

■ W H E A T

■ June 19, 2007

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

In Monday's trading, most of the major markets witnessed steady to up in wheat prices against a lower supply. Total arrivals in Delhi (Lawrence Road) decrease to 1500 qtls and prices remain up between Rs. 950-955 per quintals on improved demand from local floor millers. At Narela and Najafgarh markets the price remains 900-908/qrtl, and 900-913/qrtl respectively (loose basis) on the back of arrivals around 1000-qtls and 1000qtls respectively. Karavali market witnessed arrivals around 500-700qtls and price remain Rs. 875/qrtl. Achnera market saw the arrivals around 500qtls and price remains 880-875/qrtl.

Domestic Spot Market Prices

Market	Variety	Prices (Rs/qrtl)		Change	Arrivals (Qtls)
		18.06.07	16.06.07		
Delhi (Lawrence Road) Ready Delivery	Mill quality	950-955	940-945	+10	1500
Delhi (Narela) Loose	Mill quality	900-908	895-905	+3	1000
Haryana (Palwal) Loose	Mill quality	870-872	880	-8	300
Uttar Pradesh (Mathura) Loose	Mill quality	880	882	-2	2500
Uttar Pradesh (Kosi) Loose	Mill quality	880-890	890	-	150
Haryana (Hodal) Loose	Mill quality	885	875	+10	400
Gujarat (Rajkot) Loose	Mill quality	865	865	-	300
Rajasthan (Kota)	Mill quality	985-990	975-980	+10	
Uttar Pradesh (Kanpur)	Mill quality	962-967	960-965	-2	
Madhya Pradesh (Indore)	Mill quality	945-950	940-945	+5	
Uttar Pradesh (Bareilly)	Mill quality	960-965	955-960	+5	

International Futures Quotes (as of June 15, 2007)**CBOT**

Contract Month	Open	High	Low	Settle	Change
July 2007	605.25	612.75	603.00	606.50	-
September 2007	619.25	627.00	617.00	620.75	-1.75
December 2007	621.50	625.00	616.00	622.00	+0.50

KCBT

Contract Month	Open	High	Low	Settle	Change
July 2007	600.00	606.50	594.00	596.25	-3.75
September 2007	609.00	616.00	603.00	609.00	-3.50
December 2007	614.00	621.00	610.00	611.50	-2.75

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

CBOT wheat futures drifted Friday on profit taking at historical levels. July wheat finished flat at \$6.065 per bushel. This was 6 off the high and 3 1/2 up from the low. December Wheat closed up 0.5 cents at \$6.22 per bushel. This was 5 up from the low and 2 off the high. Ideas that the market is overbought combined with news that Egypt cancelled their tender for buying 55,000-60,000 tonnes of wheat helped spark a long liquidation set-back early in the session. However, rains forecast in the southern plains on Monday and Tuesday of next week are threatening crop losses and delaying harvest and more rains early next week could spark more damage. Dryness is expected to continue to stress crops in Ukraine and Russia which is also helping to support the market as further crop losses from the Black Sea region could spark increased interest in US wheat.

News Analysis**Govt. Wheat Procurement has Increased by 17.5 % so far**

Wheat procurement by Government remained flat as against the previous day and stood around 10.83 million tonnes so far as on June 14 as against the 9.22 million tonnes of the food grain was procured last year. It is expected that government will be able to procure a little above of 11 million tonnes of the food grain this year as against targeted 15 million tonnes as the procurement season is over in the key wheat growing states of Punjab and Haryana. However, the procurement will continue in other states till June end as progressive procurement is remained strong. Arrivals are remained strong in the country. Around 50,000 tonnes wheat is still arriving in mandis on daily basis this year as against the last year's arrivals of 20,000 tonnes in the same period. This is because of farmer are offloading stored wheat to sell to the government at the minimum support price (MSP) of Rs 850/qtl. because lacking of other option.

Wheat Procurement is Ended in Punjab and Haryana

The procurement season is over in the key wheat growing states of Punjab and Haryana. However, the procurement will continue in other states till June end as progressive procurement is remained strong. Despite an extension of 15 days and a bonus, the Punjab state farmers held back some amount with a hope to get a better price in near future. Total procurement in Punjab still falls short of procurement targets. The state has contributed the lower amount of 6,577,018 tonnes to the Central pool (excluding the 6.1 lakh tonnes purchased by state government for its atta-dal scheme) as against the last year procurement around 6,945,762 tonnes. The target this year is stood around 75 lakh tonnes. The total wheat out put in the state is around 145 lakh tonnes. However, in the states of Haryana, U.P., M.P. and Rajasthan it is higher as compared to last year. The total procurement in Haryana stood up around 3,344,335 tonnes as against the previous year procurement of 2,228,725 tonnes. The arrivals are remained good in the states of U.P. and M.P. and stood above 20,000 tonnes.

Weather Impact Analysis

Harvesting of wheat is complete in the country. So weather is not a major concern. However, heavy rains may affect the government procurement activity.

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