

WHEAT DAILY

5th May, 2007

SPOT MARKETS:

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

The Govt. agencies have procured a lower amount around 8.55 Mln Tonnes of wheat so far as on 03.05.07 as against the procurement of 9.04 Mln Tonnes during corresponding period of last year. The corporation had set a target of 15 million tonnes this year as against 9.3 million tonnes last year. However, industry watchers see the procurement to be lower in the range of 11-12 million tonnes. In case of lower procurement government may have to import around 3-4 million tonnes. Meanwhile, State Trading Corp. and Food Corp. of India have already made the first move of the process of importing wheat. It is a clear reflection that the government expects to fall short of its procurement target this year also. Arrivals across the country stood down at 10.91 Mln Tonnes so far as on 03.05.07 compared with 12.26 Mln Tonnes year ago on account of the late maturing of the crop. Procurement in Punjab is still lower around 57.10 Lakh Tonnes so far as on 03.05.07 against 67.96 Lakh Tonnes during corresponding period of last year. However, Government agencies have procured a record amount around 26.80 Lakh Tonnes of wheat from Haryana so far as against 22.05 Lakh Tonnes during the last season. Farmers from Punjab are in mood to oppose the Centre's move to import the grain. They are demanding to stop importing wheat which may cost more prices and instead give Rs1,140 per quintal minimum support price (MSP) to farmers.

Total arrivals in Delhi markets stood down around 22,000 qtls and prices at Lawrence Road were quoted down at Rs.945 per quintal with arrivals down about 12000 qtls for ready delivery (truck loaded). Narela and Najafgarh markets experienced the arrivals of 12000 qtls and 6000 qtls respectively with the prices of Rs.910 and Rs.900 respectively on loose basis while Karavali market has closed. Achnera market saw the arrivals around 1800 qtls and price remained Rs. 880-890/ qtl.

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

Mathura	10000 Qtls	Rs. 900 per qtl
Kosi	3500 Qtls	Rs. 860-865 per qtl
Hodal	1500 Qtls	Rs. 870 per qtl
Palwal	1500 Qtls	Rs. 870-875 per qtl
Rajkot	5000 Qtls	Rs. 870-875 per qtl

PRICE DRIVERS:

Bullish:

1. Government decided to give a bonus of Rs.100/ qtl 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

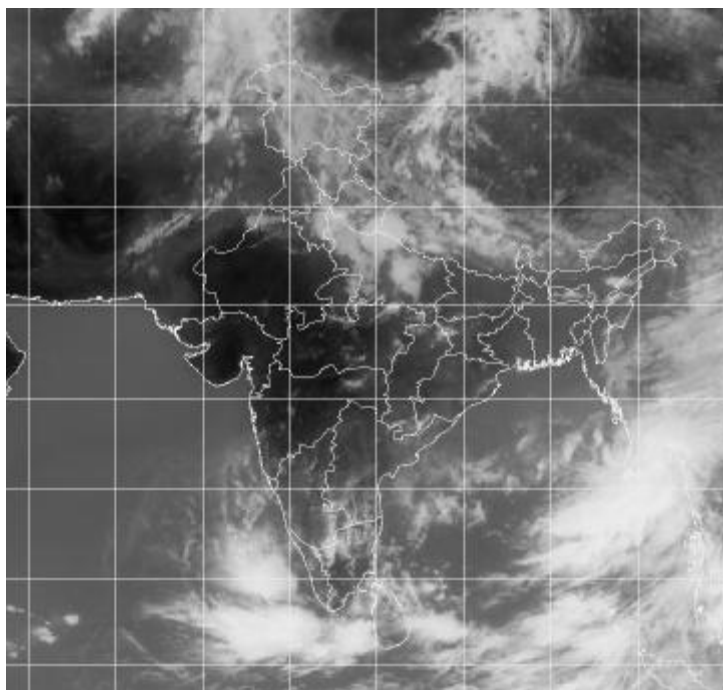
Bearish:

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

SPOT MARKET PRICE FOR WHEAT (Rs./Quintal)

Markets	Variety	04.05.07	03.05.07	Change
Delhi (Lawrence Road) Ready delivery	Wheat Mill quality	945	945	-
Delhi (Narela) Loose	Wheat Mill quality	910	910	-
Haryana (Palwal) Loose	Wheat Mill quality	870-875	870-875	-
Rajasthan (Kota)	Wheat Mill quality	978-983	983-988	-5
Uttar Pradesh (Kanpur)	Wheat Mill quality	947-952	945-950	+2
Madhya Pradesh (Indore)	Wheat Mill quality	940-945	940-945	-
Uttar Pradesh (Bareilly)	Wheat Mill quality	957-962	947-952	+10

SATELLITE PICTURE OF MONSOON PROGRESS (04.05.07)



Monsoon Features (04.05.07)

- ✓ Yesterday's well marked low pressure area over north Andaman Sea intensified into depression over the same area in the evening. Moving in a northerly direction, it lay centered at 0830 hours IST of today over eastcentral Bay of Bengal and adjoining north Andaman Sea, about 300 km north of Port Blair. The system is likely to move slowly in a north-northeasterly direction and cross Arkan coast of Myanmar by tomorrow, the 5th May 2007 morning. Under its influence, widespread rainfall with isolated heavy falls are likely over Andaman & Nicobar Islands during 36 hours. The squally winds speed reaching 45-55 kmph is likely over Andaman Islands during next 36 hours. Sea condition will be rough to very rough around the system centre. Fishermen of Andaman & Nicobar Islands are advised not to venture into the sea. Current meteorological analysis suggests isolated to scattered rain/thundershowers activity over Western Himalayan region, adjoining plains of northwest India and East Uttar Pradesh during next 48 hours. Consequently, day temperatures are likely to remain near normal over plains of northwest India and adjoining east India during the same period.

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

- ✓ Increase in rainfall activity over northeastern States.

Source: IMD (GOI)

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