

WHEAT DAILY

23st APRIL, 2007

SPOT MARKETS:

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

Wheat procurement by India's federal govt directly from farmers stood down at 4.5 Mln Metric Tonnes so far as on 20.04.07 compared to 6.7 Mln Tonnes during corresponding period of last year. It is declined by 32.8%. Arrivals so far this year are about at 5.9 million tons compared with around 8.25 million tons year earlier. The arrivals of wheat have not been higher 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 45,000-50,000 and prices at Lawrence Road were quoted down at Rs.950-955 per quintal (mill quality). I rake of wheat reportedly loaded for the destination of Assam. Arrivals at Narela and Najafgarh were placed 12,000 qtls with prices Rs. 905-915 per quintal. Arrivals in Achnera was 4000 qtls with price ranging from Rs. 8880-890. ITC and Godrej were active in these markets.

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

Mathura	5000 Qtls	Rs. 885 -895per qtl
Kosi	3500 Qtls	Rs. 900-925 per qtl
Hodal	2000 Qtls	Rs. 860-865 per qtl
Palwal	2000 Qtls	Rs. 870-875 per qtl
Hardoi	-	-
Rajkot	Closed	Closed

PRICE DRIVERS:

Bullish:

1. Government decided to give a bonus of Rs.100/qrtl 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.

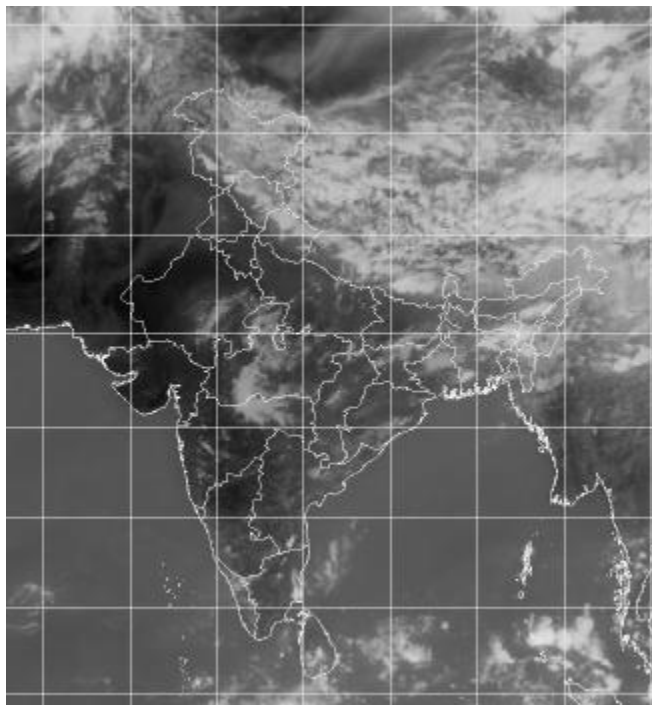
WEATHER:

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

SPOT MARKET PRICE FOR WHEAT (Rs./Quintal)

Markets	Variety	21.04.07	20.04.07	Change
Delhi (Lawrence Road)	Wheat Mill quality	850-855	955-960	-5
Delhi (Narela)	Wheat Mill quality	905-915	895-912	+3
Haryana (Palwal)	Wheat Mill quality	870-875	870	+5
Rajasthan (Kota)	Wheat Mill quality	985-988	985-990	-2
Uttar Pradesh (Kanpur)	Wheat Mill quality	950-955	960-965	-10
Madhya Pradesh (Indore)	Wheat Mill quality	940-945	950-955	-10
Uttar Pradesh (Bareilly)	Wheat Mill quality	950-955	950-955	-

SATELLITE PICTURE OF MONSOON PROGRESS (21.04.07)



Monsoon Features (21.04.07)

- ✓ The current meteorological analysis suggests that the ongoing fairly widespread rain/thundershowers with isolated heavy falls are likely to continue over northeastern States during next 3-4 days. The day temperatures are likely to increase gradually over northwest and westcentral India during next 2-3 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):

- ✓ Decrease in precipitation activity over northeastern states.

Source: IMD (GOI)

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