

WHEAT DAILY

16th May, 2007

SPOT MARKETS:

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

Wheat procurement by Govt go beyond last year level and stood around 9.41 Mln Tonnes so far as on 14.05.07 as compared to 9.19 Mln Tonnes during corresponding period of last year. The Centre had bought a total 9.22 mln tn of the food grain last year. The procurements are higher in the states of Haryana, Uttar Pradesh, Madhya Pradesh and Rajasthan as compared to last year. However, in Punjab it is much lower around 6.18 Mln Tonnes so far as against about 6.92 Mln Tonnes during same period of last year. Despite a 4 Mln Tonnes projected increase in output the total procurement is still weak as farmers are hoarding wheat in anticipation of a further rise in its prices. Arrivals across the country are still stood down around 12.67 Mln Tonnes so far compared with 13.02 Mln Tonnes a year ago. Govt. has been procuring bulk of the market arrivals from the major producing belts of Punjab and Haryana. 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. India may need to import 4-5 mln tn of the food grain to meet its domestic requirement in case procurement fails to achieve its target.

Total arrivals in Delhi markets stood down around 30,000-35,000qtls and prices at Lawrence Road were quoted down at Rs. 915 per quintal with arrivals about 12,000 qtls for ready delivery (truck loaded). At Narela and Najafgarh markets the price remains 860-880/ctl, 858-875/ qtl respectively (loose basis) on the back of arrivals 7500qtls and 5000qtls respectively. Karavali market witnessed arrivals around 1500qtls and price remained Rs.870-880/ctl . Achnera market saw the price at Rs.870-900 on the back of arrivals 1000 qtls.

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

Mathura	6000	860
Kosi	6000 Qtls	Rs. 850 per qtl
Hodal	2000 Qtls	Rs. 850-852-per qtl
Palwal	3000 Qtls	Rs. 850 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.
3. Arrivals in Uttar Pradesh mandis are expected to set the trend for softening prices, as the state is poised for huge production.

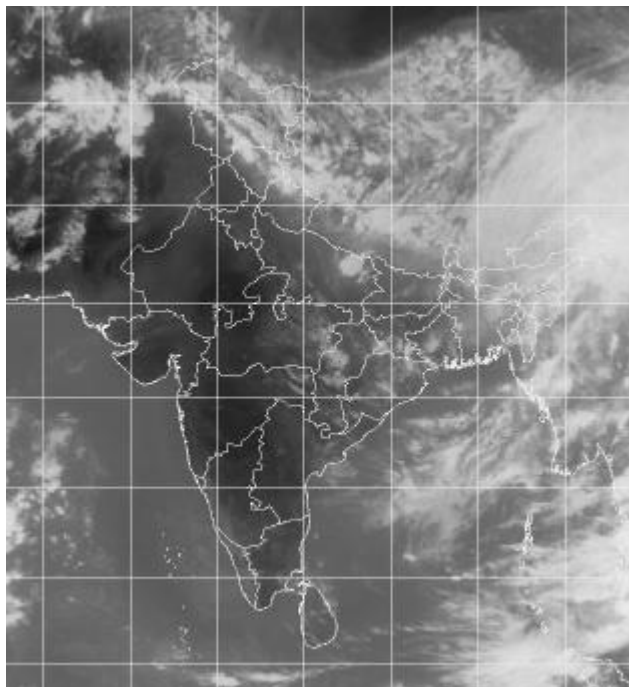
WEATHER:

Weather has no impact as harvesting is over

SPOT MARKET PRICE FOR WHEAT (Rs./Quintal)

Markets	Variety	15.05.07	14.05.07	Change
Delhi (Lawrence Road) Ready delivery	Wheat Mill quality	915	920	-5
Delhi (Narela) Loose	Wheat Mill quality	860-880	870-880	-
Haryana (Palwal) Loose	Wheat Mill quality	850	850	-
Rajasthan (Kota)	Wheat Mill quality	958-962	955-960	+2
Uttar Pradesh (Kanpur)	Wheat Mill quality	955-960	960-965	-5
Madhya Pradesh (Indore)	Wheat Mill quality	925-930	920-925	+5
Uttar Pradesh (Bareilly)	Wheat Mill quality	935-940	935-940	-

SATELLITE PICTURE OF MONSOON PROGRESS (15.05.07)



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 (15.05.07)

- ✓ Yesterday's Cyclonic Storm (AKASH) over east central Bay of Bengal moved north-northeastwards and crossed south Bangladesh coast close to Cox's Bazar early morning of today. The system has rapidly weakened and now lies as a depression at 0830 hours IST of today over Bangladesh with its centre about 100 km south-southwest of Aijwal. It is likely to move in a north-northeasterly direction and weaken further. During past 24 hours, widespread rainfall has occurred over northeastern States. The enhanced rainfall with isolated heavy to very heavy falls is likely over northeastern States till tomorrow and decrease thereafter. Under the influence of an upper air cyclonic circulation extending in the lower tropospheric levels, isolated rain/thundershowers are likely over northwest India during next 2 to 3 days. Heat wave conditions prevailed over coastal areas of Andhra Pradesh and Tamil Nadu and are likely to continue during next 48 hours. Highest maximum temperature of 45.0C recorded at Vijayawada in Andhra Pradesh

Warning (for next 48 hrs.)

- ✓ Isolated thunder squall is likely over Himachal Pradesh, Uttarakhand, Punjab, Haryana, Delhi, Chandigarh, West Uttar Pradesh and Rajasthan. Isolated heavy to very heavy rainfall is likely over northeastern States. Strong surface winds speed reaching 45-55 kmph is likely over Nagaland, Manipur, Mizoram & Tripura.

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

- ✓ Decrease in rainfall activity over northeastern States.

Source: IMD (GOI)

Disclaimer

The information and opinions contained in the document have been compiled from sources believed to be reliable. The company does not warrant its accuracy, completeness and correctness. Use of data and information contained in this report is at your own risk. This document is not, and should not be construed as, an offer to sell or solicitation to buy any commodities. This document may not be reproduced, distributed or published, in whole or in part, by any recipient hereof for any purpose without prior permission from the Company. IASL and its affiliates and/or their officers, directors and employees may have positions in any commodities mentioned in this document (or in any related investment) and may from time to time add to or dispose of any such commodities (or investment). Please see the detailed disclaimer at <http://www.agriwatch.com/Disclaimer.asp>

© 2005 Indian Agribusiness Systems Pvt Ltd.