

WHEAT DAILY

21st APRIL, 2007

SPOT MARKETS:

Punjab & Haryana Contribute for Procurement - Private Trade Active in Other Centres

Wheat procurement by Govt. of India doesn't find its peak so far. According to the media report, Federal Govt. of India is reportedly purchase about 3.5 Mln Tonnes so far as on 17th April 2007. Last year procurement in the corresponding period stood around 5.6 Mln Tonnes. Out of the 27.29 lakh tonnes of wheat procured in Punjab so far, 24.9 lakh tonnes have been procured by the government agencies whereas 2.38 lakh tonnes have been purchased by private traders. From Rajasthan, FCI has procured 1,500 tonnes of wheat so far as against the targeted 2 lakh tonnes. The central and state agencies have been able to procure only 2,717 tonnes of wheat from U.P. The arrivals of wheat have not been on time this year as compared to last year. The reason behind of that might be the late ripening and maturity of wheat and delay caused by manual harvesting. On the other hand, it is also learned that the private companies are directly procuring the grain from growers directly from the farm. Farmers are also not showing interest to sell their crops to the FCI as private companies and agents spread out in the villages offering significantly higher prices for their produce than the government's procurement agencies. They prefer to hold back their stock in anticipation of better deal later this month on the expectation of higher demand.

Total arrivals in Delhi markets stood up around 35000 and prices at Lawrence Road were quoted down at Rs.955-960 per quintal (mill quality). Arrivals at Narela and Najafgarh were placed 1600qtls and 8000 qtls respectively with prices Rs. 895-912 per quintal Rs. 900-920 per quintal respectively. Arrivals in Achnera was 6000qtls with price ranging from Rs. 900-910 while Karavali was closed today. ITC and Godrej were active in these markets.

Following was the status in other mandis, with active millers and private trade buying:

Mathura	6000 Qtls	Rs. 890 -900per qtl
Kosi	6000 Qtls	Rs. 865-870 per qtl
Hodal	2000 Qtls	Rs. 860-865 per qtl
Palwal	2500 Qtls	Rs. 870 per qtl
Hardoi	20,000 Qtls	Rs. 870 per qtl
Rajkot	5000Qtls	Rs. 875 per qtl

PRICE DRIVERS:

Bullish:

1. Government decided to give a bonus of Rs.100/qtl on MSP to induce farmers to sell to them taking the MSP together with bonus to Rs.850 per quintal.
2. Private trade actively purchasing wheat from Gujarat, Rajasthan and Madhya Pradesh mandis

Bearish:

1. Fresh arrivals increasing with each passing day.
2. Increasing possibility of government meeting procurement targets.
3. Arrivals in Uttar Pradesh mandis are expected to set the trend for softening prices, as the state is poised for huge production.

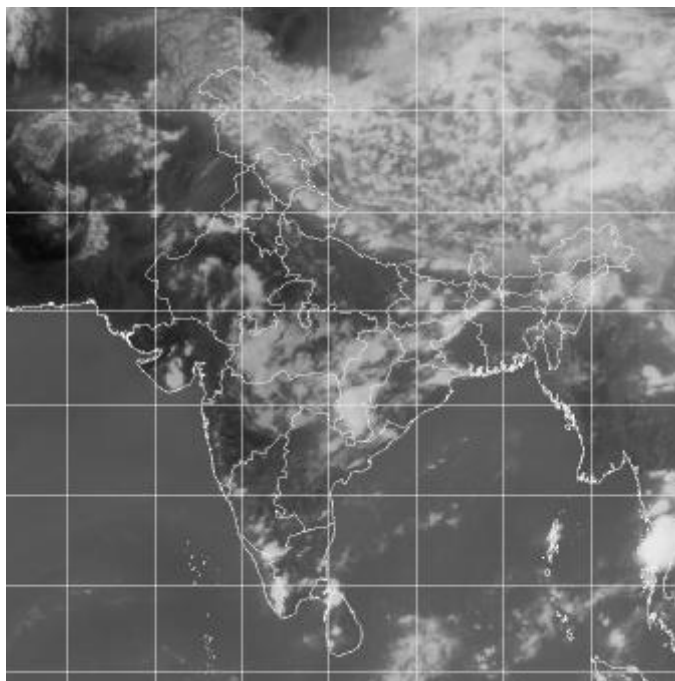
WEATHER:

Standing wheat crop needs bright sunshine during maturity for lower moisture levels. Current weather is supportive for

SPOT MARKET PRICE FOR WHEAT (Rs./Quintal)

Markets	Variety	20.04.07	19.04.07	Change
Delhi (Lawrence Road)	Wheat Mill quality	955-960	955-965	-5
Delhi (Narella)	Wheat Mill quality	895-912	900-910	+2
Haryana (Palwal)	Wheat Mill quality	870	875	-5
Rajasthan (Kota)	Wheat Mill quality	985-990	990-995	-5
Uttar Pradesh (Kanpur)	Wheat Mill quality	960-965	955-960	+5
Madhya Pradesh (Indore)	Wheat Mill quality	950-955	945-951	-4
Uttar Pradesh (Bareilly)	Wheat Mill quality	950-955	945-950	+5

SATELLITE PICTURE OF MONSOON PROGRESS (20.04.07)



Monsoon Features (20.04.07)

- ✓ The current meteorological analysis suggests that fairly widespread rain/thundershowers with isolated heavy falls are likely over northeastern States during next 3-4 days. The day temperatures are likely to increase gradually over northwest and westcentral India during next 3-4 days. Consequently heat wave conditions are likely to develop over northwest India and Rajasthan during the same period.

Outlook for subsequent two days (Based on numerical weather products):

- ✓ Fairly widespread rain/thundershower with isolated heavy falls are likely over northeastern states.
- ✓ Isolated thundersquall is likely over Bihar, Jharkhand and West Bengal & Sikkim.

Source: IMD (GOI)

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