

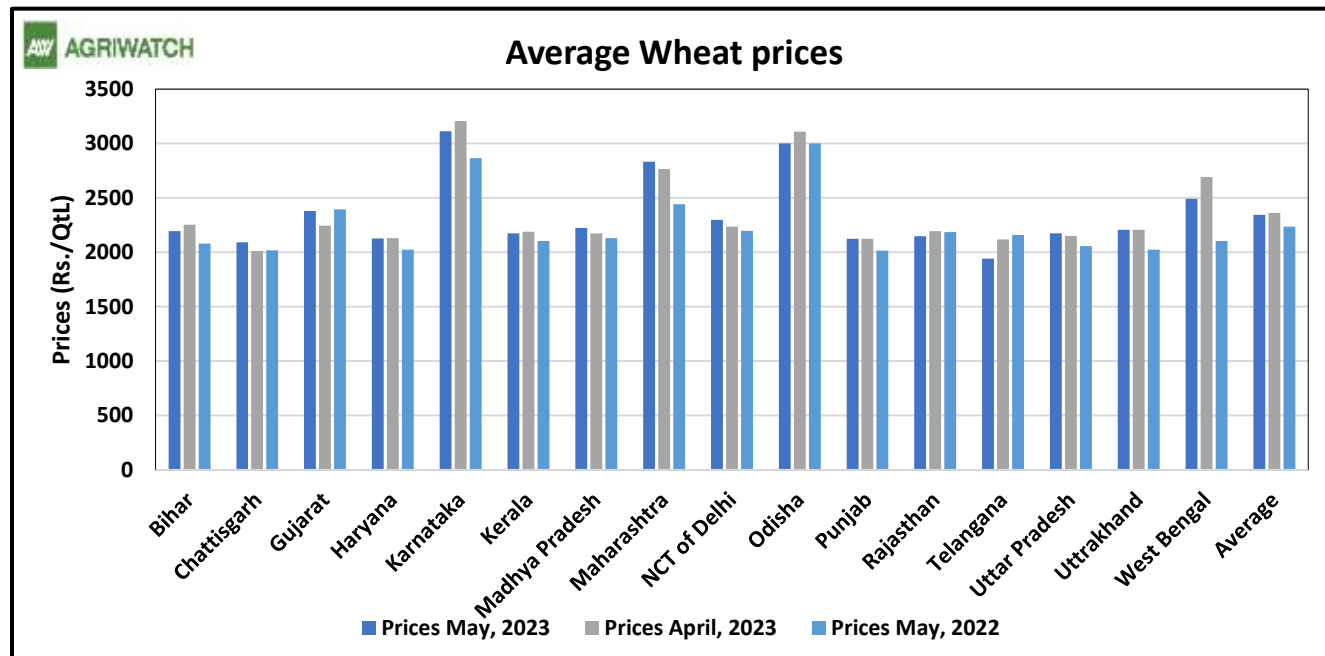
# Wheat Monthly Research Report

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Market Dynamics:

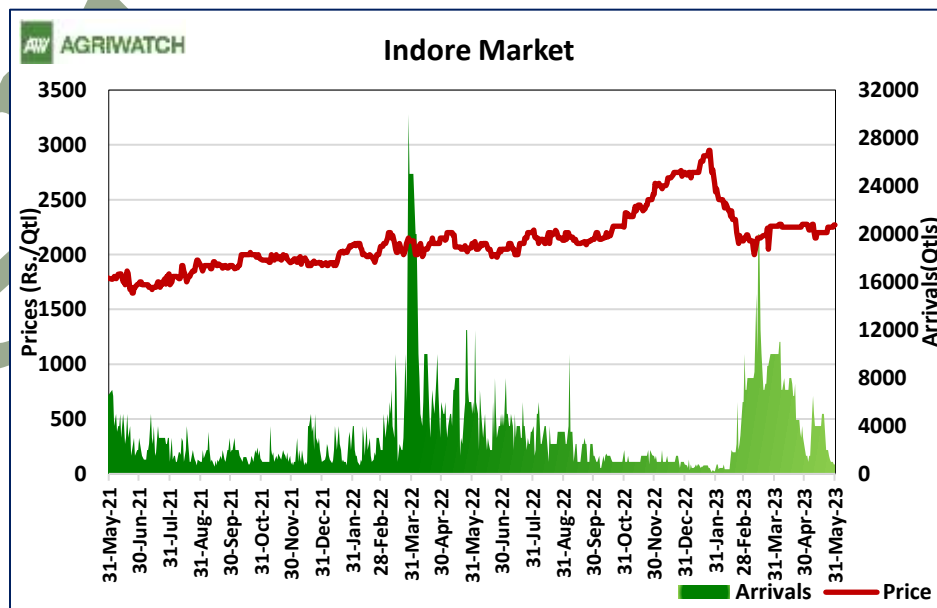
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Price Trend:



Due to increase in arrivals average monthly prices were on down side in West Bengal, Bihar, Karnataka and Odisha during month under review. While in Gujarat, U.P and Maharashtra there was decrease in supply side which had driven the domestic prices on higher side. Overall average prices of India were on lower side.

Due to increase in arrivals average monthly prices in Indore market were down during month under review. Average prices were Rs.2229.42 per quintals down by 1.15% as compared to Rs.2255.50 per quintals in previous month.



**Production Estimates for the crop year 2022-23:**

- After analyzing survey data AgriWatch had revise down its production estimate for 2022-23 at 102.90 MMT decline as compared to previous estimate of 104.24 MMT.
- USDA have increased the 2022-23 India's Wheat production to 1100 LMT up by 5.76% as compared to previous year.
- While as per advance estimate of Government production is likely to be around 1121.82 up by previous year production of 1077.42 LMT.

**Production Estimates (LMT):**

	2021-22	2022-23 (Advance Estimate)
<b>GOI</b>	1077.42	1121.82
<b>AgriWatch</b>	977.6	1029.00
<b>USDA</b>	1040	1100

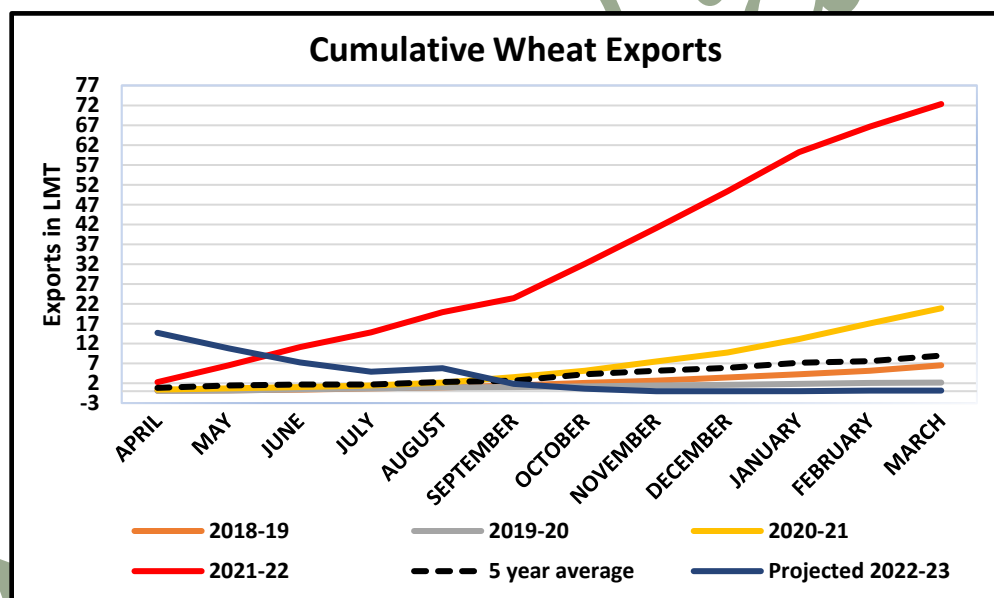
**State wise Agriwatch Revised APY Estimate:**

State/UT	Acreage (Lakh Ha)		Production (LMT)		Yield (Kg/Ha)	
	2021-22	2022-23	2021-22	2021-22	2021-22	2022-23
<b>Bihar</b>	23.30	23.80	51.22	55.70	2198.10	2340.20
<b>Gujarat</b>	11.00	13.30	29.38	33.24	2670.60	2499.20
<b>Haryana</b>	24.78	23.90	112.04	99.62	4521.30	4168.00
<b>Madhya Pradesh</b>	97.47	92.50	197.42	245.55	2025.46	2654.60
<b>Maharashtra</b>	10.18	12.10	17.18	18.23	1688.10	1506.60
<b>Punjab</b>	26.60	29.30	89.11	91.57	3350.00	3125.40
<b>Rajasthan</b>	32.90	35.30	148.13	148.76	4502.45	4214.20
<b>Uttar Pradesh</b>	91.77	97.20	300.91	307.95	3279.00	3168.20
<b>West Bengal</b>	1.90	1.80	5.11	4.86	2687.50	2700.00
<b>Others</b>	15.00	13.10	26.40	23.45	1760.00	1790.00
<b>All India</b>	<b>334.90</b>	<b>342.30</b>	<b>976.90</b>	<b>1028.93</b>	<b>2916.982</b>	<b>3005.916</b>

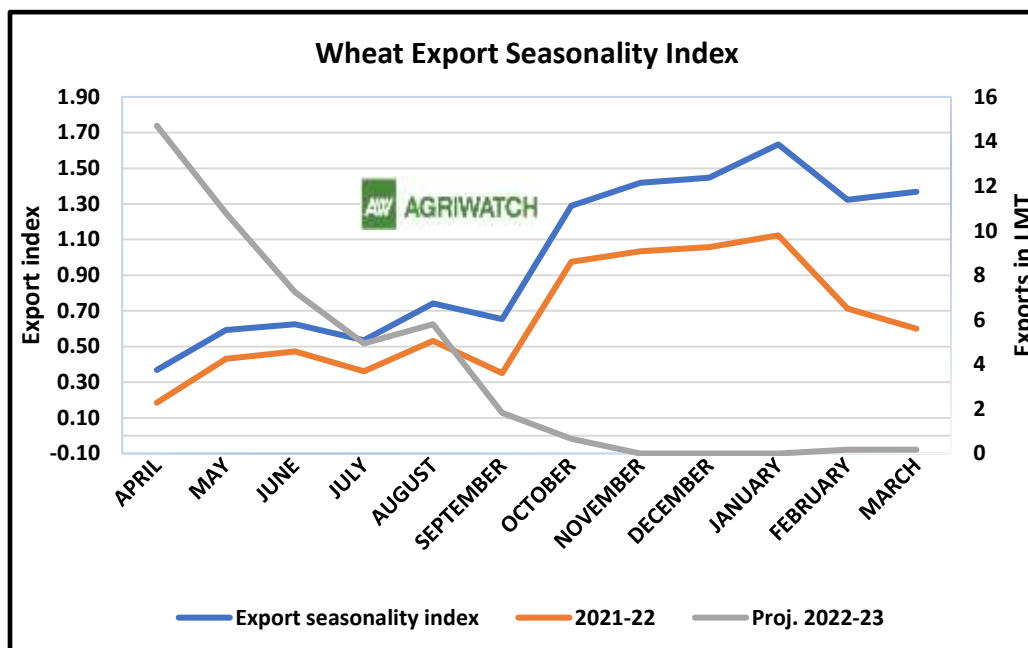
Balance Sheet:

	Crop year	2021-22	2022-23
	Wheat MY Runs from April To March (Figures in MMT)	2022-23	2023-24*
A	Carry in	18.90	10.96
B	Production	97.76	102.90
C	Imports	0.00	0.00
D	Total Availability	116.66	113.86
E	Exports	4.70	0.40
F	Consumption	101	101
G	Total Usage	105.70	101.40
H	Carry out	10.96	12.46
K	Stock to Use Ratio	10.37	12.29

Export:



As per recent data given by Government total of 0.18 LMT wheat has been exported in March month. With these total exports reached **46.34** LMT, down by 35.95% as compared to previous year.



According to the seasonality index graphic above, this year is referred to as an "abnormal year" because the export trend is led by the policy to stop exports.

#### Wheat Procurement RMS 2023-24 (Source: FCI)

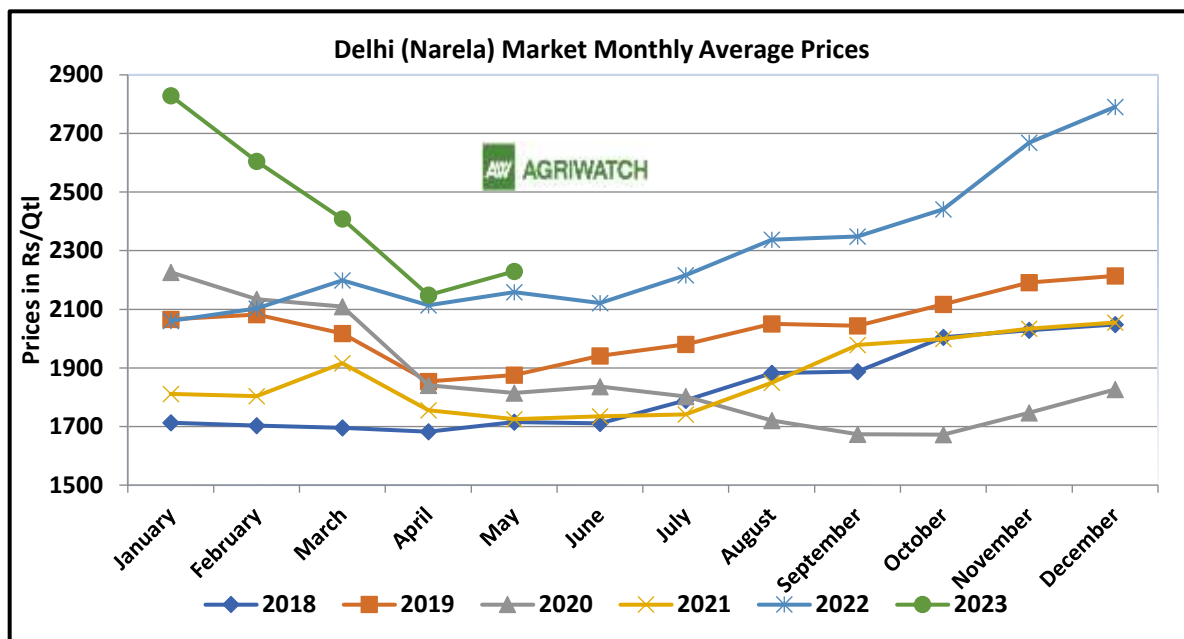
State/UTs	Procurement in LMT (as on 04.06.2023)
Punjab	121.26
Haryana	63.17
Uttar Pradesh	70.97
Madhya Pradesh	2.18
Rajasthan	4.33
Others	0.05
<b>All-India</b>	<b>261.96</b>

#### Outlook:

AgriWatch anticipates an upward movement in prices for the upcoming month due to reduced stock availability caused by stockists, farmers, and small traders withholding their stocks. This tightening of supply is expected to drive prices higher. However, the intervention of the government is crucial in order to stabilize the rising prices. On global level, there is good supply as crops are in good condition in US and France but due to crop damage in China and Russia limiting ship registration prices are likely to follow uptrend in coming month.

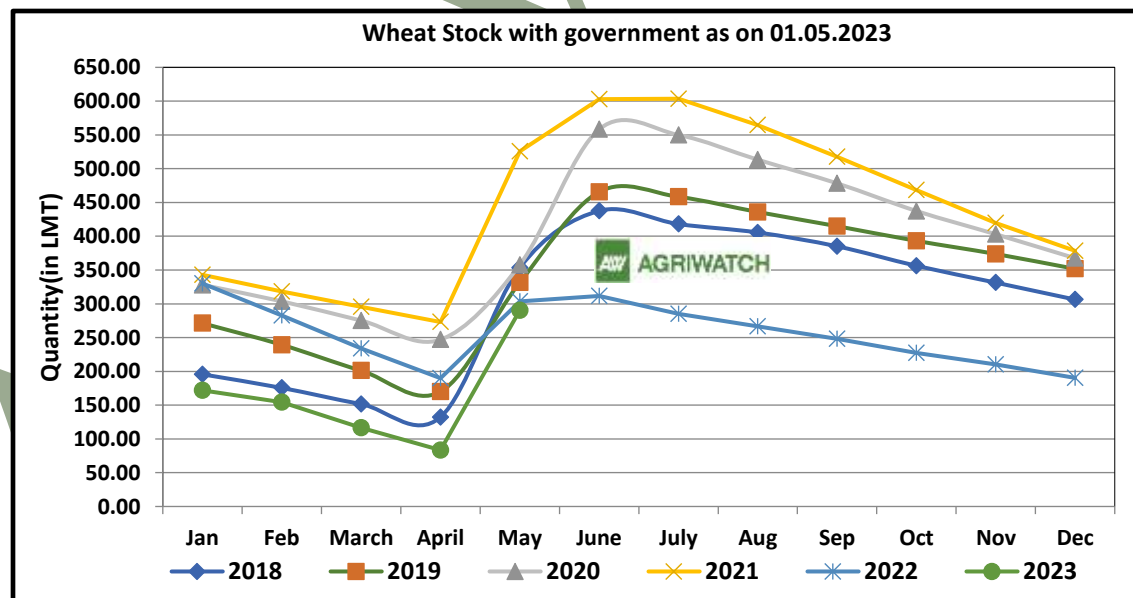
Trade Call: There is no trading at NCDEX for wheat.

Wheat Delhi Average Monthly Price:



Uptrend had been observed in Wheat prices during the month under review amid decline in new crop arrivals in market amid ongoing procurement in the country. Spot market prices in Narella were on higher side in May as compared to previous month. The average price was up by 3.78% to Rs.2229.54 per quintals compared to Rs. 2148.33 per quintals in previous month.

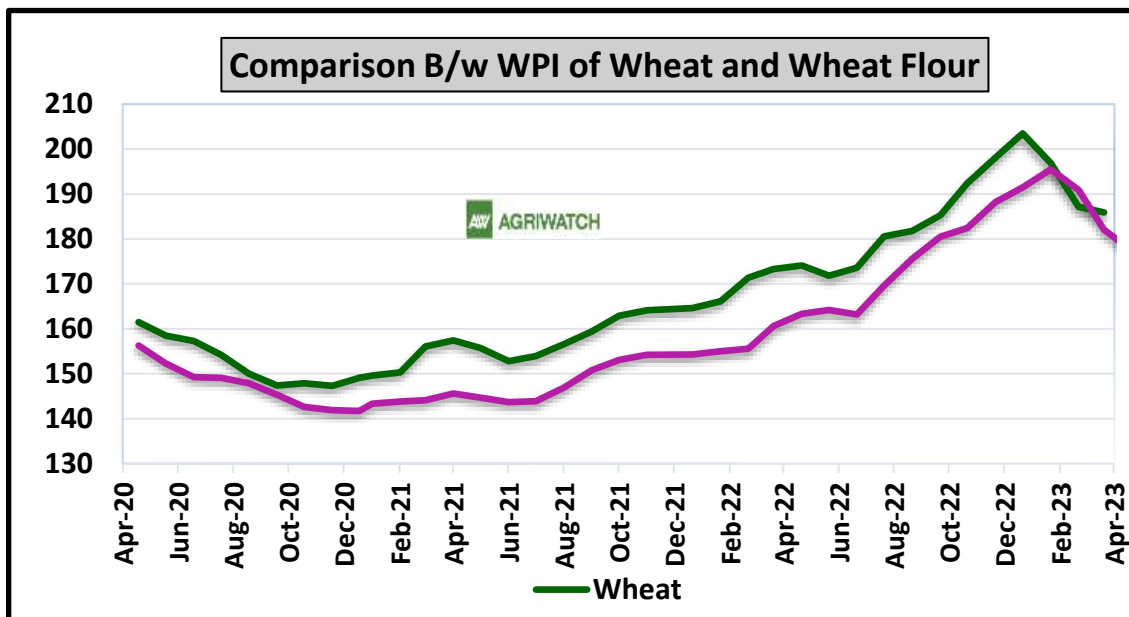
Wheat Stocks with the Government:



- ❖ Wheat stocks in government FCI Central Pool as of May 1<sup>st</sup>, 2023, was 290.28 LMT down by 4.34% as compared to same period in previous year.
- ❖ However, it remains higher than the buffer norms of 275.80 LMT as of 1<sup>st</sup> July and up by 5%. This much lowest stocks were never seen before from last 10 years. As of 1<sup>st</sup> May 2023, most of the stocks are being held in states of M.P (110.07 LMT).

- ❖ As per the latest data by FCI, a total of about 13.02 LMT Wheat was distributed in April month which was down by 63.90% as compared to the same period last year. Out of the total under the NFSA scheme was 12.78 LMT, under other welfare schemes was 0.20 LMT, and under OMSS minute quantity of Wheat was distributed.

**Wheat Inflation:**



- Wheat WPI has increased from 196.90 in February 2023 to 187.10 in month under observation. Monthly Wheat inflation has decreased by 4.98 percent in March 2023 as compared to the previous month due to easiness in supply side with the arrivals of new crop in market. While year-on-year basis, the price index has increased by 9.61 percent.

**Wheat WPI:**

Month/Year	2019	2020	2021	2022	2023
<b>Jan</b>	154.8	168.6	149.1	164.6	203.5
<b>Feb</b>	157.8	167.3	149.5	166.1	196.90
<b>Mar</b>	155.5	162.9	150.2	171.4	187.10
<b>Apr</b>	151.5	162.5	155.9	172.8	185.90
<b>May</b>	150.7	159.8	157.4	174.0	
<b>Jun</b>	150.8	158.6	156.2	171.8	
<b>Jul</b>	153.4	157.5	153.6	173.6	
<b>Aug</b>	156.5	154.5	153.9	180.6	
<b>Sep</b>	158.3	150	156.7	181.8	
<b>Oct</b>	160.6	147.4	159.4	185.3	
<b>Nov</b>	164.4	147.9	162.9	192.4	
<b>Dec</b>	165.7	147.3	164.1	198.1	

**Wheat Flour WPI:**

Month/Year	2019	2020	2021	2022	2023
<b>Jan</b>	153.9	160.7	143.3	155	195.5
<b>Feb</b>	155.4	158.6	143.8	155.6	190.9
<b>Mar</b>	154.4	158.7	144.1	160.6	182.1
<b>Apr</b>	151.1	156.3	145.6	163.3	177.4
<b>May</b>	150.5	152.3	144.7	164.2	
<b>Jun</b>	151.2	149.2	143.7	163.2	
<b>Jul</b>	152.8	149.1	143.9	169.6	
<b>Aug</b>	155.3	147.9	146.9	175.6	
<b>Sep</b>	156.1	145.3	150.8	180.5	
<b>Oct</b>	157.3	142.6	153.1	182.4	
<b>Nov</b>	158.7	141.9	154.2	188.2	
<b>Dec</b>	159.1	141.7	154.3	191.5	

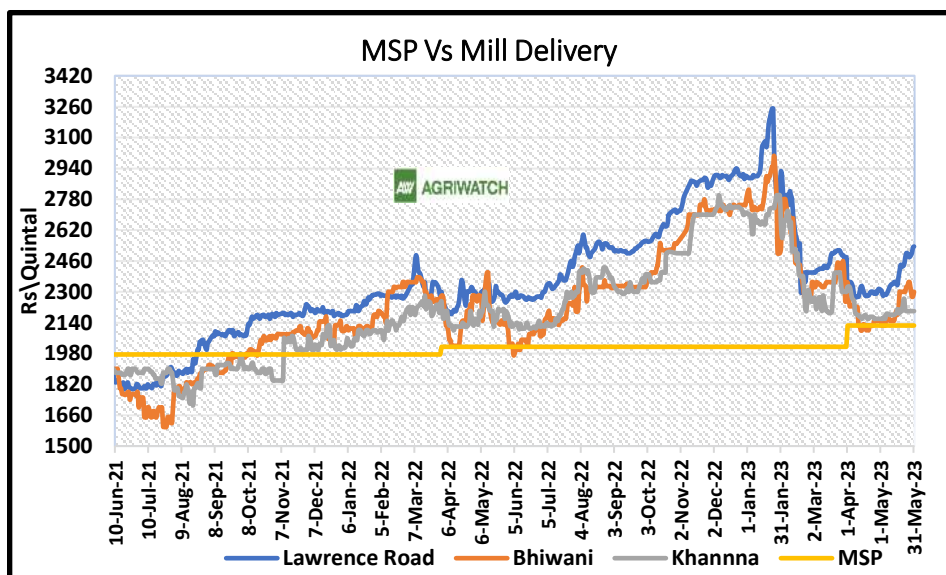
**Monthly Price Comparison of Spot Markets:**

Monthly Average Spot Prices at Various Market (Rs/Quintal)					
Month	Delhi	Indore	Kota	Rajkot	Chennai
<b>22-Jan</b>	2227.92	2115.83	2128.54	2094.58	2458.33
<b>22-Feb</b>	2278.75	2130.00	2145.00	2083.00	2445.00
<b>22-Mar</b>	2347.00	2200.00	2288.00	2328.89	2486.00
<b>22-Apr</b>	2254.62	2260.00	2308.08	2317.29	2508.00
<b>22-May</b>	2283.85	2247.86	2289.00	2300.00	2504.00
<b>22-June</b>	2272.88	2176.92	2172.16	2153.80	2450.00
<b>22-July</b>	2351.76	2250.00	2271.65	2289.96	2546.00
<b>22-Aug</b>	2509.00	2414.00	2334.04	2389.00	2702.10
<b>22-Sep</b>	2505.00	2389.42	2325.00	2340.16	2693.91
<b>22-Oct</b>	2603.00	2443.56	2371.10	2390.21	2744.47
<b>22-Nov</b>	2825.88	2687.63	2587.36	2567.00	2984.37
<b>22-Dec</b>	2900.07	2709.00	2641.07	2609.59	3106.06
<b>23-Jan</b>	3000.09	2800.11	2743.04	2700.28	3106.25
<b>23-Feb</b>	2624.16	2469.43	2549.69	2455.87	3100.00
<b>23-Mar</b>	2446.36	2198.24	2372.90	2293.02	2897.90
<b>23-Apr</b>	2288.63	2196.44	2257.00	2305.00	2560.86
<b>23-May</b>	2384.92	2294.3	2384.92	2325.03	2737.03



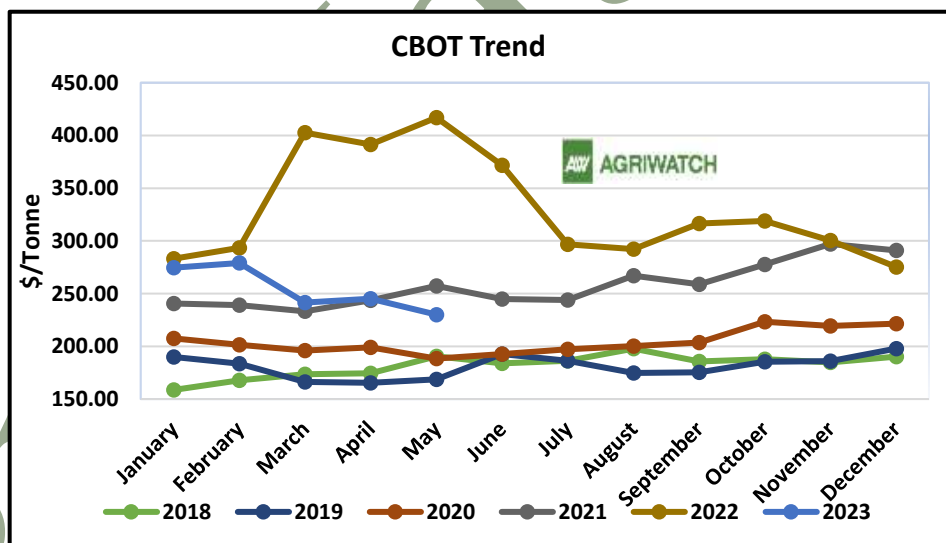
MSP vs. Mill Delivery Prices:

- Due to decline in arrivals in Lawrence Road, Bhiwani, and Khanna prices were on the higher side.



CBOT Trend:

During month under review, CBOT prices were down amid ample supply as crop is in good condition in US and France.



CBOT comparison over a period:

CBOT Futures Prices:(USD/T)							
CONTRACT MONTH	Current	Week Ago	Month Ago	3 Month Ago	6 Month Ago	Year Ago	% Change over prev. month
	30-May-23	23-May-23	29-Apr-23	27-Feb-23	27-Nov-22	30-May-22	
Jul-23	247.13	228.61	232.84	267.93	298.24	425.27	-6.75
Sep-23	222.46	233.12	236.97	271.42	300.72	428.48	-6.12
Dec-23	229.90	239.36	243.40	276.84	284.92	431.14	-5.55
Mar-24	235.32	244.32	247.72	280.42	305.68	349.31	-5.01
May-24	238.17	246.80	249.56	280.51	303.84	-	-4.56
Jul-24	240.28	247.54	248.55	273.07	-	-	-3.33
Sep-24	243.95	-	251.76	-	-	-	-3.10
Dec-24	253.78	-	-	-	-	-	-

Monthly Price Comparison of Spot Markets

Spot Market Price:							
Centre	Market	Variety	Prices (Rs/Qtl)				
			Current	Yesterday	Week Ago	Month Ago	Year Ago
			2-Jun-23	1-Jun-23	26-May-23	3-May-23	2-Jun-22
Delhi	Lawrence Road	Mill Delivery	2510	2515	2490	2280	2285
	Narella	Mill Quality	2275	2360	2300	Closed	2130
	Nazafgarh	Mill Quality	2310	2350	2260	Closed	2100
Gujarat	Rajkot	Mill Delivery	2330	2330	2310	2270	2140
	Ahmedabad	Mill Delivery	2430	2430	2425	2335	2305
	Surat	Mill Delivery	2480	2510	2510	2420	2360
	Dhrol	Mill Delivery	-	-	-	2490	-
M.P.	Indore	Mill Delivery	2350	2350	2350	2380	2210
	Bhopal	Mill Quality	2250	2250	2200	2150	2000
Rajasthan	Kota	Mill Quality	2200	2200	2200	2050	2050
		Mill Delivery	2350	2350	2350	2200	2200
U.P.	Kanpur	Mill Delivery	2350	2350	2340	2230	2130
	Mathura	Mill Quality	2370	2370	2350	2155	2090
	Kosi	Mill Quality	2300	2280	2270	2125	2060
	Hathras	Mill Quality	2300	2300	2350	2150	2100
	Aligarh	Mill Quality	2350	2350	2310	2110	2100
Punjab	Khanna	Mill Quality	2130	2135	2135	2125	2040
	Ludhiana (Jagraon)	Mill Delivery	2130	2130	2130	2130	2050
Haryana	Sirsa	Mill Delivery	2270	2250	2230	-	-
	Hodal	Mill Delivery	2200	2200	2200	-	-
	Bhiwani	Mill Quality	-	-	-	-	-
	Karnal	Mill Delivery	2235	2225	2200	2125	2000
	Panipat	Mill Quality	2270	2260	2285	2065	2030
Tamil Nadu	Chennai	Mill Quality	2750	2750	2750	2750	2650
	Madurai	Mill Quality	2800	2800	2800	2800	2700
	Coimbatore	Mill Quality	2800	2800	2800	2800	2700
Bihar	Khagariya	Mill Delivery	2425	2425	2375	2250	2025
	Muzaffarpur	Mill Delivery	2400	2400	2325	2200	-

International Market Dynamics

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- **The USDA's crop progress report for the week ending on May 21<sup>st</sup> indicates that 61% of winter wheat crops was headed which was 49% in previous week and 61% in previous year. The report also shows that 29% of the crop is currently in fair to excellent condition, while 22% in very poor to poor condition. As for spring wheat, 64% of planting has been completed so far this year, which is higher than the 48% completed during the same period last year.**
- **According to Ukraine's Agriculture Ministry, as of 19 May '23, cumulative 2022-23 wheat exports totalled 15.1 MT (down 18pc from previous year). SovEcon have revised up 2023-24 Russian wheat production by 1.4MT to 88.0MT (104.2MT previous year).**
- **EU Weekly wheat exports have reached 3.90 LMT for week ending May 22, as per data given by European Commission while the previous week total was 4.75 LMT. With these total exports reached 28 MMT up by 13% as compared to previous year. Poland being the leading exporter with 1.73 LMT exported followed by France with 0.72 LMT.**

- **Amid less demand in the global market, Russian export prices decline by \$8 per tonne at \$265 per tonne.** While Sovecon consultancy has estimated around 3.8 MMT in May 2023 up as compared to 1.2 MMT in May 2022. Russia exported 0.76 MMT of grains last week as compared to 1.14 MMT in the prior week which includes 0.68 MMT of Wheat.
- **Total of around 27.17 MMT of Soft Wheat has been exported so far from European Union** so far till 14th May, 2023, as per data given by European Commission. It is up by 12% as compared to same period in previous year.
- **The USDA's crop progress report for the week ending on May 14<sup>th</sup> indicates that 49% of winter wheat crops was headed** which was 38% in previous week and 46% in previous year. The report also shows that 59% of the crop is currently in fair to excellent condition, while 44% in very poor to poor condition. As for spring wheat, 40% of planting has been completed so far this year, which is higher than the 37% completed during the same period last year.
- **FranceAgriMer has revised down its wheat export forecast by 0.1 MMT to 10.3 MMT** as compared to 8.8 MMT in previous year. **Agritel a French consultancy has raised the production estimate for Ukrainian Wheat from 15.04 MMT to 16.34 MMT** amid larger than expected harvest. On the other hand, they have kept yield estimate at 3.8 tonnes per hectare because of negative impact of unfavourable weather and higher production costs.
- **SovEcon has processed Rosstat data which reveals that as of April 1st, the total wheat stocks in Russia** amounted to 27.6 million tonnes, a record-high for the start of Q2. This figure is 79% higher than the five-year average. The reason for the increase in stocks is the record-high wheat harvest and sluggish exports. According to Rosstat, the wheat crop in Russia has been estimated at 104.2 million tonnes, which is 32% higher than the five-year average.

**Global Wheat Average FOB:**

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Global Indicative FoB Quotes								
Month	US SRW2 (USD/MT)	US HRW2 (USD/MT)	Argentina AP1 (USD/MT)	Ukraine 12.5% (USD/MT)	Russia 12.5% (USD/MT)	Australia ASW1 (AUD/MT)	India FOB (USD/MT)	France Grade1 (USD/MT)
May-22	440.99	521.41	467.00	-	390.00	401.41	309.75	439.91
June-22	379.89	459.59	479.95	-	423.33	413.44	288.15	408.41
Jul-22	310.87	382.86	425.00	-	365.00	383.00	298.49	355.43
Aug-22	315.50	383.13	407.83	-	333.00	356.74	311.54	340.83
Sep-22	344.45	419.14	402.73	-	320.00	338.50	305.25	337.91
Oct-22	351	438.95	422.43	-	326.25	351.97	307.53	343.95
Nov-22	336.21	422.68	414.68	292.00	317.00	351.86	328.92	339.73
Dec-22	315.85	387.27	394.76	279.80	313.00	335.26	332.88	331.55
Jan-23	313.57	380.36	375.00	276.00	307.00	325.18	346.02	323.77
Feb-23	311.89	394.75	363.75	276.37	303.67	323.55	302.82	318.40
Mar-23	284.19	369.7	349.17	270.04	287	303	283.31	291.22
Apr-23	277.31	377.00	344.95	261.50	277.50	294.30	289.00	279.65
May-23	249.42	365.00	365.52	240.40	265.00	273.91	292.00	256.96

IGC Wheat Global Balance Sheet:

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IGC Forecast (Fig-In MMT)	2020-21	2021-22 est.	2022-23 F'cast	2023-24 Projected	
				20.04.23	18.05.23
<b>Production</b>	774	781	803	787	783
<b>Trade</b>	190	197	200	193	194
<b>Consumptions</b>	771	784	795	794	795
<b>Carryover stocks</b>	279	274	283	277	271
<b>Y-O-Y change</b>	2	-3	8	-7	-12
<b>Major Export</b>	58	60	68	60	57

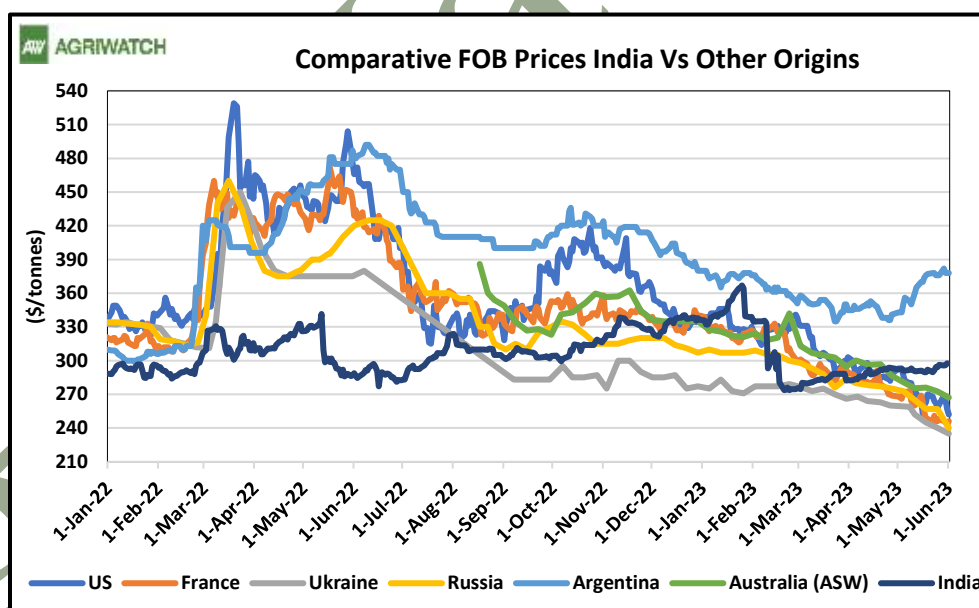
Source: IGC

- The trade forecast for 2022-23 is 200 MMT in line with increased production numbers.
- Consumption too has been increased to 795 MMT from 784 MMT previous year.
- Carryout for 2022-23 is forecasted at 283 MMT down by 1 MMT as compared to previous estimate.
- While for 2023-24 IGC has projected production at around 783 MMT which is down as compared to previous estimate, And Trade is projected around 194 MMT up as compared to previous estimate.

Global Indicative FOB Quotes:

Export prices in most countries experienced a decline during the reviewed month, with the exception of India and Argentina. The deteriorating drought conditions in Argentina had a negative impact on crop, resulting in higher prices amid supply concern compared to the previous month. Conversely, France and the US had ample supply, contributing to decreased export prices in their respective countries.

Good weather conditions in Australia promote the sowing which pressurize the export prices. Higher domestic prices in India push the export prices on higher side.



USDA Balance Sheet

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USDA Global Wheat Balance Sheet: 2022-23 Fig. (In Thousand Tonne)						
Country	Opening Stock 2023-24	Production 2023-24	Domestic Consumption 2023-24	Import 2023-24	Export 2023-24	Ending Stock 2023-24
Argentina	2,531	19,500	6,500	5	13,500	2,036
Australia	3,154	29,000	8,000	200	21,000	3,354
Canada	2,537	37,000	9,600	600	27,500	3,037
China	139,082	140,000	149,000	10,500	900	139,682
EU	16,164	139,000	109,500	7,000	38,000	14,664
India	9,500	110,000	107,600	100	500	11,500
Pakistan	3,730	26,810	29,600	3,000	500	3,440
Russia	17,638	81,500	41,000	300	45,500	12,938
Ukraine	2,240	16,500	7,100	60	10,000	1,700
U S	16,283	45,158	30,264	3,674	19,731	15,120
Others	53,424	145,296	291,363	182,105	32,589	56,873
World total	266,283	789,764	789,527	207,544	209,720	264,344

Source: USDA

Technical Analysis (Domestic market)

**Wheat-Technical Outlook:**

**Kanpur Market Prices**

**Technical Chart:**



**Technical Commentary:**

- Wheat Kanpur prices up from previous month and make high at 2425, low at 2220 and closes at 2425.
- Market is currently trading below 9 DMA and taking support from 18, 50 and 100 DMA.
- 2200 is near term support and 2450 would be resistance.



Technical Analysis (International market)

**CBOT Futures July-23 Chart:**

**Technical Chart:**



**1<sup>st</sup> Support: 657**

**2<sup>nd</sup> Support: 570**

**1<sup>st</sup> Resistance: 952**

**2<sup>nd</sup> Resistance: 790 (\$ per tonne)**

**Technical Commentary:**

During the month under review, market was down by 6.23% to 594.25, and tests its low at 573.25, high at 668.50. As depicted from above chart, market is trading below 9, 18, 50 while getting support from 100 DMA indicating weak sentiments. RSI is at 42 indicating weak buying strength and MACD indicating weak momentum in the near term. We expect in coming month prices to trade up with firm bias to continue.

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