

Wheat Domestic Fundamentals:

In benchmark markets of wheat, there were mixed sentiments.

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:

In case of French wheat, around 67% of the soft wheat crop was in good or excellent condition in the week ending May 30, down from 69% the previous week. The rating fell by more than 20 percentage points in May as a hot spell exacerbated drought after low rainfall since the start of the year.

As per ABARES, Australia's wheat output averaged at 24.8 MMT annually. Currently, Australian farmers have enjoyed all-time high wheat prices this year with record output giving huge advantage. Australian Premium White (APW) was quoted at USD\$440 per tonne FOB, slightly below a record price of USD\$460 per tonne FOB a few weeks ago.

Algeria bought around 90,000 MT of milling wheat in an international tender this week which covered two small ports, European traders said. The CIF cost for the wheat was expected to be \$480 per tonne.

As per Buenos Grain Exchange, Argentina's wheat planting area for the 2022-23 season is expected to be around 6.5 mha, down from 6.6 mha previously forecast. The exchange said the 100,000-hectare reduction on dry conditions in northern Argentina, with no rains seen in short term forecasts.

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.

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.

Wheat Daily Prices and Arrivals

Centre	Market	Variety	Prices (Rs/Qtl)		Change
			04-Jun-22	03-Jun-22	
Delhi	Lawrence Road	Mill Delivery	2280	2275	5
	Narella	Mill Quality Loose	2100	2100	Unch
	Nazafgarh	Mill Quality Loose	2100	2100	Unch
Gujarat	Rajkot	Mill Delivery	2115	2130	-15
	Ahmedabad	Mill Delivery	2280	2315	-35
	Surat	Mill Delivery	2325	2360	-35
	Dhrol	Mill Quality Loose	2355	2280	75
M.P.	Indore	Mill Delivery	2200	2250	-50
	Bhopal	Mill Quality Loose	2050	2000	50
Rajasthan	Kota	Mill Quality Loose	2050	2050	Unch
		Mill Delivery	2200	2200	Unch
U.P.	Kanpur	Mill Delivery	2130	2125	5
	Mathura	Mill Quality Loose	2105	2070	35
	Kosi	Mill Quality Loose	2100	2070	30
	Hathras	Mill Quality Loose	2050	2080	-30
	Aligarh	Mill Quality Loose	2070	2100	-30
Punjab	Khanna	Mill Quality Loose	2040	2055	-15
	Ludhiana (Jagraon)	Mill Delivery	2200	2200	Unch
Haryana	Sirsa	Mill Delivery loose	2015	2000	15
	Hodal	Mill Delivery	-	-	-
	Bhiwani	Mill Quality Loose	1960	1950	10
	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	2100	2100	Unch
FOR	Kandla (Rajasthan-Rajkot)	Mill Quality	-	-	-
	Gandhidham (Rajasthan-Rajkot)	Mill Quality	-	-	-

Centre	Market	Variety	Prices (Rs/Qtl)		Change
			04-Jun-22	03-Jun-22	
Gujarat	Rajkot	Lokwan	2250	2275	-25
M.P.	Indore	Lokwan	2300	2300	Unch
	Bhopal	Lokwan	2300	2300	Unch
	Bina	Sarbati 306	3500	3500	Unch
	Sehore	Sarbati	3800	4000	-200
	Vidisha	Sarbati	3500	3600	-100
Rajasthan	Kota	LokwanBilty	2250	2250	Unch
	Baran	Lokwan	2350	2250	100

Wheat Arrivals in Key Centres:

Centre	Market	Variety	Arrivals (Bags/Qtl)		Change
			04-Jun-22	03-Jun-22	
Delhi	Lawrence Road	Mill Delivery	6000	6000	Unch
	-rella	Mill Quality Loose	2000	2000	Unch
	-zafgarh	Mill Quality Loose	500	350	150
Gujarat	Rajkot	Mill Quality Loose	1400	1800	-400
	Dhrol	Mill Quality Loose	54	58	-4
M.P.	Indore	Mill Quality Loose	6000	12000	-6000
Rajasthan	Kota	Mill Quality	6000	10000	-4000
U.P.	Kanpur	Mill Quality Loose	1500	2000	-500
	Mathura	Mill Quality Loose	1000	700	300
	Kosi	Mill Quality Loose	2500	2000	500
	Hathras	Mill Quality Loose	400	500	-100
	Aligarh	Mill Quality Loose	500	300	200
Punjab	Khan-	Mill Quality Loose	700	2000	-1300
	(Ludhia-)Jagraon	Mill Quality Loose	-	-	-
Harya-	Sirsa	Mill Quality Loose	400	500	-100
	Hodal	Mill Quality Loose	100	100	Unch
	Bhiwani	Mill Quality Loose	400	600	-200
	Kar-l	Mill Delivery	-	-	-
	Panipat	Mill Quality Loose	-	-	-

Wheat (CBOT) Future Price: 03.06.2022					
Contract Month	Open	High	Low	Close	Change
22-Jul	1061.5	1069.25	1036.25	1040	-18.25
22-Sep	1073	1080.5	1048	1051.75	-18
22-Dec	1084.5	1091.5	1059.5	1063	-18
23-Mar	1093.75	1098.25	1067.75	1072.5	-16.25
23-May	1092.5	1096.75	1068.25	1076.5	-12.25
23-Jul	1060	1068.75	1041.5	1058.25	-3.75

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