

**Executive Summary:**

Domestic wheat market continued to move northward to match the higher MSP for MY 2012-13 during the month under review despite commencement of harvesting in Gujarat, Madhya Pradesh and Rajasthan. Prices are likely to stand steady at current levels with increasing expectations of delay in arrivals of new crop in Punjab, Haryana, Uttar Pradesh, Rajasthan and Bihar. Recent light spell of rains and comparatively lower temperature have extended the ripening phase of grains in the northern parts of India. However, further pressure on wheat prices may be seen at April end when supply continues to increase in all major and minor markets throughout the country.

Wheat procurement has already started in states like Gujarat, M.P., Maharashtra from 15<sup>th</sup> of March and for other regions like Punjab, Haryana, Uttar Pradesh and Rajasthan it is scheduled to commence on 1<sup>st</sup> of April. It will commence on 15<sup>th</sup> of April in Bihar. Quantity of procurement has been negligible except M.P. due to lower arrivals and is expected to increase from mid April as usual.

As per initial yield report from M.P., Gujarat, Rajasthan and Maharashtra wheat production may increase slightly and may be in the range of 87.5 to 88 million tonnes assuming the better yield in major growing belts of Punjab, Haryana and Uttar Pradesh. Govt. expects 88.31 million tonnes wheat production this year (2011-12). Weather throughout India remains favourable so far for harvesting of wheat crop.

On the export front, demand for Indian wheat has been very sluggish and Indian exporters could not attract buyers due to higher price difference. Russia, Ukraine and Australia are selling wheat at very competitive prices. Iran and Turkey may be potential buyers for Indian wheat in bulk quantity in the months ahead. Window for export may open once again in mid year when govt.'s buying comes to an end. As of now there are no concrete deals with Iran and Iraq.

There are indications that the quantity restriction on export of wheat and wheat products may also be lifted for two years given the higher stock and bumper production.

**Domestic Market Dynamics:**

Pressure on wheat market is likely to build up with increasing harvesting activities in major growing regions. Increasing availability in the market from new crop will restrict prices to trade range bound despite govt's supportive buying. As production of wheat is bound to rise on increased yield, higher availability will limit move in the market. Demand for wheat and wheat flour will remain weak in April, May and June due to increased availability even in the remote areas and it will ultimately weigh on market fundamentals. Besides, exporters are cautious to go for bulk buying as export market is not favourable right now. They will prefer to source wheat from that area where it is available below MSP. They may wait at the end of April.

Overall outlook for domestic wheat market remains bearish as higher production, govt.'s stock and likely distribution under food security obligation at highly subsidized prices will continue to cap wheat prices even after procurement comes to an end in June. Wheat export is an option if prices firm up in the international market and exporters clinch some big deals with Iran and Turkey. However, it would be important to see the Indian exportable quotes. India can export wheat in the range of \$285 to \$300 per T on FOB basis.

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Higher procurement and hefty carry in stock will continue to pose challenge for storage space despite some added capacity recently. In this back ground we expect some GTG deals in near future. Pakistan's recent stand to provide routes for Indian wheat for Afghanistan may be taken as positive sign. However, govt.'s costing of wheat comes to \$345 per T and wheat is available at \$280 to \$305 per T in the international market with timely and assured delivery.

There is a general view in our domestic market that wheat will trade lower( Rs 1150 to 1200 per qtl.) from mid year and it may provide exporters fair chance to export below \$300 per T. Besides, demand for feed grade wheat is increasing in the international market and prices are expected to recover from current lower level despite ample availability. Any upside move in world wheat market will increase the chances for Indian wheat exporters.

### Parity at current prices:

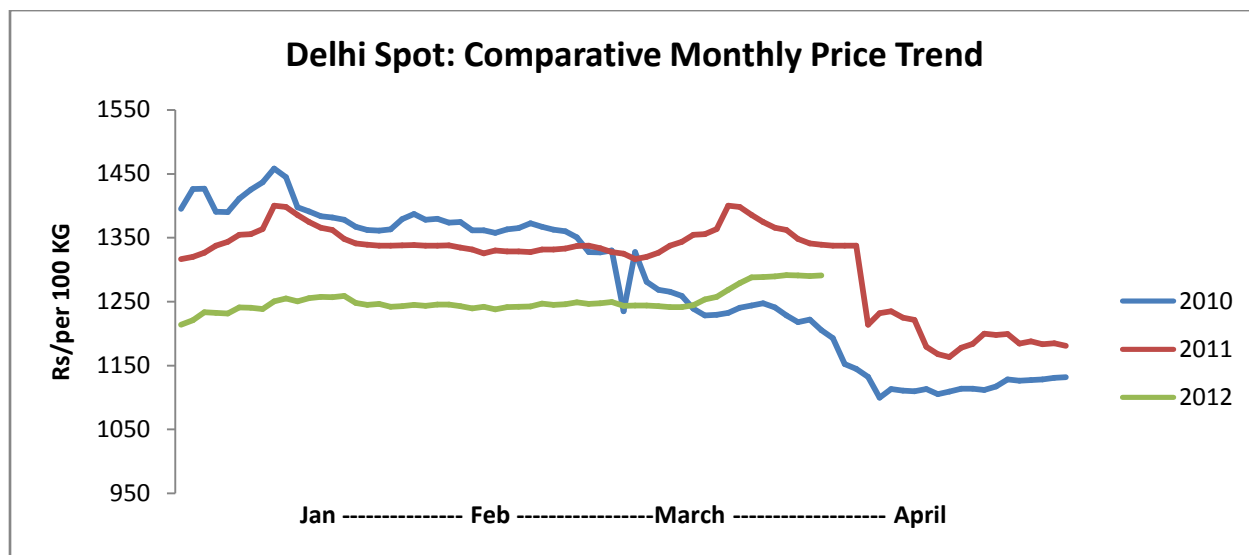
Parity Calculation Sheet	Rajkot (Kandla)	Rajkot (Gandhidham)	Rajasthan (Baran/Bundi)	Punjab
FOR (Rs/ton)	13100	13000	13300	14450
Port and Handling Charges /Loading /Unloading /Clearing (Rs/ton)	500	500	500	500
Local transport, port warehousing, labour charges, shortage	500	500	1000	1000
Indian FOB (Rs/MT)	14100	14000	14800	15950
<b>Indian FOB (USD/MT)</b>	<b>274</b>	<b>272</b>	<b>288</b>	<b>310</b>
Insurance @ 0.1%	0.27	0.27	0.29	0.25
Freight Charges (US \$/ton) to Chittagong	20	20	20	20
CIF (kandla to Chittagong)	295	293	308	301
INR	51.39	51.39	51.39	51.39
<b>Russian Wheat FOB (USD/MT)</b>	<b>271</b>	<b>271</b>	<b>271</b>	<b>271</b>
<b>Parity on FOB Basis (USD/MT)</b>	<b>-3</b>	<b>-1</b>	<b>-17</b>	<b>-39</b>

As shows the above given table, parity is negative for Indian exporters at current prices. However, some deals of unspecified quantity by L.D. International and Cargill have been finalised at \$285 per T from old crop stored out this year earlier.

### Comparative Yearly Study of Spot Market Delhi Prices During Jan, Feb, March & April:

Prices in spot markets throughout India start firming up from Oct-Nov and continue to move up during January and from Feb-to March they rule almost stable to slightly weak just ahead of new crop. March onward prices remain under pressure and move towards MSP. This year prices are ruling very close to the MSP and govt. is keen to buy maximum wheat available from new crop during procurement season. So prices are likely to rule stable in the weeks ahead where as depicted in the below given chart:

However, wheat prices are likely to rule below MSP where procurement agencies are not fully active as has been seen in the case of Eastern U.P. and Bihar. Private trade will be active in such remote regions as they get cheaper wheat on loose basis and sell it to millers/exporters as and when opportunity arises.



### Harvesting Status And Procurement Schedule:

State	Harvesting under way	Percentage harvesting	Harvesting expected to be over	Arrival pressure likely from	Procurement starts from
Punjab	Yet to start	2	At the end of April	Mid April to May	1st April
Haryana	Yet to start	2	At the end of April	Mid April to May	1st April
Rajasthan	Started	15	At the end of April	April to May	1st April
Gujarat	Started	95	At the end of March	March to April	15th March
M.P.	Started	35	At the end of April	April to mid May	15th March
Uttar Pradesh	Yet to start	2	First week of May	Mid April to May	1st April
Bihar	Yet to start	1	First week of May	Mid April to May	15th April
Maharastra	Started	35	At the end of April	April to May	15th March

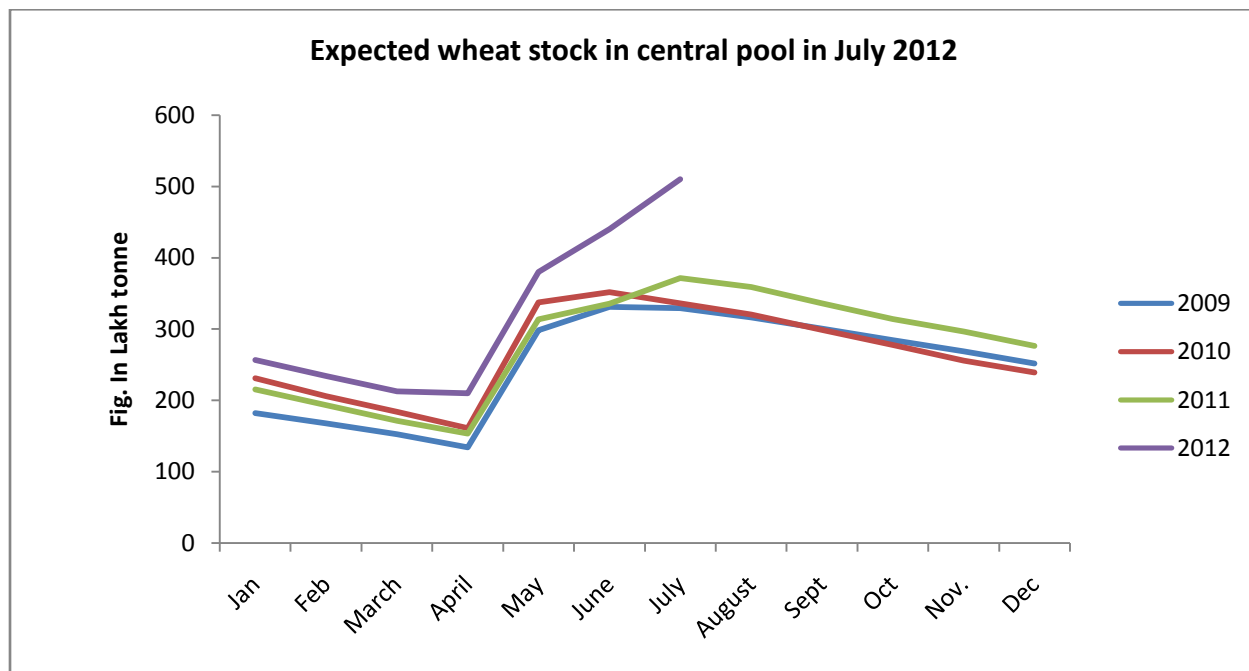
Procurement through govt.'s agencies has been negligible so far due to lower arrivals in M.P. and Rajasthan. Maximum quantity of wheat arriving in markets of Gujarat has been procured by local millers, traders and exporters. As the crop size has been reported lower in Gujarat, govt.'s procurement quantity is also expected to come down in comparison to last year. Almost 60 percent crop has been marketed before the commencement of procurement, so Gujarat contribution to the central pool kitty will remain lower than usual in MY 2012-13.

### Expected Wheat Procurement in MY 2012-13:

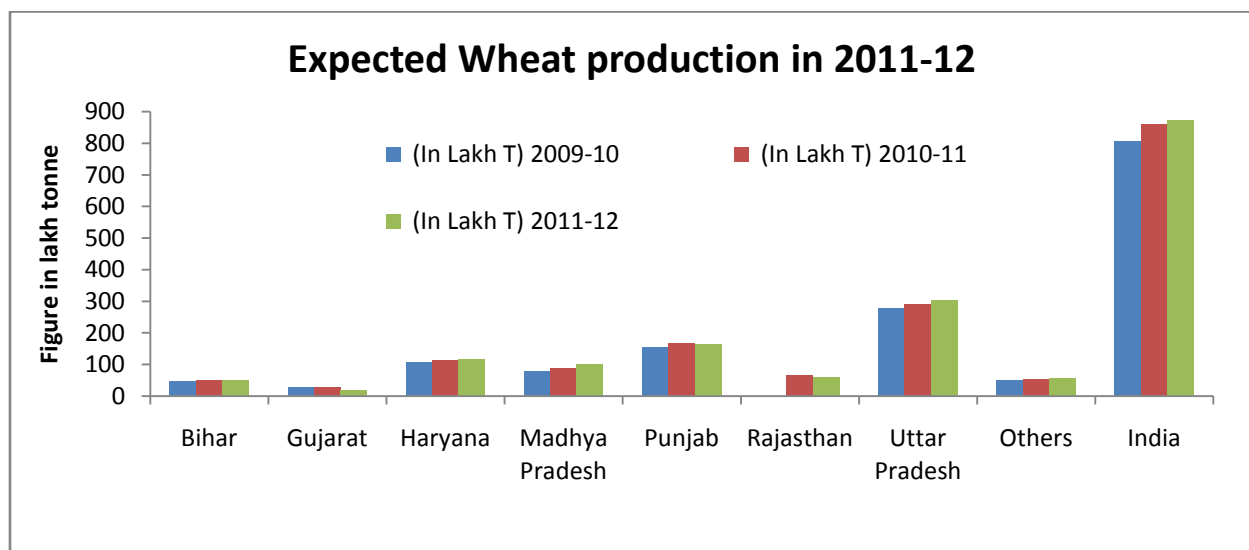
Wheat procurement under normal conditions supported by higher MSP of Rs 1285 per qtl., may increase at least by 6 to 7 percent from previous level of almost 28.3 million tonnes to 30.9 million tonnes. We expect a significant increase up to 6.3 million T in M.P. The state govt. of M.P. has provided Rs 100 per qtl bonus over and above MSP for the wheat growers and it will

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ensure maximum procurement locally. As MSP of wheat has been set higher for this year, higher procurement is expected from every producing state except Gujarat this year. We expect total procurement to the tune of almost 31 million T against govt.'s expectation of almost 32 million T.



### Wheat Production:



As stated above wheat production in India is set to rise by nearly one million T from previous year's production of 86.8 million T. Wheat production has been on the rise for last three years as depicts the state wise production bar chart. However, wheat production in Gujarat will decline marginally due to lower area coverage. Production in Rajasthan is expected to be stable on

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back of higher yield despite marginally lower area coverage. Farmers switched to pulses in some parts of Rajasthan for better returns. In spite of these factors overall production will cross all previous records and India is bound to sit on bulging stockpiles of foodgrains this year.

### Export of wheat, wheat products and rice likely to continue:

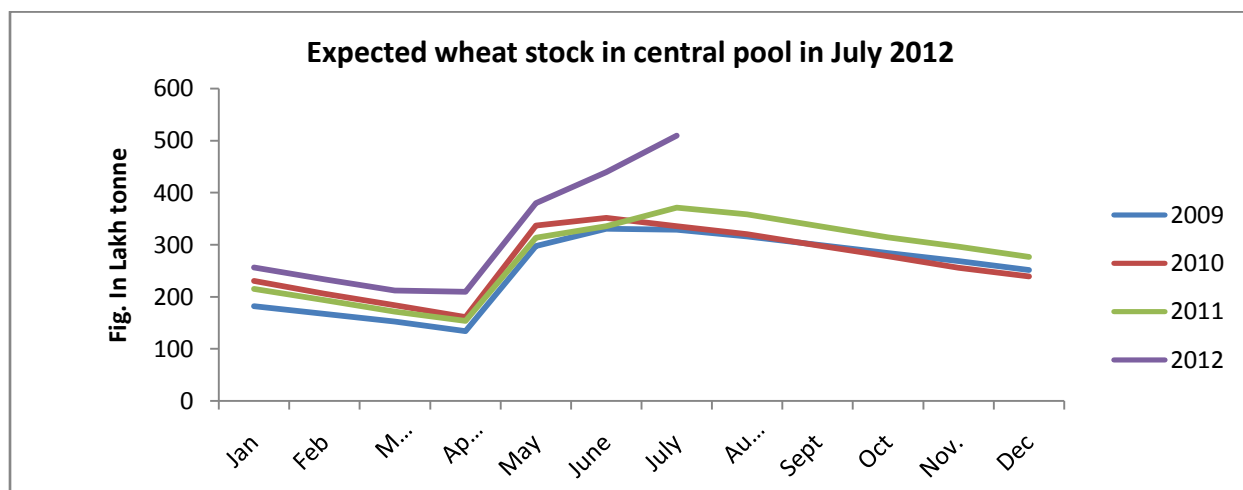
India is expected to continue with foodgrains exports without quantitative restriction including sugar and soya meal on back of higher exportable surplus. Even export efforts for wheat products may be maximised as previous export against allotted quota of 6.5 lakh T remained below expectation. Denmark, Dubai, the Middle East, Indonesia, Sri Lanka, Nepal and the Maldives are usually the main buyers of Indian wheat products. The food ministry has proposed extending the current deadline for exports to March 31, 2013, while the trade ministry has argued against any limits.

Notably, India had opened up exports of wheat products in 2009 and has extended the deadline several times since then, as buyers have been reluctant to enter deals with Indian exporters given the potential for the flow of flour to be suspended by government fiat on short notice. Exports between July 3, 2009 and Jan. 23, 2012 totaled just 127,982 tons against the original 650,000-ton limit, according to the latest government data.

Cargil and LD international have finalized wheat export deals this week at \$285 per T. However, quantity in question is still unspecified. They are sourcing wheat from Rajasthan and Gujarat.

In spite of discouraging scenario for wheat export so far wheat export from India is bound to more than double in 2012-2013, from 6.8 lakh T to 15 lakh T. It may go beyond the expectation if Iran starts importing wheat from India. Currently, India is in a position to honour at least 4 to 5 million T wheat export after meeting its domestic need under food security obligation.

### Expected wheat stock in central pool in July-2012:



Note: Fig in lakh tonne (one lakh tonne is equivalent to 0.1 million T)

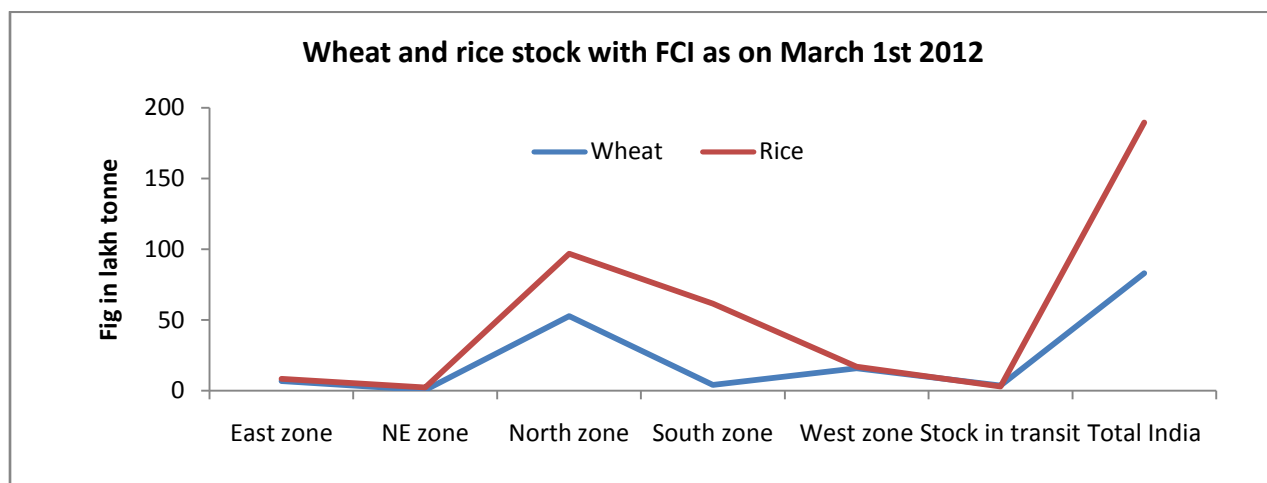
New season will start with a hefty stock of over 20 million T and is likely to reach its peak in the beginning of July at 51 million T. We assume 31 million T wheat procurement in MY 2012-13. The problem of plenty seems very much on the card. With this background Indian govt. has

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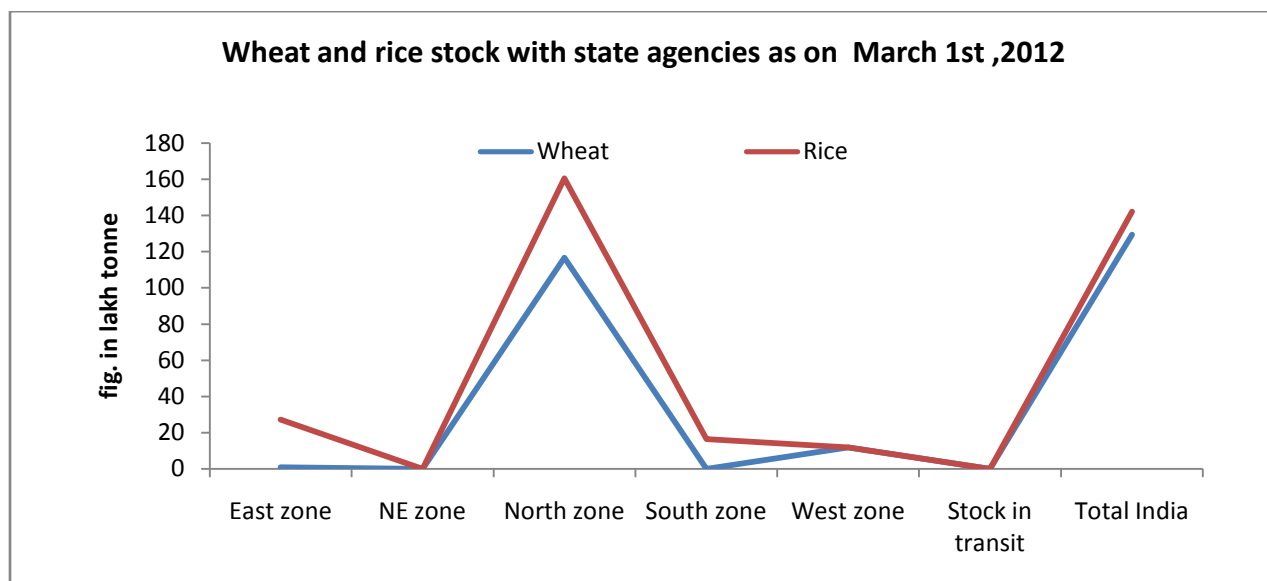
started thinking over GTG deals and encouraging private trade to ship out as much as possible in MY 2012-13.

### Zone Wise Stock Details:

With FCI:



With State Agencies:



Wheat and rice stocks in north zone are on its peak as these regions are major contributors to the central pool kitty .Rice and wheat stocks are lower only on consuming regions. Above given charts show rice and wheat stocks as on 1st of March, 2012 in FCI and state agencies godowns. Movement of foodgrains from surplus to deficit regions continues but with slow pace due to increasing availability from the new crop. In case of wheat ,stock will start ballooning up soon.

**Revised Wheat Balance Sheet:**



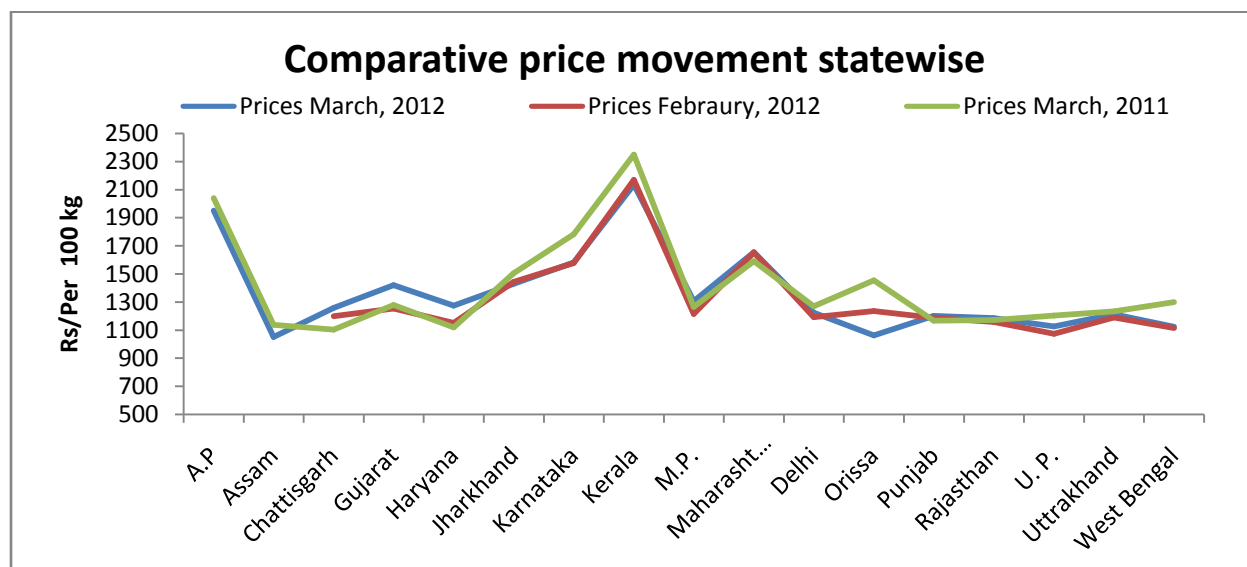
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All units in million tonnes	2009-10	2010-11	2011-12*
Carry in	13.42	16.12	21.43
Production	80.8	86.81	87.32
Imports	0.15	0	0
Total Availability	94.37	102.93	108.75
Consumption	78.15	80	80.5
Exports	0.1	1.5	2
Total Usage	78.25	81.5	82.5
<b>Carry out</b>	<b>16.12</b>	<b>21.43</b>	<b>25.37</b>
Av Monthly Consumption	6.51	6.67	6.71
Stock to Month Use	2.48	3.08	3.78
Stock to Consumption Ratio	0.21	0.26	0.32

\*projection for 2011-12

Crop year 2011-12(MY 2012-13) would start with 21.43 million tonnes carry in stock due to higher production prospects, poor export and lower than expected offtake in lean season. If we add expected production of 87.32 million tonnes in carry in stock it comes to a record 108.75 million tonnes. If we assume 80.5 million tonnes domestic consumption and 2.0 million tonnes export, the total usage comes to 82.5 million tonnes leaving a stock of 25.37 million tonnes. Due to higher availability, monthly Avg consumption and stock to month use ratio will continue to increase as depicted in the S& D table. Av monthly consumption is expected to increase from 6.67 million t to 6.71 million tonnes. Similarly, stock to consumption ratio is likely to increase from 0.26 to 0.32. If wheat production goes beyond expectation, it may increase even higher. If production goes beyond estimated level (likely), total availability will balloon up further.

### State wise price movement:



Wheat prices in domestic markets have increased considerably from Feb and are moving towards MSP in major producing states. Wheat is expected to rule steady to slightly weak in the month of April on arrival pressure from new crop. However, any major fall is unlikely even in the



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remote areas of eastern U.P. and Bihar where procurement agencies are not as active as we find in Punjab, Haryana, Rajasthan and M.P. Wheat prices ruled higher in the states like A.P.,Karnataka and Kerala as these are non-producing consuming states. Prices of wheat are expected to decrease when procurement comes to an end (June) in domestic market.

### Present Storage capacity available in the country:

		<b>Covered</b>	<b>CAP</b>	<b>Total</b>
FCI (1.01.2012)	Own	130.02	26.37	156.39
	Hired	169.42	7.78	177.2
	Total	<b>299.44</b>	<b>34.15</b>	<b>333.59</b>
State agencies and CWC*		165.52	137.78	303.3
	Grand Total	<b>464.96</b>	<b>171.93</b>	<b>636.89</b>
*As on 31.03.2011-excluding hired by FCI				

### Construction of godowns under Private Entrepreneurs Guarantee (PEG) scheme of FCI

<b>Schedule of Completion of Storage Capacity by March 2012</b>			
<b>Capacities to be completed through (units in 100,000 T)</b>			
State	Private Party	CWC	SWC
Punjab	12.02	0.56	2.41
Andhra Pradesh	2.75	0.09	0.36
Chhattisgarh	0	0.25	0.81
Haryana	2.61	0.05	0.83
Karnataka	0	0.1	0.83
M.P.	0	0.23	0.1
Odisha	0	0.23	0.45
Rajasthan	0.93	0	0.3
Tamil Nadu	0.25	0.35	0
Uttar Pradesh	3.45	0	0.25
Maharashtra	0	0.42	1.6
Gujarat	0	0	0
Bihar	0	0	0.3
J&K	0	0	0
Himachal Pradesh	0.13	0	0
West Bengal	0	0.06	0
Jharkhand	0	0	0
Uttarakhand	0	0	0
kerala	0	0	0
<b>Total</b>	<b>22.14</b>	<b>2.34</b>	<b>8.23</b>
<b>Grand total</b>	<b>32.7</b>		

Analysing the increasing foodgrains procurement and storage crunch India has formulated a scheme for construction of storage godowns through private entrepreneurs, Central Warehousing Corporation(CWC) and State Warehousing Corporation(SWCs).



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### Progress of PEG Scheme:

A capacity of about 151 lakh T is to be created in 19 states under the scheme through private entrepreneurs and central and state ware housing Corporation. Tenders have been finalized for creation of storage capacity of about 89.6 lakh tonnes by the private sectors. CWC and SWCs are constructing 5.4 and 14.75 lakh T respectively under the scheme, out of which a capacity of 4.8 lakh T has already been completed by CWC and SWCs.

### Development in NE on storage front:

The concerned department has finalized a scheme to create a total additional storage space of 5,4 lakh T in the NE states by the FCI. Besides, there is a plan to build up an additional storage capacity of 20 lakh T under silos.

Thus the current storage ready to be used by the end of this month would be around 674.39 lakh Tonnes (636.89 lakh T current) 32.7 lakh T to be completed by March and 4.8 lakh T by CWC as discussed above)

### Current Wheat Stock in Central Pool and projection for April-2012:

Wheat	Jan	Feb	March	April	May	June	July	Aug	Sep	Oct	Nov	Dec
<b>2007</b>	57.29	53.85	51.0	45.63	116	133.08	129.26	120.19	110.08	101.21	90.25	83.58
<b>2008</b>	77.12	71.62	65.06	58.03	176.92	241.23	249.12	243.8	232.59	220.25	209.61	195.98
<b>2009</b>	182.12	167.74	152.76	134.29	298.26	331.22	329.22	316.23	300.73	284.57	268.88	251.61
<b>2010</b>	230.92	206.23	183.88	161.25	337.13	351.62	335.84	320.47	298.62	277.77	255.58	239.14
<b>2011</b>	215.4	193.73	171.57	153.64	313.75	378.32	371.49	358.75	336.2	314.2	296.71	276.56
<b>2012</b>	256.76	234.25	212.25	210.00								

Note: Fig in lakh tonne (one lakh tonne is equivalent to 0.1 million T)

- Expected carryout in April may cross over 21 million T

Offtake from govt's godowns in March 2012 is likely to be in the range of 2 to 2.2 million T or even lower. Arrivals of new crop and higher availability in private hands (more than 6 lakh T, including with ITC) will continue to restrict offtake from central pool though the season is at close. From April onwards, wheat stock will start increasing with the commencement of procurement in major wheat growing states like Punjab, Haryana, M.P., Rajasthan, Bihar and U.P. and is expected to touch record level of 52 million T at the end of procurement season (June) including current carryout stock of 21 million T. During procurement season offtake from govt. stock will remain negligible due to availability in the domestic market.

We expect the new season will start with hefty carryout stock of over 21 million T against the minimum requirement of 7 million tonnes (buffer norm 3 million T and Strategic Reserve 4 million T) as on 1<sup>st</sup> April 2012.

**Futures Market:**

Wheat futures market remained under pressure on higher supply, better production prospects and higher production estimate supported by govt's intention to augment supply through various channels like OMSS, PDS. However, futures market is expected to move up in the medium to long term with an assured support from govt.'s buying on MSP. April contract may move in a range of 1230 to 1270.

With increasing arrivals, pressure is being seen on future market and future contract is expected to trade range bound during the month. Higher crop size and lower demand in peak arrival season will weigh on future market. Stake holders are releasing positions in the months of April, May and June.

**April future contract chart:**

**Technical Commentary:**

- Weekly chart formation shows market to trade range bound in the month of April with weak bias likely to continue.
- RSI is moving down in neutral region hints market to trade range bound in short and medium term.
- Volume, price and open interest are decreasing hints consolidation in the market.

**Trading Strategy:**

1215 the lower side is the capable support whereas 1270 holds importance as an immediate resistance. 1215-1270 is the immediate trading range for the price; drift in either direction is likely to take it further in the respective same direction.

**International market:**
**Market Update:**

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- **Egypt's GASC said it bought 120,000 tonnes of wheat for shipment in May.** The purchase included 60,000 tonnes of U.S. soft red winter wheat for \$262.84 per tonne and 60,000 tonnes of Argentine wheat for \$259.35 per tonne-Reuters
- **Japan plans to buy 6.5 percent less foreign food wheat** in the 2012/13 crops year in anticipation of higher local production. Flour mill in Qatar issued a tender to buy 20,000 tonnes of optional-origin high protein wheat-Bloomberg
- **Russia could export almost as much grain in the coming crop year** or even match the 27 million tonne level forecast for 2011/12, when exports have been running at record levels. Russian grain exports are expected to reach between 25 million and 27 million tonnes in the 2012/13 crop year-Reuters
- **Private Chinese importers have purchased six cargoes, or about 360,000 tonnes, of U.S. corn for shipment in May and June from the U.S. Pacific Northwest** in the first large sale to the country since late February-Daily Times
- **Bangladesh's state grains buyer issued a tender to import 50,000 tonnes of wheat** as part of efforts to boost reserves, a procurement official said. The deadline to submit offers is April 4, with validity till April 15, and the wheat is to be shipped within 40 days of signing the contract-Bloomberg
- **Australia's 2012/13 wheat production is forecast at 27 million tonnes**, down about 6.5 percent from the Post's 2011/12 estimate, which was increased to a record 28.9 million tonnes. The estimate for 2011/12 wheat exports was also increased, to a record 20.5 million tonnes-Abare
- **Wheat production in Argentina for 2012/13 is projected to drop** to 12 million tonnes as a result of a lower planted area. Most of the lost area will be planted with barley, which is forecast to increase by 50 percent. Corn planted area is also projected to drop, but yields are expected to recover after a severe drought which affected the 2011/12 crop-PIB
- **Global production of wheat this year will be the second highest** on record at 690 million tons, the United Nations Food and Agriculture Organizations (FAO) announced recently. This year's production is 10 million tons less than last year, a 1.4 per cent decrease. However, it is still well above the average of the past five years-FAO
- **IGC has revised the global wheat production estimate up** for 2011/12, to 695m. tonnes (653m.), boosts total availabilities to 892MMT. Projected food and industrial consumption are both revised lower this month by IGC, but attractive prices, particularly compared with maize, lift the forecast of feed use by 2m. tonnes, to 131m. (115m.)-IGC
- **Total wheat trade may match the 2008/09 peak, at 136.8m. tonnes (125.7m.)** Eventhough total consumption is growing at a faster than average pace, world stocks are projected to rise to 211m. tonnes (196m.)-IGC

### IGC Wheat Balance Sheet:

IGC/23.02.12	2007-2008	2008-09	2009-10	2010-11 est.	2011-12 Forecast	Million Tonnes
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Wheat					19/01/2012	23/02/2012
Production	607	685	679	653	690	695
Trade	110	137	128	126	135	137
Consumptions	603	645	652	656	681	681
Carryover stocks	132	173	199	196	204	211
YOY ch.	5	41	26	-3		+15
Major Exporters	47	69	77	71	74	76

### March report is awaited

### IGC Revised World Wheat Production Estimate Up:

The IGC has increased the global wheat production estimate for 2011/12, to 695m. tons (653m.), boosts total availabilities to 892m., their highest ever. Projected food and industrial consumption are both revised lower this month, but attractive prices, particularly compared with maize, lift the forecast of feed use by 2m. tons, to 131m. (115m.), the most since the early 1990s. Strong feed wheat demand is reflected in the global trade figure, helping to lift total wheat trade to match the 2008/09 peak, at 136.8m. tons (125.7m.). Even though total consumption is growing at a faster than average pace, The world stocks are projected to rise to 211m. tons (196m.), eclipsing the previous record in 1999/00-IGC

### CBOT Futures Prices:

CBOT Futures Prices (USD per Metric Tonnes)				
Futures Month	% Change Over Previous Month	Today (28.03.12)	WeekAgo (23.03.12)	MonthAgo (29.02.12)
May'12(\$/MT)	-5.58	231.74	240.37	245.42
May'12(INR/MT)	-5.58	11908.99	12352.69	12612.30
July'12 (\$/MT)	-5.42	236.46	244.14	250.02
July'12 (INR/MT)	-5.42	12151.61	12546.22	12848.31
Sept'12 (\$/MT)	-5.20	242.58	249.56	255.89
Sept'12 (INR/MT)	-5.20	12465.97	12824.71	13150.40
Nov'12 (\$/MT)	-4.52	250.29	256.45	262.14
Nov'12 (INR/MT)	-4.52	12862.47	13178.72	13471.37

### CBOT Wheat May Chart:



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### Market Analysis:

CBOT wheat future closed lower. It may trade higher in weeks ahead as market is near strong support level. However, US weekly sales report may provide market direction for next move. CBOT wheat May contract is expected to trade in the range of 630 to 680 in May contract.

### Indicative FOB Price: (As on 02.03.12)

Country	Variety	% Change over Prev. Year	(28.03.12)	Week Ago (20.03.12)	Month Ago (29.02.12)	Year Ago (29.03.11)
USA (Chicago)	RTRS 2srw	-14.69	254.82	270.5	265	298.7
France	SRW	-5.19	292.2	285	286.6	308.2
U.k	SRW	-8.62	270.3	271.2	264.2	295.8
Canada (ThunderBay)	1 CW SWS BASE GRADE	-11.80	269	272	259	305
Russia	Milling grade	-4.26	270	273	245	282
Ukraine	Milling grade	-3.58	269	271	237	279
Argentina	Milling grade	-9.30	273	276	263	301
Australia	HRW No-1	-18.41	247	243	251.5	302.75

Landed cost: as on 28.03.2012

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Cost Component		Australia	USA	France	UK
FOB Value/\$ Per T		247.00	254.82	292.20	270.30
Freight		55.00	60.00	65.00	62.00
Export tax		0.00	0.00	0.00	0.00
C&f Value		302.00	314.82	357.20	332.30
Int. charge for one month	0.01	3.02	3.15	3.57	3.32
Risk premium-risk of rejectionnat Indian port	10	10.00	10.00	10.00	10.00
C &F Value plus risk premium&int. charges		315.02	327.97	370.77	345.62
Landing charges	0.01	3.15	3.28	3.71	3.46
Landed cost at Indian port( USD/MT)		318.17	331.25	374.48	349.08
Landed cost at Indian port( NRI/T)	51.39	16350.77	17022.83	19244.51	17939.18
Port handling charges		800.00	800.00	800.00	800.00
Local transport		110.00	110.00	110.00	110.00
Warehousing charges (for 1 Month)		75.00	75.00	75.00	75.00
Transit Insurance		12.00	12.00	12.00	12.00
Gunny bags		500.00	500.00	500.00	500.00
Transit loss	0.05	9.25	9.25	9.25	9.25
Loading &unloading		200.00	200.00	200.00	200.00
Market price of wheat		18057.02	18729.08	20950.76	19645.43
profit margin	2%	361.14	374.58	419.02	392.91
Total cost (Rs per T)		18418.16	19103.66	21369.78	20038.34

**Note:** The internal cost of marketing has been worked out in consultation with port and market experts to arrive at the actual market cost of imported wheat at **South Indian port(Kakinada)**. This calculation would help in finding out the feasibility of import/export.

### Weather Update:

Scientists from Japan Agency for Marine-Earth Science and Technology (Jamstec) have maintained their earlier outlook of deficit rainfall during June and July in India. The agency said that most parts of India would have weaker than normal rainfall during the pre-monsoon period June to July. This could mean a delay in plantation of India's Kharif crop which begins in July-August and accounts for the bulk of country's rice production. The agency has not issued the forecast for the monsoon period July-August-September. In the last three years, India has had three bumper harvests in a row in part due to favorable weather, resulting in record stocks of rice and wheat. This year, the country is planning to pass the ambitious Food Bill later this year, as well as more than double its rice exports to about 6.5 million tons. However, a deficit monsoon could change things drastically for the country. In February, the Japanese scientists had first said that a weaker form of La Nina in the Indian Ocean could weaken rainfall in India this year.

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