

Wheat Domestic Fundamentals:

As per NITI Aayog, the price rise in domestic market is inevitable as the international prices are already on higher side. The international wheat prices rose by almost 30-40 % and in case of India the rise is only about 6-7%.

As per sources, India has no immediate plans to lift a ban on wheat exports, but will continue to deal which are done directly with other governments.

As per USDA FAS report, in wheat the yield has reduced by 10-15%, decreasing India's wheat crop for 2022-23 MY at 99 MMT. Under the current market supply situation, India's wheat exports in MY 2022-23 would barely touch upon 6 MMT, compared to MY 2021-22 export of 8.5 MMT and MY 2022-23's initial projection of 10 MMT.

As per sources, Bangladesh has planned to import 10 LMT of wheat from India under the Government-to-Government contract. Earlier, Bangladesh has completed a tender for the import of around 3 LMT of wheat from India out of which 1.5 LMT is being unloaded at the Chattogram port. Annually, Bangladesh has wheat demand for 75 LMT out of which 11 LMT are produced locally and the rest of it is imported.

Currently around 4 ships are waiting at berths for loading of wheat. In Kandla Port, around 190,000 tonnes of wheat are struck for want of fresh approvals and around 1.5-1.6 MMT of wheat is already at the port.

Procurement in Haryana still remains low even after the extension of the procurement. As per sources, 42.77 LMT of wheat has been procured against 84.93 LMT procured last year. As of now only 48% of the targeted quantity has been achieved by the government.

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.

International Market Update:

In the international market, Russian wheat exports are likely to fall to 8 LMT against 22 LMT exported in the month of April. The CBOT international prices may see some correction as the harvesting in Northern Hemisphere is providing relief to the depleting global stocks.

As per sources, UK grain production for 2022-23 MY is expected to reach 22.85 MMT, an increase of 450,000 MT from last year and more than 3.8 MMT higher than 2020-21. Wheat production has improved in 2021-22 to 14 MMT from the previous 40-year low wheat crop, but it is still below expectations.

Pakistan is expected to reap around 26.9 MMT of wheat this season against a target of 28.9 MMT. There is an unexpected and early heatwave in mid-March which has shrivelled the wheat grains, also there is poor application of fertilizer (both DAP and urea), either due to unavailability or higher costs, as well as a severe shortage of water also depleted crops.

As per sources, Turkey's wheat production is expected to increase by 17.6 percent this year from 2021 to 20 MMT. During the March month, the production forecast was 20.5 MMT which was reduced to 20 MMT in the latest estimate. Turkey's wheat production was 17 million tons in 2021.

As of last week, with the winter crop being harvested, the yield reduction is expected to be around 50% on the western part of the country. In Oklahoma, despite recent rains, around 65% of the state remains in the moderate drought to exceptional drought category, and heat conditions have also been rated poor to very poor for 47% of the state. The weather predictions also show no end in sight for the extreme drought conditions with one-week to three-month outlooks showing little hope for above average amounts of rainfall. High temperatures are also anticipated over the next two months.

Weather Outlook: Fairly widespread to widespread light/moderate rainfall with isolated thunderstorm/lightning/gusty winds very likely over Jammu & Kashmir, Himachal Pradesh and Uttarakhand; isolated rainfall activity over Punjab, Haryana, Uttar Pradesh, Rajasthan, north Madhya Pradesh today and reduction from tomorrow. Scattered to fairly widespread light/moderate rainfall with isolated thunderstorm/lightning/gusty winds very likely over Bihar, Jharkhand, Odisha and West Bengal & Sikkim during next 3 days and over Northeast India during next 5 days.

Wheat Daily Prices and Arrivals

Centre	Market	Variety	Prices (Rs/Qtl)		Change
			26-May-22	25-May-22	
Delhi	Lawrence Road	Mill Delivery	2265	2280	-15
	Narella	Mill Quality Loose	2150	Closed	-
	Nazafgarh	Mill Quality Loose	2150	Closed	-
Gujarat	Rajkot	Mill Delivery	2170	2125	45
	Ahmedabad	Mill Delivery	2270	2270	Unch
	Surat	Mill Delivery	2320	2300	20
	Dhrol	Mill Quality Loose	2240	2180	60
M.P.	Indore	Mill Delivery	2180	2200	-20
	Bhopal	Mill Quality Loose	2000	2000	Unch
Rajasthan	Kota	Mill Quality Loose	2050	2050	Unch
		Mill Delivery	2200	2200	Unch
U.P.	Kanpur	Mill Delivery	2105	2110	-5
	Mathura	Mill Quality Loose	2140	2150	-10
	Kosi	Mill Quality Loose	2200	2130	70
	Hathras	Mill Quality Loose	2130	2100	30
	Aligarh	Mill Quality Loose	2100	2100	Unch
Punjab	Khanna	Mill Quality Loose	2110	2105	5
	Ludhiana (Jagraon)	Mill Delivery	2200	2200	Unch
Haryana	Sirsa	Mill Delivery loose	2015	2015	Unch
	Hodal	Mill Delivery	-	-	-
	Bhiwani	Mill Quality Loose	2100	2100	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	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
			26-May-22	25-May-22	
Gujarat	Rajkot	Lokwan	2250	2300	-50
M.P.	Indore	Lokwan	2400	2400	Unch
	Bhopal	Lokwan	2350	2350	Unch
	Bina	Sarbati 306	3600	3600	Unch
	Sehore	Sarbati	3975	4000	-25
	Vidisha	Sarbati	4000	3980	20
Rajasthan	Kota	LokwanBilty	2250	2250	Unch
	Baran	Lokwan	2300	2250	50

Wheat Arrivals in Key Centres:

Centre	Market	Variety	Arrivals (Bags/Qtl)		Change
			26-May-22	25-May-22	
Delhi	Lawrence Road	Mill Delivery	7000	7000	Unch
	-rella	Mill Quality Loose	1200	Closed	-
	-zafgarh	Mill Quality Loose	500	Closed	-
Gujarat	Rajkot	Mill Quality Loose	1300	1000	300
	Dhrol	Mill Quality Loose	128	134	-6
M.P.	Indore	Mill Quality Loose	12000	12000	Unch
Rajasthan	Kota	Mill Quality	13000	15000	-2000
U.P.	Kanpur	Mill Quality Loose	2500	3000	-500
	Mathura	Mill Quality Loose	1000	1500	-500
	Kosi	Mill Quality Loose	1500	2000	-500
	Hathras	Mill Quality Loose	750	800	-50
	Aligarh	Mill Quality Loose	400	200	200
Punjab	Khan-	Mill Quality Loose	2000	4000	-2000
	(Ludhia-)Jagraon	Mill Quality Loose	-	-	-
Harya-	Sirsa	Mill Quality Loose	1000	1000	Unch
	Hodal	Mill Quality Loose	200	100	100
	Bhiwani	Mill Quality Loose	300	150	150
	Kar-l	Mill Delivery	-	-	-
	Panipat	Mill Quality Loose	-	-	-

Wheat (CBOT) Future Price: 25.05.2022					
Contract Month	Open	High	Low	Close	Change
22-May	1154.5	1158.5	1114.5	1148.25	-6.5
22-Jul	1163	1166.25	1123.25	1156.75	-6.5
22-Sep	1172.25	1172.5	1128.5	1163.5	-6.5
22-Dec	1167.5	1173.5	1132	1166.25	-7
23-Mar	1162.75	1162.75	1118.75	1152.75	-10.25
23-May	1114	1114	1066	1097.25	-17

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.