

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:

Canada's common wheat exports fell by 45.3% week on week basis to 168,900 MT in the week to May 29, compared to 308,500 MT in the previous week. Canada's durum wheat exports in the week ended May 29 stood at 30,800 MT, which is down by 74.1% from 118,700 MT in the previous week. Durum wheat exports over August 1st 2021 to May 29th 2022 totaled at 2.1 MMT, down 60% on the year. In MY 2020-21, Canada exported a total 26.4 million mt of wheat, however, exports have remained weak to date in MY 2021-22 due to poor output and a lack of exportable surplus.

As per Sovecon agency, Russia's wheat exports forecast for MY 2022-23 has been raised by 1.3 MMT to a record high of 42.3 MMT. Exports of all grains from Russia in the 2022-23 MY is currently estimated at 54.5 MMT which would match the record exports in 2017-18 when Russia exported 54.6 MMT of grain.

Russian wheat export prices rose last week due to active supplies from the country's Black Sea ports. Prices for wheat with 12.5% protein content and for supply from Black Sea ports in June rose by \$15 to \$425 free on board (FOB) at the end of last week. Russia has exported 620,000 MT of grains last week compared with 360,000 MT a week earlier.

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.

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.

Wheat Daily Prices and Arrivals

Centre	Market	Variety	Prices (Rs/Qtl)		Change
			06-Jun-22	04-Jun-22	
Delhi	Lawrence Road	Mill Delivery	2300	2280	20
	Narella	Mill Quality Loose	2170	2100	70
	Nazafgarh	Mill Quality Loose	2150	2100	50
Gujarat	Rajkot	Mill Delivery	2130	2115	15
	Ahmedabad	Mill Delivery	2290	2280	10
	Surat	Mill Delivery	2325	2325	Unch
	Dhrol	Mill Quality Loose	2100	2355	-255
M.P.	Indore	Mill Delivery	2150	2200	-50
	Bhopal	Mill Quality Loose	2000	2050	-50
Rajasthan	Kota	Mill Quality Loose	2050	2050	Unch
		Mill Delivery	2200	2200	Unch
U.P.	Kanpur	Mill Delivery	2125	2130	-5
	Mathura	Mill Quality Loose	2100	2105	-5
	Kosi	Mill Quality Loose	2100	2100	Unch
	Hathras	Mill Quality Loose	2150	2050	100
	Aligarh	Mill Quality Loose	2050	2070	-20
Punjab	Khanna	Mill Quality Loose	2035	2040	-5
	Ludhiana (Jagraon)	Mill Delivery	2200	2200	Unch
Haryana	Sirsa	Mill Delivery loose	2015	2015	Unch
	Hodal	Mill Delivery	-	-	-
	Bhiwani	Mill Quality Loose	1900	1960	-60
	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	2150	2100	50
	Muzaffarpur	Mill Delivery	2100	2100	Unch
FOR	Kandla (Rajasthan-Rajkot)	Mill Quality	-	-	-
	Gandhidham (Rajasthan-Rajkot)	Mill Quality	-	-	-

Centre	Market	Variety	Prices (Rs/Qtl)		Change
			06-Jun-22	04-Jun-22	
Gujarat	Rajkot	Lokwan	2300	2250	50
M.P.	Indore	Lokwan	2300	2300	Unch
	Bhopal	Lokwan	2300	2300	Unch
	Bina	Sarbati 306	3500	3500	Unch
	Sehore	Sarbati	3500	3800	-300
	Vidisha	Sarbati	3310	3500	-190
Rajasthan	Kota	LokwanBilty	2250	2250	Unch
	Baran	Lokwan	2350	2350	Unch

Wheat Arrivals in Key Centres:

Centre	Market	Variety	Arrivals (Bags/Qtl)		Change
			06-Jun-22	04-Jun-22	
Delhi	Lawrence Road	Mill Delivery	7000	6000	1000
	-rella	Mill Quality Loose	1500	2000	-500
	-zafgarh	Mill Quality Loose	400	500	-100
Gujarat	Rajkot	Mill Quality Loose	1500	1400	100
	Dhrol	Mill Quality Loose	65	54	11
M.P.	Indore	Mill Quality Loose	5000	6000	-1000
Rajasthan	Kota	Mill Quality	8000	6000	2000
U.P.	Kanpur	Mill Quality Loose	3000	1500	1500
	Mathura	Mill Quality Loose	1000	1000	Unch
	Kosi	Mill Quality Loose	3000	2500	500
	Hathras	Mill Quality Loose	500	400	100
	Aligarh	Mill Quality Loose	500	500	Unch
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	50	100	-50
	Bhiwani	Mill Quality Loose	500	400	100
	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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