

## WHEAT DAILY

7th 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 up around 35,000 qtls and prices at Lawrence Road were quoted down at Rs.940 per quintal with arrivals down about 14000 qtls for ready delivery (truck loaded). Narela and Najafgarh markets experienced the arrivals of 14000 qtls and 8000 qtls respectively with the prices of Rs.900-905 and Rs.880-900 respectively on loose basis while Karavali saw arrivals around 3000 qtls and price quoted at 905/qlt market has closed. Achnera market saw the arrivals around 5000 qtls and price remained at Rs. 885-890/ qtl.

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

Mathura	7000 Qtls	Rs. 890 per qtl
Kosi	6000 Qtls	Rs. 870 per qtl
Hodal	2000 Qtls	Rs. 855-860 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/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

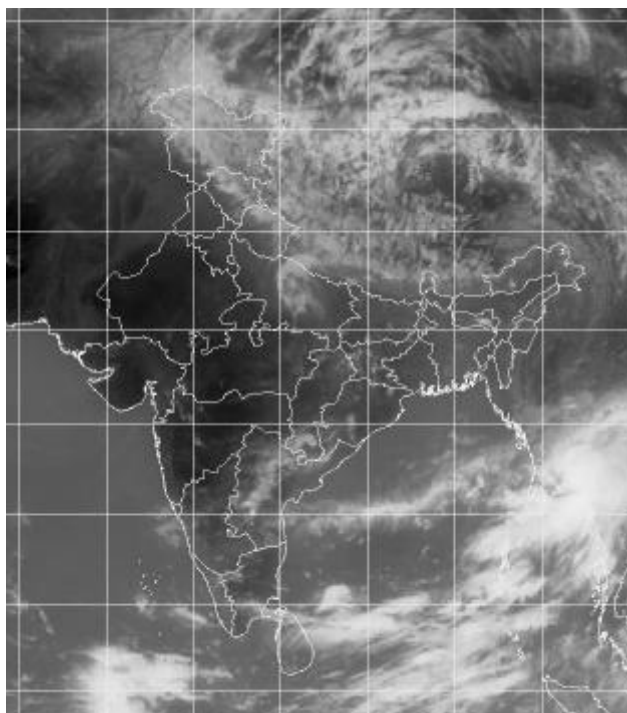
#### Bearish:

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

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

Markets	Variety	05.05.07	04.05.07	Change
Delhi (Lawrence Road) Ready delivery	Wheat Mill quality	940	945	-5
Delhi (Narela) Loose	Wheat Mill quality	900-905	910	-5
Haryana (Palwal) Loose	Wheat Mill quality	870-875	870-875	-
Rajasthan (Kota)	Wheat Mill quality	977-982	978-983	-1
Uttar Pradesh (Kanpur)	Wheat Mill quality	950-955	947-952	+3
Madhya Pradesh (Indore)	Wheat Mill quality	940-945	940-945	-
Uttar Pradesh (Bareilly)	Wheat Mill quality	940-945	957-962	-7

## SATELLITE PICTURE OF MONSOON PROGRESS (05.05.07)



### Monsoon Features (05.05.07)

- ✓ Yesterday's depression over eastcentral Bay of Bengal and adjoining north Andaman Sea moved northeastwards and crossed Arakan coast during the morning hours of today, the 5th May 2007. Heat wave conditions prevailed over some parts of Vidarbha and isolated pockets of Rajasthan during past 24 hours. Current meteorological analysis suggests that gradual rise in day temperatures is likely over plains of northwest India, East Uttar Pradesh, Rajasthan and central India during next 2-3 days. Numerical Weather Prediction model suggests that fairly widespread rainfall with isolated heavy falls is likely over northeastern States from 7th onwards for the next 2-3 days

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

- ✓ Scattered to fairly widespread rainfall activity over northeastern States and Sub-Himalayan West Bengal & Sikkim.

Source: IMD (GOI)

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