

Rice

30th August-5th September, 2005

MAJOR ACTIVITY HIGHLIGHTS

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DOMESTIC AND INTERNATIONAL NEWS:

Kharif 2005-06 Rice Acreage Up 2.7 Percent on Year

The kharif 2005-06 sowing is fast making up and nearing its completion. According to the Agriculture ministry data, the kharif rice acreage is marginally higher as against the last year. The kharif 2005-06 rice acreage stands at 30.6 million hectares against 29.8 million hectares in the last year. It has been reported that in most of the states the sowing period is over but still there is time left for rice plantation in eastern India. However, the farmers have been advised to sow late varieties of rice of short duration. The kharif 2005-06 rice acreage is higher by 2.7 percent though some shortfall has been reported in some of the states. The normal area under kharif rice is 39.9 million hectares.

Firm Global Demand Boosting Vietnam Rice Prices

Strong global demand for rice has boosted the export prices of Vietnamese rice for the last couple of days. The rice prices in Vietnam rose slightly as the exporters increased buying to meet the export obligations. The rice prices are on the uptrend after the Ministry of Trade agreed to raise the country's export quota to 4.4 million tons from 3.8 million tons for this year. The rice prices are expected to go up further in the coming days as the harvest of the summer-autumn paddy in the delta nears its completion. Vietnam is estimated to have exported 3.82 million tons of rice by the end of August, up 22.5 percent on year.

USDA Rice Net Sales; Exports Higher on Week

According to the latest released United States Department of Agriculture (USDA) export sales report, the net sales of 172,800 MT were nearly three and one-half times the previous week. The major buyers were Iraq (120,000 MT), Mexico (17,200 MT), Haiti (12,300 MT), Ghana (8,500 MT), and El Salvador (4,000 MT). Exports of 91,300 MT were three and two-thirds times the previous week and 26 percent over the prior 4-week average. The primary destinations were Jordan (22,700 MT), Mexico (20,500 MT), Haiti (15,800 MT), the United Kingdom (8,100 MT), and Cuba (7,200 MT). The report was based on reports from exporters for the period August 19-25, 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 remained on an average 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 lower price in this week as against the last 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	29.08.05
Basmati	2400-2500	2400-2500
Basmati Lalqila	4400	4400
Lalmahal	4600	4600
Sharbati new	1475-1525	1500-1525
Sharbati old	1600-1700	1600-1700
Parmal raw	900-950	900-950
Wand	1000-1075	1000-1075
Parmal sella	950-1000	950-1000
IR 8	880-930	900-925
DB Rice	2100-2300	2100-2300

DEHRADUN MARKET:

At the Dehradun market the rice prices maintained the weak sentiment in this week as against the last week. The Basmati variety was available at a lower price in this week on lower demand. The Sharbati, Parmal and IR-8 varieties were also quoted at a lower 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	29.08.05
Basmati Raw	2200-2300	2200-2325
Sharbati	1625-1725	1650-1725
Parmal Raw	975-1050	1000-1060
IR 8	925-975	950-975

RUDRAPUR MARKET:

The rice prices at the Rudrapur market witnessed a mixed sentiment in this week under review. The Sharbati and Parmal varieties registered some losses in this week on higher arrival 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	29.08.05
Sharbati paddy (New)	675-725	675-725
DB paddy	1000-1075	1000-1100
Parmal paddy	600-625	600-625
Parmal rice	825-900	850-915
Basmati paddy	1150-1200	1150-1200
Basmati rice	1200-1250	1200-1250
Sharbati sella	1550-1600	1575-1625
Sharbati esteem	1600-1650	1625-1675
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	29.08.05
Basmati rice sella	2200-2250	2200-2250
Basmati rice raw	2300-2375	2300-2375
Sharbati esteem	1775-1825	1780-1840
Sharbati sella	1550-1600	1575-1600
Parmal raw rice	900-975	900-980
Parmal sella	950-975	950-975
IR 8	800-850	825-850
Wand	975-1000	975-1000
Govind	850-900	875-925
DB rice sella	2000-2060	2025-2075
DB rice esteem	2125-2180	2150-2200

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	29.08.05
DB paddy	1150-1200	1150-1200
DB rice	2150-2200	2160-2210
DB esteem	2500-2600	2500-2600
Sharbati esteem	1725-1800	1750-1825
Sharbati sella	1550-1600	1550-1625
PR11 sella	1100-1200	1125-1200
Parmal rice	975-1025	1000-1050
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. 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	29.08.05
Tewar Old	2400-2500	2400-2500
Duar	1900-2000	1900-2000
Mogra	-	1200-1400
DB paddy	1000-1025	1000-1025
Sharbati sella raw rice	1400-1450	1450-1500
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	900-925
PR11 paddy	575-600	575-600
Parmal Wand (New)	1025-1075	1025-1075

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	29.08.05
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

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 05th September 2005)

Loading of 12,500 MT of rice is continuing at Kandla Port on the vessel 'Merco Mirissa' to Dammam. Sai Shipping is handling the vessel. 'Leonis' has berthed at Kandla Port and continues to load 14,500 MT of rice to Jeddah. Aditya agents is handling the vessel. The port is loading 12,570 MT of rice on the vessel 'Lai King' to Benin. The vessel is being handled by Pangea agents.

Mumbai Port is loading 1,200 MT of rice on the vessel 'Zale'. The vessel is being handled by Seagull agents.

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 29.08.05	
		In Marketing season 2004-05	In Marketing season 2003-04
Andhra Pradesh	42.30	38.57	41.96
Bihar	3.63	3.26	3.63
Chhattisgarh	23.74	26.98	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	14.52	12.81
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	8.87	9.20
All-India	228.28	241.85	226

Source: Ministry of Agriculture, GoI

Weather Watch (As on 04th September 2005)

ALL INDIA WEATHER FORECAST

Monsoon Outlook

During past 24 hours, rainfall activity has further increased over Peninsula and East coast of India, Madhya Pradesh, East Uttar Pradesh, Bihar Sub-Himalayan West Bengal & Sikkim and northeastern States. Yesterday's upper air cyclonic circulation over Coastal Andhra Pradesh and adjoining westcentral Bay of Bengal has moved westward inland and now lies over Telangana and adjoining areas.

The anti-cyclonic circulation over NW India continues to persist and the area under its influence is likely to increase to the east slowly during the week leading to the retreat of summer monsoon from some more parts of NW India. Present conditions indicate that scattered to fairly widespread rainfall likely over Kerala, Karnataka, Konkan & Goa, south Gujarat, Maharashtra, Uttaranchal, sub-Himalayan West Bengal, Bihar and Northeast India for next 3-4 days with the persistence of an east-west shear zone across south-peninsular India and north-south trough runs from northeastern states to the system over Telangana through Jharkhand and Chhattisgarh.

A cyclonic circulation is likely to form within the existing east-west shear zone over west central Bay of Bengal around 7th Sept., 2005. Following to the formation of the system, rainfall activity is likely to increase over the south coastal Andhra Pradesh also in addition to the Kerala, Karnataka, Konkan & Goa regions. Further, with the likely continuance of north-south trough from NE India, scattered to fairly widespread rainfall activity is also expected to continue over south Gujarat, Maharashtra, east Madhya Pradesh and Chhattisgarh.

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 during next 3-4 days except over Uttaranchal where scattered rains are expected.

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

Scattered rainfall activity is likely over Sub-Himalayan West Bengal & Sikkim, North Bihar and NE States during next 3-4 days. Isolated rains are likely over rest areas of the region.

CENTRAL INDIA [MP, CHATTISGARH, VIDARBHA]

Scattered to fairly widespread rainfall activity is likely over the region for next 3-4 days. The rainfall activity over Chhattisgarh and East Madhya Pradesh may increase after 48 hours.

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

Scattered to fairly widespread rainfall activity is expected over the region during next 4-5 days except Andhra Pradesh where the rainfall is likely to increase only beyond 7th September 2005. Kerala and coastal Karnataka are likely to receive isolated heavy rainfall during the period.

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

Konkan & Goa, Madhya Maharashtra, Marathwada are likely to experience scattered to fairly widespread rains during next 4-5 days. Konkan & Goa is likely to receive isolated heavy rainfall during this period. Remaining parts of the region are expected to experience mainly dry weather during this period.

FOREX (As on 05th September 2005):

Foreign Currency	Rs. per unit
1 US \$	43.74
1 Euro	54.94
1 British £	80.75
100 Yen	40.01

Summary of Progress of Kharif Rice (Area Coverage)

(Area in lakh hectares)

Crop	Normal Area	Area Coverage (As reported on 29.08.05)			Area Difference in Important States-This Year vs. Last Year (Absolute, %)
		This Year	Last Year	Difference	
Rice	399	306.86	298.02	+8.84	Andhra Pradesh (+1.4, +10.9), Gujarat (-0.4, -7.4), Uttar Pradesh (+4.4, +8.7), Bihar (+3.4, +16.3), Karnataka (-1.4, -17.7), Chhattisgarh (-0.9, -2.5), Punjab (-0.9, -3.5), West Bengal (+0.5, +1.4)

Source: Ministry of Agriculture, Govt.

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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