

## WHEAT DAILY

8th 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. Meanwhile, State Trading Corp. and Food Corp. of India have already made the first move of the process of importing wheat. It is a clear reflection that the government expects to fall short of its procurement target this year also. Arrivals across the country stood down at 10.91 Mln Tonnes so far as on 03.05.07 compared with 12.26 Mln Tonnes year ago on account of the late maturing of the crop. Procurement in Punjab is still lower around 57.10 Lakh Tonnes so far as on 03.05.07 against 67.96 Lakh Tonnes during corresponding period of last year. However, Government agencies have procured a record amount around 26.80 Lakh Tonnes of wheat from Haryana so far as against 22.05 Lakh Tonnes during the last season. Farmers from Punjab are in mood to oppose the Centre's move to import the grain. They are demanding to stop importing wheat which may cost more prices and instead give Rs1,140 per quintal minimum support price (MSP) to farmers.

Total arrivals in Delhi markets stood flat around 35,000 qtls and prices at Lawrence Road were quoted down at Rs.935 per quintal with arrivals down about 10000 qtls for ready delivery (truck loaded). Narela and Najafgarh markets experienced the arrivals of 11000 qtls and 4000 qtls respectively with the prices of Rs.900-890 and Rs.880-885 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	4000 Qtls	Rs. 885-905 per qtl
Kosi	56000 Qtls	Rs. 855 per qtl
Hodal	3000 Qtls	Rs. 855per qtl
Palwal	2500 Qtls	Rs. 860 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

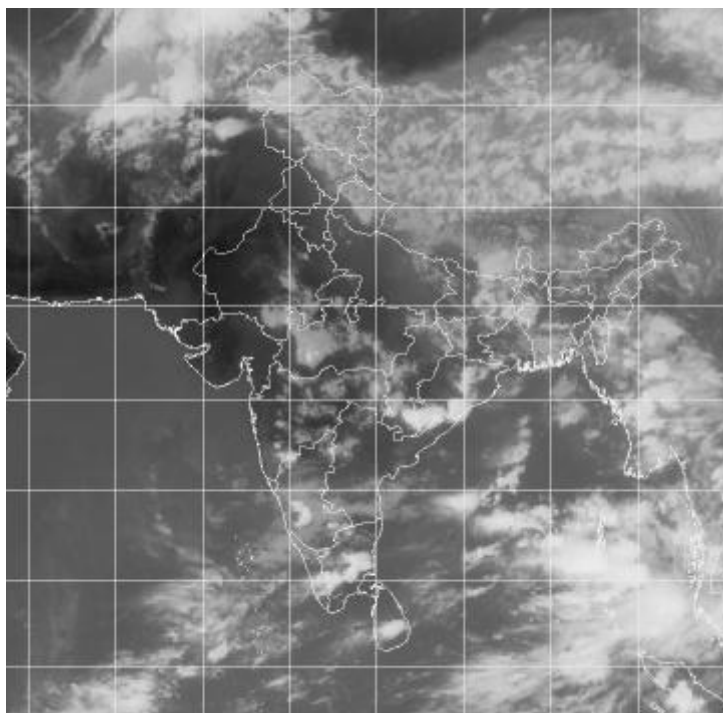
#### Bearish:

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

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

Markets	Variety	07.05.07	05.05.07	Change
Delhi (Lawrence Road) Ready delivery	Wheat Mill quality	935	940	-5
Delhi (Narela) Loose	Wheat Mill quality	900-890	900-905	-15
Haryana (Palwal) Loose	Wheat Mill quality	860	870-875	-15
Rajasthan (Kota)	Wheat Mill quality	972-977	977-982	-5
Uttar Pradesh (Kanpur)	Wheat Mill quality	950-955	950-955	-
Madhya Pradesh (Indore)	Wheat Mill quality	930-935	940-945	-10
Uttar Pradesh (Bareilly)	Wheat Mill quality	940-945	940-945	-

## SATELLITE PICTURE OF MONSOON PROGRESS (06.05.07)



### Monsoon Features (06.05.07)

- ✓ Under the influence of an upper air cyclonic circulation over Punjab and neighbourhood with a trough extending upto southeast Rajasthan. Rain/thundershowers accompanied with isolated squall is likely over northwest India and Rajasthan during next 36 hours. Consequently day temperatures are likely to fall over this region leading to abatement of the prevailing heat wave conditions over parts of Rajasthan. Under the influence of upper air cyclonic circulations, one over Jharkhand and another over south Chhattisgarh, scattered rain/thundershowers accompanied with isolated squall is likely over eastern parts of the country during next 48 hours and decrease thereafter. Ongoing rain/thundershowers over northeastern States is likely to increase from tomorrow. A western disturbance as an upper air system is likely to affect Western Himalayan region during next 48 hours.

### 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.

Source: IMD (GOI)

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