

Wheat Domestic Fundamentals:

Currently, hundreds of trucks were laid with around 4 LMT of wheat which is meant for export to Bangladesh have been stuck at land ports in Bengal for at least three weeks as customs authorities are allegedly refusing their onward journey. The exporters are worried further delay in the transportation of the wheat will cause them losses of crores of rupees as the grain will start rotting because of rains.

Fodder prices have increased drastically in Rajasthan which was earlier prices at INR 200 per quintal which went as high as INR 1000 per quintal. The increase in fodder prices is due to lower acreage of wheat majority of which has been shifted to mustard.

Wheat procurement under the central pool in Rabi Marketing Season (RMS) 2022-23 stood at 184.58 LMT with the MSP value of Rs. 37,192.07 crore benefitting 17.50 lakh farmers.

As per sources, Turkey has rejected an Indian wheat consignment on phytosanitary concerns on May 29. The wheat consignment was detected with Indian Rubella disease and was rejected.

Punjab has contributed around 53% of the total wheat procured for the central pool as over 102 LMT crop had arrived in Punjab mandi's of which 96 LMT was purchased by the government agencies and the remaining over 6 LMT was purchased by private players.

In Haryana, only 40.72 LMT was procured by government compared to 84.93 LMT last year. In UP, the government procurement is just 2.46 LMT against 56.41 LMT last year. In MP, the government procurement is just 42.09 LMT this year against 128.16 LMT last year and in Rajasthan, the government procurement is just 1000 MT against 23.4 LMT last year.

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.

International Market Update:

The CBOT soft red winter wheat contract has dropped by 70 cents to \$10.87 per bushel. The U.S. wheat crop has been hit by an overly wet spring which has prevented farmers from seeding spring crops, while a dry winter has damaged winter wheat crops are nearing the harvest. And U.S. exported 343,927 MT of wheat for during the week ending May 26, up by 19.88% from the week earlier.

Algeria is expecting its wheat output to be at 3.2 MMT this season against 2 MMT in 2021. The country has wheat reserves sufficient for the next 10 months and it has imported 3 million tonnes so far and the imports are ongoing.

Bangladesh has received the lowest price offer of \$464.55 per tonne in an international tender to import 50,000 tonnes of wheat.

Chicago wheat futures fell, after Russia expressed readiness to unlock grain cargoes blocked in Ukrainian ports. Russia was ready to facilitate the unhindered export of grain from Ukrainian ports in coordination with Turkey.

The winter wheat harvest in the Ukraine-controlled area is expected to reach 20.1 MMT in 2022, which is down from about 32.2 MMT for the overall wheat crop in 2021.

As per sources, Pakistan is about to import 2 MMT of wheat from Russia with cash payment amid the continuing sanctions on Russia that have made trade difficult.

Due to global supply concerns, Egypt will allow wheat shipments with a moisture level of up to 14% for a year, up from 13.5%. Egypt usually sources most of its wheat from Russia and Ukraine, where conflict has disrupted its purchases of relatively cheaper Black Sea wheat and inflated global prices. Egypt has received 82% of its wheat from Ukraine and Russia in 2020, and USDA estimated Egypt would import a total of 12 million tonnes during 2021-22.

Weather Outlook: Fairly widespread/ widespread light/moderate rainfall with isolated heavy falls very likely over Northeast India and Sub-Himalayan West Bengal & Sikkim during next 5 days. Isolated heavy to very heavy rainfall very likely over Assam & Meghalaya during 02nd-04th and over Sub-Himalayan West Bengal & Sikkim during 03rd-06th June. Isolated extremely heavy falls also likely over Meghalaya on 02nd & 03rd June.

Wheat Daily Prices and Arrivals

Centre	Market	Variety	Prices (Rs/Qtl)		Change
			02-Jun-22	03-Jun-22	
Delhi	Lawrence Road	Mill Delivery	2285	2275	10
	Narella	Mill Quality Loose	2130	Closed	-
	Nazafgarh	Mill Quality Loose	2100	Closed	-
Gujarat	Rajkot	Mill Delivery	2140	2130	10
	Ahmedabad	Mill Delivery	2305	2290	15
	Surat	Mill Delivery	2360	2350	10
	Dhrol	Mill Quality Loose	2240	2235	5
M.P.	Indore	Mill Delivery	2210	2220	-10
	Bhopal	Mill Quality Loose	2000	2000	Unch
Rajasthan	Kota	Mill Quality Loose	2050	2060	-10
		Mill Delivery	2200	2210	-10
U.P.	Kanpur	Mill Delivery	2130	2130	Unch
	Mathura	Mill Quality Loose	2090	2075	15
	Kosi	Mill Quality Loose	2060	2060	Unch
	Hathras	Mill Quality Loose	2100	2140	-40
	Aligarh	Mill Quality Loose	2100	2080	20
Punjab	Khanna	Mill Quality Loose	2040	2050	-10
	Ludhiana (Jagraon)	Mill Delivery	2200	2200	Unch
Haryana	Sirsa	Mill Delivery loose	2000	2015	-15
	Hodal	Mill Delivery	-	-	-
	Bhiwani	Mill Quality Loose	1950	1950	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	2100	2100	Unch
	Muzaffarpur	Mill Delivery	2025	2050	-25
FOR	Kandla (Rajasthan-Rajkot)	Mill Quality	-	-	-
	Gandhidham (Rajasthan-Rajkot)	Mill Quality	-	-	-

Centre	Market	Variety	Prices (Rs/Qtl)		Change
			02-Jun-22	01-Jun-22	
Gujarat	Rajkot	Lokwan	2300	2300	Unch
M.P.	Indore	Lokwan	2300	2300	Unch
	Bhopal	Lokwan	2300	2300	Unch
	Bina	Sarbati 306	3500	3500	Unch
	Sehore	Sarbati	4000	3900	100
	Vidisha	Sarbati	3500	3400	100
Rajasthan	Kota	LokwanBilty	2250	2260	-10
	Baran	Lokwan	2350	2350	Unch

Wheat Arrivals in Key Centres:

Centre	Market	Variety	Arrivals (Bags/Qtl)		Change
			02-Jun-22	01-Jun-22	
Delhi	Lawrence Road	Mill Delivery	5000	5000	Unch
	-rella	Mill Quality Loose	3500	Closed	-
	-zafgarh	Mill Quality Loose	300	Closed	-
Gujarat	Rajkot	Mill Quality Loose	1700	1400	300
	Dhrol	Mill Quality Loose	45	57	-12
M.P.	Indore	Mill Quality Loose	5000	6000	-1000
Rajasthan	Kota	Mill Quality	7000	8000	-1000
U.P.	Kanpur	Mill Quality Loose	2500	2000	500
	Mathura	Mill Quality Loose	600	1000	-400
	Kosi	Mill Quality Loose	3500	3000	500
	Hathras	Mill Quality Loose	700	650	50
	Aligarh	Mill Quality Loose	400	600	-200
Punjab	Khan-	Mill Quality Loose	1000	700	300
	(Ludhia-)Jagraon	Mill Quality Loose	-	-	-
Harya-	Sirsa	Mill Quality Loose	500	400	100
	Hodal	Mill Quality Loose	70	100	-30
	Bhiwani	Mill Quality Loose	700	500	200
	Kar-l	Mill Delivery	-	-	-
	Panipat	Mill Quality Loose	-	-	-

Wheat (CBOT) Future Price: 01.06.2022					
Contract Month	Open	High	Low	Close	Change
22-Jul	1091	1098	1027.25	1041.25	-46.25
22-Sep	1100.25	1106.75	1037.5	1052.25	-45.25
22-Dec	1108	1115.75	1049.25	1063.75	-43.25
23-Mar	1114	1120.25	1057	1070.25	-41.75
23-May	1106.25	1108.75	1051.75	1063.25	-39.25
23-Jul	1071	1077	1020	1030	-41

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