

## ■ W H E A T

■ June 02, 2007

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

Total arrivals in Delhi markets stood downaround 15,000-20,000qtls and prices at Lawrence Road were quoted down at Rs. 907 per quintal with the arrivals about 8,000qtls for ready delivery (truck loaded). Local flour millers are active in the markets. At Narela and Najafgarh markets the price remains 868-875/qrtl, and 865-870/ qtl respectively (loose basis) on the back of arrivals 3000qtls and 2000qtls respectively. Karavali market is closed. At Achnera market wheat trades at Rs.865-870/qrtl on the back of arrivals around 700 qtls

**Domestic Spot Market Prices**

| Market                               | Variety      | Prices (Rs/qrtl) |          | Change | Arrivals (Qtls) |
|--------------------------------------|--------------|------------------|----------|--------|-----------------|
|                                      |              | 01.06.07         | 31.05.07 |        |                 |
| Delhi (Lawrence Road) Ready Delivery | Mill quality | 907              | 915-917  | -10    | 8000            |
| Delhi (Narella) Loose                | Mill quality | 868-875          | 860-870  | +5     | 3000            |
| Haryana (Palwal) Loose               | Mill quality | 850              | 850-851  | -1     | 800             |
| Uttar Pradesh (Mathura) Loose        | Mill quality | 865-870          | 855-867  | +3     | 3000            |
| Uttar Pradesh (Kosi) Loose           | Mill quality | 860              | 860-872  | -12    | 3000            |
| Haryana (Hodal) Loose                | Mill quality | 852              | 852      | -      | 400             |
| Gujarat (Rajkot) Loose               | Mill quality | 865              | 865      | -      | 2000            |
| Rajasthan (Kota)                     | Mill quality | 962-967          | 962-967  | -      |                 |
| Uttar Pradesh (Kanpur)               | Mill quality | 950-955          | 950-955  | -      |                 |
| Madhya Pradesh (Indore)              | Mill quality | 925-930          | 923-928  | +2     |                 |
| Uttar Pradesh (Bareilly)             | Mill quality | 930-935          | 925-930  | +5     |                 |

**International Futures Quotes (as of Mar 31, 2007)****CBOT**

| Contract Month | Open   | High   | Low    | Settle | Change |
|----------------|--------|--------|--------|--------|--------|
| July 2007      | 511.00 | 524.00 | 507.75 | 517.00 | +6.25  |
| September 2007 | 524.50 | 537.00 | 522.00 | 532.00 | +7.25  |
| December 2007  | 534.00 | 546.00 | 531.00 | 543.00 | +7.00  |

**KCBT**

| Contract Month | Open   | High   | Low    | Settle | Change |
|----------------|--------|--------|--------|--------|--------|
| July 2007      | 499.50 | 512.25 | 498.50 | 504.00 | +3.25  |
| September 2007 | 511.00 | 523.00 | 508.75 | 516.50 | +5.00  |
| December 2007  | 525.00 | 535.50 | 524.00 | 529.75 | +4.75  |

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

CBOT wheat futures finished up Thursday on the fears about unfavorable crop weather as drought conditions may affect the standing crop conditions in Ukraine and Russia. Chicago Board of Trade July wheat increased by 6.25 cents to \$5.17 per bushel, the contract's highest close since April. December Wheat closed up 7.25 cents at \$5.43 per bushel. This was 9 up from the low and 3 off the high. News that Spain bought 120,000 tonnes of US soft red winter wheat added to the positive tone early. Japan bought 25,000 tonnes of US wheat at their weekly tender but cancelled a purchase of 20,000 tonnes of Canadian wheat due to high prices.

**News Analysis****Govt. Wheat Procurement has Increased by 14% so far**

Wheat procurement by Government surpasses last year procurement and stood around 10.51 Mln Tonnes so far as on May 31 excluding 6 lakh tonnes procured by state government of Punjab. The procurement has increased by 14% 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. 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 6.52 Mln Tonnes, down 6% from 6.94 Mln Tonnes a year ago period.

**Wheat procurement in Punjab is extended up to 15 June**

The government has extended wheat procurement in Punjab and Haryana by 15 days until Jun 15. Government will continue to give 100 rupees per 100 kg bonus on wheat procurement in these 2 states until Jun 15. The procurement of Punjab till date is still lagging around 6.52 million tonnes, down 6% from 6.94 million tonnes a year ago period whereas, in Haryana, U.P., M.P. and Rajasthan it is higher as compared to last year procurement. Around 11 lakh tonnes of foodgrain has still to be procured from Punjab to reach the targeted level of 75 lakh tonnes for the state. The arrivals are also lower in the mandis due to late maturity of the crop and wide spread manual harvesting.

**Wheat Arrivals Remain Up all Over India**

Total arrivals are stood higher around 14.45 million tonnes so far as on May 31 in the country. This year around 100,000 tonnes wheat is still arriving in the mandis everyday by May-end as against 3,000-4,000 tonnes a day during same period of last year. Of the total arrivals so far in the country around 11.45 million tonnes arrived in the states of Punjab and Haryana. Arrivals remain in M.P. around 1.09 million tonnes, whereas, in U.P. and Rajasthan it stood around 9.6 and 7.1 lakh tonnes respectively.

**Ukraine Will Not Allow Wheat Exports from July**

The Ukraine will allow wheat exports in June but the severe drought is likely to prompt the government to ban exports from July. Ukraine will allow the export of 900,000 metric tonnes of grain already held by traders, but there will be no exports of the drought-reduced 2007-08 crop until reserves are built.

**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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