

## WHEAT DAILY

17<sup>th</sup> May, 2007

### SPOT MARKETS:

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

Wheat procurement by Govt is higher so far and stood around 9.51 Mln Tonnes so far as on 15.05.07 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 trend is rising the hopes that Govt. will procure around 11-12 Mln Tonnes of the food grain this 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 remained lower around 6.22 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 as on 14.05.07 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

Total arrivals in Delhi markets stood down around 20,000qtls and prices at Lawrence Road were quoted up at Rs. 920 per quintal with arrivals about 8,000 qtls for ready delivery (truck loaded). Narela and Najafgarh markets are closed. Karavali market witnessed arrivals around 2000qtls and price remained Rs.860-890/qlt. Achnera market saw the price at Rs.880-900 on the back of arrivals 1000 qtls.

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

Mathura	8000	Rs.855-860 per qtl
Kosi	2500 Qtls	Rs. 840-860 per qtl
Hodal	3000 Qtls	Rs. 850-852-per qtl
Palwal	3000 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.
3. Arrivals in Uttar Pradesh mandis are expected to set the trend for softening prices, as the state is poised for huge production.

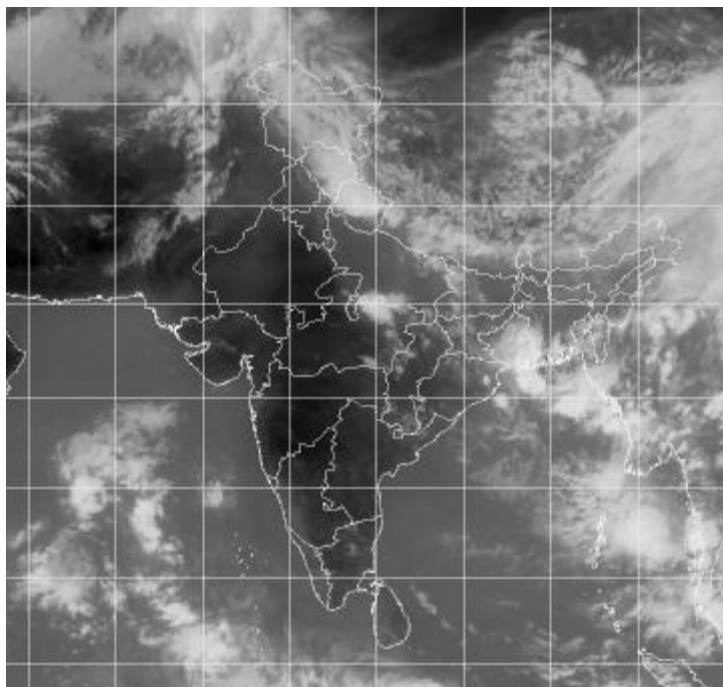
### WEATHER:

Weather has no impact as harvesting is over

### SPOT MARKET PRICE FOR WHEAT (Rs./Quintal)

Markets	Variety	16.05.07	15.05.07	Change
Delhi (Lawrence Road) Ready delivery	Wheat Mill quality	920	915	+5
Delhi (Narela) Loose	Wheat Mill quality	Closed	860-880	-
Haryana (Palwal) Loose	Wheat Mill quality	850-851	850	+1
Rajasthan (Kota)	Wheat Mill quality	957-961	958-962	-1
Uttar Pradesh (Kanpur)	Wheat Mill quality	960-965	955-960	+5
Madhya Pradesh (Indore)	Wheat Mill quality	925-930	925-930	-
Uttar Pradesh (Bareilly)	Wheat Mill quality	930-935	935-940	-5

## SATELLITE PICTURE OF MONSOON PROGRESS (16.05.07)



### 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  $\pm 3$  days.

### Chief Features (16.05.07)

- ✓ Widespread rainfall with isolated heavy falls have occurred over northeastern states during past 24 hours. The current meteorological analysis suggests fairly widespread rainfall likely over east India during next 48 hours. Under the influence of an upper air cyclonic circulation extending in the lower tropospheric levels, rain/thundershowers are likely at a few places over western Himalayan and Punjab and isolated duststorm/thunderstorm accompanied with squall is likely over rest region during next 2 to 3 days. Heat wave conditions prevailed over Coastal Andhra Pradesh and north central Tamil Nadu and are likely to continue during next 48 hours. Yesterday, Hissar (Haryana) recorded the maximum temperature of 44.9 °C.

### Warning (for next 48 hrs.)

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

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

- ✓ Scattered rainfall activity is likely over northeastern States and West Bengal.

Source: IMD (GOI)

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