

WHEAT DAILY

28th May, 2007

SPOT MARKETS:

Punjab, Haryana, U.P. and Rajasthan Contribute for Procurement - Private Trade Active in Other Centres

Wheat procurement by Government stood around 10.65 Mln Tonnes including 6 lakh tonnes procured by state government of Punjab so far as on May 24. The Centre had bought a total of 9.22 Mln Tonnes of the food grain last year. The procurements still short of the targeted 15 Mln Tonnes despite a 4 Mln Tonnes projected increase in output. The trend is showing that Govt. will be able to procure around 12 Mln Tonnes of the food grain this year. The procurement of Punjab is still lower whereas, in Haryana, U.P., M.P. and Rajasthan it is higher as compared to last year. FCI is likely to stop wheat procurement in Punjab and Haryana by the month-end and in other states, barring Bihar, by June-end. In Bihar, the procurement will continue till Jul 15. The government usually stops its wheat procurement by May-end. Arrivals across the country so far stood at 13.82 Mln Tonnes compared with 13.39 Mln Tonnes a year ago. Procurement has been steadily increasing since the past two weeks after the government announced import tenders and ruled out an increase in the minimum support price or an incentive bonus.

Total arrivals in Delhi markets stood steady around 25,000 qtls and prices at Lawrence Road were quoted steady at Rs. 910-915 per quintal with arrivals about 8000-10,000 qtls for ready delivery (truck loaded). Local flour millers and ITC are active in the markets. At Narela and Najafgarh markets the price remains 865-870/ qtl, and 855-860/ qtl respectively (loose basis) on the back of arrivals 6000 qtls and 4000 qtls respectively. At Alwar wheat price remained around 850/ qtl. However, poor quality of the grains are traded at Rs.835/ qtl. Wheat trades at Rs. 850/ qtl in Karavali market on the back of arrivals 4500 qtls. At Achnera market wheat trades at Rs.870-880 / qtl on the back of arrivals around 600 qtls

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

Mathura	5000 Qtls	Rs.850-870 per qtl
Kosi	4500 Qtls	Rs. 850 per qtl
Hodal	5000 Qtls	Rs. 848-850 per qtl
Palwal	3500 Qtls	Rs. 850 per qtl
Rajkot	4000 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.

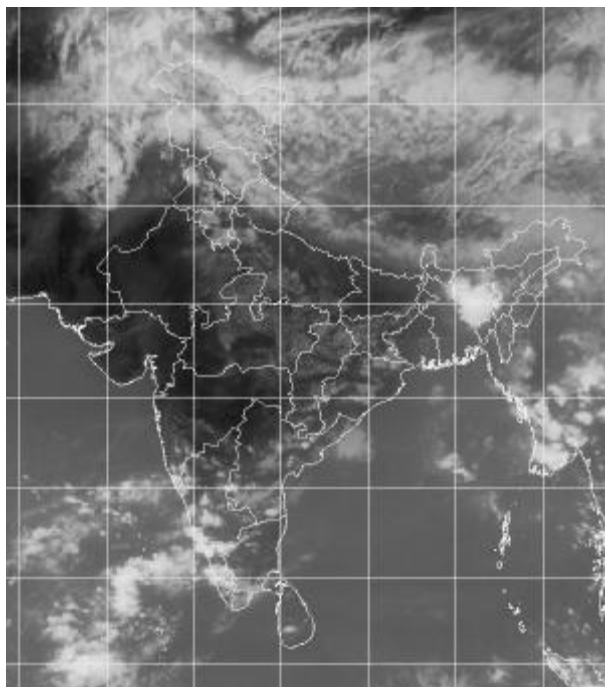
WEATHER:

Weather has no impact as harvesting is over

SPOT MARKET PRICE FOR WHEAT (Rs./Quintal)

Markets	Variety	25.05.07	26.05.07	Change
Delhi (Lawrence Road) Ready delivery	Wheat Mill quality	915	910-915	-
Delhi (Narela) Loose	Wheat Mill quality	860-875	865-870	-5
Haryana (Palwal) Loose	Wheat Mill quality	850	850	-
Rajasthan (Kota)	Wheat Mill quality	952-957	950-955	-2
Uttar Pradesh (Kanpur)	Wheat Mill quality	950-955	945-951	-4
Madhya Pradesh (Indore)	Wheat Mill quality	903-908	903-908	-
Uttar Pradesh (Bareilly)	Wheat Mill quality	925-930	930-935	+5

SATELLITE PICTURE OF MONSOON PROGRESS (25.05.07)



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 ± 3 days.

Chief Features (25.05.07)

- ✓ Under the influence of a persistent western disturbance, scattered to fairly widespread rain/thundershowers are likely over Jammu & Kashmir during next 3-4 days. Isolated to scattered duststorm/ thunderstorm accompanied with squall is also likely over plains of northwest India, adjoining Himachal Pradesh, Uttarakhand and Rajasthan during the same period. Numerical weather prediction models suggest that light to moderate scattered rain/thundershowers are likely over south Peninsula during next 3-4 days with possibility of some increase in activity along southern part of west coast from tomorrow. Fairly widespread rainfall with isolated heavy falls have occurred over northeastern states during past 24 hrs. Similar activity is likely to continue for next 2-3 days. As predicted, heat wave conditions have abated over Coastal Andhra Pradesh. The Highest maximum temperature of 44.0°C was recorded over Chandrapura in Maharashtra during past 24 hrs.

Warning (for next 48 hrs.)

- ✓ Isolated thunder squall is likely over Gangetic West Bengal, Rajasthan, Punjab, Haryana, Chandigarh, Delhi, Himachal Pradesh and Uttarakhand. Isolated heavy rainfall is likely over northeastern States.

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

- ✓ Scattered rain/ thundershower activity likely to continue over Peninsula & northeastern States and isolated over northwest India.

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.