

Rice

21st -27th June, 2005

MAJOR ACTIVITY HIGHLIGHTS

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DOMESTIC AND INTERNATIONAL NEWS:

India Rice Sowing Lagging Behind Amid Late Monsoon

According to the Ministry of Agriculture, India's sowing of rice in the June 1-20 period lagged behind from the planting of the crop in the same period last year. The ministry said sowing of rice so far has covered 1.17 million hectares compared with 1.6 million hectares in the June 1-20 period last year. Rice is India's largest staple crop, and sowing begins June 1. But the late monsoon delayed the rice planting time. While most of the area where rice is grown is rain-fed, sowing can't begin in earnest unless monsoon rains pick up pace. This year, monsoon rains arrived in India June 5, almost a week's delay from the normal onset date of June 1. In addition, monsoon rains failed to move to other parts of country in the June 8-15 period, leading to a further delay in sowing of the rice crop. But monsoon rains have continued their normal course over the last few days, and sowing is expected to progress rapidly. Sowing of India's rice, sugar cane, oilseeds and cotton crops runs from June to August, and harvesting occurs in September and October.

Thailand Pegged Down Its Rice Exports

Thailand's Department of Foreign Trade at Thailand's Commerce Ministry has pegged country's rice exports from January 1 to June 8, which is down from previous year. The rice exports this year are fixed at 3.30 MMT against 3.93 MMT in the corresponding period last year. Thailand is the world's largest rice exporter. It exported a record 10.14 MMT of rice in 2004 and expects to export 8.5 MMT of rice this year.

Pakistan Rice Exports Touched \$920 Million

According to the Rice Exporters Association of Pakistan, the rice exports from this country have touched the figure of \$920 million with 20% growth in value this year. The occasion of merging of different groups in the Reap, Southern Zone would help in achieving the target of \$1 billion rice exports by the end of this year. The second largest trade body Reap in the country with more than 1000 members from all over the country and 7 percent share of total exports of the country. Rice exports increased in spite of decline in rice production in the country. The country is

now eyeing on developing new rice varieties, which would give better yield per acre.

Pakistan: Import Duty On Rice Packaging Underway

The Central Board of Revenue in Pakistan has assured the Rice Exporters Association of Pakistan (REAP) that they will be included in the duty-free regime for their packaging of rice and other input and the announcement in this respect would be made in the forthcoming trade policy to be announced in July. A letter has been written to the CBR for duty-free import of packaging material used by the rice exporters to save their time wasted in getting refunds on these inputs. Rice has an important contribution in Pakistani exports, the target of \$655 million has been achieved while final figure of rice export are likely to cross \$1 billion by June 30, 2005. Improvement in packaging has helped increase exports substantially in terms of value; however the procedure in vogue requires that the entire sales tax to be paid at time of purchase and refund claimed after export.

Sowing Of Rice Lagged Behind From Previous Year in India

The Crop Weather Watch Group of the Agriculture Ministry experienced that the paddy transplanting was going well however late monsoon progress might delay the sowing of cereals, pulses and other dryland crops. It is expected that the southwest monsoon would weaken after June 24. The sowing of paddy so far has been on an area of 11.7 lakh hectares against 16.2 lakh hectares during corresponding period last year. The water level in 76 important reservoirs in the country is low by 2.13 billion cubic metres(BCM) against an average of 3.50 BCM.

Philippines to Import 85,000 MT Of Rice From Vietnam

According to the Ministry of Agriculture and Rural Development, Vietnam has got a contract to sell 85,000 MT of rice to the Philippines. The amount was part of the

100,000 MT of rice for which the Philippines invited bids earlier this month. Before that the Philippines has bought 100,000 MT of rice from Vietnam. It is expected that the Vietnamese exported rice price would increase in near future. The Agriculture Department under the MARD predicted that Vietnam's rice exports are likely to reach 4 MMT this year due to an increased winter-spring crop.

Pakistan to Export Rice to China

A team of Chinese experts will go to Pakistan for finalizing the import of rice. For this purpose the four-member delegation will visit rice-growing areas and processing units to collect relevant information. The visit is a follow-up to the trade protocol signed by the two countries during the recent visit here by Chinese Premier Wen Jiabao. The export of Pakistani rice to China would start by September this year. Pakistani long-grain rice has a good potential for big market in China as its quality was better than that of rice currently imported from Thailand and other countries. Last year, China purchased 731.5 million MT of rice worth \$246 million from Thailand. It is also importing rice from Vietnam, the US, Japan, Myanmar and Italy.

FAO: World Rice Trade Likely to Record Decline

World rice trade is expected to record its third consecutive decline since reaching a record 28 million metric tons (MT) in 2002, according to the latest outlook report from the United Nation's Food and Agriculture Organization (FAO). Based on actual trade reported in the first months of the year but also on account of firmer 2004 production estimates, the forecast of trade in 2005 has been revised downward slightly since April and stands at 25.5 million MT. This would be 2.7% less than in 2004. The anticipated contraction in global rice trade this year mostly reflects expectation of a significant reduction in shipments from Thailand, the world's largest exporter, reflecting reduced supplies from the 2004 drought-affected production, the FAO said. In addition, the Government has been procuring significant amounts of domestic rice in recent months, which has kept domestic prices high, reducing the competitiveness of Thai rice on international markets.

Vietnam Expected to Export 4.1 MMT Rice

In the light of the positive 2004 crop performance sales by Vietnam are foreseen by FAO to remain of the order of 4.1 million MT in 2005, which would exceed the Government initial target of 3.8 million MT. Contrary to earlier expectations, shipments from China (Mainland), which remain under the sole authority of the Government, are also now expected to fall in 2005, to the lowest level since 1996, despite increased production in 2004.

India Likely to Sales 3.4 MMT Rice in 2005

According to FAO estimation, revised estimates for India put their sales in 2004 at 3.2 million MT considerably higher than earlier reported, and a further increase to 3.4 million MT is expected in 2005. In spite of the cancellation of subsidized rice sales for export since mid-2003, Indian traders have successfully competed on the parboiled rice markets, assisted by the rise in international prices. Pakistan is also expected to increase its exports in 2005 following the bumper 2004 paddy season. In Myanmar, although sales through the Government agency remained limited, it is reported that private entrepreneurs are being permitted to export their own-grown rice. This development may boost shipments somewhat above the low level of

2004 when exports were restricted to prevent domestic prices from soaring.

U.S. Export Sales Anticipated to Increase

According to FAO estimation, exports from the United States are also forecast to increase more than anticipated earlier, with latest forecasts indicating a 15% rise to a near-record 3.6 million MT. The prospect of more export sales largely reflects low domestic prices as well as the opening of the Iraq market. Larger sales are also expected from Egypt where exports in the first quarter of 2005 were some 60% above the corresponding period last year, and from the main rice producers in South America following good crops in 2004.

Smaller Shipments to Several Importers

At the aggregate level, imports of rice by Asian countries are expected to amount to some 11.6 million MT, virtually unchanged from last year. However, at the country level, several major importing countries have increased purchases while others have reduced theirs. Bangladesh is expected to take delivery of 1 million MT in 2005, 200 000 MT more than the previous year, in an attempt to keep domestic prices from rising. Latest information for the Philippines now puts their expected imports up by 500 000 MT to 1.6 million MT, the highest level since 1998. Following drought problems, which affected production in the first half of the year, the National Food Agency, the trading agency responsible for rice trade, has already contracted large purchases. Rice purchases by the Republic of Korea and Turkey are also expected to increase somewhat. Elsewhere in the region, imports are expected to be cut. This would be particularly the case of China (Mainland), which already recorded a 29% contraction in deliveries between January and May this year compared to the corresponding period in 2004. Imports by the Islamic Republic of Iran, the Democratic Republic of Korea, Saudi Arabia and Sri Lanka are also foreseen to decrease. Pending the lifting by 30 June of a prevailing ban on rice imports, shipments to Indonesia are forecast at 0.7 million MT, unchanged from last year but less than previously anticipated. Should the prohibition be extended, they could still be lower. Aggregate imports by African countries are now expected at 7.9 million MT, 700 000 MT less than last year. The contraction reflects an anticipated cut in imports by Nigeria, consistent with the expansionary production policy promoted by the Government, which has targeted 2006 to achieve rice self-sufficiency. However, should the Government confirm plans to ban imports next year, imports might surge towards the end of the year, if traders attempt to pre-empt the move by hoarding rice. Deliveries to Benin, Kenya, Madagascar and South Africa are also foreseen to decrease this year. Smaller imports are also expected into South America, largely reflecting the good crop in Brazil, the regions largest producer but also importer of rice. By contrast, in Central America and the Caribbean, continued drought problems in Cuba are expected to sustain increased rice flows there this year. Elsewhere, the United States is expected to purchase less, while the implementation of the new tariff structure by the EU might boost imports there to a record 900 000 MT.

Rice Stocks to Fall

Largely reflecting the latest upward revision to the estimate of global production in 2004, the forecast of global rice inventories by the close of the seasons ending in 2005 has been raised slightly to 97.1 million MT from 96.7 million MT.

This would be almost 8 million MT down from their opening level and the lowest level of the past decade. About half of the expected reduction would be on account of a further drawdown in China, which, nevertheless, still holds more than half of the world rice reserves. However, rice stocks are also expected to be depleted in India and Indonesia, as well as in Thailand and Nigeria. By contrast, a few countries are expected to raise theirs, in particular Brazil, the Philippines and the United States. Rice stocks at the close of the seasons ending in 2006 may be further reduced, as rice production is still gauged as insufficient to cover effective consumption at the global level. As a result, stocks may again end lower at 95 million MT, some 2 million MT below their opening level. However, with crops in some of the major paddy producers still at the planting stage, this figure is very much tentative.

Prices Under Pressure

With growing supplies from the secondary rice crops becoming available in several of the major producing countries, international rice prices have come under some downward pressure since March, with the FAO all Rice Index falling from 107 in February to 106 in March and April, then subsequently to 103 in May. However, the sharper fall in May was partly due to the re-introduction in the computation of the quotation for Indian IRRI rice, 25% broken, after having been unavailable for some time - otherwise, the index would have average 105 in May. The incorporation of the Indian rice quotation also depressed the low quality rice price sub-index, which had been showing particular strength since the beginning of the year. Prices of rice from the United States generally remain under downward pressure, reflecting large supplies still available from the 2004 crop. Sizeable sales to Central America and the Caribbean and to Africa slightly lifted the US long grain milled rice No.2, 4% broken quotation to US\$318 MT in May. This was US\$12 and US\$6 MT respectively below the January and February levels and US\$103 MT lower than a year earlier. Thai export prices weakened slightly in May, with the Thai 100 B price falling by US\$2 MT between April and May to US\$298 MT, reflecting limited purchasing interest, as Thai prices exceeded those prevailing in competing markets, but also the weakening of the local currency against the US dollar. However, the downward movement was limited as a new phase of Government procurement of rice from the secondary season crop and indications that public stocks would not be released onto the market in the short-term continue to sustain prices. International prices of lower quality rice have generally weakened in recent weeks, especially in May, reflecting reduced demand by African countries and renewed competition from Indian rice. Low quality Indica rice was mostly quoted lower in May at all origins, including Pakistan, Thailand and Viet Nam. On the Japonica rice market, short export availabilities reinforced Australian Calrose prices, while US medium rice prices remain weak.

Prices of Aromatic varieties also weakened.

Despite the recent price weakness, market fundamentals still point to a relative tight supply and demand situation, especially in the light of reduced export supplies in Thailand, China and Australia. By contrast, large crops in key importing markets in South East Asia and South America will have a negative bearing on rice quotations in the coming months. In particular, an extension of the import ban by Indonesia and a weakening of demand by African

countries are weighting negatively on the market. Against this backdrop, prices are expected to be particularly sensitive to developments regarding crops, in particular in connection with the monsoon in south Asia or drought conditions in the Pacific, as well as to changes in policies in major importing or exporting countries.

World Rice Output Rising

This year's world rice harvest is expected increase over last year, rising 2.7% from 604.9 million to 621.3 million metric tons (MT), according to the latest outlook report from the United Nation's Food and Agriculture Organization (FAO). In the northern hemisphere, where the bulk of the world's rice is produced, the 2005 season is just starting in most major producing countries, while in the southern hemisphere and along the equatorial belt the main crop has already been harvested in some countries or the season is well advanced in others. At this early stage, based on planting intentions for the crops still to be sown and the results of the crops already gathered, FAO forecasts production in developing countries will rise 3% to 596.1 million MT, while output in developed nations declines 3% to 25.3 million MT.

Favourable Asian Outlook

In Asia, the preliminary outlook for the 2005 season is generally favorable. Production in the region is forecast to rise by almost 15 million MT from 2004, to nearly 562 million MT. About 40% of this increase is expected to be accounted for by China (Mainland), where rainfall in April broke the drought and favored the early rice crop, the area of which is reported to have increased significantly, while also ensuring improved moisture supply for the on-going planting of the intermediate/single crop. With the arrival of the monsoon rains in India, planting of the main crop is just starting. Assuming a normal monsoon, the aggregate 2005 output is forecast to increase from last year's depressed level. Also in Bangladesh, aggregate production for the year is expected to recover from the 2004's setback. Based on a preliminary government forecast, paddy output in Pakistan is set to rise this season by 5% to a new high. Production in Thailand is anticipated to recover in 2005, after reaching last year the lowest level since 1998. The Government has launched the second round of intervention purchases, covering rice from the 2004 secondary dry paddy season. This is helping to keep domestic prices high and could act as an incentive for the main-crop planting underway from June. In Viet Nam, rice production is expected to remain virtually unchanged from the record level in 2004. Production last year was boosted by wider use of certified seeds and this is expected to continue in the current year. By contrast, output of rice in Indonesia is forecast to fall slightly in 2005, as a result of flooding during the planting and early growing period of the main crop. Nevertheless, the country's aggregate output in 2005 could still be the second highest on record, reflecting the increased use of high-yielding hybrid rice, already introduced in some parts as part of the Government's drive towards rice self-sufficiency.

USDA: U.S. Rice Net Sales Remained Firmer

According to USDA (U.S. Department of Agriculture), the net sales of 100,000 MT of rice were 32 percent above the previous week and 44 percent over the prior 4-week average. Major increases were reported for Costa Rica (35,900 MT), Mexico (31,100 MT), Saudi Arabia (10,700 MT), Israel (5,900 MT), and Guatemala (4,200 MT).

Exports of 91,600 MT were 8 percent below the previous week and 12 percent under the prior 4-week average. The primary destinations were Costa Rica (35,200 MT), Haiti (18,900 MT), Mexico (12,500 MT), and Ghana (6,000 MT).

Thailand Rice Prices Likely to Dip Further

It is expected that the rice export prices in Thailand would dip further in the next week with few buyers in sight due to uncompetitive high prices. Export prices for most grades were down \$1-2 a tonne on a free-on-board basis, excluding freight costs, on Thursday from a week earlier. The Thai rice market is absolutely dead. The only business that Thailand has is 100 percent white broken, 100 percent fragrant and parboiled rice, according to a source. Thai exporters have a very little normal white rice business because the price is too high, especially compared to Vietnam. Thai rice is \$20-50 a tonne more expensive, on a FOB basis, than rice from Vietnam, the world's second-largest exporter of the grain. The domestic price of 5 percent white paddy was steady at 10.95 baht a kg (\$266 a tonne) this week from a week ago. Traders said Nigeria, one of the world's top importers, had changed its policy on rice imports recently by raising the fixed price for Thai rice to \$365 a tonne, cost and freight (C&F) and for Indian rice to \$335. Nigeria earlier set a fixed price for Thai parboiled rice imports at \$230 a tonne C&F and Indian parboiled rice at \$205 a tonne C&F. In addition, Nigeria already imposes an import duty on parboiled rice imports of almost 118 percent. Nigeria is the world's biggest buyer of parboiled rice, importing 1.5-2 million tonnes of it a year, and Thailand and India are its main suppliers.

Pakistan's Rice Export Expected to Exceed 2.5 MMT

The rice export from Pakistan is expected to exceed 2.5 million tonnes by the end of the current fiscal year 2004-05. Such a high export of rice including Basmati, Irri-6 and Irri-9 is due to the aggressive marketing of rice in various countries including Middle East and Europe by the Pakistani exporters of rice. Besides, the number of exporters of rice in Pakistan has increased to 250 out of 50 to 55 during 1990 to 1995. The export of rice by India is not more but equal to that of Pakistan. The processing of rice in Pakistan is also better than India. Pakistan is successfully exporting its rice despite tough competition with Thailand, Vietnam and others countries where harvesting of rice is held thrice in year while the harvesting of rice in Pakistan is held one year.

India: Paddy Area Decreasing In Punjab

The Punjab is expecting a third successive bumper paddy crop hoping that a normal southwest monsoon would arrive in time. However acute power shortage and a substantial increase in diesel prices might be impact in the north Indian state. Until June 1 this year, only 2.50 lakh hectares was under paddy against 5.63 lakh hectares at the same time last year. At present the normal area under paddy is only 17 lakh hectares. Normally Punjab has 23 lakh to 34 lakh hectares under paddy. If farmers go by the advice and extend the paddy transplantation till June 25 and leave 25 per cent of cultivable area for new cash crops, Punjab would be very comfortable with subsoil water. (10 Lakhs = 1,000,000.00 = 1 Million)

India: Early Maturing Rice variety Can Make Up For Deficient Rainfall

According to the Indian Council of Agriculture Research (ICAR), planting of early maturing rice seeds can help make up for deficient rainfall. With 10 to 15 days' delay farmers can go in for medium maturing variety. Early maturing seeds like bajra, which matures in 50 to 60 days, would make up for deficiency in rainfall. In places where irrigated water is available the situation can be improved by ensuring diesel availability and electricity. Where there is no irrigation facility like in Rajasthan, farmers should wait and watch and plant appropriate variety. There is the option of early maturing variety. The delayed monsoon has caused concern about the kharif season.

Monsoon Declines the Sowing Area of Rice and Maize

It has witnessed that only three metrological sub-divisions received excess rainfall for the week, as compared to 19 in the same period last year. Only five sub-divisions received normal rainfall, which is a fall of seven as compared to the same period last year. Nine metrological sub-divisions received deficient rainfall that is about four more divisions as compared to the same period last year. The biggest change in this period has been the number of metrological sub-divisions receiving scanty rainfall, which stands at 19 in this period, as compared to zero sub-division that received scanty rainfall for the same period last year. The actual amount of rainfall for the week in review stood at 27.6 mm. According to the latest data available, important crops like rice, jowar, maize and oilseeds have seen a decrease in their area of coverage. There have also been no recorded shortages in chemical and bio pesticides, while most pest and crop diseases remained below the economic threshold levels.

Pakistan Exhibiting Rice In Dubai

The Pakistan rice Syndicate (PRS) has recommended holding an exhibition in Dubai to exhibit the different varieties of Pakistani rice. As per the PRS, Pakistani basmati rice is recommended as the best aromatic rice in the whole world and there is a need to prepare the different dishes like Biryani and Pulaos and serve the visitors to promote the different varieties of Pakistani rice namely Super Kernal Basmati, Basmati and also the non basmati variety which is consumed by the South Indians in the UAE and other neighbouring countries.

Thai Rice Futures Climbed On Speculative Buying

Thai rice futures climbed higher in thin trade on Friday as investors bought tardy contracts after recent fall. Overall volume dropped to only 49 contracts of 5 percent white rice from Thursday's 223. The most active September contract fetched at 10.64 baht per kg, up from 10.62 baht, with the number of contracts traded falling to 19 from 75. Players adjusted positions by taking speculative buying positions on September and October contracts, the contracts that were not under the government-buying scheme. The government's buying scheme, which has scooped up 5 million tonnes of paddy since it began in November to support domestic prices, runs through August. Futures prices were expected to move in the narrow range of 10.60-10.80 baht per percent white rice was at 10.90-10.95 baht per kg. (1 US\$ = 39 THB approx)

Domestic Rice Market Commentary

DELHI MARKET

In Delhi, it was witnessed that the market price for different varieties of rice remained range bound due to stable demand in this week. There was no government intervention programme. It is expected that the market sentiment would remain unchanged in the coming days.

Market Price For Different Varieties Of Rice In Delhi Mandis

Delhi	27.06.05	20.06.05
Basmati rice old	3100-3150	3100-3150
Basmati rice db	2500-2600	2475-2550
Basmati Lalqila	4400	4400
Lalmahal	4600	4600
Sharbati new	1625-1675	1600-1650
Sharbati old	1725-1775	1700-1750
Parmal raw	970-1020	940-1000
Wand	1070-1120	1050-1100
Parmal sella	1030-1100	1000-1060
IR 8	940-980	915-940
DB Rice	2150-2350	2100-2300

KARNAL MARKET:

At the Karnal market it is noticed that the rice prices remained almost unchanged in this week and remained range bound. It is expected by the traders that the new crop will reach in the market in the next months. It is likely to continue this sentiment in the coming days.

Market Price For Different Varieties Of Rice In Karnal Mandis

KARNAL	27.06.05	20.06.05
Basmati rice shella	2200	2250-2300
Basmati rice raw	2500	2500-2550
Sharbati shella	1500-1600	1500-1600
Parmal raw rice	1500	890-1050
Parmal sella	950-1075	975-1060
IR 8	1150	810-860
Wand	840-875	1100
Govind	1050	1050
Db rice shella	2000	1900-2000
Db rice esteem	1900-2000	2400

AMRITSAR MARKET:

The Amritsar market for rice remained more or less unchanged in this week over last week. The overall market condition remained stable amidst stable demand. The ongoing market sentiment suggested that rice price would remain stable in the coming days.

Market Price For Different Varieties Of Rice In Amritsar Mandis

AMRITSAR	27.06.05	20.06.05
Sharbati paddy	900	870-875
DB paddy	1000-1050	1000-1050
Sharbati sella raw rice	1700-1750	1600-1650
Sharbati esteem	1850-1900	1700
Sharbati parboiled	1700-1750	1700-1750
DB parboiled	2100-2200	2100-2200
IR 8	1050	1050
Basmati rice raw	2800-2900	2800-2900
Basmati rice sella	2500	2500
Parmal	1100	1100
PR11 sella	1200	1200
Parmal wand	1100-1250	1150

RUDRAPUR MARKET:

The market price for most of the rice variety in Rudrapur market remained range bound but unchanged in this week. The new crop has been reached in the market. On an average 2000-3000 qtl Parmal rice has exported to Nepal. It is expected from the market scenario that the price would continue this tone in the coming days.

Market Price For Different Varieties Of Rice In Rudrapur Mandis

RUDRAPUR	27.06.05	20.06.05
Sharbati paddy	900	900
DB paddy	1150-1250	1150
IR 8 paddy	NA	600
Parmal paddy	650	625
Parmalrice	1050	1050
Basmati paddy	1250	1150
Basmati rice	2200	
Shabati shella	1700	1700
Sharbati esteem	1850	1750
DB shella	2350	2250
DB esteem	2600	2500
IR 8 rice	NA	860-970

DEHRADUN MARKET:

The market price for different varieties in Dehradun market remained range bound in this week. Slightly improvement

was noticed only from Basmati raw rice. The market demand for IR-8 rice remained slightly strong in this week. It is expected that the market would remain steady in the coming days.

Market Price For Different Varieties Of Rice In Dehradun Mandis

DEHRADUN	27.06.05	20.06.05
Basmati Raw	2350-2450	2350-2450
Sharbati	1650-1800	1650-1800
Parmal Raw	1065-1120	1050-1100
IR 8	975-1000	950-975

WEST BENGAL MARKET:

In this market the different varieties of rice were sold in the stable range. The sowing of kharif crop has been started in this region. The non-scented variety is exported to Bihar, Jharkhand and scented varieties are exported to Karnataka, Kerala, Tamilnadu etc.

Market Price For Different Varieties Of Rice In West Bengal Mandis

WEST BENGAL	27.06.05	20.06.05
Ratnachudi	1130-1200	1130-1200
CO 36	990-1010	990-1010
Coarse	870-890	870-890
CO 43 Medium Boiled	1030-1070	1030-1070
Fine	1190-1250	1190-1250
Super Fine	1580-1880	1580-1880
IR 36 (super)	950-1000	950-1000
Minikit Shankar	1250	1250
Minikit (M- Shankar)	1400	1400
Nagra	1500	1500
Doodh Kalma	1450	1450
Swarna	950	950
Pankaj	965	965
BM 20	1150	1150
Swarna parboiled	950	950
Govindobhog	2100-2200	2100-2200
Chawl Moni	1600	1600

KURUKHESTRA MARKET:

In this market the rice prices showed mixed sentiment with stable note in this week over last week. The demand was gradually decreased and it is likely to decrease in the rice price when new crop would reach in the market.

Market Price For Different Varieties Of Rice In Kurukhestra Mandis

KURUKHESTRA	27.06.05	20.06.05
DB paddy	1250	1300-1350
DB rice	2100-2300	2300-2400
DB esteem	2500-2700	2350-2400
Sharbati esteem	1900	1750-1800
Sharbati shella	1700	1550-1600
PR 11 rice	1150-1250	1150-1175
PR11 shella	1150-1200	1100-1150
Parmal rice	1100	1050-1100
Basmati shella	2200-2300	2250-2300
Raw basmati	2600-2800	2800-2850
Basmati paddy	1400	1350-1400

Conclusion

The market sentiment for different varieties of rice remained range bound with stable trend. The new Parmal rice has been reached in the Rudrapur market. The demand behind this market sentiment remained stagnant. It is expected that the ongoing situation would continue this tone in the coming weeks. It was also noticed that the market condition was also steady in the global market. It is likely to increase the rice prices in the Vietnam market.

Port Watch

Kandla Port is loading 20,000 MT of rice on the vessel 'Qena' to Jeddah. Aditya agents is handling the vessel. Loading of 13,500 MT of rice is continuing at Kandla Port on the vessel 'Merces Mahara' to Dammam. Sai Shipping is handling the vessel. The port is loading 14,000 MT of rice on the vessel 'Banglar Mamata' to Jeddah. The vessel is being handled by Aditya agents. Loading of 12,000 MT of rice is expected at Mumbai Port on the vessel 'World Group I' to Salalah. The vessel will be handled by Astral Freight Forwarders agents.

Weather Watch

Progress Of Southwest Monsoon

The southwest monsoon which remained stagnant during the last week, gained momentum during this week. It advanced over some more parts of west-central Bay of Bengal, remaining parts of eastcentral Bay of Bengal, some more parts of north Bay of Bengal, Nagaland, Manipur, Mizoram & Tripura and parts of Assam & Meghalaya and Arunachal Pradesh on 16th; over central and north Bay of Bengal, entire Nagaland, Manipur, Mizoram & Tripura, Arunachal Pradesh, Assam & Meghalaya and parts of Sub-Himalayan West Bengal & Sikkim on 17th; over some more parts of eastcentral Arabian Sea parts of south Konkan & Goa, south Madhya Maharashtra, parts of North Interior Karnataka, entire Rayalaseema, parts of Telangana, Coastal Andhra Pradesh and some more parts of westcentral and north Bay of Bengal on 18th and over some more parts of eastcentral Arabian sea, Konkan & Goa, Madhya Maharashtra and north interior Karnataka on 19th.

Southwest monsoon further advanced over entire central Arabian Sea, parts of north Arabian sea, southern most parts of Saurashtra & Kutch, some more parts of northwest Bay, parts of Gangetic West Bengal and entire Sub-Himalayan West Bengal & Sikkim on 20th and over some more parts of north Arabian Sea, Saurashtra & Kutch, some more parts of Gujarat region, Madhya Maharashtra, Telangana, coastal Andhra Pradesh, some parts of coastal Orissa, some more parts of Gangetic west Bengal and some parts of Bihar on 21st. The Northern limit of monsoon passed through 23°N/60°E, 23°N/65°E, Naliya, Surat, Sholapur, Gonnawaram, Gopalpur, Kolkata and Bhagalpur, Latitude 28°N/Long.85°E.

Meteorological Analysis

Last week's trough at sea level off Konkan to Kerala coast persisted throughout the week. At the leading edge of this trough an upper air cyclonic circulation extending between 2.1 and 5.8 km a.s.l. formed over eastcentral Arabian sea off Konkan coast on 17th. It lay over North Konkan and neighbourhood extending upto 5.8 km a.s.l. on 19th and off Saurashtra coast on 20th. Under its influence, a depression formed over northeast Arabian sea which lay centered close to Porbandar on the morning of 21st. It moved slightly northwestwards & lay centered near 22N/68E, about 150 km west of Porbandar on the morning of 22nd and moving westwards, it lay centred near Latitude 22°N/Long.67.5°E, about 200 km west of Porbandar on the same evening. Last week's upper air trough from Sikkim to North Bay of Bengal persisted on 16th extending upto 1.5 km a.s.l. It lay as an upper air cyclonic circulation over Assam & neighbourhood on 16th evening and over Sub-Himalayan West Bengal & neighbourhood on 17th morning and extended upto 1.5 km a.s.l. It persisted there till 19th & moved over to Bangladesh & neighbourhood extending upto 0.9 km a.s.l. on 20th. It became less marked on 21st. An upper air cyclonic circulation extending between 1.5 and 4.5 km a.s.l. lay over south Pakistan & adjoining southwest Pakistan on 17th. It lay over southwest Rajasthan & adjoining Gujarat extending upto 3.1 km a.s.l. on 18th & 19th. It persisted there on 20th extending upto 0.9 km a.s.l. and became less marked on 21st. An upper air cyclonic circulation extending upto 1.5 km a.s.l. formed over coastal Orissa and adjoining west central Bay of Bengal on 20th evening. It persisted upto 22nd extending between 2.1 & 5.8 km a.s.l.

Rainfall

Under the influence of these systems, rain /thundershower occurred at many places over Andaman & Nicobar Islands, Northeastern States, Sub-Himalayan West Bengal & Sikkim, Konkan & Goa, Coastal Karnataka, Kerala and Lakshadweep through out the week. It was at most places over Konkan & Goa, Coastal Karnataka and Kerala from 19th to 26th. Light to moderate rainfall occurred at a few places over Orissa, Madhya Maharashtra and south interior Karnataka on many days of the week and over Gangetic West Bengal and Jharkhand on 2-3 days of the week. Rain/thundershower activity increased over central parts of the country, Saurashtra and south Gujarat region in the latter half of the week when rain/thundershower occurred at many places over south Gujarat and Saurashtra & Kutch and at a few places over Bihar and Jharkhand towards the end of the week. Isolated to scattered light rain also occurred over remaining parts of the country on 2-3 days except over West Uttar Pradesh where weather remained mainly dry during the entire week

Heavy Rainfall

Heavy to very heavy rainfall occurred at a few places over Konkan & Goa, Coastal Karnataka and Kerala on many days of the week. Isolated heavy rainfall also occurred over Andaman & Nicobar Islands, Northern eastern states, Sub-Himalayan West Bengal & Sikkim, south interior Karnataka on some days of the week and over Gangetic west Bengal and Tamil Nadu on 1-2 days of the week. The monsoon was **vigorous** over Konkan & Goa on 22nd and over Coastal Karnataka on 20th & 22nd. It was **active** over Kerala on 17th, 19th, 20th & 21st; over Konkan & Goa on 19th; Arunachal Pradesh on 20th and Coastal Karnataka on 21st.

Outlook

During first half of the week the southwest monsoon is likely to advance over the entire Peninsula, Maharashtra, eastcentral India and also some parts of Uttar Pradesh, Madhya Pradesh and Gujarat. Also the heat wave conditions over central and northwest parts of country are likely to abate. The ongoing rainfall activity over Kerala and Coastal Karnataka is likely to decrease during the first half of the week. The ongoing rainfall activity over Northeastern States is likely to continue and extends westwards into Gangetic West Bengal, Bihar, Orissa, Jharkhand, Chhattisgarh and East Uttar Pradesh. **Isolated to scattered** rain/thundershowers also likely over plains of northwest India. The rainfall activity over interior parts of Peninsula is likely to remain subdued.

Rice Output Estimates For Kharif 2004-05

Crop	Season	2 nd Advance Estimates 2004-05	Per cent change	4 th Advance Estimates 2003-04
Rice	Total	87.80	0.9	87.00
	Kharif	73.29	-0.9	73.92
	Rabi	14.51	10.9	13.08

Progressive procurement of Rice as on 13.06.2005 (lakh tonnes)

State	Total procurement in marketing season 2003-04	Progressive Procurement as on 24.05.2005	
		In Marketing season 2004-2005	In Marketing season 2003-2004
Andhra Pradesh	42.30	35.07	37.35
Chhattisgarh	23.74	25.17	22.16
Haryana	13.34	16.62	13.34
Madhya Pradesh	1.12	0.42	1.08
Orissa	13.73	10.98	10.10
Punjab	86.62	90.52	86.57
Uttar Pradesh	25.54	25.75	22.33
Tamil Nadu	2.07	6.48	2.07
All-India	228.28	225.02	213.37

Source: GOI, Ministry of Agriculture

International Asian Rice Prices FOB

Thailand	\$/Mt	Vietnam	\$/Mt
100%B	\$286	5% DP	\$237
5%	\$279	5%	\$236
10%	\$276	10%	\$234
15%	\$264	15%	\$227
25%	\$251	25%	\$222
35%	\$249		
Jasmine	\$375		
PB 100% Sortexed	\$284		
A1 super	\$211		
Pakistan		India	
5%	\$252	Basmati (finer grade)	\$850
20%	\$245	PR 106 PB 5%	\$290
25%	\$243	1001 25%	\$237
		PR 106 25%	\$242

Indicative Closing Forex Rate **1 USD = Rs 43.49**

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