

WHEAT DAILY

19th May, 2007

SPOT MARKETS:

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

Wheat procurement by Government as on May 17 is stood higher around 9.66 Mln Tonnes as compared to 9.20 Mln Tonnes procured in the corresponding period of last year. The Centre had bought a total of 9.22 Mln Tonnes of the food grain last year. The trend is rising the hopes that Govt. will able to procure around 11-12 Mln Tonnes of the food grain this year. Procurement has been steadily increasing since the past two weeks after the government announced import tenders and ruled out an increase in the minimum support price or an incentive bonus. The govt. is also likely to import around 3-4 Mln Tonnes foodgrain to build enough stocks so that it can intervene in the market if prices rise. Wheat stocks in central pool have also increased by 30.3% to 11.6 Mln Tonnes as on 1st May this year due to higher carryover from last year. Arrivals across the country are also improving in the last week and touches around 13.12 Mln Tonnes so far likewise same period of previous year. The procurements are higher in the states of Haryana, Uttar Pradesh, Madhya Pradesh and Rajasthan as compared to last year but still away from achieve the target levels. However, in Punjab the procurement remained sharply lower around 6.29 Mln Tonnes so far as against about 6.94 Mln Tonnes during same period of last year. Around 14 lakh tonnes of foodgrain has still to be procured from Punjab to reach the targeted level of 75 lakh tonnes for the state. To ensure higher buys this year Govt has set up 13,128 wheat procurement centres in 2007 crop year as against 8,985 centres last year. Global wheat production for 2007/08 is projected 4 percent higher than in 2006/07, but remains below 2004/05 and 2005/06. Global ending stocks for 2007/08 are projected at 113.4 million tons, down 6 percent from 2006/07, and the lowest since 1981/82.

Total arrivals in Delhi markets stood up around 25,000qtls and prices at Lawrence Road were quoted steady at Rs. 920-928 per quintal with arrivals about 10,000 qtls for ready delivery (truck loaded). At Narela and Najafgarh markets the price remains 875-885/qlt, and 870-876/ qtl respectively (loose basis) on the back of arrivals 2500qtls and 2000qtls respectively. Karavali market witnessed arrivals around 2500qtls and price remained Rs.870-875/qlt . Achnera market is closed.

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

Mathura	4000 Qtls	Rs.865-870 per qtl
Kosi	1500 Qtls	Rs. 850-860 per qtl
Hodal	2500 Qtls	Rs. 850-851-per qtl
Palwal	2500 Qtls	Rs. 850-851 per qtl
Rajkot	5000 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

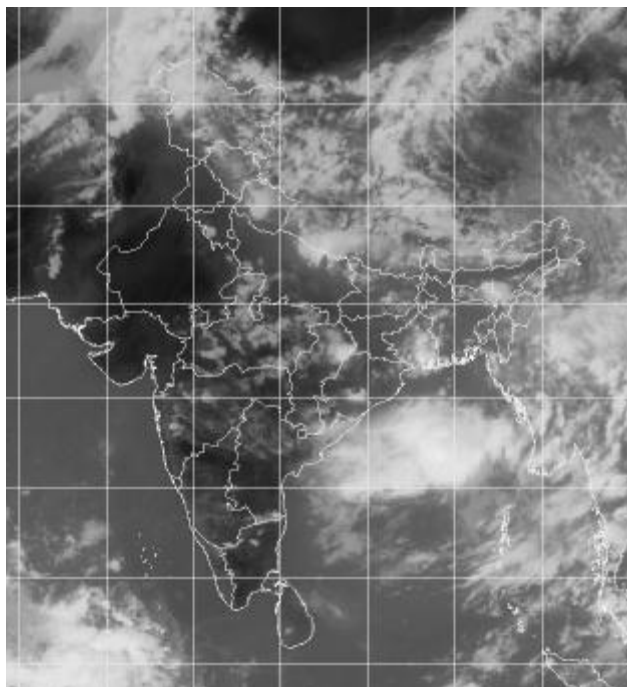
Bearish:

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.

SPOT MARKET PRICE FOR WHEAT (Rs./Quintal)

Markets	Variety	18.05.07	17.05.07	Change
Delhi (Lawrence Road) Ready delivery	Wheat Mill quality	920-928	920-928	-
Delhi (Narela) Loose	Wheat Mill quality	875-885	875-885	-
Haryana (Palwal) Loose	Wheat Mill quality	850-851	850-851	-
Rajasthan (Kota)	Wheat Mill quality	963-968	958-962	+6
Uttar Pradesh (Kanpur)	Wheat Mill quality	960-965	958-962	+3
Madhya Pradesh (Indore)	Wheat Mill quality	925-930	930-935	-5
Uttar Pradesh (Bareilly)	Wheat Mill quality	915-920	-	-

SATELLITE PICTURE OF MONSOON PROGRESS (18.05.07)



Monsoon watch

- ✓ The predictors for this year suggest an early monsoon onset over Kerala. The forecast Model Suggests that the monsoon onset over Kerala is likely to be on 24th May 2007 with a model error of ± 3 days.

Chief Features (18.05.07)

- ✓ Under the influence of an approaching western disturbance, scattered rain/thundershowers are likely over Western Himalayan region during next 3 days. Isolated rain/thundershower accompanied with squall is also likely over plains of northwest India during the same period. The current meteorological analysis suggests that ongoing scattered rainfall activity is likely to continue over northeastern States and adjoining east India. Heat wave conditions continued to prevail over Coastal areas of Andhra Pradesh and Tamil Nadu and are likely to continue during next 1-2 days. Highest maximum temperature of 46.2 0C recorded at Gannavaram in Andhra Pradesh

Warning (for next 48 hrs.)

- ✓ Isolated thunder squall is likely over Himachal Pradesh, Uttarakhand, Punjab, Haryana, Delhi, Chandigarh, Uttar Pradesh, Bihar, Jharkhand, Orissa, West Bengal & Sikkim.

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

- ✓ Scattered rainfall activity is likely over east and northeast India.

Source: IMD (GOI)

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