

## ■ W H E A T

■ June 18, 2007

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

In Saturday'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 6,000 qtls and prices remain flat between Rs. 940-945 per quintals on improved demand from local floor millers. At Narela and Najafgarh markets the price remains 895-905/qrtl, and 894-895/qrtl respectively (loose basis) on the back of arrivals around 500-qtls and 2500qtls respectively. Karavali market witnessed arrivals around 2000qtls and price remain Rs. 870-875/qrtl. Achnera market saw the arrivals around 1000qtls and price remains 870-875/qrtl.

**Domestic Spot Market Prices**

Market	Variety	Prices (Rs/qrtl)		Change	Arrivals (Qtls)
		16.06.07	15.06.07		
Delhi (Lawrence Road) Ready Delivery	Mill quality	940-945	940-945	-	6,000
Delhi (Narela) Loose	Mill quality	895-905	900-911	+6	5,000
Haryana (Palwal) Loose	Mill quality	880	864	+16	150
Uttar Pradesh (Mathura) Loose	Mill quality	882	875-880	+2	2,500
Uttar Pradesh (Kosi) Loose	Mill quality	890	880-885	+5	600
Haryana (Hodal) Loose	Mill quality	875	867	+8	40
Gujarat (Rajkot) Loose	Mill quality	865	865	-	1,000
Rajasthan (Kota)	Mill quality	975-980	971-976	+4	
Uttar Pradesh (Kanpur)	Mill quality	960-965	955-960	+5	
Madhya Pradesh (Indore)	Mill quality	940-945	940-945	-	
Uttar Pradesh (Bareilly)	Mill quality	955-960	955-960	-	

**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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