

## ■ W H E A T

■ June 25, 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 amidst some demand from local flour millers. Total arrivals in Delhi (Lawrence Road) remained down at 12,000 qtls and prices quoted flat between Rs. 955-960 per quintals. At Narela and Najafgarh markets the price remains 917-920/qrtl, and 908/qrtl respectively (loose basis) on the back of arrivals around 4000-qtls and 3000qtls respectively. Karavali market witnessed arrivals around 800qtls and price remain Rs. 875/qrtl.

**Domestic Spot Market Prices**

Market	Variety	Prices (Rs/qrtl)		Change	Arrivals (Qtls)
		23.06.07	22.06.07		
Delhi (Lawrence Road) Ready Delivery	Mill quality	955-960	955-960	-	12000
Delhi (Narela) Loose	Mill quality	917-920	917-920	-	5000
Haryana (Palwal) Loose	Mill quality	978	976-978	-	500
Uttar Pradesh (Mathura) Loose	Mill quality	880	880	-	1000
Uttar Pradesh (Kosi) Loose	Mill quality	887-890	887-890	-	800
Haryana (Hodal) Loose	Mill quality	888-890	888-890	+2	300
Gujarat (Rajkot) Loose	Mill quality	870	865	+5	300
Rajasthan (Kota)	Mill quality	992-998	993-998	-	
Uttar Pradesh (Kanpur)	Mill quality	960-966	968-972	-6	
Madhya Pradesh (Indore)	Mill quality	965-971	965-971	-	
Uttar Pradesh (Bareilly)	Mill quality	965-970	965-970	-	

**International Futures Quotes (as of June 22, 2007)****CBOT**

Contract Month	Open	High	Low	Settle	Change
July 2007	599.00	607.00	587.00	592.25	-13.75
September 2007	616.00	623.00	600.00	605.00	-17.00
December 2007	620.00	627.50	609.50	612.50	-15.50

**KCBT**

Contract Month	Open	High	Low	Settle	Change
July 2007	580.00	584.00	569.50	570.75	-16.75
September 2007	585.00	593.00	578.00	580.50	-16.00
December 2007	604.00	606.50	592.00	595.00	-15.00

## ■ W H E A T

■ June 25, 2007

**International Market Recap****CBOT Wheat Futures Settled Lower**

CBOT wheat futures settled sharply down Friday on advancing harvest. July wheat closed 13.75 cents lower at \$5.923 per bushel. This was 0.75 off the high and 5.25 up from the low. December Wheat closed down 15.5 cents at \$6.125 per bushel. This was 3 up from the low and 15 off the high. Ideas that a hotter and drier weather forecast for the plains next week could spark increased harvest selling pressures along with talk of the extreme technical overbought condition of the market helped spark some of the selling. For the Canadian planted acreage report for Tuesday, traders look for planted acreage to come in near 23.4 million acres with a wide range of expectations from 22.4 to 25.8 million. In March, producers were expecting to plant 23.8 million acres as compared with 26.4 million last year. Poor weather slowed plantings in some areas, but high wheat prices may have been an incentive to boost acres.

**News Analysis****Govt. Wheat Procurement has Increased to 11.04 Mln Tonnes so far**

Wheat procurement by Government stood up around 11,045,460 tonnes so far as on June 19, against 9.2 million tonnes a year ago. It is now expecting that the procurement of wheat this year likely to be around 11.2 million tonnes as against the targeted 15 million tonnes 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 steady. In Bihar, procurement operations continue until Jul 15. Wheat sentiments in Punjab and Haryana have firm up after government procurement in the state ended on 15 June. The local flour millers have stepped up buying for their own consumption and this is supporting the sentiments in spot markets. Flour millers in the state of Punjab have so far purchased around 350,000 tonnes of wheat to fill up their stock out of the annual requirement around 650,000 tonnes. Punjab has contributed the lower amount of 6,758,756 tonnes to the Central pool (short by 2.7%) as against the last year procurement around 6,945,762 tonnes. The target this year is stood around 75 lakh tonnes. However, in the states of Haryana, U.P., M.P. and Rajasthan it is higher as compared to last year.

**Govt Released 1 Lakh Tonnes Additional Wheat for APL Line Families**

Government has released 1 lakh tonnes of wheat for APL line families in June in addition with 933,377 tonnes allocated for targeted public distribution schemes this month. The government had allocated 908,860 tonnes wheat each in April and May for public distribution schemes. It seems that the government has enough wheat stocks to meet requirements till March. The government has bought 11.04 million tonnes wheat so far, which coupled with last year's carry-over stocks of 4.7 million tonnes, is adequate to meet the requirement for the state-run welfare schemes till March. Further, it is learnt that to increase the buffer stocks to keep a lid on prices throughout 2008, the government is planning to import around 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.

**Disclaimer**

The information and opinions contained in the document have been compiled from sources believed to be reliable. The company does not warrant its accuracy, completeness and correctness. Use of data and information contained in this report is at your own risk. This document is not, and should not be construed as, an offer to sell or solicitation to buy any commodities. This document may not be reproduced, distributed or published, in whole or in part, by any recipient hereof for any purpose without prior permission from the Company. IASL and its affiliates and/or their officers, directors and employees may have positions in any commodities mentioned in this document (or in any related investment) and may from time to time add to or dispose of any such commodities (or investment). Please see the detailed disclaimer at <http://www.agriwatch.com/Disclaimer.asp>

© 2007 Indian Agribusiness Systems Pvt Ltd.