

Rice

23rd-29th August, 2005

MAJOR ACTIVITY HIGHLIGHTS

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DOMESTIC AND INTERNATIONAL NEWS:

Kharif Rice Acreage Up 1.05 Percent on Year

According to the latest released Agriculture Ministry data the shortfall in kharif sowing is on a decrease at present. The delay in onset and advancement of south-west monsoon has led to the shortfall in kharif acreage in this year. However, the situation has improved significantly and the kharif sowing is fast picking up. The kharif rice acreage stands at 289.53 lakh hectares so far, up 1.05 percent on year. The acreage shortfall was reported in sowing Gujarat, Karnataka, Chhattisgarh and Punjab.

Thailand Govt to Buy 9MMT Main 2005-06 Paddy

The Thailand government is all set to intervene in the domestic rice market by buying 9 million metric tons (MMT) of rice paddy from the 2005-06 crop in order to raise the price. It has been reported that under the intervention programme, the Thailand government would buy fragrant jasmine rice paddy at THB 9700-10000 per metric ton (MT), 100% B grade rice paddy at THB 6900 per MT and 5% broken grade rice at THB 6800 per MT. The programme would start from 3rd November 2005 and end on 28th February 2006. The government intervention prices for 100% and 5% broken rice are higher than in the last intervention program. (1THB=1.06INR)

Asian Rice Market Activity Thin; Prices Steady

The Asian physical rice prices remained steady at the high levels amidst thin trading activity in Thailand and Vietnam rice markets. According to the Thailand exporters, the government intervention programme for the main crop season starting November would keep the prices at high levels. The Thailand government has announced that it would buy 9 million metric tons of rice paddy from the 2005-06 main crop to boost the domestic rice price. This week the Thailand 100% B grade was offered at \$290-293 per ton, FOB, Bangkok and 5% broken at \$285-\$287 per ton, while parboiled 100% sortexed was offered at \$288-\$296/ton. These prices are unchanged as against last week. In the Vietnam market the rice prices remained mixed this week amidst strong domestic prices. The Vietnam 5% broken was offered at \$255-\$256 per ton, FOB, Ho Chi Minh City, unchanged from prices offered last week, while the 25% broken was quoted at \$240-\$245 per ton, FOB, up by around \$5 from last week.

China Ag Ministry: Fall in Rice Stocks to Continue

According to the Chinese Agricultural Ministry, the rice stocks of the country would continue to fall in the current 2005-06 marketing year which began in June. According to the rice market monitoring report of the ministry, new supply comprising domestic production and imports would not be sufficient to meet the domestic demand. According to the ministry, in the 2004-05 rice marketing year, the new supply is expected to have crossed previous year's supply, while the consumption have fallen. However, during the 2004-05 marketing year, demand is expected to have crossed the supply. Consequently, the ending stocks are expected to have reduced by drawing of reserves.

Lower Stocks Limited Pakistan Rice Market Activity

The market activities in the Pakistan's rice market remained thin on low stocks and prices remained steady for the last couple of days. Traders are expecting that the activity would pick up from the coming month when the supplies from the new crop would become available. It has been expected that the higher domestic rice prices and lower stock levels would put a cap on the export activities for coming few weeks. Pakistan produced 4.8 million tonnes of rice in the last crop year and likely to produce around 5 million tonnes in this crop year, while the annual domestic consumption is around 2.3 million tonnes. Pakistani traders have exported around 2.2 million tonnes of rice during this year.

USDA: U.S. Rice Net Sales Up 14 Percent on Week

According to the weekly export sales report by the United States Department of Agriculture (USDA), the United States net sales of rice for the period 12th-18th August stands at 49800 metric tons (MT). The net sales of rice in the week was 14 percent above the previous week. The major buyers were the United Kingdom (10,400 MT), Nicaragua (10,000 MT), Saudi Arabia (8,500 MT), Mexico (4,700 MT) and Haiti (3,400 MT). Exports of 25,000 MT were 71 percent below the previous week and 67 percent under the prior 4-week average. The primary destinations were Saudi Arabia (10,100 MT), Mexico (5,600 MT), and Haiti (3,400 MT).

DOMESTIC MARKET COMMENTARY

DELHI MARKET

At the Delhi market the rice prices in this week under review witnessed a mixed sentiment. The new varieties remained mostly weak in this week on increased arrival from Uttar Pradesh and Haryana. Consequently the new varieties were quoted on an average Rs 5-10 per quintal lower in this week as against the last week. However, the old varieties fetched mostly the same prices as against the last week on stable demand. The Sharbati and Parmal varieties were offered at a lower price in this week, while the IR-8 and Wand registered some losses in this week. It is expected that the prices of the new varieties will remain weak in the coming week as the arrival increases. However, the prices of the old varieties are likely to maintain the prevailing trend in the coming week.

Market Price For Different Varieties Of Rice In Delhi Mandis

Delhi	29.08.05	22.08.05
Basmati	2400-2500	2400-2500
Basmati Lalqila	4400	4400
Lalmahal	4600	4600
Sharbati new	1500-1525	1500-1550
Sharbati old	1600-1700	1600-1700
Parmal raw	900-950	900-965
Wand	1000-1075	1000-1080
Parmal sella	950-1000	950-1010
IR 8	900-925	900-940
DB Rice	2100-2300	2100-2300

DEHRADUN MARKET:

The rice prices at the Dehradun market witnessed a weak sentiment in this week as against the last week. The Sharbati, Parmal and IR-8 were available at a lower range in this week, while the prices of Basmati variety also registered some losses on reduced demand. It is likely that the rice prices will maintain the prevailing trend in the coming week.

Market Price For Different Varieties Of Rice In Dehradun Mandis

DEHRADUN	29.08.05	22.08.05
Basmati Raw	2200-2325	2200-2350
Sharbati	1650-1725	1650-1750
Parmal Raw	1000-1060	1000-1075
IR 8	950-975	950-985

RUDRAPUR MARKET:

At the Rudrapur market the rice prices remained mostly range bound with a mixed sentiment in this week. The new Sharbati varieties were quoted lower in this week on increased arrival at the market. However, the other varieties were offered almost steady with a slight decline in some varieties in this week as against the last week. It is expected that the rice prices in the Rudrapur market will continue the prevailing trend in the coming week.

Market Price For Different Varieties Of Rice In Rudrapur Mandis

RUDRAPUR	29.08.05	22.08.05
Sharbati paddy (New)	675-725	680-740
DB paddy	1000-1100	1000-1125
Parmal paddy	600-625	600-625
Parmal rice	850-915	875-925
Basmati paddy	1150-1200	1175-1200
Basmati rice	1200-1250	1200-1250
Sharbati sella	1575-1625	1580-1635
Sharbati esteem	1625-1675	1625-1675
DB sella	2250-2275	2250-2275
DB esteem	2375-2400	2385-2415

KARNAL MARKET:

The rice prices at the Karnal market remained range bound with a weak undertone in this week as against the last week. The Sharbati and Parmal varieties fetched lower prices in this week on increased arrival. The expectation of a bumper crop in the state and higher arrival at the markets pressurised the prices to remain at the lower levels. The basmati varieties also registered some decline on lower demand in this week. The prices of other varieties remained mostly steady in this week as against the last week. It is expected that the prices of the new varieties will decline further, while the prices of the old varieties will remain range bound in the coming week.

Market Price For Different Varieties Of Rice In Karnal Mandis

KARNAL	29.08.05	22.08.05
Basmati rice sella	2200-2250	2200-2275
Basmati rice raw	2300-2375	2300-2400
Sharbati Esteem	1780-1840	1800-1850
Sharbati sella	1575-1600	1590-1615
Parmal raw rice	900-980	900-1000
Parmal sella	950-975	950-980
IR 8	825-850	825-850
Wand	975-1000	975-1000
Govind	875-925	875-925
DB rice sella	2025-2075	2025-2075
DB rice esteem	2150-2200	2175-2215

KURUKHESTRA MARKET:

At the Kurukhestra market the rice prices remained mostly bearish in this week as against the last week. The prices of Sharbati and Parmal varieties witnessed some decline in this week, while DB variety was also quoted lower in this week as against the last week. The prices of other old varieties remained mostly unchanged on stable demand. It is expected that the higher arrival of the new varieties will pressurise the prices further in the coming week, while the prices of the old varieties are likely to remain range bound in the coming week.

Market Price For Different Varieties Of Rice In Kurukhestra Mandis

KURUKHESTRA	29.08.05	22.08.05
DB paddy	1150-1200	1175-1210
DB rice	2160-2210	2175-2225
DB esteem	2500-2600	2500-2600
Sharbati esteem	1750-1825	1775-1850
Sharbati sella	1550-1625	1590-1640
PR11 sella	1125-1200	1150-1225
Parmal rice	1000-1050	1025-1075
Basmati sella	2200-2300	2200-2300
Raw Basmati	2650-2850	2650-2850
Basmati paddy	1400-1425	1400-1450

AMRITSAR MARKET:

The rice prices at the Amritsar market remained range bound in this week as against the last week. The PR11 paddy was quoted at Rs 575-600 per quintal in this week. The Sharbati and Parmal varieties registered some decline in this week on higher arrival, while some old varieties like Tewar, Duar were quoted lower on reduced demand in this week as compared to the last week. It is likely that the rice prices in the Amritsar market will extend the prevailing trend in the coming week.

Market Price For Different Varieties Of Rice In Amritsar Mandis

AMRITSAR	29.08.05	22.08.05
Tewar Old	2400-2500	2400-2600
Duar	1900-2000	1950-2100
Mogra	1200-1400	1200-1400
DB paddy	1000-1025	1000-1025
Sharbati sella raw rice	1450-1500	1500-1550
Sharbati esteem (New)	1500-1550	1500-1600
Basmati rice raw	2400-2450	2400-2450
Basmati rice sella	2150-2200	2150-2200
Parmal (Govinda New)	900-925	900-925
PR11 paddy	575-600	-
Parmal Wand (New)	1025-1075	1040-1080

WEST BENGAL MARKET:

At the West Bengal market the rice prices continue the steady trend in this week as against the last week. The demand for the old varieties remained stable and consequently the prices of the old varieties maintained the steady trend in this week. The new varieties are likely to arrive the market in October-November and the prices are likely to maintain the trend till the new crop hits the market. However, moderate decline was registered in some varieties on reduced demand. It is expected that the rice prices in West Bengal market will continue the prevailing trend in the coming week.

Market Price For Different Varieties Of Rice In West Bengal Mandis

WEST BENGAL	29.08.05	22.08.05
Ratnachudi	1150-1250	1170-1250
CO 36	1075-1125	1050-1100
Coarse	900-1000	900-1000
CO 43 Medium Boiled	1050-1100	1050-1075
Fine	1225-1250	1225-1250
Super Fine	1750-1800	1750-1800
IR 36 (super)	1175-1200	1175-1200
Minikit Shankar	1225-1250	1215-1250
Minikit (M- Shankar)	1400-1450	1400-1450
Nagra	1600	1600
Doodh Kalma	1400-1425	1375-1425
Swarna	950-975	950-975
Pankaj	950-1000	950-975
BM 20	1400	1400
Swarna parboiled	925-950	950
Govindobhog	2200-2300	2200-2300
Chawl Moni	1725-1775	1725-1750

Conclusion

The rice prices at the domestic markets remained mostly range bound in this week as against the last week. The prices of the new varieties continue to decline further in this week on increased arrival, while the old varieties remained mostly steady on stable demand. At the North Indian markets the Sharbati and Parmal varieties were quoted lower on higher arrival from Uttar Pradesh and Haryana. The new crop of Punjab is expected to be a bumper one and consequently pressurised the prices to slide further. However, the old varieties are fetching almost same price for the last couple of weeks, as the demand situation for the old varieties remained stable so far. It is expected that the increasing supply of the new varieties will put pressure on the prices in the coming weeks, while the prices of the old varieties are likely to maintain the steady trend in the coming week.

Port Watch (As on 29th August 2005)

Loading of 15,000 MT of rice is continuing at Kandla Port on the vessel 'Orions' to Jeddah. Sai Shipping is handling the vessel. Loading of 14,000 MT of rice is expected at Kandla Port on the vessel 'El Tanin' to Jeddah. 'Aboudi' is expected at the port to load 8,000 MT of rice to Dammam.

Weather Watch (As on 28th August 2005)

ALL INDIA WEATHER FORECAST

Monsoon Outlook

The South-west monsoon continues to be in break phase with seasonal monsoon trough lying close to the foothills of Himalayas. The rainfall activity is confined to NE States, Sub-himalayan West Bengal & Sikkim and parts of SE Peninsular India. Mainly dry weather prevails over most parts of the country.

Yesterday's upper air cyclonic circulation extending between 1.5 & 4.5 km above sea level over Tamil Nadu & neighbourhood now lies over Kerala and neighbourhood between 2.1 & 4.5 km above sea level and is moving away westwards. This is likely to cause moderate rainfall activity over extreme southwest Peninsular India during next 48 hours.

Yesterday's western disturbance as an upper air cyclonic circulation extending upto 2.1 km above sea level over north Pakistan and adjoining Jammu & Kashmir is moving away northeastwards.

The model predictions suggest no improvement in the situation and hence poor chances of revival of monsoon flow during next 3-4 days. Under this scenario, enhanced rainfall activity over northeastern States, Sub-Himalayan West Bengal & Sikkim, north Bihar & South peninsular India and sub-due rainfall activity over rest regions of the country is expected during next 3-4 days.

Zone-wise weather forecast for next 5 days

NORTH & NORTH NORTH-WEST INDIA [J&K, HP, UTTARANCHAL, PUNJAB, HARYANA, DELHI, WEST UP]
Mainly dry weather is likely to prevail over most parts of the region except over hilly areas where isolated rainfall is expected during next 24 hours.

EAST AND NE INDIA [EAST UP, BIHAR, JHARKHAND, WEST BENGAL, ORISSA, NE STATES]
Fairly widespread rainfall activity with isolated heavy showers are likely to continue over sub-Himalayan West Bengal & Sikkim and NE States during next 3 days.

CENTRAL INDIA [MP, CHATTISGARH, VIDARBHA]
Isolated rainfall activity is likely over entire region for next 2-3 days.

SOUTH INDIA [TAMILNADU, AP, KERALA, KARNATAKA, ANDAMAN & NICOBAR ISLANDS, LAKSHADEEP]
Scattered rainfall activity is expected over south peninsular India viz. Tamil Nadu, Coastal Karnataka, South Interior Karnataka and Kerala during next 24 hours. Thereafter isolated rainfall is expected over the region.

WEST INDIA [MAHARASHTRA OTHER THAN VIDARBHA, GUJARAT, RAJASTHAN]
Konkan & Goa, Madhya Maharashtra, Marathwada, Gujarat region and SE Rajasthan are likely to experience isolated scattered rains during next 2-3 days. Remaining parts of

the region are expected to experience mainly dry weather during next 3 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 22.08.2005

(Lakh tonnes)

State	Total procurement in marketing season 2003-04 (Oct. - Sept.)	Progressive Procurement as on 22.08.05	
		In Marketing season 2004-05	In Marketing season 2003-04
Andhra Pradesh	42.30	38.43	41.80
Bihar	3.63	3.13	3.63
Chhattisgarh	23.74	26.69	23.11
Haryana	13.34	16.62	13.34
Madhya Pradesh	1.12	0.43	1.10
Maharashtra	3.08	1.84	2.87
Orissa	13.73	14.30	12.59
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	3.16	3.23
West Bengal	9.25	8.78	9.20
All-India	228.28	240.94	225.71

Source: Ministry of Agriculture, GoI

FOREX (As on 29th August 2005):

Foreign Currency	Rs. per unit
1 US \$	43.78
1 Euro	53.99
1 British £	79.09
100 Yen	39.69

Summary of Progress of Kharif Rice (Area Coverage)

(Area in lakh hectares)

Crop	Normal Area	Area Coverage (As reported on 22.08.05)			Area Difference In Important States-This Year vs. Last Year (Absolute, %)
		This Year	Last Year	Difference	
Rice	399	289.53	286.52	+3.01	Andhra Pradesh (+1.4, +10.9), Bihar (+0.8, +3.8), Gujarat (-0.4, -7.4), Karnataka (-1.4, -17.7), Chhattisgarh (-1.5, -4.4), Punjab (-0.9, -3.5), Uttar Pradesh (+4.4, +8.7), West Bengal (-1.0, -3.3)

Source: Ministry of Agriculture, Govt of India

International Asian Rice Prices Per MT FOB (Current)

THAILAND	\$/Mt	VIETNAM	\$/Mt
100%B	\$287	5% DP	\$256
5%	\$281	5%	\$255
10%	\$278	10%	\$253
15%	\$268	15%	\$245
25%	\$253	25%	\$236
35%	\$251		
Jasmine	\$416		
PB 100% Sortexed	\$286		
A1 super	\$216		
PAKISTAN	\$/Mt	INDIA	\$/Mt
15%	\$250	Basmati (fine grade)	\$850
20%	\$243	PR 106 PB 5%	\$272
25%	\$240	1001 25%	\$247
		PR 106 25%	\$225

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