

WHEAT DAILY

30th May, 2007

SPOT MARKETS:

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

Wheat procurement by Government surpasses last year procurement and stood around 10.87 Mln Tonnes including 6 lakh tonnes procured by state government of Punjab so far as on May 28. The procurement has increased 11% till now as against last year. The Centre had bought a total of 9.22 Mln Tonnes of the food grain last year. The procurement is 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. Daily arrivals are still strong. Wheat procurement in Punjab is extended from May 31 to June 30, 2007. The procurement has been still lagging in the state and stood around 6.44 Mln Tonnes as against 6.94 Mln Tonnes was procured in the corresponding period of same year. Around 11 lakh tonnes of foodgrain has still to be procured from Punjab to reach the targeted level of 75 lakh tonnes for the state. The arrivals are also lower in the mandis due to late maturity of the crop and wide spread manual harvesting. In Bihar, the procurement will continue till Jul 15. The government usually stops its wheat procurement by May-end.

Total arrivals in Delhi markets stood down around 20,000-25,000qtls and prices at Lawrence Road were quoted steady at Rs. 915 per quintal with arrivals about 8500qtls for ready delivery (truck loaded). Local flour millers and ITC are active in the markets. However, increased arrivals of new crop from Punjab and Haryana and fall in demand from rolling flourmills pressurised the tone. At Narela and Najafgarh markets the price remains 860-870/qrtl, and 858-865/ qtl respectively (loose basis) on the back of arrivals 5000qtls and 5000qtls respectively. At Alwar wheat price remained around 850/qrtl. However, poor quality of the grains are traded at Rs.835/qrtl. Wheat trades at Rs. 860/qrtl in Karavali market on the back of arrivals 6000qtls. At Achnera market wheat trades at Rs.870-875 /qrtl on the back of arrivals around 500 qtls

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

Mathura	4000 Qtls	Rs.870-875 per qtl
Kosi	3000 Qtls	Rs. 870per qtl
Hodal	3000 Qtls	Rs. 850per qtl
Palwal	5000 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:

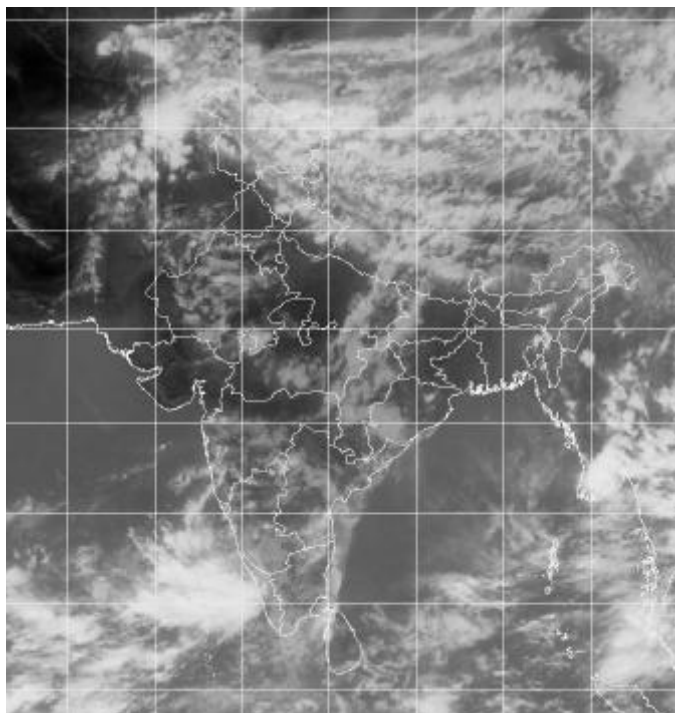
1. Fresh arrivals increasing with each passing day.
2. Wheat stocks in central pool has increased by 30.3% to 11.6 Mln Tonnes as on 1st May this year.
3. Arrivals in Uttar Pradesh mandis are expected to set the trend for softening prices, as the state is poised for huge production.

WEATHER:

SPOT MARKET PRICE FOR WHEAT (Rs./Quintal)

Markets	Variety	28.05.07		Change
Delhi (Lawrence Road) Ready delivery	Wheat Mill quality	910-915	915	-
Delhi (Narela) Loose	Wheat Mill quality	868-870	860-870	-
Haryana (Palwal) Loose	Wheat Mill quality	850	850	-
Rajasthan (Kota)	Wheat Mill quality	952-957	960-965	+8
Uttar Pradesh (Kanpur)	Wheat Mill quality	955-960	955-960	-
Madhya Pradesh (Indore)	Wheat Mill quality	912-918	910-915	-3
Uttar Pradesh (Bareilly)	Wheat Mill quality	915-920	920-925	+5

SATELLITE PICTURE OF MONSOON PROGRESS (29.05.07)



Monsoon watch

- ✓ Southwest monsoon has further advanced into some parts of central Arabian Sea, most parts of coastal Karnataka, some parts of South Interior Karnataka and some more parts of Tamil Nadu and south Bay of Bengal. The northern limit of monsoon passes through Lat. 14° N / Long. 60° E, Lat. 14° N / Long. 70° E, Karwar, Chitradurg, Pamban, Lat. 10° N / Long. 85°, Lat. 13° N / Long. 90° E, Lat. 15° N / Long. 92° E, and Lat. 17° N / Long. 95° E. Chief amounts of rainfall (1 cm and above) over south Peninsula during past 24 hours are: Karwar-9, Honavar-8, Arogyavaram, Karipur -5, Alpuza, Cannur, Cochin & Ramagundam-3 each, Kozikode, Cochin (A/P) & Kurnool-2 each. Conditions are favourable for further advance of southwest monsoon into some parts of Konkan & Goa and some more parts of Interior Karnataka and Tamil Nadu during next 48 hours.

Chief Features (29.05.07)

- ✓ Under the influence of an offshore trough extending from south Konkan coast to Kerala coast, widespread rainfall with isolated heavy to very heavy falls are likely over Kerala, coastal Karnataka and south Konkan & Goa during next 48 hours. The ongoing rainfall activity over Interior Karnataka and Tamil Nadu is likely to increase during the same period. With the likely weakening and eastward movement of western disturbance, the ongoing rain/thunderstorm activity over northwest India is likely to decrease from tomorrow onwards. Consequently, day temperatures are likely to increase over the region from tomorrow.

Warning (for next 48 hrs.)

- ✓ Isolated heavy to very heavy rainfall is likely over south Konkan & Goa, Coastal Karnataka, Kerala and Lakshadweep Islands. Isolated thunder squall is likely over northwest India, Orissa and Gangetic West Bengal.

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

- ✓ Scattered to fairly widespread rain/thundershower activity is likely over south Peninsular India. Rise in day temperature over northwest India.

Source: IMD (GOI)

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