

WHEAT DAILY

9th May, 2007

SPOT MARKETS:

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

The Govt. agencies have procured a lower amount around 8.55 Mln Tonnes of wheat so far as on 03.05.07 as against the procurement of 9.04 Mln Tonnes during corresponding period of last year. The corporation had set a target of 15 million tonnes this year as against 9.3 million tonnes last year. However, industry watchers see the procurement to be lower in the range of 11-12 million tonnes. In case of lower procurement government may have to import around 3-4 million tonnes. The wheat procurement of Govt. from Punjab states is still lower around 70.62 Lakh Metric Tonnes so far as on 05.05.07 as against 78.91 Lakh Metric Tonnes during corresponding period of last year. The target of procurement from the state reportedly set around 90 Lakh Metric Tonnes. The Punjab State Agencies like Pungrain, Markfed, Punjab State Warehousing Corporation (PSWC) etc. have procured around 51.58 Lakh Metric Tonnes of wheat so far as on above mention period. The FCI has already procured around 6.75 Lakh Metric Tonnes of wheat so far, against the set target of 10 Lakh Metric Tonnes. The districts like Ferozepur, Sangrur are the major contributors..

Total arrivals in Delhi markets stood down around 30,000 qtls and prices at Lawrence Road were quoted up at Rs.935-940 per quintal with arrivals down about 8000 qtls for ready delivery (truck loaded). Narela and Najafgarh markets experienced the arrivals of 14000 qtls and 7000 qtls respectively with the prices of Rs.900 and Rs. 885-900 respectively on loose basis while Karavali saw arrivals around 4000 qtls and price quoted at 880-920/qlt market has closed. Achnera market saw the arrivals around 3000 qtls and price remained at Rs. 900/ qtl.

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

Mathura	Closed	
Kosi	6000 Qtls	Rs. 855-860 per qtl
Hodal	2500 Qtls	Rs. 855per qtl
Palwal	5000 Qtls	Rs. 865-870 per qtl
Rajkot	5000 Qtls	Rs. 870-875 per qtl

PRICE DRIVERS:

Bullish:

1. Government decided to give a bonus of Rs.100/qlt 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.
3. Arrivals in Uttar Pradesh mandis are expected to set the trend for softening prices, as the state is poised for huge production.

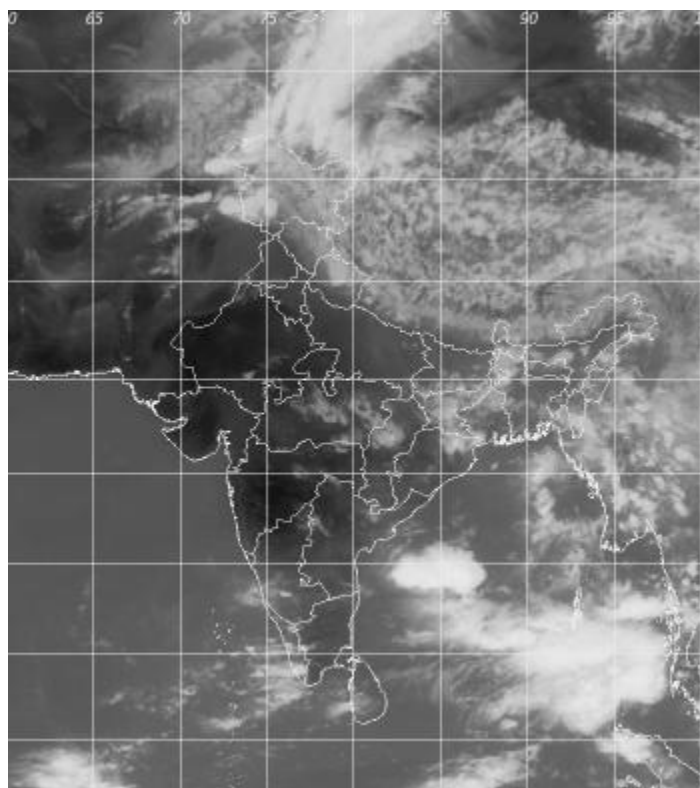
WEATHER:

Standing wheat crop needs bright sunshine during maturity for lower moisture levels. Current weather is supportive for

SPOT MARKET PRICE FOR WHEAT (Rs./Quintal)

Markets	Variety	08.05.07	07.05.07	Change
Delhi (Lawrence Road) Ready delivery	Wheat Mill quality	935-940	935	+5
Delhi (Narela) Loose	Wheat Mill quality	900	900-890	+10
Haryana (Palwal) Loose	Wheat Mill quality	865-870	860	+10
Rajasthan (Kota)	Wheat Mill quality	970-975	972-977	-2
Uttar Pradesh (Kanpur)	Wheat Mill quality	950-955	950-955	-
Madhya Pradesh (Indore)	Wheat Mill quality	930-935	930-935	-
Uttar Pradesh (Bareilly)	Wheat Mill quality	950-955	940-945	+10

SATELLITE PICTURE OF MONSOON PROGRESS (08.05.07)



Monsoon Features (08.05.07)

- ✓ Under the influence of a western disturbance, presently lying over Jammu & Kashmir, scattered rain/thundershowers is likely over Western Himalayan region during next 24 hours. Isolated duststorm/thunderstorm accompanied with squall also likely over plains of northwest India and Rajasthan. Ongoing scattered rain/thunderstorm activity over eastern parts of the country is likely to continue for another 24 hours. However the ongoing activity is likely to increase over northeastern States. The prevailing heat wave conditions over some parts of West Rajasthan is likely to continue for next 48 hours. The highest maximum temperature of 44.9°C was recorded at Ganganagar and Barmer both in Rajasthan during past 24 hrs.

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

- ✓ Fairly widespread rainfall activity with isolated heavy falls likely over northeastern States and Sub-Himalayan West Bengal & Sikkim. Rise in day temperature over northwest India. Conditions are becoming favourable for advance of southwest monsoon over parts of southeast Bay of Bengal and south Andaman Sea

Source: IMD (GOI)

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