

WHEAT DAILY

14th May, 2007

SPOT MARKETS:

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

Wheat procurement by Govt has gone above against last year level and stood around 9.23 Mln Tonnes so far as on 11.05.07 as compared to 9.17 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 6.07 Mln Tonnes so far as against about 6.91 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 stood down around 12.62 Mln Tonnes compared with 12.93 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 34,000qtls and prices at Lawrence Road were quoted steady at Rs. 935-940 per quintal with arrivals about 22,000 qtls for ready delivery (truck loaded). At Narela and Najafgarh markets the price remains 880-890/ qtl, 870-880/ qtl respectively (loose basis) on the back of arrivals 12,000qtls and 8000qtls respectively. Karavali market witnessed arrivals around 4000qtls and price remained Rs.880/qtl. Achnera market saw the price at Rs.875-880 on the back of arrivals 2500 qtls.

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

Mathura	400	900
Kosi	6000 Qtls	Rs. 865 per qtl
Hodal	2000 Qtls	Rs. 855-per qtl
Palwal	2500 Qtls	Rs. 865-870 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.

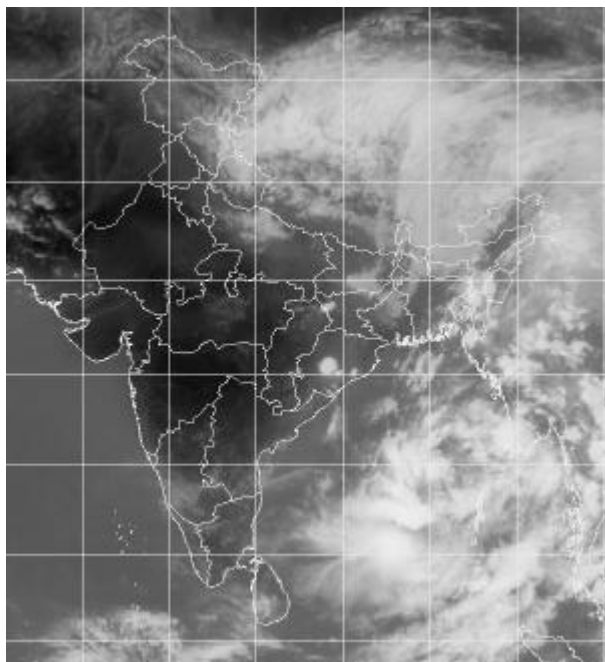
WEATHER:

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	12.05.07	11.05.07	Change
Delhi (Lawrence Road) Ready delivery	Wheat Mill quality	935-940	940	-
Delhi (Narela) Loose	Wheat Mill quality	880-890	900-905	-15
Haryana (Palwal) Loose	Wheat Mill quality	865-870	865-870	-
Rajasthan (Kota)	Wheat Mill quality	952-957	968-973	-16
Uttar Pradesh (Kanpur)	Wheat Mill quality	952-957	955-960	-3
Madhya Pradesh (Indore)	Wheat Mill quality	911-916	915-920	-4
Uttar Pradesh (Bareilly)	Wheat Mill quality	945-950	940-945	+5

SATELLITE PICTURE OF MONSOON PROGRESS (12.05.07)



Monsoon watch

- ✓ Southwest monsoon has further advanced into some more parts of southeast Bay of Bengal and Andaman Sea. The northern limit of monsoon passes through Lat. 5.0° N /Long. 86.0° E, Lat. 11.0° N /Long. 90.0° E, Maya Bandar, Lat. 14.0° N /Long. 97.0° E.

Chief Features (12.05.07)

- ✓ Yesterday's low pressure area over east central Bay of Bengal and neighbourhood persists. System is likely to become more marked and may concentrate into a depression by tomorrow. Current meteorological analysis suggests fairly widespread rainfall with isolated heavy falls is likely over Andaman Nicobar Islands and northeastern states during next 2-3 days. Prevailing heat wave conditions over south Coastal Andhra Pradesh, north coastal Tamil Nadu, Vidarbha and isolated pockets of West Madhya Pradesh are likely to continue during next 48 hours. The highest maximum temperature of 45.5°C was recorded at Nagpur in Maharashtra during past 24 hrs.

Warning

- ✓ Isolated thunder squall is likely over Himachal Pradesh, Uttarakhand, Punjab, Haryana, Delhi, Chandigarh and Uttar Pradesh. 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)

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