

WHEAT DAILY

29th May, 2007

SPOT MARKETS:

Punjab, Haryana, U.P. and Rajasthan Contribute for Procurement - Private Trade Active in Other Centres

Wheat procurement by Government surpasses last year procurement and stood around 10.87 Mln Tonnes including 6 lakh tonnes procured by state government of Punjab so far as on May 26. The Centre had bought a total of 9.22 Mln Tonnes of the food grain last year. The procurement is still short of the targeted 15 Mln Tonnes despite a 4 Mln Tonnes projected increase in output. The trend is showing that Govt. will be able to procure around 12 Mln Tonnes of the food grain this year. The procurement of Punjab is still lower whereas, in Haryana, U.P., M.P. and Rajasthan it is higher as compared to last year. Near about 35.5 lakh tonnes of wheat has already arrived in the different mandis of Haryana so far as on 26.05.07. The arrivals so far are quiet higher as against the arrivals of around 29.70 lakh tonnes corresponding period of last year. Out of the total wheat arrivals about 7.75 lakh tonnes had been procured by the Food and Supplies Department, 12.30 lakh tonnes were procured by HAFED, 3.35 lakh tonnes by the Food Corporation of India (FCI) is likely to stop wheat procurement in Punjab and Haryana by the month-end and in other states, barring Bihar, by June-end. In Bihar, the procurement will continue till Jul 15. The government usually stops its wheat procurement by May-end.

Total arrivals in Delhi markets stood up around 25,000-30,000 qtls and prices at Lawrence Road were quoted steady at Rs. 910-915 per quintal with arrivals about 8000 qtls for ready delivery (truck loaded). Local flour millers and ITC are active in the markets. However, increased arrivals of new crop from Punjab and Haryana and fall in demand from rolling flourmills pulled wheat prices down. At Narela and Najafgarh markets the price remains 868-870/ qtl, and 860-865/ qtl respectively (loose basis) on the back of arrivals 5000 qtls and 4000 qtls respectively. At Alwar wheat price remained around 850/ qtl. However, poor quality of the grains are traded at Rs.835/ qtl. Wheat trades at Rs. 880/ qtl in Karavali market on the back of arrivals 400 qtls. At Achnera market wheat trades at Rs.875-880 / qtl on the back of arrivals around 1000 qtls

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

Mathura	4000 Qtls	Rs.850 per qtl
Kosi	3000 Qtls	Rs. 848-860 per qtl
Hodal	5000 Qtls	Rs. 850 per qtl
Palwal	4000 Qtls	Rs. 850 per qtl
Rajkot	4000 Qtls	Rs. 870-875 per qtl

PRICE DRIVERS:

Bullish:

1. State Trading Corporation had floated a tender for importing 1 million tonne of wheat.
2. Private trade actively purchasing wheat from Gujarat, Rajasthan and Madhya Pradesh mandis

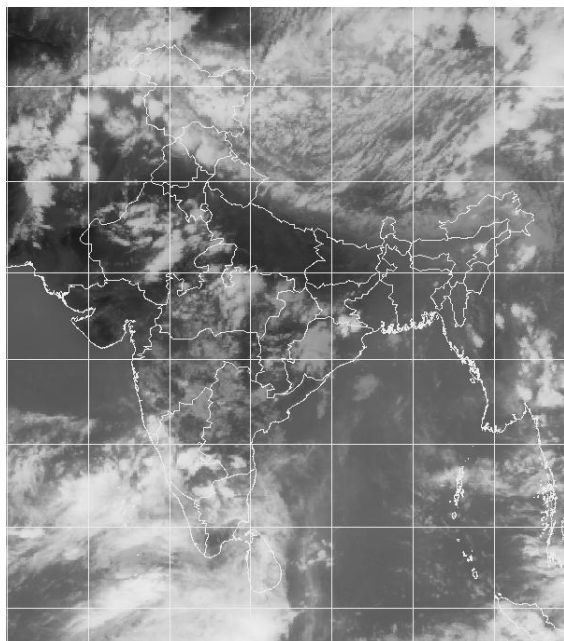
Bearish:

1. Fresh arrivals increasing with each passing day.
2. Wheat stocks in central pool has increased by 30.3% to 11.6 Mln Tonnes as on 1st May this year.
3. Arrivals in Uttar Pradesh mandis are expected to set the trend for softening prices, as the state is poised for huge production.

SPOT MARKET PRICE FOR WHEAT (Rs./Quintal)

Markets	Variety	26.05.07	28.05.07	Change
Delhi (Lawrence Road) Ready delivery	Wheat Mill quality	910-915	910-915	-
Delhi (Narela) Loose	Wheat Mill quality	865-870	868-870	-
Haryana (Palwal) Loose	Wheat Mill quality	850	850	-
Rajasthan (Kota)	Wheat Mill quality	950-955	952-957	+2
Uttar Pradesh (Kanpur)	Wheat Mill quality	945-951	955-960	+9
Madhya Pradesh (Indore)	Wheat Mill quality	903-908	912-918	+10
Uttar Pradesh (Bareilly)	Wheat Mill quality	930-935	915-920	-15

SATELLITE PICTURE OF MONSOON PROGRESS (28.05.07)



Monsoon watch

- ✓ Southwest monsoon has set in over Kerala today, the 28th May 2007. It has covered some parts of south Arabian Sea, entire Kerala, extreme southern parts of Tamil Nadu and some more parts of south Bay of Bengal. The northern limit of monsoon passes through Lat. 12° N / Long. 60° E, Lat. 12° N / Long. 70° E, Kannur, Palakkad, Kanyakumari, Lat. 8° N / Long. 79°, Lat. 9° N / Long. 83°, Lat. 13° N / Long. 90° E, Lat. 15° N / Long. 92° E, and Lat. 17° N / Long. 95° E. Chief amounts of rainfall (4 cm and above) over Kerala and Lakshadweep during past 24 hours are: Alappuzha-11, Kozhikode-10, Thiruvananthapuram-9, Kottayam-8, Karipur-6, Kannur-4 and Agathi-4. Conditions are favourable for further advance of southwest monsoon over some more parts of south Arabian Sea, some parts of coastal and south interior Karnataka, some more parts of Tamil Nadu and south Bay of Bengal.

Chief Features (28.05.07)

- ✓ Under the influence of strong southwesterly current and an offshore trough extending from Karnataka coast to Kerala coast, widespread rainfall with isolated heavy to very heavy falls are likely to continue over Kerala during next 48 hours. The ongoing rainfall activity over coastal and south interior Karnataka and Tamil Nadu are likely to enhance during the same period. Under the influence of persistent western disturbance, scattered light rain/thundershowers are likely over northwest India till tomorrow and decrease thereafter. The Highest maximum temperature of 44.7°C was recorded at Jamshedpur in Jharkhand during past 24 hrs.

Warning (for next 48 hrs.)

- ✓ Isolated heavy to very heavy rainfall is likely over Kerala, Lakshadweep Islands and Coastal Karnataka. Isolated heavy rainfall is likely over northeastern States. Isolated thunder squall is likely over northwest India, Orissa and Gangetic West Bengal.

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

- ✓ Scattered to fairly widespread rain/thundershower activity is likely over south Peninsular India. Rise in day temperature over northwest India.

Source: IMD (GOI)

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