

■ W H E A T

■ June 07, 2007

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

In Wednesday's trading, most of the major markets witnessed a rise in wheat prices against a normal supply. Total arrivals in Delhi (Lawrence Road) increased marginally to 10,000 qtls as well as prices also rose up to Rs 940-950 per quintal on improved demand from local floor millers. There was no trading at Narela market on Wednesday due to local holiday. The prices in Kanpur market further slashed down to Rs. 955-960 in the backdrop of a sluggish local demand and prices remained same in the Bareilly against a normal local demand.

Domestic Spot Market Prices

Market	Variety	Prices (Rs/ctl)		Change	Arrivals (Qtls)
		06.06.07	05.06.07		
Delhi (Lawrence Road) Ready Delivery	Mill quality	940-950	925	+15	10000
Delhi (Narela) Loose	Mill quality	No trading	895-902	-	4000
Haryana (Palwal) Loose	Mill quality	875	855	+10	1200
Uttar Pradesh (Mathura) Loose	Mill quality	882	870	+12	2500
Uttar Pradesh (Kosi) Loose	Mill quality	875	870-875	+5	3000
Haryana (Hodal) Loose	Mill quality	880	865	+15	600
Gujarat (Rajkot) Loose	Mill quality	855	865	+10	1500-2000
Rajasthan (Kota)	Mill quality	962-968	962-967	+1	s
Uttar Pradesh (Kanpur)	Mill quality	955-960	957-962	-2	
Madhya Pradesh (Indore)	Mill quality	925-930	922-927	+3	
Uttar Pradesh (Bareilly)	Mill quality	950-955	950-955	-	

International Futures Quotes (as of June 05, 2007)**CBOT**

Contract Month	Open	High	Low	Settle	Change
July 2007	526.00	536.00	523.50	527.25	+7.00
September 2007	541.00	550.00	537.50	543.25	+7.75
December 2007	552.00	561.00	550.50	554.50	+8.00

KCBT

Contract Month	Open	High	Low	Settle	Change
July 2007	510.50	521.00	510.00	510.50	+5.75
September 2007	523.00	532.50	521.50	522.00	+5.25
December 2007	535.50	547.00	535.50	538.25	+8.25

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International Market Recap**CBOT Wheat Futures Tested Fresh Contract Months' High**

CBOT wheat touched fresh contract month's high Tuesday on anxiety over tight global stocks, crop loss in Ukraine and crop deterioration in the U.S. July wheat settled 7 cents higher at \$5.273 per bushel. That was 8.75 off the high and 3.75 up from the low. December Wheat finished up 8 cents at \$5.545 per bushel. This was 4 up from the low and 6.5 off the high. Exports from the Black Sea region for wheat have been very competitive in the past several years and the lack of availability from the region this season; especially with tight world stocks, could boost US exports. French wheat futures moved to new contract highs again this morning on Ukraine drought fears. The weekly winter wheat conditions report showed 53% was rated good/excellent compared to 57% last week and 27% last year. Crop conditions in Kansas dropped to just 33% good to excellent from 37% last week. In addition, Ohio slipped to 39% good to excellent from 46% last week..

News Analysis**Govt. Wheat Procurement has Increased by 16% so far**

Wheat procurement by Government surpasses last year procurement and stood around 10.70 Mln Tonnes so far as on June 4 excluding 6 lakh tonnes procured by state government of Punjab. The procurement has increased by 16% till now as against last year. The Centre had bought a total of 9.22 Mln 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 Mln Tonnes of the food grain this year. Daily arrivals are still strong. Near about 14.70 Mln Tonnes wheat arrived in the mandis, up 43,699 tonnes from a day earlier, and 8.2% from a year ago period. 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. 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. 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 6.56 Mln Tonnes, down 5.4% from 6.94 Mln Tonnes a year ago period.

No Fresh Tenders For Wheat Imports: Pawar

Union Agriculture Minister, Shri Sharad Pawar said yesterday that there would be no fresh tenders for import of wheat at least for the next few days. On the Government directive, the STC floated a tender for import of 10 lakh tonnes of wheat but last week it was cancelled on the ground that price quoted was too high (\$265/tonne). However, Mr T. Nanda Kumar, Secretary, Food and Public Distribution, said the Government might take a decision on calling for fresh tender for wheat imports within 15 days. The Government imported about 55 lakh tonnes of the grain during the last fiscal.

Weather Impact Analysis

Harvesting of wheat is complete in the northwestern parts. Threshing and drying is in progress in Punjab and Haryana. Isolated rain/thunderstorms over this region may affect post harvest activities.

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