

Rice

9th-15th August, 2005

MAJOR ACTIVITY HIGHLIGHTS

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DOMESTIC AND INTERNATIONAL NEWS:

Vietnam Signed Contracts for 4.2 MT Rice Export

According to the Vietnam Food Association, the domestic enterprises have so far signed contracts for selling 4.2 million tons of rice overseas in this year. Vietnam is likely to remove the rice export cap, under which local enterprises are to export 3.8 million tons of rice this year. The country exported over 3.1 million tons of rice worth 869 million US dollars in the first seven months of this year, posting year-on-year respective surges of 13.4 percent and 35.9 percent. According to the Association, Vietnam, the world's second biggest rice exporter after Thailand, shipped abroad over 4 million tons of rice last year mainly to the Asia-Pacific region, Africa and the Middle East countries.

Thailand Rice Crop to be Affected by Drought

Lack of rainfall is seriously threatening the rice crop in Thailand. Farmers fear that many rice fields in the northeastern province of Thailand will be damaged by the middle of this month and Lam Takhong Dam will dry up in two months if there is still no rainfall. The present drought has started affecting majority of the rice fields in Nakhon Ratchasima's 26 districts and six sub-districts as the rice saplings are reported to be withering on lack of rain.

Thailand Govt to Sell 5.4 Lakh MT Rice Stocks

The Thailand Commerce Ministry is going to sell 5.40 lakh metric tons of rice in a tender scheduled to be held on Monday. It is reported that the rice to be sold under the tender is part of the 2.5 million tons of rice that the ministry had gathered under the 2004-05 intervention programme. The ministry has decided to sell part of the stocks, as the rice supplies in the domestic market are not adequate. Moreover, the domestic exporters have claimed that they have no rice for export purpose at present.

USDA Reported Net Sales of Rice at 58900 MT

According to the latest USDA weekly export sales report for the period July 29-August 4, 2005, net sales of rice for the 2005-06 marketing year, which began August 1, were 58,900 MT. The major buyers were Mexico (17,700 MT),

Canada (16,800 MT), and Saudi Arabia (11,300 MT). A total of 324,000 MT were outstanding on July 31 (the end of the 2004-05 marketing year) and were carried over to 2005-06. Exports of 33,000 MT for July 29-31 were primarily to Haiti (9,100 MT), the United Kingdom (6,600 MT), Peru (6,000 MT), and Mexico (4,900 MT). Accumulated exports of 3,737,500 MT were 12 percent above the 3,335,800 MT exported during the previous year. Exports of 34,400 MT for August 1-4 were mainly to Nicaragua (18,900 MT), Mexico (7,000 MT), and Saudi Arabia (6,400 MT).

USDA Lowers Global Rice Outlook 2005-06

According to the latest World Agricultural Supply and Demand Estimates (WASDE) report of the USDA World Agricultural Outlook Board, the global 2005-06 rice production, consumption and ending stocks are projected to be lower than the month ago estimates, while imports and exports are nearly unchanged. The world 2005-06 rice production is projected at 405.3 million tons, 4.6 million tons below last month, but 4.2 million tons above 2004-05. The decline in the world rice crop is due primarily to reduced production in India, which is partially offset by increases for Bangladesh, the Philippines, Vietnam and the United States. World 2005-06 ending stocks are projected at 66.5 million tons, 0.4 million tons below last month, and 8.3 million tons below 2004-05. These are the lowest ending stocks since 1982-83 and the lowest stocks-to-use ratio since 1974-75.

USDA Highers U.S. Rice Crop 2005-06 Estimates

The United States Department of Agriculture (USDA) in its first survey based forecast of 2005-06 U.S. rice crop, projected the U.S. production at 226.8 million cwt, up 5.8 million cwt from last month's projection, but down 4.1 million cwt from the record crop in 2004-05. The U.S. 2005-06 average yield is forecast at 6,897 pounds per acre, up 176 pounds per acre from last month, but down just 45 pounds per acre from last year's record. Long-grain production is forecast at a record 173.0 million cwt, up 3.5 million cwt from last month, while combined medium- and

short-grain production is forecast at 53.8 million cwt, 2.3 million cwt above last month. U.S. 2005-06 exports are projected at 121 million cwt, up 2 million cwt from last month, and 12 million cwt above 2004-05. Domestic and residual use is nearly unchanged from a month ago. Ending stocks are projected at 29.5 million cwt, up 3.9 million cwt from last month. The season-average farm price is projected at \$7.25 to \$7.55, down 5 cents per cwt on each end from last month, compared to \$7.30 per cwt in 2004-05.

DOMESTIC MARKET COMMENTARY

DELHI MARKET

At the Delhi market the rice prices in this week under review remained mostly steady with some varieties registered moderate decline. The demand for the old varieties remained stable and with increased arrival the prices of new varieties witnessed some decline. The arrival from Haryana and Uttar Pradesh has increased in this week. The Sharbati new variety has witnessed another Rs 50 per quintal downfall in this week, while that of the old variety remained unchanged. Some decline was also seen in Basmati variety due to lower demand. It is expected that the rice prices at the Delhi market will maintain the stable trend in the coming weeks. The prices of the new varieties are likely to decline further as the arrival increases.

Market Price For Different Varieties Of Rice In Delhi Mandis

Delhi	13.08.05	08.08.05
Basmati	2400-2500	2450-2550
Basmati Lalqila	4400	4400
Lalmahal	4600	4600
Sharbati new	1500-1550	1550-1650
Sharbati old	1600-1700	1650-1700
Parmal raw	925-975	925-975
Wand	1000-1100	100-1100
Parmal sela	950-1025	950-1025
IR 8	920-950	910-950
DB Rice	2100-2300	2100-2350

KARNAL MARKET:

The rice prices at the Karnal market witnessed a mixed trend in this week. The prices of new varieties went down on increased arrival, while the old varieties maintained the steady price range in this week. The Parmal, Sharbati and Db rice varieties registered losses in this week, while some decline was also seen in Basmati raw variety. The prices of the new varieties are expected to decline further in the coming week as the arrival increases. However, the prices

of old varieties are likely to remain stable on steady demand for these varieties in the local market.

Market Price For Different Varieties Of Rice In Karnal Mandis

KARNAL	13.08.05	08.08.05
Basmati rice shella	2250-2300	2250-2300
Basmati rice raw	2350-2450	2400-2500
Sharbati Esteem	1825-1875	1850-1900
Sharbati shella	1600-1625	1630-1650
Parmal raw rice	925-1025	940-1050
Parmal shella	975-1000	990-1000
IR 8	840-860	840-860
Wand	975-1000	1000
Govind	900	900
Db rice shella	2025-2075	2050-2100
Db rice esteem	2180-2220	2200-2250

AMRITSAR MARKET:

At the Amritsar market the rice prices remained on an average unchanged in this week as against last week. The new Sharbati paddy has started to enter the market and quoted at Rs 675-750 per quintal with a steady arrival of 2000 bags per day. The arrival is likely to go up in the coming week. The Basmati varieties were quoted lower in this week, as the demand was lower. The prices of other varieties are likely to maintain the steady trend in the coming week.

Market Price For Different Varieties Of Rice In Amritsar Mandis

AMRITSAR	13.08.05	08.08.05
Tewar Old	2400-2600	2400-2600
Duar	1950-2100	1950-2000
Mogra	1200-1400	1100-1400
DB paddy	1000-1025	1000-1050
Sharbati sella raw rice	1600-1650	1600-1650
Sharbati esteem (New)	1700-1800	1700-1800
Basmati rice raw	2400-2450	2450-2500
Basmati rice sella	2175-2225	2200-2250
Parmal (Govinda New)	925-935	925-935
PR11 sella	1100-1150	1100-1200
Parmal Wand (New)	1100-1200	1100-1250

RUDRAPUR MARKET:

The rice prices at the Rudrapur market remained mixed in this week. The Sharbati paddy was quoted unchanged on steady arrival, while that of Parmal paddy remained higher on lower arrival. The other varieties like DB and Basmati registered some losses on reduced demand in this week. It is expected that the rice prices at the Rudrapur market will maintain the prevailing trend in the coming week.

Market Price For Different Varieties Of Rice In Rudrapur Mandis

RUDRAPUR	13.08.05	08.08.05
Sharbati paddy (New)	700-750	700-750
DB paddy	1000-1150	1100-1150
Parmal paddy	575-600	550-575
Parmal rice	850-900	1000-1100
Basmati paddy	1200	1200
Basmati rice	1200-1250	1250
Sharbati sheila	1600-1650	1600-1650
Sharbati esteem	1650-1680	1650-1700
DB sheila	2275-2300	2300
DB esteem	2400-2425	2450

KURUKHESTRA MARKET:

The rice prices at the Kurukhestra market witnessed a mixed sentiment in this week under review. The prices of Sharbati and Parmal varieties went down in this week as against last week. The prices of the other varieties remained almost unchanged in this week as against last week. It is expected that the market sentiment in the local rice market will maintain the same trend in the coming week.

Market Price For Different Varieties Of Rice In Kurukhestra Mandis

KURUKHESTRA	13.08.05	08.08.05
DB paddy	1190-1220	1200-1225
DB rice	2175-2225	2175-2225
DB esteem	2500-2600	2500-2600
Sharbati esteem	1790-1875	1800-1900
Sharbati sheila	1600-1650	1625-1675
PR11 sheila	1150-1225	1150-1250
Parmal rice	1075-1100	1100-1125
Basmati sheila	2200-2300	2200-2300
Raw Basmati	2650-2850	2650-2850
Basmati paddy	1400-1450	1400-1450

WEST BENGAL MARKET:

At the West Bengal markets the rice prices remain mostly stable amidst some decline in few varieties. The market is having a good stock position with steady demand. However, the some varieties like Ratnachudi, Coarse, CO 36 and Govindobhog continue the uptrend on lower supply amidst higher demand for these varieties. The new crop is due to arrive in the market in October-November and it is expected that the market sentiment will remain the same until the new crop arrives the market.

Market Price For Different Varieties Of Rice In West Bengal Mandis

WEST BENGAL	13.08.05	08.08.05
Ratnachudi	1175-1275	1150-1250
CO 36	1060-1120	1050-1100
Coarse	900-1000	875-975
CO 43 Medium Boiled	1050-1090	1070-1090
Fine	1225-1250	1240-1260
Super Fine	1750-1800	1750-1800
IR 36 (super)	1175-1200	1175-1185
Minikit Shankar	1225-1265	1250
Minikit (M- Shankar)	1400-1450	1400-1450
Nagra	1600	1600
Doodh Kalma	1375-1425	1375-1425
Swarna	940-960	950
Pankaj	950-975	965
BM 20	1400	1400
Swarna parboiled	960	950
Govindobhog	2200-2275	2200-2250
Chawl Moni	1720-1740	1725

DEHRADUN MARKET:

The rice prices at the Dehradun market witnessed a downtrend in this week as against the last week. The Basmati, Sharbati, Parmal and IR-8 varieties were quoted on an average lower in this week. It is expected that the rice prices in the Dehradun market will remain steady in the coming week.

Market Price For Different Varieties Of Rice In Dehradun Mandis

DEHRADUN	13.08.05	08.08.05
Basmati Raw	2250-2375	2275-2375
Sharbati	1650-1750	1650-1775
Parmal Raw	1000-1090	1025-1100
IR 8	950-985	950-1000

Conclusion

The domestic rice market continues to maintain the mixed sentiment in this week as against the last week. The prices of new varieties were at the lower side on increased arrival, while the prices of the old varieties remained on an average steady on stable demand. The Sharbati and Parmal varieties continue the downtrend in this week in almost all the major rice markets. It is expected that the rice prices at the major rice markets will maintain the prevailing trend in the coming week.

Port Watch (As on 12th August 2005)

Kandla Port is loading 13,500 MT of rice to Mozambique on the vessel 'Tai Pen I'. The vessel is being handled by Pangea agents. Loading of 14,000 MT of rice is expected at the port on the vessel 'El Tanin' to Jeddah. 'Aboudi' is expected at the port to load 8,000 MT of rice to Dammam. The port is expecting 'Chao Yang Men' to load 14,000 MT of rice to Dammam. These vessels will be handled by Aditya agents.

Weather Watch (As on 14th August 2005)

ALL INDIA WEATHER FORECAST

Monsoon Outlook

Yesterday's upper air cyclonic circulation over North Bay of Bengal persists over the same region. This is likely to descend down and concentrate into a low-pressure area within next 48 hours leading to revival of Monsoon. Under its influence, the rainfall activity over many parts of east and Central India viz., Orissa, Jharkhand, East Madhya Pradesh and Chhattisgarh may increase within next 48 hours. After the formation of a low-pressure area, the eastern end of the monsoon trough is likely to shift southward into the head Bay of Bengal. This situation may be helpful for penetration of monsoon easterlies into the plains of North India.

NORTH & NORTH-WEST INDIA [J&K, HP, UTTARANCHAL, PUNJAB, HARYANA, DELHI, WEST UP]

Isolated rains are taking place over this region. With the possible revival of monsoon and setting up of easterlies over the region, the rainfall activity may increase over the region during next 2-3 days.

EAST AND NE INDIA [EAST UP, BIHAR, JHARKHAND, WEST BENGAL, ORISSA, NE STATES]

Scattered to fairly widespread rains with isolated heavy falls are likely over NE States and adjoining Sub-Himalayan West Bengal during 48 hours. Subsequently, the rainfall activity over Orissa, West Bengal and Jharkhand is likely to increase whereas the activity over NE States & Sub-Himalayan West Bengal may decrease.

CENTRAL INDIA [MP, CHATTISGARH, VIDARBHA]

Chattisgarh, Madhya Pradesh and Vidarbha are likely to receive isolated to scattered rains in next 48 Hrs. Subsequently, rainfall activity is likely to increase to fairly wide spread especially over Chattisgarh and East MP.

SOUTH INDIA [TAMILNADU, AP, KERALA, KARNATAKA, ANDAMAN & NICOBAR ISLANDS, LAKSHADEEP]

Scattered rainfall is likely over the region except over Tamilnadu where it is likely to be isolated during next 3-4 days.

WEST INDIA [MAHARASHTRA OTHER THAN VIDARBHA, GUJARAT, RAJASTHAN]

Rainfall over Konkan & Goa, Madhya Maharashtra and Gujarat may increase after the revival of monsoon flow. East Rajasthan and west Rajasthan may receive isolated to scattered rainfall during next 4-5 days.

Rice Production Estimates for Kharif 2004-05

Crop	Season	2003-04		2004-05	
		4 th Adv Est.	Final	Target	4 th Adv Est.
Rice	Kharif	73.92	78.34	79.04	71.67
	Rabi	13.08	9.94	14.46	13.64
	Total	87.00	88.28	93.50	85.31

Source: Ministry of Agriculture, GoI

Progressive Procurement of Rice as on 08.08.2005

(Lakh tonnes)

State	Total procurement in marketing season 2003-04 (Oct.- Sept.)	Progressive Procurement as on 08.08.05	
		In Marketing season 2004-05	In Marketing season 2003-04
Andhra Pradesh	42.30	38.06	41.57
Bihar	3.63	3.10	3.63
Chhattisgarh	23.74	26.51	23.02
Haryana	13.34	16.62	13.34
Madhya Pradesh	1.12	0.43	1.10
Maharashtra	3.08	1.57	2.74
Orissa	13.73	13.85	12.18
Punjab	86.62	90.58	86.59
Tamil Nadu	2.07	6.52	2.07
Uttar Pradesh	25.54	29.71	25.54
Uttaranchal	3.23	3.07	3.15
West Bengal	9.25	7.79	9.19
All-India	228.28	238.54	224.76

Source: Ministry of Agriculture, GoI

Summary of Progress of Kharif Rice (Area Coverage)

(Area in lakh hectares)

Crop	Normal Area	Area Coverage (As reported on 08.08.05)			Area Difference in Important States-This Year vs. Last Year (Absolute, %)
		This Year	Last Year	Difference	
Rice	399	223.13	227.33	-4.20	AP (+1.1, +22.2), Maharashtra (-2.1, -33.8), Gujarat (-1.3, -33.3), Haryana (+0.9, +10.0), Jharkhand (-0.3, -5.5), Karnataka (-0.3, -8.0), Chhattisgarh (-1.4, -4.9), Bihar (+1.1, +7.1), Orissa (-1.7, -7.0), Punjab (-0.4, -1.4), UP (-0.3, -0.7)

International Asian Rice Prices Per MT FOB (Current)

THAILAND	\$/Mt	VIETNAM	\$/Mt
100%B	\$287	5% DP	\$254
5%	\$281	5%	\$253
10%	\$278	10%	\$251
15%	\$268	15%	\$243
25%	\$253	25%	\$234
35%	\$251		
Jasmine	\$401		
PB 100% Sortexed	\$288		
A1 super	\$214		
PAKISTAN	\$/Mt	INDIA	\$/Mt
15%	\$252	Basmati (fine grade)	\$850
20%	\$245	PR 106 PB 5%	\$280
25%	\$243	1001 25%	\$237
		PR 106 25%	\$230

FOREX (As on 13th August 2005):

Foreign Currency	Rs. per unit
1 US \$	43.59
1 Euro	54.23
1 British £	79.11
100 Yen	39.85

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