

■ W H E A T

■ June 16, 2007

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

In Friday'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 10,000 qtls and prices remain steady to up between Rs. 940-945 per quintals on improved demand from local floor millers. At Narela and Najafgarh markets the price remains 900-911/ctl, and 895-905/ctl respectively (loose basis) on the back of arrivals around 5000-qtls and 3000qtls respectively. Karavali market is closed. Achnera market saw the arrivals around 1000qtls and price remains 890-900/ctl.

Domestic Spot Market Prices

Market	Variety	Prices (Rs/ctl)		Change	Arrivals (Qtls)
		15.06.07	14.06.07		
Delhi (Lawrence Road) Ready Delivery	Mill quality	940-945	940	+5	11,000
Delhi (Narela) Loose	Mill quality	900-911	901-908	+3	5000
Haryana (Palwal) Loose	Mill quality	864	865	-1	1000
Uttar Pradesh (Mathura) Loose	Mill quality	875-880	875-880	-	2500
Uttar Pradesh (Kosi) Loose	Mill quality	880-885	876	+9	2000
Haryana (Hodal) Loose	Mill quality	867	870	-3	600
Gujarat (Rajkot) Loose	Mill quality	865	865	-	1000
Rajasthan (Kota)	Mill quality	971-976	962-968	+8	
Uttar Pradesh (Kanpur)	Mill quality	955-960	965-970	-10	
Madhya Pradesh (Indore)	Mill quality	940-945	940-945	-	
Uttar Pradesh (Bareilly)	Mill quality	955-960	955-960	-	

International Futures Quotes (as of June 14, 2007)**CBOT**

Contract Month	Open	High	Low	Settle	Change
July 2007	601.00	618.50	590.00	506.50	+17.00
September 2007	618.00	631.50	605.00	622.50	+17.50
December 2007	621.00	626.00	609.00	621.50	+8.50

KCBT

Contract Month	Open	High	Low	Settle	Change
July 2007	603.00	615.00	590.00	600.00	+11.50
September 2007	617.00	623.00	599.00	612.50	+11.50
December 2007	615.00	631.00	609.00	614.25	+3.50

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

CBOT wheat futures finished up Thursday on bullish momentum and crop loss concerns. July wheat ended up 17 cents at \$6.065 per bushel. This was 12 off the high and 16.5 up from the low. December Wheat closed up 8.5 cents at \$6.215 per bushel. This was 12.5 up from the low and 4.5 off the high. More rain in the forecast for the central and southern plains into Friday and again on the weekend has supported continued aggressive buying from funds and commercial traders to drive the market sharply higher early in the session. Contracting supply from the Ukraine and Eastern Europe has also helped support the surge higher this week.

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

Wheat procurement by Government surpasses last year procurement and stood around 10.83 million tonnes so far as on June 13 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 almost 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/qlt. because lacking of other option.

Wheat Procurement is Likely to be End Today in Punjab and Haryana

Despite an extension of 15 days and a bonus, the state farmers held back some amount with a hope to get a better price in near future. Punjab still falls short of procurement targets. The state has contributed the lower amount of little above 65 lakh 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 69 lakh tonnes. The target this year is stood around 75 lakh tonnes. The total wheat output in the state is around 145 lakh tonnes. The local flour millers and private parties have purchased some amount. Government is unlikely to grant a further extension. There is a wide gap of market arrivals and amount of wheat procurement by Govt in the state.

USDA Wheat Export Sales Increased by 19%

Net sales of 413,100 metric tons were 19 percent above the previous week. Increases reported for Nigeria (122,000 MT), unknown destinations (62,000 MT), Indonesia (61,800 MT, including 60,000 MT switched from unknown destinations), Japan (40,700 MT), and Venezuela (28,300 MT), were partially offset by decreases for the United Kingdom (24,200 MT) and Guatemala (11,600 MT). Exports of 267,600 MT were 46 percent below the previous week and the prior 4-week average. The primary destinations were Japan (57,000 MT), Indonesia (51,500 MT), Mexico (46,900 MT), Venezuela (35,600 MT), Nigeria (25,500 MT), and Spain (23,100 MT).

This summary is based on reports from exporters for the period June 1-7, 2007.

Source: USDA

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