

## WHEAT DAILY

15<sup>th</sup> 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 price of the food grain decline on higher arrivals amidst lower buying support. Govt. may discontinue the wheat procurement after May31 this year. Govt. has adequate wheat stocks in its central pool to meet the requirements for the state-run government welfare schemes. Wheat stocks in central pool has increased by 30.3% to 11.6 Mln Tonnes as on 1st May this year. The government's wheat stocks are higher despite lower procurement due to a higher carryover around 47 Lakh Tonnes from last year. The annual requirement for public distribution schemes is around 12 Mln Tonnes. The Govt is still likely to import 4-5 Mln Tonnes of wheat from global market to build its buffers reserves for emergencies. 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 up around 40,000-45,000qtls and prices at Lawrence Road were quoted down at Rs. 920 per quintal with arrivals about 25,000 qtls for ready delivery (truck loaded). At Narela and Najafgarh markets the price remains 870-880/ qtl, 855-872/ qtl respectively (loose basis) on the back of arrivals 12, 000qtls and 7000qtls respectively. Karavali market witnessed arrivals around 2000qtls and price remained Rs.870-890/qtl . Achnera market saw the price at Rs.870-890 on the back of arrivals 1500 qtls.

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

Mathura	5000	870-880
Kosi	6500 Qtls	Rs. 850 per qtl
Hodal	3000 Qtls	Rs. 850-per qtl
Palwal	3000 Qtls	Rs. 850 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.

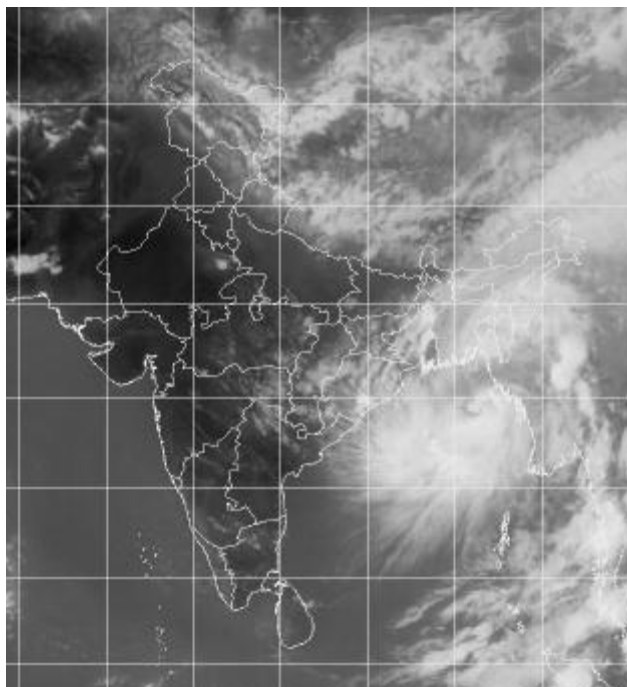
### WEATHER:

Weather has no impact as harvesting is over

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

Markets	Variety	14.05.07	12.05.07	Change
Delhi (Lawrence Road) Ready delivery	Wheat Mill quality	920	935-940	-20
Delhi (Narela) Loose	Wheat Mill quality	870-880	880-890	-10
Haryana (Palwal) Loose	Wheat Mill quality	850	865-870	-20
Rajasthan (Kota)	Wheat Mill quality	955-960	952-957	-3
Uttar Pradesh (Kanpur)	Wheat Mill quality	960-965	952-957	-8
Madhya Pradesh (Indore)	Wheat Mill quality	920-925	911-916	-9
Uttar Pradesh (Bareilly)	Wheat Mill quality	935-940	945-950	-10

## SATELLITE PICTURE OF MONSOON PROGRESS (14.05.07)



### 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  $\pm 3$  days.

### Chief Features (14.05.07)

- ✓ The Cyclonic Storm (AKASH) over east central Bay of Bengal moved northward and lay centred at 1130 hours 1ST of today, the 14th May, 2007 near Lat.  $17.0^{\circ}$  N & Long.  $91.0^{\circ}$  E about 700 kms southeast of Kolkata. It is likely to intensify further and move in a north-northeasterly direction and cross south Bangladesh and adjoining north Arakan coast by tomorrow, 15th May afternoon. Under the influence of an approaching western disturbance, isolated to scattered duststorm/thunderstorm accompanied with squall/hail is likely over parts of northwest India during next 3 days.

### Warning (for next 48 hrs.)

- ✓ Isolated thunder squall/hail is likely over Himachal Pradesh, Uttarakhand, Punjab, Haryana, Delhi, Chandigarh, West Uttar Pradesh and Rajasthan. Isolated heavy to very heavy rainfall is likely over northeastern States. Strong surface winds speed reaching 65-75 kmph is likely over Nagaland, Manipur, Mizoram & Tripura and Assam & Meghalaya. Strong surface winds speed reaching 55-65 kmph are also likely over coastal areas of West Bengal and Andaman & Nicobar Islands. Condition of the sea will be rough to very high along and off these areas. Fishermen are advised not to venture into sea during next 24 hours.

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

- ✓ Decrease in rainfall activity over northeastern States.

Source: IMD (GOI)

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