



Wheat Weekly Research Report

Table of Contents

- ❖ **Review and Outlook**
- ❖ **Export/Import**
- ❖ **Weather**
- ❖ **Weekly Price Change**
- ❖ **Stocking Norms**
- ❖ **FOB Quotes**
- ❖ **Spot Price at NCDEX Delivery Centers**
- ❖ **Domestic Outlook and Spot Prices**
- ❖ **Progressive Sowing**
- ❖ **International Wheat Market**
- ❖ **IGC**
- ❖ **CBOT Future Contract**
- ❖ **CBOT Trend**
- ❖ **International FOB Trend**

Wheat Domestic Market Fundamentals

Kanpur Wheat Mill delivery was traded at Rs. 2160 per quintal up by 1.89 percent from previous week's Rs. 2120 per quintal. Continuing huge export demand supporting the prices. Private players are purchasing the wheat at lucrative prices in view of handsome export demand from international markets.

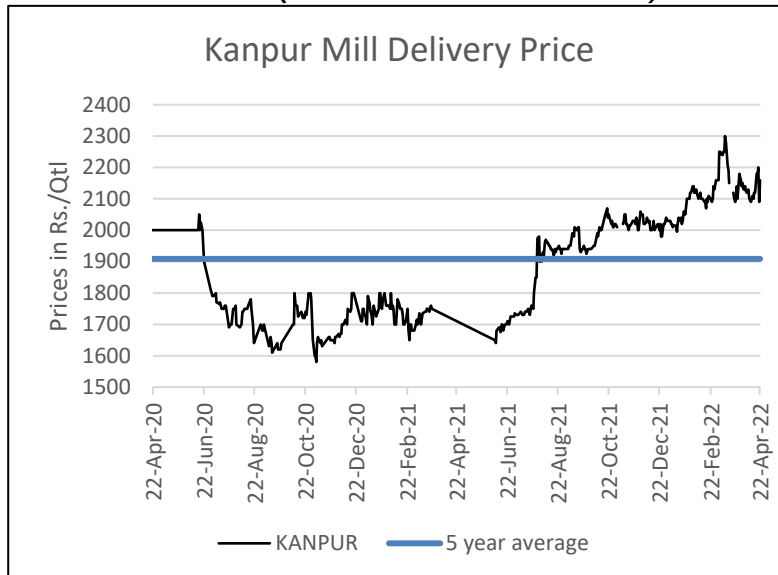
As of 20th April, the government wheat procurement stood at 109.78 Lakh MT (LMT) which is 41.16 percent down from 186.58 LMT of wheat procured last year. The procurement in Uttar Pradesh remains low at 0.51 LMT.

As of 22nd April, almost 43 percent of the total procurement was done for 2021-22 season. And given the current pace of procurement, we expect that the procurement for 2022-23 to be around 254-256 LMT whereas government needs to procure 280-290 LMT of wheat in order to fulfill the stocks for PDS, PMGKAY and other schemes.

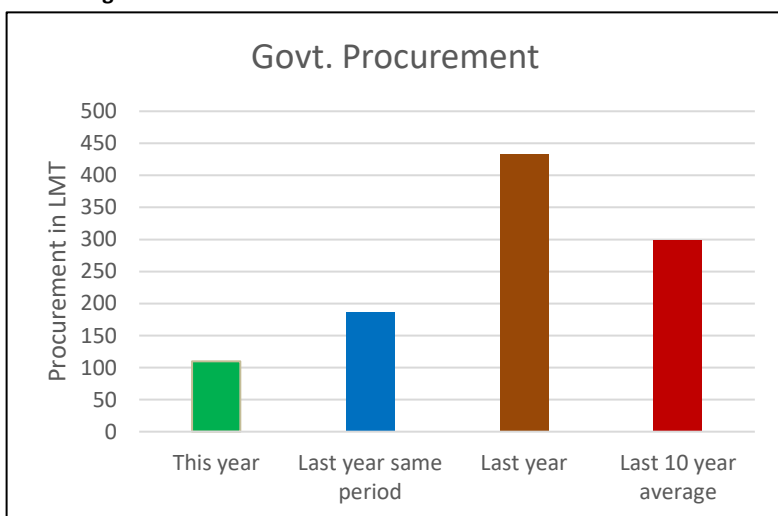
The quality of crop coming to the market is below average. In Punjab, the percentage of shriveled grains are ranging between 10-20% which is higher than the permissible limit of 6%. In Malwa region, the percentage is 20%, while in Bathinda and Kapurthala region it is between 10-12%.

In the recent crop cutting experiment conducted by Punjab Agriculture Department in Punjab suggest the yield is lower from 48.68 quintal per hectare to 43 quintal per hectare due to the heatwave situation. AgriWatch has already estimated yield loss to be in the range of 8-10% in

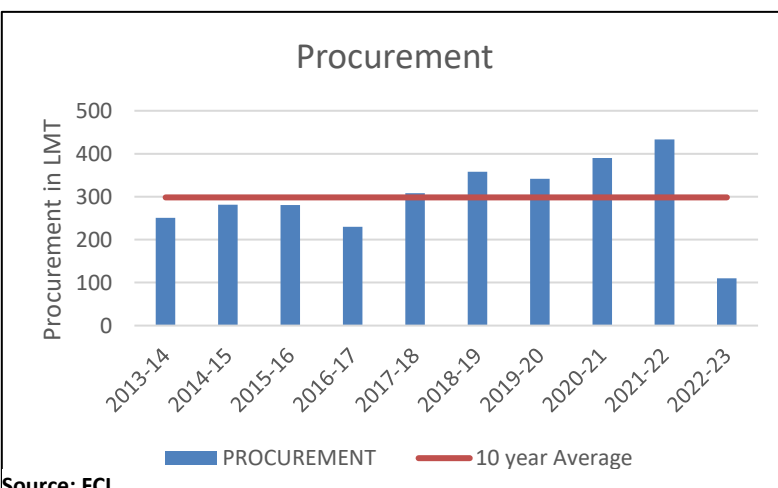
[\(Back to Table of Contents\)](#)



Source: AgriWatch



Source: FCI

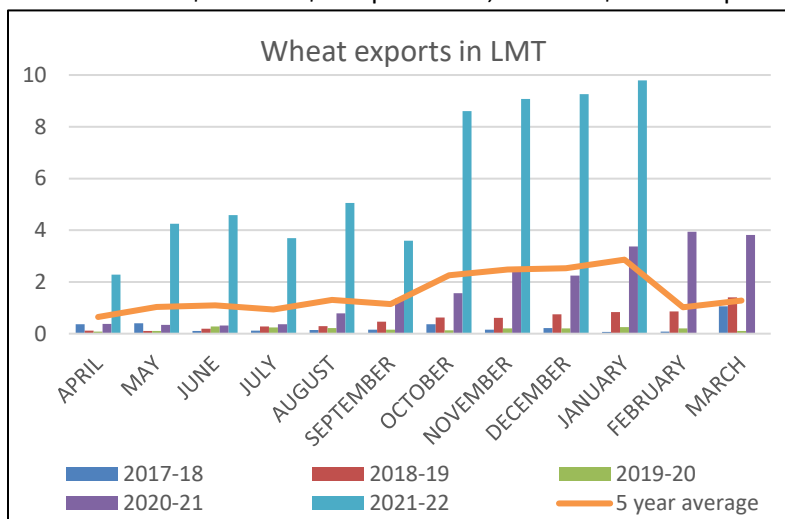


Source: FCI

Punjab. Though as per Indian Institute of Wheat and Barley Research (IIWBR), the yield reduction in Punjab is minor as most of the crops had been sown early. The major impact was seen in late sown crops which are small proportion of crops. IIWBR is still expects that wheat output will be between 111-112 MMT.

Recently export deals from India were signed at FOB between \$330 and \$335 per tonne, which is \$100 cheaper than European offers received by Egypt. Currently the freight cost for India's wheat to Egypt would be around \$70 a tonne against \$30-\$40 a tonne for the supplies from the Black Sea region. Egypt is likely to procure 1 MMT of wheat from India with 240,000 MT of wheat to be purchased in the month of April itself.

Meanwhile, looking at the current pace of wheat exports and falling govt. procurement/purchase, we expect that govt. may put some kind of restriction on exports to curb the inflationary issue amid rising prices and to secure the domestic supplies. So, coming few weeks procurement is crucial for determining India's stance on future export policy.



Source: APEDA

Outlook & Recommendation: The wheat is enjoying good export demand which will continue in coming weeks as well. The market is expected to stay firm in coming week as well.

Trade Call: There is no NCDEX trading currently.

Weather Outlook: The heatwave scenario is expected in Northern part of country. The wheat crop has been matured in almost all the part thus there would be negligible to nil impact on the crop due to the heatwave.

Wheat Weekly Export

[\(Back to Table of Contents\)](#)

A week-on-week Exports	Quantity in MT	Average FoB (\$/T)
01-08 Feb-2022	97912.64	331.12
9-15 Feb-2022	193472.56	331.73
16-23 Feb-2022	48174.54	359.68
24-28 Feb-2022	25492.70	425.13
Total	365052.43	353.47

Source: Trade

Wheat Import

Date	Origin	Port	Quantity in MT
April to Dec-2021	Australia, UK	Tuticorin	51.06
	Mexico, USA		3.00
	Total		54.06

Source: Apeda

Weather: -

Weather forecast:

Forecast: - April 2022

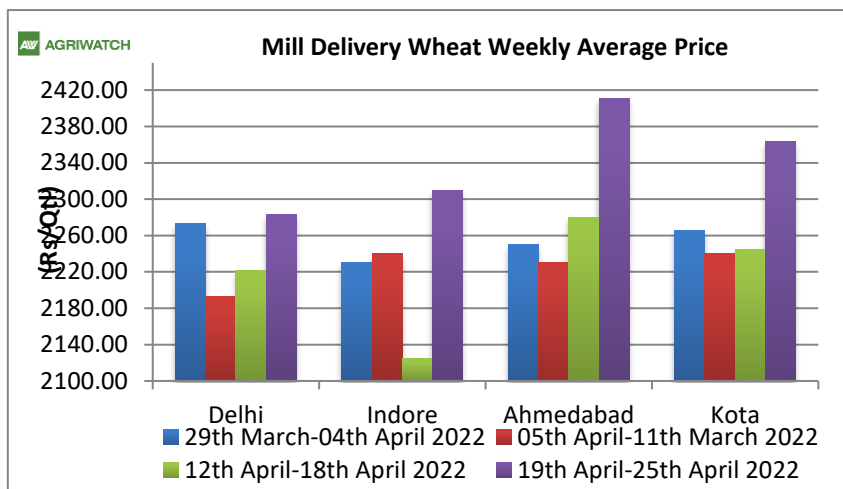


Source: IMD

Wheat Weekly Average Price Chart

[\(Back to Table of Contents\)](#)

In all the mandis, the prices were showing firm tone. The sentiments are firm currently in the market with good export demand supporting the prices. In Delhi, the prices are expected to trade in the range of Rs. 2280-2380 per quintal in coming week. In Indore, the expected price range is Rs. 2270-2370 per quintal. In Ahmedabad, the expected range is Rs. 2400-2500 per quintal.



Wheat and Rice Stocking Norms

<u>Wheat Stock Norms</u>						
Fig. In Lakh Tonne	Operational Stock			Strategic Reserve		
	Rice	Wheat	Total	Rice	Wheat	Grand Total
As on						
1st April	115.80	44.60	160.40	20.00	30.00	210.40
1st July	115.40	245.80	361.20	20.00	30.00	411.20
1st October	82.50	175.20	257.70	20.00	30.00	307.70
1st January	56.10	108.00	164.10	20.00	30.00	214.10
Buffer Norms w.e.f. 01.07.2017						

Procurement RMS 2022-23

State/UTs	Procurement as of 20 th April-2022 (Figures in LMT)		
	FCI (A)	State Agency (B)	Total (A+B)
Punjab	1.92	53.33	55.25
Haryana	2.84	29.55	32.39
Uttar Pradesh	0.02	0.49	0.51
Madhya Pradesh	0	21.58	21.58
Bihar	0	0	0
Rajasthan	0.01	0.00	0.01
Others	0.04	0	0.04
All-India	4.82	104.96	109.78

FOB & CIF Quote for Wheat at Kandla

[\(Back to Table of Contents\)](#)

	At Kandla
Mill delivery (Rajkot)	23400
Freight charge	310
Misc. Charges (port handling)	650
FOB (at Kandla Rs/T)	24360
FOB value in \$ for FAQ	318.60
Freight Charges (US \$/ton) to Dubai	44
Insurance @ 0.1% (\$/MT)	31.86
CIF to Dubai (value in \$ for SRW)	394.46

(INR value: 76.46 as on 22.04.2022)

The Indian wheat FOB prices quoted at 318.60 per tonne which is up from 313.89 per tonne last week. The huge export demand is driving the FOB on firm side.

Indicative FOB Quotes:

Wheat FOB	Variety	Current Week	Week Ago	Month Ago	Year Ago	% Change over Prev. Week
		21-Apr-22	14-Apr-22	22-Mar-22	21-Apr-21	
USA (Chicago)	2srw	437	447	464	-	-2.24
France	FCW3	448	447	448	-	0.22
Argentina	ASW	439	413	401	-	6.30
Russia	SRW	375	375	435	-	-
India	FAQ	320.74	310.71	305.60	-	3.23

International Weekly Outlook:

The US FOB is down by 2.24 percent compared to previous week. There is forecast for good rains next week in the US plains which pressurizing the prices. Also, as per USDA, the export sales of wheat totaled at 264,800 MT which is at lower end of the forecasted range. The French wheat remains steady as the sales were expected to be on downside this week. The Russian FOB remains steady compared to previous week though the supplies from Russia has increased recently which is expected to support the FOB in coming week. Argentina's FOB continues to stay firm with production fall for 2022-23 season supporting the market.

Spot Price at NCDEX Delivery Centers:

Spot prices of wheat at NCDEX Delivery Centers					
NCDEX SPOT	Today	Week Ago	Month Ago	Year Ago	% Change over prev. Year
	20-Apr-22	13-Apr-22	21-Mar-22	20-Apr-21	
Indore	2194	2135	2139	-	-
Delhi	2275	2209	2272	1929	17.94
Kanpur	2220	2080	2120	1760	26.14
Rajkot	2372	2300	2305	-	-
Kota	2372	2200	2272	1921	23.48

Domestic Market Weekly Outlook:

[\(Back to Table of Contents\)](#)

Spot Market Price:							
Centre	Market	Variety	Prices (Rs/Qtl)				
			Today	Yesterday	Week Ago	Month Ago	Year Ago
			22-Apr-22	21-Apr-22	15-Apr-22	22-Mar-22	22-Apr-21
Delhi	Lawrence Road	Mill Delivery	2230	2250	2230	2300	Closed
	Narella	Mill Quality Loose	2140	2135	2060	2140	Closed
	Nazafgarh	Mill Quality Loose	2125	2150	2065	2180	Closed
Gujarat	Rajkot	Mill Delivery	2340	2350	2300	2230	Closed
	Ahmedabad	Mill Delivery	2425	2410	2370	2335	Closed
	Surat	Mill Delivery	2475	2460	2400	2360	Closed
	Dhrol	Mill Delivery	2310	2375	2355	-	-
M.P.	Indore	Mill Delivery	2300	2330	Closed	Closed	Closed
	Bhopal	Mill Quality Loose	2100	2080	Closed	Closed	Closed
Rajasthan	Kota	Mill Quality Loose	2200	2200	2100	2100	1850
		Mill Delivery	2350	2350	2250	2250	2000
U.P.	Kanpur	Mill Delivery	2160	2090	2120	2100	1760
	Mathura	Mill Quality Loose	2150	2160	2055	2100	1715
	Kosi	Mill Quality Loose	2180	2200	2025	2200	1770
	Hathras	Mill Quality Loose	2200	2200	2030	2100	1780
	Aligarh	Mill Quality Loose	2080	2150	2020	2090	1780
Punjab	Khanna	Mill Quality Loose	2025	2025	2015	2100	1975



	Ludhiana (Jagraon)	Mill Delivery	2125	2120	2120	-	-
Haryana	Sirsa	Mill Delivery loose	2070	2075	2015	2110	1975
	Hodal	Mill Delivery	-	-	-	-	-
	Bhiwani	Mill Quality Loose	2100	2110	2015	2200	1880
	Karnal	Mill Delivery	-	-	-	-	-
	Panipat	Mill Quality Loose	2040	2040	2015	-	1975
Tamil Nadu	Chennai	Mill Quality	2500	2500	2500	2400	2100
	Madurai	Mill Quality	2557	2700	2650	2600	2250
	Coimbatore	Mill Quality	2557	2750	2700	2650	2300
Bihar	Khagariya	Mill Delivery	2200	2200	2050	2100	1800
	Muzaffarpur	Mill Delivery	2200	2200	2050	-	1770

[Ongoing Rabi sowing 2021-22](#)

[\(Back to Table of Contents\)](#)

Rabi sowing update (as on 04.02.2022)				
State	Normal area (2021)	2021	2020	Absolute Change 2021 vs. 2020
Bihar	21.25	24.21	22.99	1.22
Chhattisgarh	1.08	1.69	1.98	-0.29
Gujarat	9.44	12.50	13.66	-1.16
Haryana	25.32	23.87	25.21	-1.34
Himachal Pradesh	3.22	3.40	3.40	0.00
J&K	2.80	2.48	2.50	-0.02
Jharkhand	1.94	2.26	2.31	-0.05
Karnataka	1.67	1.67	1.90	-0.23
Madhya Pradesh	58.65	91.96	87.98	3.98
Maharashtra	10.20	10.60	11.88	-1.28
Punjab	35.11	35.02	35.09	-0.07
Rajasthan	29.49	31.00	32.62	-1.62
Uttar Pradesh	96.89	97.23	99.04	-1.81
Uttarakhand	3.32	3.22	3.27	-0.05
West Bengal	2.16	1.89	1.94	-0.05
Others	0.20	0.00	0.000	0.00
All-India	303.06	343.26	346.10	-2.84

International Market Update:**[\(Back to Table of Contents\)](#)**

Argentina's wheat production could fall by 25% in central producing region during the 2022-23 season, due to dry weather and increasing input costs. The wheat output in the central farming region would decline by 2 MMT, from 7.8 MMT produced during the 2021-2022 season, as planting is seen down by 10% and use of fertilizers down 20%. With the Russian sanctions, the fertilizer cost will remain inflated diverting farmers from wheat sowing.

Turkey is expected to increase wheat production by 1 MMT in 2022-23, though farmers is facing increased input costs. The increased production expectations are due to high subsidies provided by the government for wheat farmers. Wheat production is estimated at 17 MMT. About 2 MMT of that is expected to be durum wheat. Area harvested is projected to contract by 300,000 hectares but improved weather conditions are expected to increase yields.

USDA has rated 30% of U.S. winter wheat in good to excellent condition which is down by 2% from a week ago, and the lowest for this time of year since 1996. Tightening global wheat supplies and the conflict between Ukraine and Russia, have intensified the significance of U.S. winter wheat production prospects.

Canada's wheat exports fell by over 64% on the week to 67,400 MT in the week ended April 10th. Wheat exports for the marketing year 2021-22 through April 10 fell by 42% on the year to 7.9 MMT. Exports of the food grain fell in the week ended April 10 as Canadian wheat prices started to increase amid continued uncertainty over trade prospects from the Black Sea region and drought conditions in the Prairies. Canada's durum wheat exports in the week ended April 10 fell to 42,900 MT from 53,600 MT in the previous week.

Russian wheat export prices rose last week due to active supplies from the Black Sea ports and due to higher global prices for wheat in CBOT. There are new deals, but not too many, and from limited number of countries: Turkey as prime destination, followed by Iran and Egypt. Prices for wheat with 12.5% protein content for supply in May from the Black Sea ports were up \$2 to \$370 FOB. Russia exported 630,000 MT of grains last week, compared with 400,000 MT a week earlier. It is expected that Russia will be able to increase exports in the 2022-23 due to high carry-over stocks, record crop forecast and the expiry of a state export quota. Currently Russian exporters are resolving issues with payments and logistics.

IGC Wheat Balance Sheet:
[\(Back to Table of Contents\)](#)

IGC Forecast (Fig-In MMT)	2019-20	2020-21 est.	2021-22 F'cast		2022-23 Proj
			17.03.2022	21.04.2022	21.04.2022
Production	762	775	781	781	780
Trade	185	190	194	193	193
Consumptions	746	771	778	778	785
Carryover stocks	275	279	281	282	277
Y-O-Y change	15	4		3	-5
Major Export	62	60	63	64	66

- IGC has projected 2022-23 global wheat production at 780 MMT down from 2021-22 estimate. IGC has estimated global wheat production at 781 MMT for 2021-22, similar to last month's estimate.
- The trade projection for 2022-23 is 193 MMT similar to 2021-22 forecast.
- Consumption has been increased for 2022-23 projection by 7 MMT compared to 2021-22 forecast.
- Carryout for 2022-23 is projected at 66 MMT which is 2 MMT higher than 2021-22 forecast.

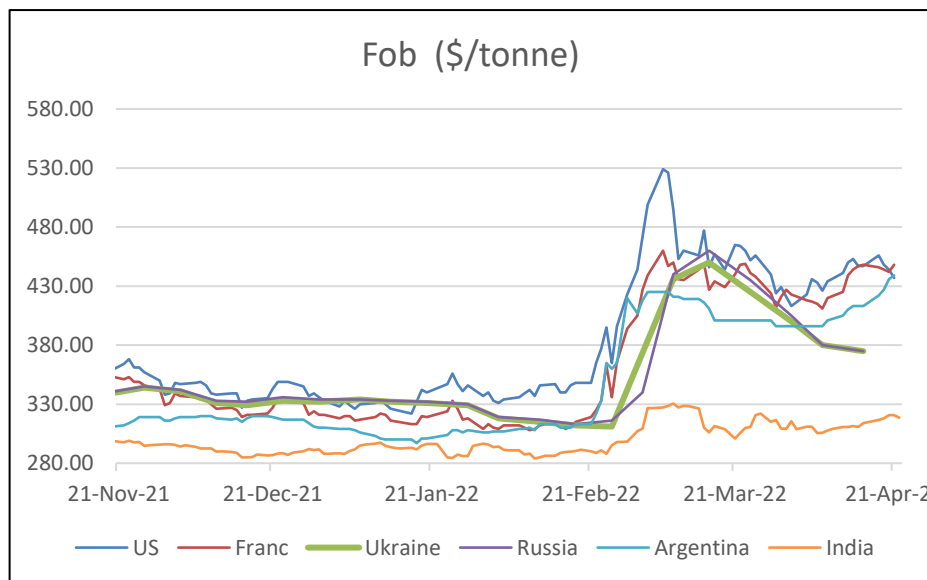
CBOT FUTURES CONTRACT:

CBOT Futures Prices:(USD/T)							
CONTRACT MONTH	Today	Week Ago	Month Ago	3 Month Ago	6 Month Ago	Year Ago	% Change over prev. year
	22-Apr-22	15-Apr-22	22-Mar-22	20-Jan-22	22-Oct-21	22-Apr-21	
May-22	392.38	402.85	411.21	291.53	277.94	249.37	57.35
Jul-22	395.51	405.79	401.57	287.03	278.21	239.82	64.92
Sep-22	395.05	404.51	387.24	286.85	279.78	239.45	64.98
Dec-22	394.13	401.84	373.37	288.13	280.42	-	-
Mar-23	393.85	398.90	363.08	289.51	276.74	-	-
May-23	392.38	393.67	349.86	289.51	212.45	-	-
Jul-23	378.70	369.15	327.35	-	-	-	-

US Wheat Futures May -22
[\(Back to Table of Contents\)](#)

1st Support: 981.06
2nd Support: 930.73
1st Resistance: 1157.81
2nd Resistance: 1321.71
(\$ per tonne)

The CBOT wheat futures is moving in range bound. The candles are trading below 9DMA and has taken support at 18 DMA. There has been profit booking. MACD crossover suggest bearish trend. And RSI has decreased from 57.79 to 49.87 suggesting decreased buying strength.

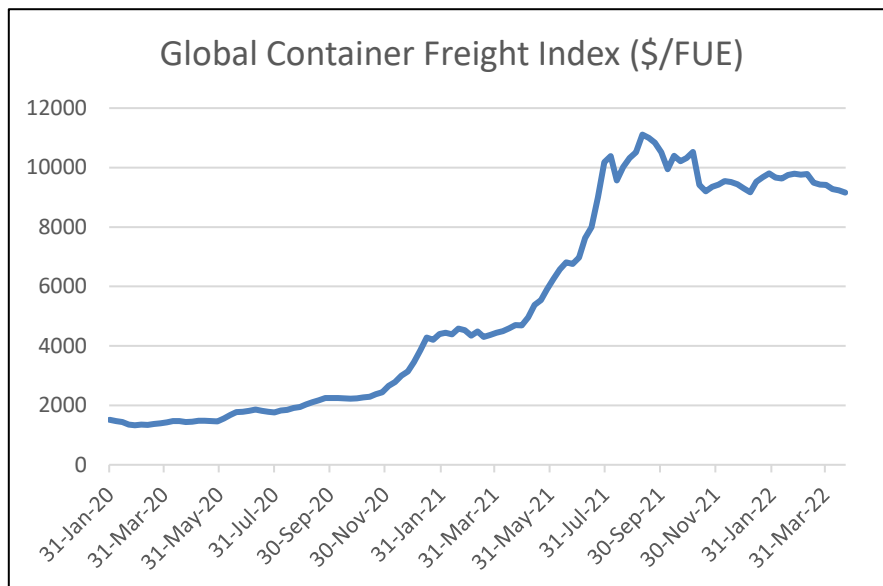

International FOB Weekly Price Movement


Indian FOB is being quoted at \$318.60 per tonnes. With good export pace going, we can expect the FOB to stay firm in coming week as well. Though still remains largely competitive.

Source: AgriWatch/IGC

Container Freight Index

The global freight index fell by 0.81 percent compared to previous week to \$9157 per Foot Unit Equivalent. Export volumes from China have dropped significantly since the start of the lockdowns. The authorities have announced measures to reopen factories and improve trucking availability in Shanghai with the hopes of keeping the supply chain moving until the wave passes. Currently, shippers are looking to alternative ports like nearby Ningbo, though congestion is growing there and additional restrictions have been introduced in the area. Ocean rates out of China have fallen moderately since the start of the lockdowns. We expect the rates to go up once the Shanghai port reopens.



Source: FBX

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