

Wheat Domestic Fundamentals:

Due to intense heatwave, a whopping 25 per cent less wheat yield was recorded in Ludhiana district this procurement season. From 9.21 LMT grains purchased last Rabi season, the wheat procurement dipped drastically to 6.91 LMT during the current season.

State agencies in Punjab is demanding storage waiver from FCI this year as majority of the wheat procured this year are shriveled and broken and it is less likely to gain moisture.

India's wheat production in the 3rd 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.

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
			21-May-22	20-May-22	
Delhi	Lawrence Road	Mill Delivery	2300	2300	Unch
	Narella	Mill Quality Loose	2155	2150	5
	Nazafgarh	Mill Quality Loose	2150	2150	Unch
Gujarat	Rajkot	Mill Delivery	2220	2225	-5
	Ahmedabad	Mill Delivery	2340	2350	-10
	Surat	Mill Delivery	2400	2400	Unch
	Dhrol	Mill Quality Loose	2270	2210	60
M.P.	Indore	Mill Delivery	2200	2180	20
	Bhopal	Mill Quality Loose	2060	2050	10
Rajasthan	Kota	Mill Quality Loose	2070	2130	-60
		Mill Delivery	2220	2280	-60
U.P.	Kanpur	Mill Delivery	2100	2150	-50
	Mathura	Mill Quality Loose	2150	2150	Unch
	Kosi	Mill Quality Loose	2190	2180	10
	Hathras	Mill Quality Loose	2140	2100	40
	Aligarh	Mill Quality Loose	2150	2140	10
Punjab	Khanna	Mill Quality Loose	2070	2080	-10
	Ludhiana (Jagraon)	Mill Delivery	2250	2250	Unch
Haryana	Sirsa	Mill Delivery loose	2070	2070	Unch
	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
			21-May-22	20-May-22	
Gujarat	Rajkot	Lokwan	2250	2300	-50
M.P.	Indore	Lokwan	2500	2500	Unch
	Bhopal	Lokwan	2400	2400	Unch
	Bina	Sarbati 306	-	-	-
	Sehore	Sarbati	4000	4000	Unch
	Vidisha	Sarbati	3900	3800	100
Rajasthan	Kota	LokwanBilty	2270	2330	-60
	Baran	Lokwan	2400	2450	-50

Wheat Arrivals in Key Centres:

Centre	Market	Variety	Arrivals (Bags/Qtl)		Change
			21-May-22	20-May-22	
Delhi	Lawrence Road	Mill Delivery	7000	9000	-2000
	-rella	Mill Quality Loose	1500	2000	-500
	-zafgarh	Mill Quality Loose	200	300	-100
Gujarat	Rajkot	Mill Quality Loose	1100	1600	-500
	Dhrol	Mill Quality Loose	40	70	-30
M.P.	Indore	Mill Quality Loose	2500	3000	-500
Rajasthan	Kota	Mill Quality	15000	25000	-10000
U.P.	Kanpur	Mill Quality Loose	4000	2500	1500
	Mathura	Mill Quality Loose	400	500	-100
	Kosi	Mill Quality Loose	3000	2000	1000
	Hathras	Mill Quality Loose	450	300	150
	Aligarh	Mill Quality Loose	300	500	-200
Punjab	Khan-	Mill Quality Loose	2000	2000	Unch
	(Ludhia-)Jagraon	Mill Quality Loose	-	-	-
Harya-	Sirsa	Mill Quality Loose	500	500	Unch
	Hodal	Mill Quality Loose	250	250	Unch
	Bhiwani	Mill Quality Loose	200	100	100
	Kar-l	Mill Delivery	-	-	-
	Panipat	Mill Quality Loose	-	-	-

Wheat (CBOT) Future Price: 19.05.2022					
Contract Month	Open	High	Low	Close	Change
22-May	1208	1208	1168	1168.75	-31.75
22-Jul	1213.75	1213.75	1174	1174.5	-31.5
22-Sep	1218.25	1218.25	1178.75	1179.25	-30.75
22-Dec	1210	1214.75	1179.25	1180	-29.5
23-Mar	1185.5	1197.5	1165.25	1166	-26.25
23-May	1125	1130	1098.75	1105	-20

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