

## WHEAT DAILY

2nd May, 2007

### SPOT MARKETS:

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

Punjab has procured above 58.80 lakh Metric Tonnes of wheat so far as on 29.04.07. Of which around 53.20 Lakh Metric Tonnes was procured by State Government Agencies. The State Government Agencies which are active in the market are Pungrain, Markfed, PUNSUP, PSWC and PAIC. Government agencies have procured a record amount around 24.40 Lakh Metric Tonnes of wheat from Haryana so far as on 29.04.07 as against 22.30 Lakh Metric Tonnes during the last season. Traders purchased around 2.75 Lakh Metric Tonnes of wheat. More than 27.10 Lakh Metric Tonnes of wheat had arrived in the different markets of Haryana. Among the different district of Haryana Kaithal district is still ahead in the total wheat arrivals of the state followed by Karnal, Fatehabad, Kurukshetra and Hissar districts. Six government agencies are active in the markets. HAFED has procured highest amount of 9.33 lakh MTs, followed by Food and Supply Department, which has procured 5.89 lakh MTs, FCI has purchased around 2.75 lakh MTs, Haryana Agro Industries Corporation has procured 2.34 lakh MTs, Haryana Warehousing Corporation 2.20 lakh MTs and Confed has purchased 1.86 lakh MTs. The Government has decided that action may be initiated by STC for import of one million tonnes of wheat by July, 2007. The import will safeguard in case of lower procurement. Global wheat market sentiments are remained firm.

Total arrivals in Delhi markets stood up around 35,000 qtls and prices at Lawrence Road were quoted at Rs.950 per quintal with arrivals of 14000 qtls for ready delivery (truck loaded). Narela and Najafgarh markets experienced the arrivals of 10000 qtls and 5000 qtls respectively with the prices of Rs.910-915 and Rs.890-915 respectively on loose basis while Karavali experienced 3000 qtls of arrival with the price of Rs.875. In Achnera, the arrivals were 3000 qtls with price Rs. 890. ITC and Godrej were active in these markets. Glencore, for instance, is buying largely from Gujarat, while Cargill and Ruchi are sourcing from the Bundi-Kota belt of Rajasthan. AWB is similarly focussed on Gujarat and MP.

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

|         |           |                     |
|---------|-----------|---------------------|
| Mathura | 6000 Qtls | Rs. 925per qtl      |
| Kosi    | 5000 Qtls | Rs. 900 per qtl     |
| Hodal   | 2500 Qtls | Rs. 860 per qtl     |
| Palwal  | 2000 Qtls | Rs. 870 per qtl     |
| Rajkot  | 5000 Qtls | Rs. 870-875 per qtl |

### PRICE DRIVERS:

#### Bullish:

1. Government decided to give a bonus of Rs.100/qttl on MSP to induce farmers to sell to them taking the MSP together with bonus to Rs.850 per quintal.
2. Private trade actively purchasing wheat from Gujarat, Rajasthan and Madhya Pradesh mandis

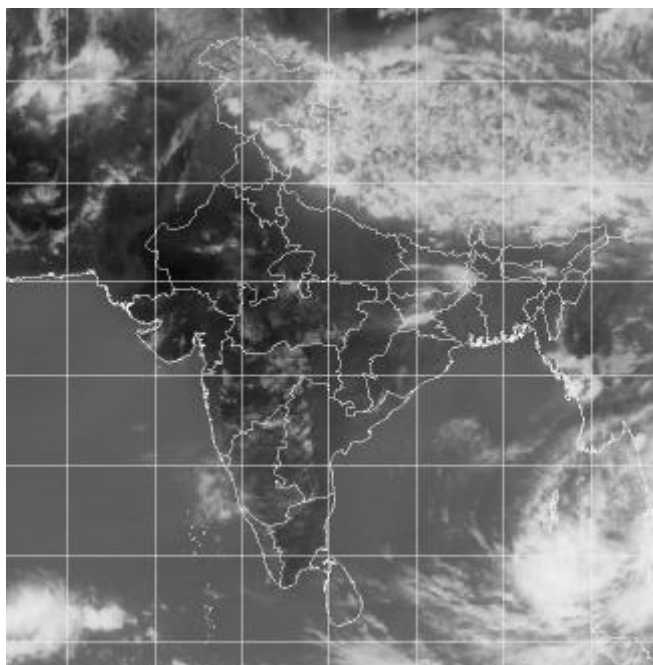
#### Bearish:

1. Fresh arrivals increasing with each passing day.
2. Increasing possibility of government meeting procurement targets.

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

| Markets                              | Variety            | 01.05.07 | 30.04.07 | Change |
|--------------------------------------|--------------------|----------|----------|--------|
| Delhi (Lawrence Road) Ready delivery | Wheat Mill quality | 950      | 940      | +10    |
| Delhi (Narela) Loose                 | Wheat Mill quality | 910-915  | 911-916  | -1     |
| Haryana (Palwal) Loose               | Wheat Mill quality | 870      | 870-880  | -10    |
| Rajasthan (Kota)                     | Wheat Mill quality | 980-985  | 975-980  | +5     |
| Uttar Pradesh (Kanpur)               | Wheat Mill quality | 940-945  | 945-950  | -5     |
| Madhya Pradesh (Indore)              | Wheat Mill quality | 932-938  | 926-933  | +5     |
| Uttar Pradesh (Bareilly)             | Wheat Mill quality | 947-952  | 945-950  | +2     |

## SATELLITE PICTURE OF MONSOON PROGRESS (01.05.07)



### Monsoon Features (01.05.07)

- ✓ Heat wave conditions continued to prevail over some parts Rajasthan and isolated pockets of Punjab, Jammu division of Jammu & Kashmir, Haryana and West Madhya Pradesh. However they have abated from Vidarbha and Delhi. Presently, easterly winds are prevailing over Indo-Gangetic plains. A well marked north-south trough extends from Punjab to Telangana with embedded cyclonic circulations. Under this scenario, isolated to scattered rain /thundershowers are likely over western Himalayan region during next 2-3 days. There is also a good possibility of duststorm/thunderstorm over plains of northwest India. Consequently, the day temperatures over northwest India are expected to fall further giving some more respite from the prevailing hot weather conditions over the region. An extended low pressure area has formed over south Andaman Sea. It is likely to cause enhanced rainfall activity with isolated heavy falls over Andaman & Nicobar Islands during next 2-3 days. In view of the ongoing rain /thundershowers activity over east India, day temperatures are likely to remain below normal during next 3-4 days. NWP models also suggest increase in rainfall activity over east & northeast India from 3rd onwards.

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

- ✓ Gradual rise in day temperatures over northwest India.
- ✓ Scattered rain/thundershowers are likely over East India and northeastern states.

Source: IMD (GOI)

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