

■ W H E A T

■ June 23, 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 amidst some demand from local flour millers. Total arrivals in Delhi (Lawrence Road) remained down at 14,000 qtls and prices quoted flat between Rs. 955-960 per quintals. At Narela and Najafgarh markets the price remains 917-920/ctl, and 908/ctl respectively (loose basis) on the back of arrivals around 5000-qtls and 3000qtls respectively. Karavali market witnessed arrivals around 800qtls and price remain Rs. 875/ctl.

Domestic Spot Market Prices

Market	Variety	Prices (Rs/ctl)		Change	Arrivals (Qtls)
		22.06.07	21.06.07		
Delhi (Lawrence Road) Ready Delivery	Mill quality	955-960	955-960	-	14000
Delhi (Narela) Loose	Mill quality	917-920	915-920	-	5000
Haryana (Palwal) Loose	Mill quality	976-978	876	+2	600
Uttar Pradesh (Mathura) Loose	Mill quality	880	880	-	1000
Uttar Pradesh (Kosi) Loose	Mill quality	887-890	885-890	-	800
Haryana (Hodal) Loose	Mill quality	888-890	888	+2	300
Gujarat (Rajkot) Loose	Mill quality	865	865	-	300
Rajasthan (Kota)	Mill quality	993-998	986-991	+7	
Uttar Pradesh (Kanpur)	Mill quality	968-972	962-967	+5	
Madhya Pradesh (Indore)	Mill quality	965-971	960-965	+6	
Uttar Pradesh (Bareilly)	Mill quality	965-970	955-960	+10	

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

Contract Month	Open	High	Low	Settle	Change
July 2007	613.00	615.00	593.00	606.00	+1.00
September 2007	634.00	635.00	608.00	622.00	+6.00
December 2007	634.00	634.00	615.00	628.00	+4.50

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

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June 23, 2007

International Market Recap

CBOT Wheat Futures Settled Up

CBOT wheat futures finished up Thursday on strong export demand amid some lingering concerns about poor yields in the southern Plains. July wheat finished 1 cent higher at \$6.06 per bushel. This was 9 off the high and 13 up from the low. December Wheat closed up 4.5 cents at \$6.28 per bushel. This was 13 up from the low and 6 off the high. Continued harvest delays in the US due to recent rains combined with tightening world stocks helped spark the early strong gains for the session. In addition, the recent surge in export news added to the firm tone early. However, weakness in the other grains and ideas that harvest weather will improve next week helped limit the upside buying support and contributed to the close which was well off of the highs.

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.

USDA Wheat Weekly Export Sales Up by 31%

Net sales of 541,000 metric tons were 31 percent above the previous week. Increases were reported for Italy (75,000 MT), Chile (73,500 MT), Nigeria (65,900 MT, including 25,000 MT switched from unknown destinations), Mexico (56,500 MT), Yemen (50,000 MT), and Japan (46,600 MT). Exports of 371,400 MT were 39 percent above the previous week, but 11 percent under the prior 4-week average. The primary destinations were Nigeria (78,900 MT), Japan (75,900 MT), Chile (73,500 MT), Venezuela (30,300 MT), and South Korea (26,600 MT).

This summary is based on reports from exporters for the period June 8-14, 2007.

Source: USDA

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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