

## ■ W H E A T

■ June 22, 2007

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

In Thursday'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 14,500 qtls and prices quoted higher between Rs. 955-960 per quintals. At Narela and Najafgarh markets the price remains 915-920/qrtl, and 906/qrtl respectively (loose basis) on the back of arrivals around 6000-qtls and 3000qtls respectively. Karavali market witnessed arrivals around 800qtls and price remain Rs. 875/qrtl. Achnera market is closed.

**Domestic Spot Market Prices**

Market	Variety	Prices (Rs/qrtl)		Change	Arrivals (Qtls)
		21.06.07	20.06.07		
Delhi (Lawrence Road) Ready Delivery	Mill quality	955-960	950-955	+5	14,500
Delhi (Narela) Loose	Mill quality	915-920	Closed	-	-
Haryana (Palwal) Loose	Mill quality	876	875	+1	700
Uttar Pradesh (Mathura) Loose	Mill quality	880	877-878	+2	1000
Uttar Pradesh (Kosi) Loose	Mill quality	885-890	888-889	+1	800
Haryana (Hodal) Loose	Mill quality	888	887	+1	400
Gujarat (Rajkot) Loose	Mill quality	865	865	-	300
Rajasthan (Kota)	Mill quality	986-991	985-990	+1	
Uttar Pradesh (Kanpur)	Mill quality	962-967	962-967	-	
Madhya Pradesh (Indore)	Mill quality	960-965	958-963	+2	
Uttar Pradesh (Bareilly)	Mill quality	955-960	960-965	-5	

**International Futures Quotes (as of June 20, 2007)****CBOT**

Contract Month	Open	High	Low	Settle	Change
July 2007	586.50	611.00	586.50	605.00	+24.00
September 2007	602.00	627.00	601.50	616.00	+19.00
December 2007	606.00	631.50	606.00	623.50	+22.00

**KCBT**

Contract Month	Open	High	Low	Settle	Change
July 2007	573.00	598.00	571.50	586.50	+17.25
September 2007	582.00	608.50	582.00	597.75	+19.25
December 2007	596.00	622.00	595.00	609.00	+17.00

# CEREAL

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DAILY

## WHEAT

June 22, 2007

### International Market Recap

#### CBOT Wheat Futures Settled Up on Crop Concerns

CBOT wheat futures settled up Wednesday on fund buying and bullish talk about yield losses from unfavorable weather. July wheat closed up 24 cents at \$6.05 per bushel. This was 6 off the high and 18.5 up from the low. December Wheat closed up 22 cents at \$6.235 per bushel. This was 17.5 up from the low and 8 off the high. While traders came into the week expecting a much drier trend for the southern plains, more rains in Oklahoma and Texas overnight helped spark increased concerns for seeing much progress in harvest this week which increases the possibility for more disease problems for the un-harvested hard red winter wheat crop. Unfavourable warm and dry weather in the eastern Midwest has sped up soft red winter wheat maturation and shortened a key period of development known as grain filling. The trade is also a bit surprised with the significant jump in import demand on the minor break off of last week's contract highs. Taiwan bought 89,910 tonnes of US wheat overnight. South Korea is tendering to buy 42,700 tonnes of US wheat and Iraq announced a tender for 350,000 tonnes of wheat flour.

### News Analysis

#### Govt. Wheat Procurement has Increased to 11.04 Mln Tonnes so far

Wheat procurement by Government crosses 11 million tonnes and stood around 11,045,460 tonnes so far as on June 19 as against the 9.22 million tonnes of the food grain was procured last year. However, it is unlikely that government will touch the targeted 15 million tonnes of the food grain procurement as the procurement season is over in the key wheat growing states of Punjab and Haryana. However, the procurement will be continuing in Uttar Pradesh, Rajasthan, and Delhi till June end as progressive procurement is remained strong. In Bihar, procurement operations continue until Jul 15. According to the market players the procurement of wheat this year likely to be around 11.2 million tonnes. In the states of Haryana, U.P., M.P. and Rajasthan the wheat procurement is higher as compared to last year. The total procurement in Uttar Pradesh stood up around 498,990 tonnes as against the previous year procurement of 45,583 tonnes so far. In Madhya Pradesh it is remained higher around 56,690 as compared to last year procurement of only 20 tonnes. In Rajasthan the procurement stood up also around 378,860 tonnes as against 1,582 tonnes procured last year. The arrivals are remained good in the states of U.P. and M.P. and stood above 20,000 tonnes. It is learnt that to bridge the gap between procurement and demand under state-run welfare schemes, the government is planning to import 3-5 million tonnes of wheat this year.

### 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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