

■ W H E A T

■ June 08, 2007

Domestic Market Recap**Punjab, Haryana, U.P. and Rajasthan Contribute for Procurement**

In Thursday's trading, most of the major markets witnessed a rise in wheat prices against a normal supply. Total arrivals in Delhi (Lawrence Road) increased to 17,000 qtls as well as prices remain down to Rs 945 per quintal on improved demand from local floor millers. At Narela and Najafgarh markets the price remains 915/qrtl, and 900-910/ qtl respectively (loose basis) on the back of arrivals 4000-5000 qtls and 3000 qtls respectively. Karavali market has witnessed 800 qtls arrivals and price remains at Rs.870-875/ qtls. Achnera market is closed

Domestic Spot Market Prices

Market	Variety	Prices (Rs/qrtl)		Change	Arrivals (Qtls)
		07.06.07	06.06.07		
Delhi (Lawrence Road) Ready Delivery	Mill quality	945	940-950	-5	17,000
Delhi (Narela) Loose	Mill quality	915	No trading	-	5000
Haryana (Palwal) Loose	Mill quality	875	875	-	1500
Uttar Pradesh (Mathura) Loose	Mill quality	885	882	+3	1500
Uttar Pradesh (Kosi) Loose	Mill quality	880-882	875	+7	2500
Haryana (Hodal) Loose	Mill quality	883-884	880	+4	500
Gujarat (Rajkot) Loose	Mill quality	865	855	+10	1500-2000
Rajasthan (Kota)	Mill quality	970-975	962-968	+7	s
Uttar Pradesh (Kanpur)	Mill quality	962-967	955-960	+7	
Madhya Pradesh (Indore)	Mill quality	920-926	925-930	+4	
Uttar Pradesh (Bareilly)	Mill quality	955-960	950-955	+5	

International Futures Quotes (as of June 06, 2007)**CBOT**

Contract Month	Open	High	Low	Settle	Change
July 2007	527.50	531.50	515.50	519.75	-7.50
September 2007	543.00	545.75	530.00	534.50	-8.75
December 2007	553.25	557.00	541.50	547.50	-7.00

KCBT

Contract Month	Open	High	Low	Settle	Change
July 2007	512.50	515.50	501.50	503.50	-7.00
September 2007	525.00	526.00	513.00	516.75	-5.25
December 2007	537.25	542.50	530.00	533.50	-4.75

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International Market Recap**CBOT Wheat Futures Settled Down**

CBOT wheat futures settled down Wednesday on increased profit booking at higher levels. July wheat slid 7.5 cents to \$5.198 per bushel. That was 10.75 off the high and 4.25 up from the low. December Wheat finished down 7 cents at \$5.475 per bushel. This was 5.5 up from the low and 9 off the high. Improving weather for the southern plains were seen as the main fundamental reasons for the wheat market to collapse and close sharply lower on the day. Ideas that the US weather could improve enough to see harvest progress begin to pick-up helped drive the market sharply lower into the mid-session. However, talk of a higher wheat production forecast from China was added some bullishness. The China National Grain and Oils Information Centre revised their wheat production forecast higher by 3.2 million tonnes from their previous estimate to 105 million tonnes vs. 104.47 million tonnes last year and 97.45 million tonnes in 2005. For the USDA Crop Production report on Monday, traders are looking for winter wheat production near 1.64 billion bushels (range 1.592-1.686) as compared with 1.616 billion projected last month and 1.298 billion bushels last year. For all wheat production, traders are looking for production near 2.206 billion bushels (range 2.163-2.229) as compared with 2.174 billion projected last month and 1.812 billion bushels last year. For Monday's USDA Supply/Demand report traders are looking for new crop ending stocks near 498 million bushels (range 458-539) as compared with 469 million posted in May and 412 million for this year. Traders are also looking for a slight increase in this year's ending stocks of near 1 million bushels to 413 million with a range of 402-427.

News Analysis**Govt. Wheat Procurement has Increased by 16% so far**

Wheat procurement by Government surpasses last year procurement and stood around 10.70 Mln Tonnes so far as on June 4 excluding 6 lakh tonnes procured by state government of Punjab. The procurement has increased by 16% till now as against last year. The Centre had bought a total of 9.22 Mln Tonnes of the food grain last year. The procurement is still short of the targeted 15 Mln Tonnes despite a 4 Mln Tonnes projected increase in output. The trend is showing that Govt. will be able to procure around 12 Mln Tonnes of the food grain this year. Daily arrivals are still strong. Near about 14.70 Mln Tonnes wheat arrived in the mandis, up 43,699 tonnes from a day earlier, and 8.2% from a year ago period. The news of India's floating wheat import tenders had motivated farmers to bring to the market their produce that was earlier being held back. The government has extended wheat procurement in Punjab and Haryana by 15 days until Jun 15 and it will continue in other states till June end. The government usually wraps up wheat procurement operations by May 31. The procurement of Punjab is still lower whereas, in Haryana, U.P., M.P. and Rajasthan it is higher as compared to last year. In Punjab, wheat procurement, till date, is lagging at 6.56 Mln Tonnes, down 5.4% from 6.94 Mln Tonnes a year ago period.

Weather Impact Analysis

Harvesting of wheat is complete in the northwestern parts. Threshing and drying is in progress in Punjab and

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