

Rice

6th -12th September, 2005

MAJOR ACTIVITY HIGHLIGHTS

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DOMESTIC AND INTERNATIONAL NEWS:

Japan Ministry to Buy 107500 MT Rice in Tender

The Ministry of Agriculture, Forestry and Fisheries (MAFF) of Japan would be looking for 107500 metric tons of rice in a buy tender to be held on Friday. The Ministry's purchase plan is a part of the Minimum Access programme under the World Trade Organization (WTO) to allow overseas producers to access the Japanese rice market. The Ministry would buy 52000 tons of United States rice, 48500 tons of Thailand rice and 7000 tons of Vietnamese rice.

ABARE Forecasted Higher Australian Rice Crop

According to the Australian Bureau of Agricultural and Resource Economics (ABARE), the new rice crop of the country is now projected at 6.50 lakh metric tons, almost double than an earlier estimate of 3.92 lakh metric tons. It is expected that if the latest estimate is achieved then the production from the new crop would be more than double from the actual output of 3.05 lakh metric tons from the old crop. The rice crop is grown only in New South Wales state of Australia. The ABARE has also estimated the area to be planted under the new crop at 75000 hectares, up 50 percent from the old crop plantings of 50000 hectares. The increase in area under the new crop is attributed to an expected higher availability of irrigation water.

Thailand Rice Exports Down 22.9 Percent on Year

According to the Thailand Ministry of Commerce, the country has exported 4.91 million metric tons (MMT) of rice in The January-August period in this year. The export has declined by 22.9 percent from the same period last year. The rice exports in this year were valued at \$1.51 billion, down by 12 percent from last year. The rice exports in September are projected to be around 6.0-6.5 lakh tons on expected orders from buyers in Africa and the Middle East. The Thailand Ministry of Commerce is aiming to export around 8.5 MMT of rice valued at \$2.55 billion in 2005.

Vietnam to Set Record Shipments of Rice in 2005

According to the state media of Vietnam, the country is all set to reach a record shipment of 4.5 million metric tons (MMT) of rice in this year. The export is likely to increase by 10.8 percent from the last year. It has been reported that the revenues generated from rice exports would touch a record \$1.2 billion in this year, crossing the previous high of

\$1.01 billion in 1999. Vietnam earned revenue of \$859 million from export of 4.06 MMT last year. Vietnam has exported 3.9 MMT rice upto August 2005. Vietnam is the world's second largest exporter of rice after Thailand.

DOMESTIC MARKET COMMENTARY

DELHI MARKET

The rice prices at the Delhi market witnessed range bound with steady in this week under review. With a steady supply from Uttar Pradesh and Haryana, the prices of new varieties remained range bound with a slight weak undertone. The Sharbati variety fetched slight lower price in this week. However, the old varieties were available on an average unchanged in this week on steady demand for the old varieties. The IR-8 variety also registered some losses on reduced demand in this week. It is expected that the prices of new varieties will remain weak in the coming days on higher arrival from Uttar Pradesh and Haryana. However, it is likely that the prices of the old varieties would remain mostly steady with a weak undertone in the coming week.

Market Price For Different Varieties Of Rice In Delhi Mandis

Delhi	05.09.05	12.09.05
Basmati	2400-2500	2400-2500
Basmati Lalqila	4400	4400
Lalmahal	4600	4600
Sharbati new	1475-1525	1500-1550
Sharbati old	1600-1700	1600-1700
Parmal raw	900-950	925-975
Wand	1000-1075	1000-1075
Parmal sella	950-1000	975-1025
IR 8	880-930	900-950
DB Rice	2100-2300	2100-2300

DEHRADUN MARKET:

At the Dehradun market the rice prices remained slight strong in this week as compared to the last week. The Basmati variety was available at a slight higher price in this week on stable demand. The Sharbati, Parmal and IR-8 varieties were also quoted at a relatively higher range in this week as against the last week. The rice prices are expected to maintain the prevailing sentiment in the coming week.

Market Price For Different Varieties Of Rice In Dehradun Mandis

DEHRADUN	05.09.05	12.09.05
Basmati Raw	2200-2300	2200-2350
Sharbati	1625-1725	1650-1750
Parmal Raw	975-1050	1000-1090
IR 8	925-975	960-985

RUDRAPUR MARKET:

The rice prices at the Rudrapur market witnessed a mixed sentiment in this week under review. The Sharbati and Parmal varieties registered slight strong in this week on higher demand at the markets. The other varieties were available mostly steady in this week on stable demand for the old varieties. It is likely that the rice prices will maintain the prevailing trend in the coming week.

Market Price For Different Varieties Of Rice In Rudrapur Mandis

RUDRAPUR	05.09.05	12.09.05
Sharbati paddy (New)	675-725	675-725
DB paddy	1000-1075	1000-1075
Parmal paddy	600-625	600-625
Parmal rice	825-900	860-915
Basmati paddy	1150-1200	1150-1200
Basmati rice	1200-1250	1200-1250
Sharbati sella	1550-1600	1550-1600
Sharbati esteem	1600-1650	1600-1650
DB sella	2250-2275	2250-2275
DB esteem	2375-2400	2375-2400

KARNAL MARKET:

At the Karnal market the rice prices witnessed a range bound trade with a weak undertone in this week under review. The new varieties like Sharbati and Parmal were available at a lower range in this week on increased arrival at the local markets. The DB, IR-8 and Govind varieties registered some losses on lower demand in this week as against the last week. However, the other old varieties were available mostly steady in this week. It is expected that the rice prices of the new varieties would remain weak in the coming days, as higher arrival would pressurise the prices to move downwards. However, it is likely that the prices of the old varieties would remain mostly steady in the coming week.

Market Price For Different Varieties Of Rice In Karnal Mandis

KARNAL	05.09.05	12.09.05
Basmati rice sella	2200-2250	2200-2250
Basmati rice raw	2300-2375	2300-2400
Sharbati esteem	1775-1825	1775-1825
Sharbati sella	1550-1600	1550-1600
Parmal raw rice	900-975	915-1000
Parmal sella	950-975	975-990
IR 8	800-850	825-850
Wand	975-1000	975-1000
Govind	850-900	850-900
DB rice sella	2000-2060	2000-2060
DB rice esteem	2125-2180	2125-2180

KURUKHESTRA MARKET:

The rice prices at the Kurukhestra market witnessed a mixed sentiment in this week under review as against the last week. The higher arrival of the new varieties put some pressure on the prices and consequently the Sharbati and Parmal varieties fetched lower prices in this week. The PR11 sella and DB varieties were also quoted slightly lower in this week as against the last week. The demand for the old varieties remained almost stable in this week and the prices remained range bound. It is expected that the prices of the new varieties would decline further, while the prices of the old varieties are likely to remain range bound in the coming days.

Market Price For Different Varieties Of Rice In Kurukhestra Mandis

KURUKHESTRA	05.09.05	12.09.05
DB paddy	1150-1200	1150-1200
DB rice	2150-2200	2150-2200
DB esteem	2500-2600	2500-2600
Sharbati esteem	1725-1800	1725-1800
Sharbati sella	1550-1600	1550-1600
PR11 sella	1100-1200	1100-1200
Parmal rice	975-1025	975-1025
Basmati sella	2200-2300	2200-2300
Raw Basmati	2650-2850	2650-2850
Basmati paddy	1400-1425	1400-1425

AMRITSAR MARKET:

At the Amritsar market the rice prices remained mostly unchanged in this week as against the last week. Some varieties showed slight weak undertone in this week. The new PR11 paddy was quoted steady at Rs 575-600 per quintal in this week as against the last week. The Sharbati varieties were available at a lower price on higher arrival in this week. The old varieties fetched same prices in this week as against the last week on steady demand. It is

expected that the rice prices would maintain the prevailing trend in the coming week.

Market Price For Different Varieties Of Rice In Amritsar Mandis

AMRITSAR	05.09.05	12..09.05
Tewar Old	2400-2500	2400-2500
Duar	1900-2000	1900-2000
DB paddy	1000-1025	1000-1025
Sharbati sella raw rice	1400-1450	1425-1450
Sharbati esteem (New)	1500-1550	1500-1550
Basmati rice raw	2400-2425	2400-2450
Basmati rice sella	2150-2200	2150-2200
Parmal (Govinda New)	900-925	875-925
PR11 paddy	575-600	575-600
Parmal Wand (New)	1025-1075	1071-1075

WEST BENGAL MARKET:

The rice prices at the West Bengal market witnessed a mixed sentiment in this week. The Ratnachudi, CO36 and Coarse varieties were quoted higher in this week on higher demand amidst lower stock. However, the prices remained mostly unchanged for other varieties on steady demand. According to the traders, the market sentiment would continue the prevailing trend till the new crop hits the market in October-November. It is expected that the rice prices in West Bengal markets would maintain the prevailing trend in the coming week.

Market Price For Different Varieties Of Rice In West Bengal Mandis

WEST BENGAL	05.09.05	12.09.05
Ratnachudi	1175-1275	1150-1250
CO 36	1100-1150	1075-1125
Coarse	925-1025	900-1000
CO 43 Medium Boiled	1050-1100	1050-1100
Fine	1225-1250	1225-1250
Super Fine	1750-1800	1750-1800
IR 36 (super)	1175-1200	1175-1200
Minikit Shankar	1225-1250	1225-1250
Minikit (M- Shankar)	1400-1450	1400-1450
Nagra	1550-1600	1600
Doodh Kalma	1400-1425	1400-1425
Swarna	950-1000	950-975
Pankaj	950-1000	950-1000
BM 20	1400	1400
Swarna parboiled	925-950	925-950
Govindobhog	2200-2300	2200-2300

Chawl Moni	1725-1775	1725-1775
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Conclusion

At the domestic markets the rice prices witnessed a mixed sentiment in this week under review as against the last week. Higher arrival of the new varieties in the North Indian markets pressurised the prices and consequently the Sharbati and Parmal varieties were available at a lower price in this week. The prices of the old varieties remained mostly steady on stable demand for the old varieties. It is expected that the prices of the new varieties would decline further on increased arrivals, while the prices of the old varieties are expected to remain range bound in the coming week.

Port Watch (As on 12th September 2005)

Kandla Port is loading 21,000 MT of rice on the vessel 'Grand Ocean I' to Lagos. Atlantic agents is handling the vessel. 'Aboudi' is expected at the port to load 8,000 MT of rice to Dammam. Loading of 21,000 MT of rice is expected at the port on the vessel 'Grand Ocean' to Lagos. Atlantic agents will be handling the vessel.

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 29.08.2005

(Lakh tonnes)

State	Total procurement in marketing season 2003-04 (Oct.- Sept.)	Progressive Procurement as on 5.09.05	
		In Marketing season 2004-05	In Marketing season 2003-04
Andhra Pradesh	42.30	38.71	41.96
Bihar	3.63	3.41	3.63
Chhattisgarh	23.74	27.45	23.20
Haryana	13.34	16.62	13.34
Madhya Pradesh	1.12	0.43	1.12
Maharashtra	3.08	1.90	2.90
Orissa	13.73	14.82	12.98
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	9.21	9.20
All-India	228.28	243.27	226.40

Source: Ministry of Agriculture, Gol

Weather Watch (As on 12th September 2005)

ALL INDIA WEATHER FORECASTS

Withdrawal Of Southwest Monsoon

Southwest monsoon has withdrawn from parts of West Rajasthan on 2nd. Withdrawal line passes through Sri Ganganagar, Bikaner and Barmer.

Meteorological Analysis

Last week's upper air cyclonic circulation over westcentral Bay of Bengal off Coastal Andhra Pradesh extending upto 4.5 km a.s.l. tilting southwards with height persisted upto 2nd. It moved westwards across Coastal Andhra Pradesh, Telangana, North Interior Karnataka and Konkan & Goa during 3rd to 6th. It was seen over Konkan & Goa and adjoining eastcentral Arabian Sea extending between 2.1 km and 5.8 km a.s.l. on 7th. A north-south trough extending in the lower tropospheric levels was seen from Uttar Pradesh to the above system on 2nd & 3rd and from southeast Rajasthan on 4th & 5th.

A fresh upper cyclonic circulation extending upto 3.1 km a.s.l. formed over southwest Bay of Bengal in the evening of the 5th. Under its influence, a low pressure area formed over Central parts of south Bay of Bengal on 6th. It moved northwestwards and lay over westcentral Bay of Bengal off coastal Andhra Pradesh on 7th morning and became well marked in the evening.

A fresh upper air cyclonic circulation extending upto 2.1 km a.s.l. was seen over northwest Madhya Pradesh and adjoining southwest Uttar Pradesh on 6th. It became less marked on 7th. Another upper air cyclonic circulation formed over central Pakistan and adjoining west Rajasthan extending upto 1.5 km a.s.l. on 7th.

Rainfall

Southwest Monsoon was active to vigorous over Kerala and Rayalaseema on many days of the week and over Karnataka, Telangana, Tamil Nadu & Pondicherry, Konkan & Goa, Madhya Maharashtra, Sub-Himalayan West Bengal & Sikkim, Bihar, Jharkhand and East Uttar Pradesh on one to two days of the week.

Moderate rainfall occurred at many places with isolated heavy falls over south peninsula on many days of the week. Rainfall activity increased with light to moderate scattered rainfall over central India and adjoining Gangetic plains during 3rd to 7th. Light to moderate rainfall also occurred over western Himalayan region and northeastern States. Rainfall activity remained subdued over plains of northwest

India with mainly dry weather over Punjab & West Rajasthan.

Temperature

Maximum Temperatures were above normal by 4 to 6°C over central India and northwest India during the 1st half of the week. They decreased over central India during 2nd half but continued to remain above normal over northwest India especially over Rajasthan where the departures were of the order of 6 to 8°C.

Rainfall During The Week (Week ending on 7th September, 2005)

Rainfall was excess/normal in 15; deficient/scanty in 20 and no rain in 1 (West Rajasthan) out of 36 meteorological sub-divisions (Actual: 34.7 mm, Normal: 47.4 mm and Departure: -27%).

Cumulative Seasonal Rainfall (1st June to 7th September, 2005)

Rainfall was excess/normal in 27 and deficient/scanty in 9 out of 36 meteorological sub-divisions. (Actual: 707.0 mm, Normal: 765.3 mm and Departure: -8%).

Outlook For The Week Ending On September 14, 2005

Fairly widespread rainfall with isolated heavy falls likely over south peninsula, Orissa, Gujarat and Maharashtra & Goa.

Moderate scattered rainfall likely over central India and northwest India.

Increase in rainfall activity is likely over Gangetic West Bengal, Jharkhand and Bihar during 2nd half of the week.

Generally subdued rainfall activity likely over northeast India.

FOREX (As on 12th September 2005):

Foreign Currency	Rs. per unit
1 US \$	43.82
1 Euro	54.05
1 British £	80.34
100 Yen	39.69

Summary of Progress of Kharif Rice (Area Coverage)

(Area in lakh hectares)

Crop	Normal Area	Area Coverage (As reported on 5.09.05)			Area Difference in Important States-This Year vs. Last Year (Absolute, %)
		This Year	Last Year	Difference	
Rice	399	328.56	318.49	+10.07	AP(+1.9, +13.6), Bih(+6.3, +28.3), Guj(-0.4, -7.4), Kar(-1.5, -17.2), MP(+1.2, +9.7), Pun(-0.9, -3.5), UP(+4.0, +7.7), WB(-1.7, -3.8)

Source: Ministry of Agriculture, Gol

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	PR 106 5%	\$229
		1001 25%	\$247
		PR 106 25%	\$225

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