

WHEAT DAILY

24th May, 2007

SPOT MARKETS:

Punja, 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 10.5 Mln Tonnes including 6 lakh tonnes procured by state government of Punjab so far as on May 22. The Centre had bought a total of 9.22 Mln Tonnes of the food grain last year. The trend is rising the hopes 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 13.61 Mln Tonnes compared with 13.33 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. The govt. is also likely to import around 3-4 Mln Tonnes foodgrain to build enough stocks so that it can intervene in the market if prices rise. Wheat stocks in central pool have also increased by 30.3% to 11.6 Mln Tonnes as on 1st May this year due to higher carryover from last year.

Total arrivals in Delhi markets stood steady around 30,000-35,000qtls and prices at Lawrence Road were quoted steady at Rs. 915 per quintal with arrivals about 12000 qtls for ready delivery (truck loaded). Local flour millers and ITC are active in the markets. Narella and Najafgarh markets are closed. Karavali market witnessed arrivals around 4000qtls and price remained Rs.850-860/qlt. At Achnera market wheat trades at Rs.875-880/qlt on the back of arrivals around 3000 qtls

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

Mathura	4500 Qtls	Rs.860-862 per qtl
Kosi	3000 Qtls	Rs. 850-851 per qtl
Hodal	4000 Qtls	Rs. 850per qtl
Palwal	2500 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.

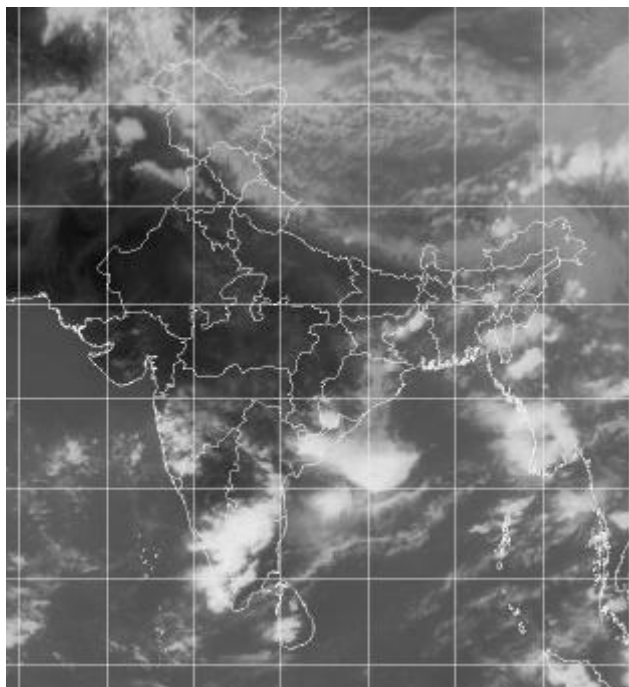
WEATHER:

Weather has no impact as harvesting is over

SPOT MARKET PRICE FOR WHEAT (Rs./Quintal)

Markets	Variety	22.05.07	23.05.07	Change
Delhi (Lawrence Road) Ready delivery	Wheat Mill quality	915	915	-
Delhi (Narella) Loose	Wheat Mill quality	888-895	Closed	-
Haryana (Palwal) Loose	Wheat Mill quality	850	850	-
Rajasthan (Kota)	Wheat Mill quality	955-960	953-958	-2
Uttar Pradesh (Kanpur)	Wheat Mill quality	945-950	940-945	-5
Madhya Pradesh (Indore)	Wheat Mill quality	915-920	905-910	-10
Uttar Pradesh (Bareilly)	Wheat Mill quality	930-935	925-930	-5

SATELLITE PICTURE OF MONSOON PROGRESS (23.05.07)



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 (23.05.07)

- ✓ Numerical Weather Prediction models suggest gradual decrease in rainfall activity over northeastern states during next 3 days. The prevailing meteorological conditions indicate rise in day temperature over the plains of northwest India during next 24 hours. Subsequently, fall in day temperature is likely due to expected isolated to scattered thunderstorm activity over the region. The heat wave conditions still continued over parts of Coastal Andhra Pradesh. They are likely to abate during next 48 hours.

Warning (for next 48 hrs.)

- ✓ Isolated thunder squall is likely Bihar, Jharkhand, Orissa, West Bengal & Sikkim.

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

- ✓ Scattered rainfall activity over northeastern States.
- ✓ Isolated to scattered rainfall activity over northwest & east India.
- ✓ Increase in rainfall activity along west coast.

Source: IMD (GOI)

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