

## ■ W H E A T

■ Dec. 14, 2007

**Domestic Market Recap**

During Thursday's trade, domestic wheat prices mostly traded mixed on normal demand-supply situation. Mathura (UP) loose and Bareilly (UP) mill quality prices quoted higher on good demand against steady to restricted arrival. However, in Delhi (Lawrence road) ready delivery quoted lower at Rs.1035/qrtl against restricted arrival of 5000 qtls. Source reported that, markets witnessed very low buying by the roller flour millers. The prices also dipped as stockists started unloading of stocks in expectation of price decline in future. In southern markets, wheat prices also dipped Rs.10-20/qrtl on reduced offtake by the rolling flour millers amidst steady supply. In Delhi mandis, various wheat products mostly traded steady to down as Atta (90kg) at Rs.1063, maida grade 1 (90kg) down at Rs.1229, Suji (50kg) at Rs.685, Chokar (50kg) down at Rs.394 and Chakki atta (90 kg) at Rs.970. Although the acreage is lower compared to last year, still govt. optimistic about the production of 75 million tonnes of wheat in this marketing year. According to Agriculture Commissioner, govt. of India is confident of achieving wheat production in the current Rabi season around 75 million tonnes although the acreage may dip marginally compared to last year. The present weather conditions also favours wheat plantation. According to the Canadian Wheat Board official, due to India's increasing consumption of wheat due to growing population against stagnant production, India is going to be a regular importer of wheat in coming years despite being the world's second-biggest wheat producer. French farmers planted 4.96 million hectares of soft wheat in this crop year, a rise of 3.4%. This rise in plantation is due to the higher wheat prices from last season.

**Domestic Spot Market Prices**

Market	Variety	Prices (Rs/qrtl)		Change	Arrivals (Qtls)
		13.12.07	12.12.07		
Delhi (Lawrence Road) Ready Delivery	Mill quality	1035	1035-1040	-5	5000
Delhi (Narella) Loose	Mill quality	985-1000	-	-	1500
Delhi (Najafgarh) Loose	Mill Quality	987-996	-	-	1200
Haryana (Palwal) Loose	Mill quality	952	950	+2	300
Uttar Pradesh (Mathura) Loose	Mill quality	974	952-955	+19	500
Uttar Pradesh (Kosi) Loose	Mill quality	950-962	950-965	-3	300
Gujarat (Rajkot) Loose	Mill quality	1000	1000	-	2000
Rajasthan (Kota)	Mill quality	1035-1040	1030-1040	-	500
Uttar Pradesh (Kanpur)	Mill quality	1000-1015	990-1000	-15	2000
Madhya Pradesh (Indore)	Mill quality	1035-1040	1030-1040	-	1000
Uttar Pradesh (Bareilly)	Mill quality	990-1000	980-990	+10	

**International Futures Quotes (as of December 12, 2007)****CBOT**

Contract Month	Open	High	Low	Settle	Change
December 2007	908.50	934.00	908.50	934.00	+40.00
March 2008	911.00	940.50	911.00	940.50	+30.00
May 2008	914.00	943.00	912.00	943.00	+30.00

**KCBT**

Contract Month	Open	High	Low	Settle	Change
December 2007	953.00	979.00	953.00	979.00	+30.00
March 2008	949.00	981.75	948.00	981.75	+30.00
May 2008	943.00	977.75	943.00	977.75	+30.00

# CEREAL

Agriwatch  
DAILY

## W H E A T

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### International Market Recap

#### CBOT Wheat Futures Settled Moderately Higher

CBOT wheat futures settled moderately higher on Wednesday. March Wheat finished up 30 cent at \$940.50 per bushel; this was equal to the high and 29.5 cent up from the low. July Wheat closed up 21 cent at \$827.00 per bushel. This was 21 up from the low and 3 off to the high. Aggressive buying from the investment funds helped drive the wheat futures. A sharp recovery in crude and sharply higher equities helped to spark the aggressive buying. Central banks provided funds for buying as well as the global strong economy provided the positive tone to the market sentiment. In wheat, this resulted in large-scale short covering by traders who have shown a strong tendency to try and pick a top in the wheat market in recent months. Weather and demand were on the sidelines. Although weather favours for the smooth growth of wheat crop in southwestern US but market is mainly driven by technical factors. Markets also witnessed good demand from the exporters. Iran exported a total of 327,917 tonnes of wheat during the three months starting in September. Wheat basis levels in the US interior are mostly steady with spot weakness. For the USDA weekly export sales report, traders looked for wheat sales near 300,000-400,000 tonnes as compared with 367,400 tonnes last week.

### News Analysis

#### Argentina's Oct Wheat Grind Up 23% On Year

As per the Agriculture Secretariat, Argentina milled 507,608 metric tonnes of wheat in October, up 23% from 411,841 tonnes in October 2006. Flour production totaled 380,208 tonnes in October, up from 306,648 tonnes during the same month a year earlier.

#### Egypt GASC Buys 30,000 Tonnes Of Russian Wheat

The state-owned General Authority for Supply Commodities of Egypt bought 30,000 metric tons of Russian wheat in a tender. The wheat was purchased at \$400.2/tonne from United Trading for February delivery on a free-on-truck basis.

#### French Soft Wheat Plantings Up 3.4% On Year

French farmers planted 4.96 million hectares of soft wheat in this crop year, a rise of 3.4%. This rise in plantation is due to the higher wheat prices from last season. French barley plantings were also estimated to be up 3.8% from the 2007-08 crop year at 1.23 million hectares.

#### India May Import Wheat In Regular Interval: CWB

According to the Canadian Wheat Board official, due to India's increasing consumption of wheat due to growing population against stagnant production, India is going to be a regular importer of wheat in coming years despite being the world's second-biggest wheat producer. India imported 5.5 million tonnes of wheat in 2006, its first overseas buys in six years, and has tied up contracts for 1.8 million tonnes this year. As per the estimate, India consumes annually 70 million tonnes of wheat and its production stands around 70-74 million tonnes. Due to high temperature in February 2006, Indian output stood around 69.3 million tonnes, forcing the government to look overseas for stocks. According to government estimates, India produced 74.9 million tonnes in 2007. According to Statistics Canada, Canada produced 20.05 million tonnes this year.

#### Wheat Output Around 75 Million Tonnes: Govt.

According to Agriculture Commissioner, govt. of India is confident of achieving wheat production in the current Rabi season around 75 million tonnes although the acreage may dip marginally compared to last year. The govt. expects normal area cultivation under wheat in the current rabi season. But last year, acreage under winter wheat plantation stood around 28 million hectares, an all time high.

### Weather Impact Analysis

Sowing conditions are good following good monsoon in rain-fed areas. Cool winter forecast for the current year favours wheat crop. However, states like UP and MP requires one to two showers for wheat sowing.

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