

WHEAT DAILY

11th May, 2007

SPOT MARKETS:

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

Wheat procurement by Govt is stood down around 9.06 Mln Tonnes so far as on 09.05.07 as compared to 9.14 Mln Tonnes during same period of last year. Arrivals across the country are also stood down around 11.69 Mln Tonnes compared with 12.74 Mln Tonnes a year ago. The wheat procurement target of Govt set around 15 Mln Tonnes this year. The government is buying wheat at 850 rupees per 100 kg this year, inclusive of a 100-rupee-per-100-kg bonus. 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. Govt. has also extended 2.5% commission to all agencies that help in wheat procurement in Uttar Pradesh, Rajasthan and Haryana. However, procurement expected to increase in the coming days because of government had floated wheat import tenders and ruled out an increase in the minimum support price or an incentive bonus. This year the government may continue to buy wheat till June-end to achieve the target instead of terminate the process in may as usual. 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 up around 35,000qtls and prices at Lawrence Road were quoted steady at Rs. 940 per quintal with arrivals about 9000 qtls for ready delivery (truck loaded). At Narela and Najafgarh markets the price remains 880-900/qlt, 900-905/ qtl respectively on the back of arrivals 8000qtls and 15000qtls respectively. Karavali saw arrivals around 4000 qtls and price quoted at 890/qlt. Achnera market is closed.

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

Mathura	Closed	
Kosi	8000 Qtls	Rs. 865 per qtl
Hodal	2000 Qtls	Rs. 855per qtl
Palwal	6000 Qtls	Rs. 860-870 per qtl
Rajkot	5000 Qtls	Rs. 870-875 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.

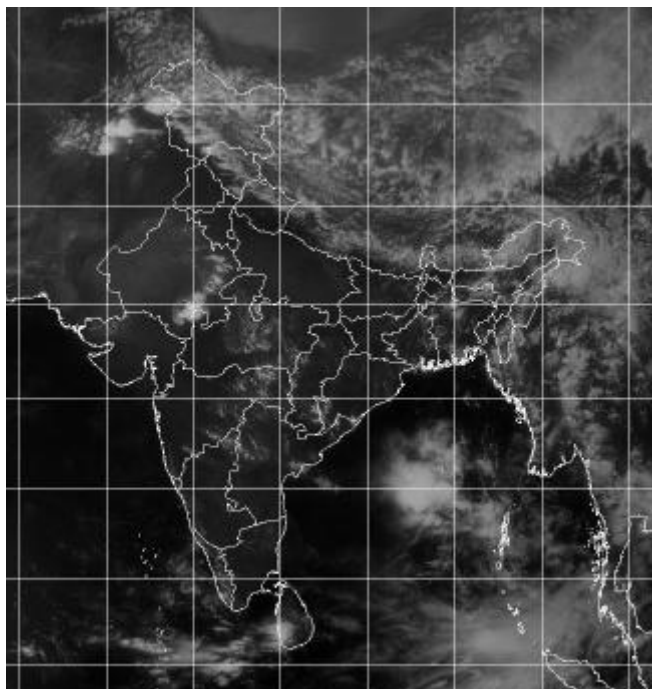
WEATHER:

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	10.05.07	09.05.07	Change
Delhi (Lawrence Road) Ready delivery	Wheat Mill quality	940	940	-
Delhi (Narela) Loose	Wheat Mill quality	880-900	Closed	-
Haryana (Palwal) Loose	Wheat Mill quality	860-870	870	-
Rajasthan (Kota)	Wheat Mill quality	968-973	967-972	+1
Uttar Pradesh (Kanpur)	Wheat Mill quality	955-960	952-957	+3
Madhya Pradesh (Indore)	Wheat Mill quality	915-920	916-921	-1
Uttar Pradesh (Bareilly)	Wheat Mill quality	940-945	935-940	+5

SATELLITE PICTURE OF MONSOON PROGRESS (10.05.07)



Monsoon watch

- ✓ Southwest monsoon has set in over parts of southeast Bay of Bengal, Nicobar islands and Andaman Sea. The northern limit of monsoon passes through Lat. 5.0° N /Long. 86.0° E, Lat. 8.0° N /Long. 90.0° E, Car Nicobar, Lat. 11.0° N /Long. 96.0° E and Lat. 12.0° N /Long. 98.0° E. Conditions are favourable for further advance of southwest monsoon over some more parts of Andaman Sea and southeast Bay of Bengal during next 48 hrs.

Chief Features (10.05.07)

- ✓ A low pressure area is likely to form over east central Bay of Bengal and adjoining north Andaman Sea by tomorrow. Numerical Weather Prediction Models suggest that fairly widespread rainfall with isolated heavy falls are likely over northeastern States and Andaman & Nicobar Islands during next 3-4 days. Heat wave conditions prevailed over some parts of south Coastal Andhra Pradesh and north coastal Tamil Nadu during past 24 hours where the day temperatures are above normal by 5-6 °C. Heat wave conditions are likely to continue over these regions and extend to some more parts of south India during next 2-3 days. Highest maximum temperature of 44.8°C was recorded at Chandrapur in Maharashtra during past 24 hrs.

Warning

- ✓ Isolated thunder squall is likely over Himachal Pradesh, Uttarakhand, Haryana, Delhi, Chandigarh, Uttar Pradesh, West Bengal & Sikkim and north Orissa. Isolated heavy rainfall is likely over Andaman & Nicobar Islands and northeastern States.

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

- ✓ Fairly widespread rainfall activity is likely over northeastern states and Andaman & Nicobar Islands.

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.