal	Lokwan	2400	2350	<b>50</b>
	Bina	Sarbati 306	-	-	-
	Sehore	Sarbati	4000	3500	<b>500</b>
	Vidisha	Sarbati	3800	3650	<b>150</b>
<b>Rajasthan</b>	Kota	LokwanBilty	2330	2300	<b>30</b>
	Baran	Lokwan	2450	2250	<b>200</b>

**Wheat Arrivals in Key Centres:**

Centre	Market	Variety	Arrivals (Bags/Qtl)		Change
			20-May-22	19-May-22	
<b>Delhi</b>	Lawrence Road	Mill Delivery	9000	5000	<b>4000</b>
	-rella	Mill Quality Loose	2000	1200	<b>800</b>
	-zafgarh	Mill Quality Loose	300	500	<b>-200</b>
<b>Gujarat</b>	Rajkot	Mill Quality Loose	1600	2000	<b>-400</b>
	Dhrol	Mill Quality Loose	70	123	<b>-53</b>
<b>M.P.</b>	Indore	Mill Quality Loose	3000	1500	<b>1500</b>
<b>Rajasthan</b>	Kota	Mill Quality	25000	15000	<b>10000</b>
<b>U.P.</b>	Kanpur	Mill Quality Loose	2500	3000	<b>-500</b>
	Mathura	Mill Quality Loose	500	500	<b>Unch</b>
	Kosi	Mill Quality Loose	2000	2500	<b>-500</b>
	Hathras	Mill Quality Loose	300	650	<b>-350</b>
	Aligarh	Mill Quality Loose	500	400	<b>100</b>
<b>Punjab</b>	Khan-	Mill Quality Loose	2000	2000	<b>Unch</b>
	(Ludhia-)Jagraon	Mill Quality Loose	-	-	-
<b>Harya-</b>	Sirsa	Mill Quality Loose	500	300	<b>200</b>
	Hodal	Mill Quality Loose	250	200	<b>50</b>
	Bhiwani	Mill Quality Loose	100	500	<b>-400</b>
	Kar-l	Mill Delivery	-	-	-
	Panipat	Mill Quality Loose	-	-	-

Wheat (CBOT) Future Price: 19.05.2022					
Contract Month	Open	High	Low	Close	Change
22-May	1222	1247.75	1193.5	1200.5	-30.25
22-Jul	1231.5	1249.25	1197.25	1206	-27
22-Sep	1232.5	1250.75	1200	1210	-24.25
22-Dec	1229.75	1247.75	1199.75	1209.5	-22
23-Mar	1203.25	1224.75	1185.75	1192.25	-16.5
23-May	1135	1152	1109.5	1125	-14.5

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