

Rice

14<sup>th</sup> -20<sup>th</sup> June, 2005

## MAJOR ACTIVITY HIGHLIGHTS

- International News
- Domestic commentary
- International rice prices.
- Domestic rice prices.
- Rice procurement position.

## DOMESTIC AND INTERNATIONAL NEWS:

### Rice Traders Keep a Watchful Eye on Weather Developments

It is witnessed that international agricultural commodity experienced a modest improvement in activity; though many market participants are continue to keep a watchful eye on weather developments in the United States, Australia and parts of China. Thailand Rice exporters exported 140,000 metric tons (MT) of rice to Russia and Ukraine during last week. The rice is for shipment across the 2005-06 marketing year. Russia's Progamma Co. bought 70,000 MT of jasmine fragrant rice, 100% B grade rice and parboiled rice from C.P. Intertrade Co. Russia's Angsprem Co. bought 50,000 MT of fragrant rice, 100% B grade rice and parboiled rice from World Grain Co. The Ukraine's Energia Co. and Khalachaki Co. bought 20,000 tons of jasmine, 100% B grade and parboiled rice from C.P. Intertrade.

### Domestic Rice Sowing Started Despite of Late Monsoon

In spite of delaying in monsoon, the sowing was in progress for the Kharif crop, especially in Punjab and Haryana, according to Agriculture Minister Sharad Pawar. He also addressed that there will be enough rains in this year. The Minister said sowing was in full rolling in states like Haryana and Punjab, which had a good irrigation system. He said the sowing is generally started on June 28 and the monsoon was expected by that time. The sowing of rice has started in Punjab, J&K, Assam, West Bengal, Orissa and Tamil Nadu with the total coverage at 6.728 lakh hectares as on June 13 as compared to 6.941 lakh hectares during the same period of 2004. The total rainfall, recorded throughout the country between June 1 and June 8, 2005, was 13.7 mm as against the normal level of 25.2 mm for this period.

### Export of Fragrant Rice Declining Quickly in Vietnam

On an about 100,000 tons of fragrant rice was exported from Vietnam at prices US\$30 - 40 per ton higher than ordinary rice on last year. However, total volume of fragrant rice finalized in export contracts until June of this year was only 20,000 tons or just a half of last year's same period despite increasing demand and high prices in the world market according to the Vietnam Food Association

(Vietfood). Despite the fact that export prices of fragrant rice, mostly Jasmine rice, still stay at US\$280 - 285 per ton, those of ordinary rice have increased by US\$35 - 40 per ton over last year. This is resulted from quick expansion of fragrant rice growing area without thorough study. However the quality of Vietnamese fragrant rice is poor than Thailand and Indian fragrant rice. As Vietnam joins the AFTA and WTO, fragrant rice from Thailand and India will flood the Vietnamese market. Quality of Vietnamese rice thus needs to be improved. Rice growing area should be planned and after-harvesting technology should be enhanced. Fragrant rice producers should focus on domestic market first.

### Farmers Can Raise Nursery Bed For Rice in India

It is recommended by the Indian agro meteorological department that the farmers can raise the nursery for early to medium duration varieties like Narendra-118, Pant-10, Pant-12 etc. and hybrid Pant-1 in Uttaranchal and Pusa Basmati -1, Pusa Sugundh 2, Pusa Sugundh in Delhi. In central U.P., proper time for raising nursery of irrigated early maturing varieties (Saket-4, Ratna, Pant-12), and medium duration varieties Sarjoo-52, Pant-4, Narendra-359, sainted varieties Pusa basmati-1 and Kasturi. Nursery sowing continues in East U.P. and Bihar and direct sowing stage in Jharkhand. Normal transplanting time for early maturing varieties in east U.P. is 25-30 June. The farmers of West Bengal are advised to complete the sowing peration If irrigation facility is assured. Farmers are advised to complete the nursery bed preparation and sow seeds with the help of irrigation for improved varieties such as Kitish, Sasya-shree, IR-42, Swarna, Mashuri, and IET-8002 etc. Keeping in view the present field condition and light rainfall prediction for next 2 days, farmers of Assam are advised to prepare nursery beds for kharif rice. Select high yielding varieties like Ranjit, Bahadur, Kushal, Mahsuri etc for kharif cultivation. Select medium duration varieties like Satya and Basundhara for multiple cropping system.

### Kharif Rice Showing Affected Amid Delay Monsoon

According to the agriculture ministry, the late monsoon activity and advancement of monsoon has begun to impact sowing of kharif crops with area under oilseeds, rice, coarse cereals and jute showing a lag. Only cash crops like cotton and sugarcane have higher acreage compared with

last year. According to the ministry, irrigation facility is not satisfactory in Andhra Pradesh, Gujarat, Karnataka, Maharashtra and Rajasthan. The ministry also addressed that fertiliser supplies are normal and no shortage of seeds has been reported. But the power availability is less in Andhra Pradesh, Assam, Bihar, Gujarat, Haryana, Karnataka, Madhya Pradesh, Maharashtra, Rajasthan and Uttar Pradesh. The total coverage of kharif rice crop as on Jun. 13 is reported at 672,800 hectare against 694,100 hectares on the same day last year. Sowing has started in Punjab, Assam, West Bengal, Orissa, Tamil Nadu and Jammu and Kashmir. Rice is India's most important kharif crop with a normal acreage of 39.9 million hectares. The largest normal area--three years' average acreage--under rice cultivation is in Uttar Pradesh at 5.5 million hectare.

#### More than 1,500 Rice Mills Obsolete In Karnataka

More than 1,500 mills out of 5,000 rice mills in the South Indian state of Karnataka, have been closed or became obsolete in the last two years. The main reason behind this incident were the steep fall in paddy production, high market cessation and indiscriminate power tariff have all contributed to the shut down of the mills. The farmers have

#### Domestic Rice Market Commentary

##### Delhi Market:

In Delhi, it was witnessed that the market price for different varieties of rice remained almost unchanged 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	13.06.05	20.06.05
Basmati rice old	3000-3100	3100-3150
Basmati rice db	2500-2600	2475-2550
Basmati Lalqila	4400	4400
Lalmahal	4600	4600
Sharbati new	1600-1625	1600-1650
Sharbati old	1675-1725	1700-1750
Parmal raw	890-940	940-1000
Parmal old	980-1000	
Wand	1050-1075	1050-1100
Parmal sela	980-1040	1000-1060
IR 8	875-900	915-940
DB Rice	NR	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.

##### 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.

almost discarded the cultivation of paddy for various reasons. Rice cultivation is becoming cumbersome and cost even increasing. Paddy is grown only in 11.50 lakh hectares and production has come down to 30 lakh tonnes. In Karnataka the paddy cultivation is gradually decreasing. More than 40,000 hectares in Tungabhadra, Bhadra and Upper Krishna project command area have turned saline. The cost of production has increased so much that farmers have been converting their paddy fields into banana plantations, coffee, areca nut plantations and coconut growers in South Karnataka.

#### Latest Rice Export Sales Report Released by USDA

Net sales of 75,700 MT were 51 percent above the previous week, but 9 percent under the prior 4-week average. The major buyers were Panama (24,000 MT), Mexico (13,400 MT), Turkey (8,400 MT), Haiti (6,300 MT), Honduras (5,300 MT) the United Kingdom (3,600 MT), and Canada (3,600 MT). Exports of 99,100 MT were 19 percent below the previous week and 1 percent under the prior 4-week average. The primary destinations were Panama (27,900 MT), Mexico (21,200 MT), Cuba (11,000 MT), Turkey (8,400 MT), and Haiti (6,300 MT).

#### Market Price For Different Varieties Of Rice In Karnal Mandis

KARNAL	13.06.05	20.06.05
Basmati rice shella	2200-2300	2250-2300
Basmati rice raw	2500	2500-2550
Sharbati shella	1500	1500-1600
Parmal raw rice	890-1050	890-1050
Parmal sella	975-1060	975-1060
IR 8	810-860	810-860
Wand	1100	1100
Govind	NR	NR
Db rice shella	1900-2000	1900-2000
Db rice esteem	2400	2400

#### Market Price For Different Varieties Of Rice In Amritsar Mandis

AMRITSAR	13.06.05	20.06.05
Sharbati paddy	900	870-875
DB paddy	1050-1150	1000-1050
Sharbati sella raw rice	1600-1650	1600-1650
Sharbati esteem	1650-1700	1700
Sharbati parboiled	1700-1800	1700-1750
DB parboiled	2100-2200	2100-2200
IR 8	1050	1050
Basmati rice raw	2900-3100	2800-2900
Basmati rice sella	2300-2350	2500
Parmal	1200	1100
PR11 sella	1200	1200
Parmal wand	1050-1100	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. 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	13.06.05	20.06.05
Sharbati paddy	900	900
DB paddy	1150	1150
IR 8 paddy	600	600
Parmal paddy	625	625
Parmalrice	1050	1050
Basmati paddy	1150	1150
Basmati rice		
Shabati sheila	1700	1700
Sharbati esteem	1750	1750
DB sheila	2250	2250
DB esesteem	2500	2500
IR 8 rice	860-970	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	13.06.05	20.06.05
Basmati Raw	2200-2400	2350-2450
Sharbati	1600-1800	1650-1800
Parmal Raw	1030-1100	1050-1100
IR 8	925-950	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	13.06.05	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
Minikit Shankar	-	1250
Minikit (M- Shankar)	-	1400
Nagra	-	1500
Doodh Kalma	-	1450
Swarna	-	950
Pankaj	-	965
BM 20	-	1150
Swarna parboiled	-	950
Govindobhog	-	2100-2200
Chawl Moni	-	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	13.06.05	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 sheila	1700	1550-1600
PR 11 rice	1150-1250	1150-1175
PR11 sheila	1150-1200	1100-1150
Parmal rice	1100	1050-1100
Basmati sheila	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 Sharbati 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.

## Weather Watch

### Monsoon Outlook:

Last week's trough at sea level off Konkan-Kerala coasts persisted upto 12<sup>th</sup>. It was seen off Kerala coast on 13<sup>th</sup> & 14<sup>th</sup> and from Konkan to Kerala coasts on 15<sup>th</sup>. Last week's upper air cyclonic circulation over North Interior Karnataka became less marked on 9<sup>th</sup>. Last week's trough at lower levels from West Rajasthan to Assam and the upper air cyclonic circulation over Pakistan & adjoining Punjab also became less marked on 9<sup>th</sup>. The other upper air cyclonic circulation over Jharkhand & neighbourhood moved northeastwards on 9<sup>th</sup> and became less marked on 10<sup>th</sup>. A fresh upper air cyclonic circulation was seen over Coastal Karnataka & adjoining Konkan & Goa on 11<sup>th</sup> & 12<sup>th</sup>. It became less marked on 13<sup>th</sup>. An upper air cyclonic circulation extending between 2.1 & 5.8 km a.s.l. lay over southwest Bay of Bengal & Tamil Nadu on 13<sup>th</sup> & 14<sup>th</sup>. It became less marked on 15<sup>th</sup>. A North-South trough from northeastern States to central Bay of Bengal extending between 2.1 & 5.8 km a.s.l. was seen from 10<sup>th</sup> to 13<sup>th</sup>. It became less marked on 14<sup>th</sup>. However, a trough extending upto 2.1 km a.s.l. from Sub-Himalayan West Bengal & Sikkim to north Bay of Bengal was seen on 14<sup>th</sup> & 15<sup>th</sup>.

### Rainfall:

Light to moderate rainfall occurred at many places over Andaman & Nicobar Islands, Sub Himalayan West Bengal & Sikkim, Coastal Karnataka and Kerala; at a few places over northeastern States, Gangetic West Bengal, Konkan & Goa, Madhya Maharashtra, Marathwada, Coastal Andhra Pradesh, Tamil Nadu & Pondicherry, interior Karnataka and Lakshadweep. It was isolated in the remaining parts of the country outside Uttar Pradesh and East Madhya Pradesh where weather was mainly dry. Isolated duststorm also occurred over plains of northwest India.

**Isolated heavy rainfall** also occurred over Andaman & Nicobar Islands and North Interior Karnataka on 1 or 2 days of the week.

### Outlook For The Week:

Ongoing rainfall activity over Kerala and coastal Karnataka may get enhanced. Other parts of the Peninsula and northeast India may receive normal rainfall. Monsoon is likely to advance further into Maharashtra, Orissa, rest of the Peninsula, southern parts of Chhattisgarh and remaining parts of West Bengal. This may lead to abatement of heat wave conditions prevailing in east-central India.

### Rice Output Estimates For Kharif 2004-05

Crop	Season	2 <sup>nd</sup> Advance Estimates 2004-05	Per cent change	4 <sup>th</sup> 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

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.

### 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	\$288	5% DP	\$240
5%	\$281	5%	\$239
10%	\$278	10%	\$236
15%	\$266	15%	\$229
25%	\$253	25%	\$224
35%	\$251		
Jasmine	\$376		
PB 100% Sortexed	\$286		
A1 super	\$211		
Pakistan		India	
15%	\$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 43.54n

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