

WHEAT

July 12, 2007

Domestic Market Recap

In Wednesday's trading, most of the major markets witnessed steady to up in wheat prices on rising demand from flour millers amidst lower arrivals. Flour millers have accelerated their buying due to strong demand for bakery products. The price of different wheat products have also increased. Flour millers are interested to pile up their stocks in order to make profit in off season. It is learnt that flourmillers are not able to get required stocks directly from the market because despite the good stocks the food grain is offered at higher prices from private trading firms. Total arrivals in Delhi (Lawrence Road) remained down 8,000 qtls and prices quoted up between Rs. 1035-1040 per quintals. Narela and Najafgarh markets are closed

Domestic Spot Market Prices

Market	Variety	Prices (Rs/qrtl)		Change	Arrivals (Qtls)
		11.07.07	10.07.07		
Delhi (Lawrence Road) Ready Delivery	Mill quality	1040	1010-1020	+20	8000
Delhi (Narela) Loose	Mill quality	-	960-975	-	-
Haryana (Palwal) Loose	Mill quality	950-955	925	+30	700
Uttar Pradesh (Mathura) Loose	Mill quality	950	925	+25	1800
Uttar Pradesh (Kosi) Loose	Mill quality	940-950	922-924	+26	500
Haryana (Hodal) Loose	Mill quality	950	925-928	+22	400
Gujarat (Rajkot) Loose	Mill quality	990	960-965	+25	200
Rajasthan (Kota)	Mill quality	1075-1080	1068-1072	+8	
Uttar Pradesh (Kanpur)	Mill quality	1030-1035	1035-1040	-5	
Madhya Pradesh (Indore)	Mill quality	1063-1068	1060-1066	+2	300
Uttar Pradesh (Bareilly)	Mill quality	1055-1060	1035-1040	+20	

International Futures Quotes (as of July 10, 2007)

CBOT

Contract Month	Open	High	Low	Settle	Change
July 2007	601.00	601.00	591.00	592.00	+3.50
September 2007	603.00	610.50	600.00	601.75	+2.25
December 2007	616.00	623.00	614.50	615.75	+2.75

KCBT

Contract Month	Open	High	Low	Settle	Change
July 2007	605.00	606.00	599.00	600.00	+2.00
September 2007	592.00	597.00	588.25	590.00	-0.75
December 2007	609.00	613.00	603.50	603.50	-2.00

■ W H E A T

■ July 11, 2007

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

CBOT wheat futures settled up Tuesday. December Wheat finished up 2.75 cents at \$6.158 per bushel, this was 7.25 off the high and 1.25 up from the low. September Wheat closed up 2.25 cents at \$6.018 per bushel. This was 1.75 up from the low and 8.75 off the high. More wheat export news and positioning ahead of the USDA Crop Production report for Thursday morning helped support the early gains. Slow harvest progress and the outlook for more scattered rains in Kansas and Oklahoma this week added to the bullish tone and has traders looking for higher wheat abandonment and lower production. The weekly winter wheat harvest report showed 58% complete compared to 40% last week and 70% last year. The 10 year average for this time of year is 67%. Soft wheat harvest is ahead of schedule with 96% complete in Illinois and 81% complete in Ohio. However, only 69% of the winter wheat in Oklahoma is harvested as compared with 98% as the 10-year average and Kansas is 81% vs. 92% average. The weekly spring wheat conditions report showed 78% was rated good/excellent compared to 79% last week and 42% last year.

News Analysis**Wheat buffer Stock Stood Down as against Norms**

The wheat buffer stock in FCI reportedly stood down at 129.39 lakh tonnes as on July 1, against the buffer norms of 171 lakh tonnes. However, the stock is satisfactory to meet the country's requirement for PDS system. The government requires 10 lakh tonnes of wheat every month for PDS.

GOI to Buy 5.11 Lakh Tonnes of Wheat below the Price \$330/tonne

Government of India likely to buy around 5 lakh tonnes of wheat bids below \$330/tonnes from the import tender declared last month to purchase 1 million tonnes of the food grain. Only A.C. Toepfer, Cargill and Rias Trading have submitted the bids to sell wheat below \$330 a tonnes and the total quantity of wheat offered by them below the stipulated price is around 511,000 tonnes. State Trading Corp had received bids between \$317.95 to \$328.95 a tonnes in the tender that closed on Jul 4.

Wheat Procurement Remained Around 11090106 tonnes

Wheat procurement by Government stood up around 11090106 tonnes so far as on 30.06.07, against 9,231,004 tonnes a year ago. In Bihar, procurement operations continue until Jul 15. Different government agencies of Punjab have procured the lower amount of 6,756,756 tonnes as against the last year procurement around 6,951,404 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. The total procurement in Haryana stood up around 3,346,460 tonnes as against the previous year procurement of 2,228,725 tonnes. U.P. has contributed larger amount of wheat around 535731 tonnes to the central pool so far as compared to 48,873 tonnes last year. The procurement in M.P. and Rajasthan remained up around 57308 tonnes and 383288 tonnes respectively as against the total procurement of last year's 20 tonnes and 1582 tonnes respectively. Delhi contributed a good amount of 873 tonnes as compared to nil procurement last year. Bihar also witnessed good procurement around 7856 tonnes by the government agencies as against zero procurement last year. The arrivals are declining in the states of U.P. and M.P., Rajasthan, Chandigarh, Delhi, Bihar. It is learnt that Government is keen on building a wheat buffer of at least 6.5 million tonnes by Apr 1 as against the buffer norms of 4 million tonnes. Therefore, the government is planning to import around 5 million tonnes of wheat by the month of March next year.

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