

■ W H E A T

■ June 15, 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 down in wheat prices against a lower supply. Total arrivals in Delhi (Lawrence Road) decrease to 11,000 qtls and prices remain steady to down between Rs 940 per quintal on improved demand from local floor millers. At Narela and Najafgarh markets the price remains 901-908/qrtl, and 898-902/qrtl respectively (loose basis) on the back of arrivals around 4500-qtls and 4000qtls respectively. Karavali market witnessed arrivals around 1500qtls and price remain Rs. 870/qrtl. Achnera market saw the arrivals around 1000qtls and price remains 880-885/qrtl.

Domestic Spot Market Prices

Market	Variety	Prices (Rs/qrtl)		Change	Arrivals (Qtls)
		14.06.07	13.06.07		
Delhi (Lawrence Road) Ready Delivery	Mill quality	940	940-945	-	11,000
Delhi (Narela) Loose	Mill quality	901-908	Closed	-	4500
Haryana (Palwal) Loose	Mill quality	865	865	-	1000
Uttar Pradesh (Mathura) Loose	Mill quality	875-880	880	-	2500
Uttar Pradesh (Kosi) Loose	Mill quality	876	880	-4	1500
Haryana (Hodal) Loose	Mill quality	870	875	-5	1000
Gujarat (Rajkot) Loose	Mill quality	865	865	-	1000
Rajasthan (Kota)	Mill quality	962-968	962-967	+1	
Uttar Pradesh (Kanpur)	Mill quality	965-970	965-970	-	
Madhya Pradesh (Indore)	Mill quality	940-945	940-945	-	
Uttar Pradesh (Bareilly)	Mill quality	955-960	955-960	-	

International Futures Quotes (as of June 13, 2007)**CBOT**

Contract Month	Open	High	Low	Settle	Change
July 2007	561.00	595.00	560.50	589.50	+24.50
September 2007	566.50	610.00	566.50	605.00	+24.75
December 2007	590.00	618.00	587.00	613.00	+19.50

KCBT

Contract Month	Open	High	Low	Settle	Change
July 2007	560.00	589.00	558.50	588.50	+29.50
September 2007	570.00	603.00	570.00	601.00	+28.00
December 2007	586.00	616.00	584.00	610.75	+24.50

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International Market Recap**CBOT Wheat Futures Finished Up**

CBOT wheat futures finished up Wednesday. The front month contract tested new contract high and fresh 11-year highs on technical buying and worries about crop damage. July wheat climbed 24.5 cents to \$5.895 per bushel. This was 5.5 off the high and 29 up from the low. December Wheat closed up 19.5 cents at \$6.13 per bushel. This was 26 up from the low and 5 off the high. Severe drought in Ukraine and Russia is impacting production, and there are concerns about dryness in Argentina, central China and western Australia.

News Analysis**Govt. Wheat Procurement has Increased to 10.82 Mln Tonnes so far**

Wheat procurement by Government surpasses last year procurement and stood around 10.82 million tonnes so far as on June 12. The Centre had bought a total of 9.22 million 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 million tonnes of the food grain this year. Presently, around 10,000 Tonnes wheat are procured daily from the farmers as against 1000 Tonnes in the year ago period. However, the procurement is seen decreasing as compared to last month of 90,000-100,000 tonnes during May-end. Arrivals are remained strong around 45,000 tonnes wheat is still arriving in mandis this year as against the last year's arrivals of 20,000 tonnes. 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. Government is still buying around 30,000-35,000 tonnes of wheat daily. 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 as progressive procurement is remained strong. 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 6.57 Mln Tonnes, down 5.3% from 6.94 Mln Tonnes a year ago period.

MMTC Ltd. Extended Shipment Period for Wheat Import Tender

MMTC Ltd. has extended the shipment period for its wheat import tender of 50,000 tonnes to August-September instead of July -August. The organization might be looking for the Australian crop arrival (which is reportedly delayed) for getting wheat at competitive price. Other terms and conditions remain unchanged. The tender is set to close on June 19 and the bids are valid till June 29.

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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