

■ W H E A T

■ June 28, 2007

Domestic Market Recap

In Wednesday's trading, most of the major markets witnessed steady to up in wheat prices amidst some demand from local flour millers. Total arrivals in Delhi (Lawrence Road) remained up at 18,000 qtls and prices quoted marginally higher between Rs. 970-972 per quintals. Narela and Najafgarh markets are closed. Karavali market witnessed arrivals around 300qtls and price remained up between Rs. 895-900/ctl. Achnera market witnessed arrivals around 600 qtls and price remained between 890-895/ctl.

Domestic Spot Market Prices

Market	Variety	Prices (Rs/ctl)		Change	Arrivals (Qtls)
		27.06.07	26.06.07		
Delhi (Lawrence Road) Ready Delivery	Mill quality	970-972	970	+2	18,000
Delhi (Narela) Loose	Mill quality	Closed	930-938	-	2500
Haryana (Palwal) Loose	Mill quality	893	893	-	700
Uttar Pradesh (Mathura) Loose	Mill quality	900	900	-5	2000
Uttar Pradesh (Kosi) Loose	Mill quality	903-906	904	+2	1200
Haryana (Hodal) Loose	Mill quality	905	900-905	-	500
Gujarat (Rajkot) Loose	Mill quality	910	-	-	
Rajasthan (Kota)	Mill quality	1003-1008	998-1003	+5	
Uttar Pradesh (Kanpur)	Mill quality	972-978	965-970	+8	
Madhya Pradesh (Indore)	Mill quality	975-980	977-982	-2	
Uttar Pradesh (Bareilly)	Mill quality	965-970	972-977	+7	

International Futures Quotes (as of June 26, 2007)**CBOT**

Contract Month	Open	High	Low	Settle	Change
July 2007	596.00	618.50	596.00	608.50	+19.00
September 2007	620.00	634.50	618.00	626.00	+21.50
December 2007	628.00	643.50	626.00	634.00	+19.25

KCBT

Contract Month	Open	High	Low	Settle	Change
July 2007	577.00	598.00	577.00	588.50	+20.50
September 2007	594.00	608.00	590.00	598.00	+18.25
December 2007	605.00	622.00	605.00	612.25	+17.25

International Market Recap**CBOT Wheat Futures Settled Sharply Up**

CBOT wheat futures finished up Tuesday on concerns about the lagging domestic harvest and shrinking global supplies. July wheat settled up 19 cents at \$6.085 per Bushel. This was 8.5 off the high and 8 up from the low. December Wheat closed up 19.25 cents at \$634 per bushel. This was 8 up from the low and 9.5 off the high. A decline in crop conditions, confirmation of a slow start to harvest and continued strong demand for export helped spark aggressive buying and sharply higher trade in wheat. The winter wheat harvest is behind schedule after weeks of heavy rains delayed cutting in the Southern Plains. More delays are likely as widespread precipitation is forecast. Harvest was 22% complete as of Sunday, down from 50% at the same time last year and the five-year average of 36%. In addition, Statistics Canada pegged planted area for wheat at just 21.7 million acres which is down 10.5% from last year and down from trade expectations to see 23.4 million acres.

News Analysis**India has Issued 1 Mln Tonnes Wheat Import Tender**

India has issued a wheat tender to import of 1 million tonnes of the food grain. The bids would open on July 4 and would be valid until July 10. Shipments would be made between August and November. The quality specifications remained same as in previous tenders. Earlier in the month of May an identical amount of wheat tender was cancelled due to higher global prices. However, global wheat price has increased steadily in the recent period. Wheat futures at the Chicago Board of Trade are tested 11-years high and remained at around \$6 per bushel, up more than 28 percent against three to four weeks ago. Presently, India has to pay around \$300 per tonne for the grain that is much higher from the bids of around \$263 per tonne received in the earlier tender. However, market sources are optimistic that India won't buy the entire amount on higher international prices of the commodity. However, Australia's wheat crop likely to harvest in the month between October November of this year. Therefore, some possibility of relaxation in prices at that time can not be ruled out.

Ten Agencies Steadily Procuring Wheat from the Country

There are ten agencies procuring wheat during 2007-08 rabi marketing season. The agencies are FCI, NAFED, St. Govt., C.S.C., CO-OP, CONFED, AGRO, SWC, SFC, USS. Among the agencies CO-OP has procured largest amount around 302,863,9 tonnes so far as on 20.06.07. The other agencies have procured like, St. Govt. 220,666,6 tonnes, CSC 156,282,4 tonnes, FCI 153,486,3 tonnes, AGRO 113,324,4 tonnes, SWC 107,043,4 tonnes, CONFED 266,574 tonnes, NAFED 186,769 tonnes, USS 35181 tonnes, SFC 33296 tonnes, in descending order. SFC and USS have procured wheat only from Uttar Pradesh. CONFED only from Haryana and CSC from Punjab. FCI procures wheat from Punjab, Haryana, U.P., M.P., Bihar, Rajasthan, Uttarkhand and Delhi. Wheat procurement from Bihar and Delhi increase to 5024 tonnes and 873 tonnes as against 984 tonnes and 846 tonnes last week respectively. There was no procurement of wheat by government agencies from the states during last year. St. Govt. has purchased its maximum quantity around 127,464,9 tonnes from Punjab followed by 813,724 tonnes from Haryana. CO-OP has procured its largest amount around 166,402,7 from Punjab followed by 128,915,8 tonnes from Haryana. NAFED has procured its largest amount around 138,009 tonnes from U.P. so far as on above mention date., heavy rains may affect the government procurement activity.

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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