

WHEAT DAILY

25th APRIL, 2007

SPOT MARKETS:

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

FCI along with other state agencies have procured lower amount of wheat around 58.78 lakh tonnes so far as on 22nd April, 2007 as against 71.80 lakh tonnes during corresponding period of last year. Arrivals are also reportedly at lower side around 74.58 lakh tonnes against 88.72 lakh tonnes during the same period of last year. Lower arrivals are reported from Punjab and Haryana, the wheat bowl of India. However, traders are optimistic about good arrivals within short future. 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 15000 -20000 and prices at Lawrence Road were quoted at Rs.955-960 per quintal (mill quality). Arrivals at Narela and Najafgarh were placed 8000 qtls and 60000 qtls with prices Rs. 910-925 per quintal and Rs. 915-922 per qtls respectively. Arrivals in Achnera were 2500 qtls with price ranging from Rs. 895-900 while in Karavali the arrivals were 5000qtls with price Rs. 920. ITC and Godrej were active in these markets. Glencore, for instance, is buying largely from Gujarat, while Cargill and Ruchi are sourcing from the Bundi-Kota belt of Rajasthan. AWB is similarly focussed on Gujarat and MP.

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

Mathura	5000 Qtls	Rs. 905per qtl
Kosi	4000Qtls	Rs. 880 per qtl
Hodal	1500 Qtls	Rs. 865-870 per qtl
Palwal	3500 Qtls	Rs. 872 per qtl
Hardoi		
Rajkot	6000	Rs. 875 per qtl

PRICE DRIVERS:

Bullish:

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

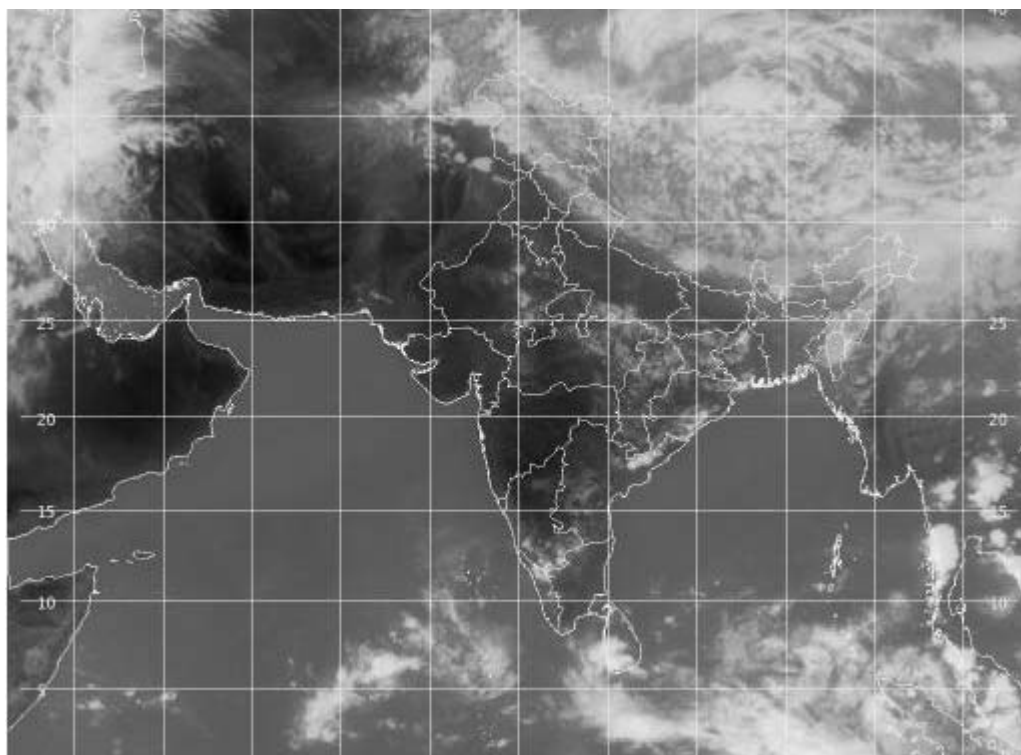
WEATHER:

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	24.04.07	23.04.07	Change
Delhi (Lawrence Road)	Wheat Mill quality	950-960	950-960	-
Delhi (Narela)	Wheat Mill quality	910-920	910-920	-
Haryana (Palwal)	Wheat Mill quality	870	870	-
Rajasthan (Kota)	Wheat Mill quality	975-980	965-971	+9
Uttar Pradesh (Kanpur)	Wheat Mill quality	950-955	955-960	-5
Madhya Pradesh (Indore)	Wheat Mill quality	940-945	935-940	+5
Uttar Pradesh (Bareilly)	Wheat Mill quality	920-925	945-950	-25

SATELLITE PICTURE OF MONSOON PROGRESS (24.04.07)



Monsoon Features (24.04.07)

- ✓ The north-south oriented trough extending from Sub-Himalayan West Bengal & Sikkim to north Bay of Bengal is likely to persist over the same area during next 2-3 days and subsequently move eastwards gradually. Under its influence, fairly widespread rainfall with isolated heavy falls are likely to continue over the northeastern States till 27th and decrease thereafter. Day temperatures are above normal by 2-4°C over many parts of northwest, central and east India. Gradual rise in day temperatures is expected over these region during next 3-4 days.

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

- ✓ Decrease in rainfall activity over northeastern States.
- ✓ Development of heat wave conditions likely in some parts of northwest and adjoining central India..

Source: IMD (GOI)

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