

Rice

19<sup>th</sup> -25<sup>th</sup> July, 2005

## MAJOR ACTIVITY HIGHLIGHTS

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

## DOMESTIC AND INTERNATIONAL NEWS:

### Rice Sowing is Going on with Monsoon Activity

According to the last data from agriculture ministry, the shortfall in acreage is fast making up in spite of delay in kharif sowing owing to late arrival of southwest monsoon. As on July 18, oilseed sowing is down 16.3 per cent on year, rice down 26 per cent and cotton down 13.7 per cent. On the other hand, sugarcane acreage has risen 9 per cent on year, coarse cereals up 4 per cent and that of jute is up slightly. Despite the fact that rice sowing is started in most states, as on today, it is down 26% on year at 90.64 lakh hectares. The data said major shortfall is reported in sowing in Orissa (12.68 lakh hectares), Bihar (4.85 lakh hectares). Rice acreage in Punjab, however, has seen an improvement since last week and is now down slightly at 22.56 lakh hectares.

### Bangladesh Tenders For Rice to Meet Procurement Loss

Due to procurement shortfall, Bangladesh released a tender to import 50,000 MT of non-basmati parboiled rice, a senior Food and Disaster Management Ministry official said on Monday. The rice will be supplied either at Chittagong or Mongala port on cost of the cargo, insurance and freight including stevedoring on the sellers account. The tender will close on August 29, according to officials.

### Rice Market Remained Stable in Vietnam and India

It was witnessed that the rice market sentiment in Vietnam remained steady despite improved availability of rice because of harvest activity in the Mekong delta region. Exporters are asking U.S. \$245 to \$255 MT FOB Ho Chi Minh City for 5% broken and \$230 MT for 25% broken rice. Indian rice markets are between U.S. \$226 and \$236 MT for New Permal variety and between \$230 and 235 MT for Old Permal variety, which was relatively stable against the previous price. Therefore it can be expected that the price would continue this tone in the coming days.

### Pakistan: Damaged Rice Not Purchase by TCP

According to the Prime Minister of Pakistan Shaukat Aziz, Trading Corporation of Pakistan (TCP) will not purchase 150,000 tonnes of rice, which were affected by tsunami after-effects and heavy unexpected rains in Sindh and Balochistan. The rice was in poor but eatable condition.

The government would provide facilities for rice millers and growers, according to him.

### Rice Weekly Export Declined in U.S.

According to latest report of USDA, the net sales of 115,400 MT rice were two and two-fifths times the previous week and 90 percent over the prior 4-week average. Major increases were reported for Iraq (35,600 MT), Haiti (30,900 MT), Guatemala (16,300 MT), and Turkey (15,000 MT). Exports of 50,100 MT were 39 percent below the previous week and 40 percent under the prior 4-week average. The primary destinations were Guatemala (15,900 MT), Panama (9,300 MT), Ghana (5,000 MT), Mexico (4,700 MT), and Canada (4,400 MT). (Weekly export for 8th July to 14th July)

### Pakistani Rice Exports Increased by 14%

According to the Minister of Federal Trade, Pakistani rice exports at the close of the year have increased by US\$ 299 million accounting for a 14% increase. During 2004-2005, export of rice stood at US\$ 933 million that was 47.1 percent higher over. In other news, it was witnessed that on an average 0.4 MMT (Million Metric Tonne) of rice have destroyed in the area of Sindh and Balochistan in Pakistan this year due to heavy rains. Whereas, the crop wastage from the farm to mill has been pegged at 15 to 20 percent. The lack of proper paddy drying and storage system to keep the huge stocks has also resulted in paddy and rice stocks lying in open to the vagaries of weather and insects.

### Bangladesh: Rice Procurement Hampered amid Bad Weather

In Bangladesh, it was witnessed that the government-sponsored food procurement was hampered due to inclement weather in the country's northern region, however it will not create any adverse impact on stock of foodgrains because of initiating some measures like a move to purchase rice and wheat from international market, according to the Minister for Food and Disaster Management Chowdhury Kamal Ibne Yusuf. He pointed out that the Food Department had already procured around 6.40 lakh metric tonnes of rice from the local market till July 20 against a target of around 10 lakh tonnes of foodgrains. However the target is to procure 10 lakh tonnes of rice by August 31. Currently the Food Department has a stock of

8.50 lakh metric tonnes of foodgrains and the stock is quite sufficient to meet any emergency need, the Minister added. The Minister further said that his ministry had already invited international tenders to procure one-lakh metric tonnes of wheat and fifty lakh metric tonnes of rice from external market to make the foodgrain stock sound. In addition, the negotiation is going on with different countries including Vietnam, Thailand, Pakistan, Myanmar and India to procure about five lakh tonnes of rice. Hopefully, the result of the negotiation would be positive, the Minister said.

### Domestic Rice Market Commentary

#### DELHI MARKET

Price for rice in Delhi mandis remained range bound with stable undertone in this week. The arrival for new paddy from Haryana and Uttar Pradesh has increased in this week. Therefore the demand for old rice has been decreased. There was no government intervention programme. It is expected that the market sentiment would remain stable in the coming days. The monsoon rains activity remained very poor in this week.

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

Delhi	25.07.05	18.07.05
Basmati	2475-2575	2500-2600
Basmati Lalqila	4400	4400
Lalmahal	4600	4600
Sharbati new	1650-1700	1625-1675
Sharbati old	1700-1750	1725-1775
Parmal raw	930-980	960-1000
Wand	1030-1100	1040-1125
Parmal sela	990-1070	1000-1090
IR 8	925-970	925-980
DB Rice	2150-2350	2150-2350

#### KARNAL MARKET:

In the Karnal market, the market price for rice witnessed a mixed sentiment, where some variety showed stable range and some variety noticed slightly increased. The new Parmal variety has hit the market and therefore some variety showed downtrend direction, according to the traders. The sowing of kharif rice crop is going on. The weather condition of this market remained well, which helped in the sowing progress. It can be expected that the rice prices would remain stable in the coming days.

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

KARNAL	25.07.05	18.07.05
Basmati rice shella	2300	2100-2200
Basmati rice raw	2400-2500	2400-2500
Sharbati Esteem	1800	NA
Sharbati shella	1600-1650	1400-1550
Parmal raw rice	950-1065	960-1080
Parmal sella	1000-1050	1015-1080
IR 8	900-950	840-875
Wand	1100	1050-1100
Govind	960	1050
Db rice shella	2100-2150	1900-2000
Db rice esteem	2300	2400-2525

#### AMRITSAR MARKET:

The Amritsar market for rice witnessed mixed sentiment in this week. The new varieties of rice have reached in the market, which decreased the demand for old variety. Sharbati esteem variety showed slight downward sentiment. The ongoing market sentiment suggested that rice price would remain stable.

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

AMRITSAR	25.07.05	18.07.05
Tewar Old	2400-2600	NA
Duar	1950-2000	NA
Mogra	1100-1400	NA
Sharbati paddy	900-950	950
DB paddy	1000-1050	1000
Sharbati sella raw rice	1600-1650	1650-1700
Sharbati esteem (New)	1650-1675	1675-1700
DB parboiled	NA	2100-2150
IR 8	NA	1100
Basmati rice raw	2800-2900	2800-2900
Basmati rice sella	2400-2500	2400-2500
Parmal	1150	1150
PR11 sella	1200	1200
Parmal Wand (New)	1100-1250	1150

#### RUDRAPUR MARKET:

In Rudrapur mandis, the most of the rice variety showed a range bound with stable sentiment due to stable demand from the market. However the Sharbati paddy witnessed weak under tone due to new crop arrival 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	25.07.05	18.07.05
Sharbati paddy (New)	625-650	600-650
DB paddy	1150-1175	1150
Parmal paddy	425-450	425
Parma rice	890-935	1000
Basmati paddy	1200-1250	1200
Basmati rice	2250-2300	2250
Shabati sheila	1650	1650
Sharbati esteem	1750	1750
DB sheila	2200	2200
DB esteem	2500	2500

### WEST BENGAL MARKET:

In this market the different varieties of rice were sold in the stable range. The non-scented variety is exported to Bihar, Jharkhand and scented varieties are exported to Karnataka, Kerala, Tamilnadu etc. It is expected that the price would be up in the coming days due to shortage of rice in the market. In this area the rice sowing is carried on with the availability of monsoon rains. The next crop will be reached in the market in October to November.

### Market Price For Different Varieties Of Rice In West Bengal Mandis

WEST BENGAL	25.07.05	18.07.05
Ratnachudi	1175-1250	1100-1200
CO 36	970-1000	960-980
Coarse	850-900	900
CO 43 Medium Boiled	1070	1060
Fine	1230-1250	1220
Super Fine	1750-1760	1750
IR 36 (super)	1200	1170-1180
Minikit Shankar	1250	1250
Minikit (M- Shankar)	1400-1500	1400-1450
Nagra	1550-1600	1600
Doodh Kalma	1360-1400	1360-1410
Swarna	950	950
Pankaj	970	965
BM 20	1350-1400	1400
Swarna parboiled	950-1000	950
Govindobhog	2200	2200
Chawl Moni	1700	1700

### KURUKHESTRA MARKET:

The market price for rice remained range bound with stable undertone in this week in Kurukhestra market. The trade

sentiment behaved this type of nature due to stable demand. The new crop has been hit the market. It is expected that the market price would recover on downside.

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

KURUKHESTRA	25.07.05	18.07.05
DB paddy	1200-1250	1250
DB rice	2150-2250	2100-2300
DB esteem	2500-2700	2500-2700
Sharbati esteem	1850-1900	1900
Sharbati sheila	1650-1700	1700
PR 11 rice	1150-1250	1150-1250
PR11 sheila	1150-1250	1150-1200
Parmal rice	1100-1150	1100
Basmati sheila	2200-2350	2200-2300
Raw Basmati	2600-2800	2600-2800
Basmati paddy	1400	1400

### DEHRADUN MARKET:

The market price for different varieties in Dehradun market remained almost unchanged, but Sharbati variety showed slight uptrend movement. The most of the variety prevailed at the same rate as of the previous 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	25.07.05	18.07.05
Basmati Raw	2350-2450	2350-2450
Sharbati	1650-1775	1650-1800
Parmal Raw	1050-1110	1065-1120
IR 8	975-1000	975-1000

### 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, therefore the market sentiment in this area remained slightly weak only for Parmal variety. The demand behind this market sentiment remained stagnant. It is expected that the ongoing situation would continue this tone in the coming days.

### Port Watch

Kandla Port is loading 14,500 MT of rice on the vessel 'El Tanin' to Dammam. The vessel is being handled by Aditya agents. Another vessel, 'Banglar Moni' is expected at the port to load 10,000 MT of rice to Dammam. Aditya agents will be handling the vessel.

## Weather Watch

### Monsoon Outlook for Next Week

A monsoonal low pressure area that has formed over North Bay of Bengal off Gangetic West Bengal and Orissa coast yesterday has further intensified in to a well marked low today thus bringing the monsoon trough to its normal position. This system is expected to intensify further in to a monsoon depression over the same region during next 24-48hours. Subsequently, it is expected to move slowly in west-northwesterly direction. Under the influence of these circulation features, most parts of central India and peninsular India are likely to experience enhanced rainfall activity in coming 4-5 days.

A mid-tropospheric cyclonic circulation is likely to form over NE Arabian Sea and adjoining regions of Sourashtra and Kutch around 28 July, 2005. Subsequent to its formation rainfall activity may enhance over north Konkan and adjoining regions as well.

### Zone-wise weather forecast for next 5 days

#### North & North-West India [ J&K, HP, Uttranchal, Punjab, Haryana, west UP]

The region is likely to receive scattered rainfall over Himachal Pradesh and Uttranchal during next 3-4 days. Over the remaining sectors of J&K, Punjab, Haryana, Delhi and West UP are likely to experience isolated showers.

#### East and NE India [East UP, Bihar, Jharkhand, West Bengal, Orissa, NE states]

Fairly wide spread rainfall with isolated heavy rain spells is expected over Orissa and Gangetic West Bengal during next 4-5 days.

Scattered to fairly widespread rainfall activity is likely over Bihar, Jharkhand, sub-Himalayan West Bengal and NE states during next 3 days.

#### Central India [ MP, Chattisgarh, Vidarbha]

With the revival of monsoon, fairly wide spread rainfall is likely over the areas of Chattisgarh and East Madhya Pradesh during next 4 days. Vidharbha and West Madhya Pradesh may experience scattered rainfall activity.

#### South India [Tamilnadu, AP, Kerala, Karnataka, Andaman & Nicobar Islands, Lakshadweep]

Widespread rainfall activity is likely over coastal Karnataka, south interior Karnataka and Telangana and fairly widespread over Kerala and North Interior Karnataka during next 3 days. Isolated to Scattered rainfall is likely over Tamilnadu and Rayalseema for coming 5 days.

#### West India [ Maharashtra other than Vidarbha, Gujarat, Rajasthan]

Scattered rainfall is likely over Konkan & Goa, Madhya Maharashtra, and Marathwada during next 2 days that is

### Summary of progress of Kharif crop (area coverage) (Area in lakh hectares)

Crop	Normal area	Area Coverage (as reported on 18.07)			Area Difference in Important States-this year vs Last year (absolute, %)
		This Year	Last Year	Difference	
Rice	399	90.64	122.32	-31.68	AP(-0.4, -53.6), Bih(-3.9, -44.3), Guj(-0.9, -52.6), Har(-1.1, -19.6), Jhar(-0.8, -39.6), MP(-3.9, -53.4), Chh(- 2.0, -17.5), Ori(-4.4, -27.4), UP(-22.2 -95.6)

likely to get enhanced in to a fairly widespread rainfall activity starting from 28<sup>th</sup> July, 2005. Isolated to scattered rainfall is likely over north Gujarat and Rajasthan during next 3days.

### 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

### Progressive Procurement of Rice as on 18.07.2005 (lakh tonnes)

State	Total procurement in marketing season 2003-04 (Oct.- Sept.)	Progressive Procurement as on 18.07.05	
		In Marketing season 2004-2005	In Marketing season 2003-2004
Andhra Pradesh	42.30	37.34	40.80
Bihar	3.63	2.93	3.63
Chhattisgarh	23.74	26.07	22.75
Haryana	13.34	16.62	13.34
Madhya Pradesh	1.12	0.43	1.09
Maharashtra	3.08	1.49	2.74
Orissa	13.73	12.99	11.68
Punjab	86.62	90.58	86.59
Tamil Nadu	2.07	6.51	2.07
Uttar Pradesh	25.54	25.75	22.33
Uttaranchal	3.23	3.07	3.15
West Bengal	9.25	7.45	9.09
All-India	228.28	231.98	219.91

Source: GOI, Ministry of Agriculture

## International Asian Rice Prices FOB

Thailand	\$/Mt	Vietnam	\$/Mt
100%B	\$281	5% DP	\$245
5%	\$274	5%	\$244
10%	\$270	10%	\$242
15%	\$257	15%	\$235
25%	\$246	25%	\$225
35%	\$244		
Jasmine	\$374		
PB 100% Sortexed	\$281		
A1 super	\$207		
Pakistan		India	
5%	\$252	Basmati (finer grade)	\$850
20%	\$245	PR 106 PB 5%	\$290
25%	\$243	1001 25%	\$237
		PR 106 25%	\$230

Indicative Closing Forex Rate **1 USD = Rs 43.50**

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