

Rice

12th -17th September, 2005

MAJOR ACTIVITY HIGHLIGHTS

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DOMESTIC AND INTERNATIONAL NEWS:

U.S. Net Sales for Rice Increases around 50%

According to latest report of USDA on rice that the net sales of 89,000 MT were 50 percent above the previous week and 9 percent over the prior 4-week average. The major buyers were Iraq (27,900 MT), Japan (26,900 MT), Ghana (10,600 MT), Mexico (7,900 MT), and Cote D'Ivoire (5,000 MT). Exports of 25,000 MT were 50 percent below the previous week and 60 percent under the prior 4-week average. The primary destinations were Haiti (6,300 MT), Ghana (5,600 MT), Mexico (4,800 MT), and Canada (3,900 MT). (This summary is based on reports from exporters for the period September 2-8, 2005.)

Vietnam Rice Export prices Firm on Thursday

Rice export prices in Vietnam were firm on Thursday as steady shipments bound for Africa, Cuba and the Philippines worked to support prices. Supply constraints in markets eased as farmers sold their stocks. On Thursday Vietnam's 5% broken was available for \$260-\$262 per metric ton (FOB) while 25% broken was available at \$250 per metric ton (FOB).

Bangladesh to Distribute 450000 MT of Rice

Bangladesh government is to distribute 450000 MT of rice through vulnerable group feeding (VGF) and open market sale (OPM). The distribution will start from the end of this month so that public can buy rice at affordable prices. Government is also planning to launch another programme from 1st October 2005 for poorest segment of society, where it plans to sell 45000 MT's of rice at Tk 4.50 per Kg.

Rice: Present Scenario in India

The carryover stock of old Parmal variety of rice is about 1.5 lac tonnes in Punjab. Crop production is excellent but due to rains in Punjab about 10% crop is reported to have spoiled. If rains continue then there are more chances of further spoilage. The auction rate for paddy (new) is at Rs550 per quintal at Punjab spot market and MSP (Minimum Support Prices) rates are Rs.600 per quintal. Crop production of another variety i.e. Basmati is reported to be good. Current rains may benefit production of this variety as harvest time for this variety is in November. Demand from International markets is reasonable. In the states of Haryana and Punjab the rate for per quintal basmati rice and paddy is Rs 2600 and for basmati paddy

about Rs.1300 per quintal. Rajasthan and Uttaranchal have no stocks of basmati rice. Export demand for Raw Parmal Sella rice is high and is expected to be more in coming days. No stocks are there for duplicate basmati variety of rice and expectation is of good arrival of new crop.

DOMESTIC MARKET COMMENTARY

DELHI MARKET

The rice prices at Delhi market witnessed range bound with steady in this week under review. Due to rains in Delhi and adjoining areas the prices remained range bound. The Wand variety fetched slightly higher price in this week. However, other varieties were available on an average unchanged in this week on steady demand for these varieties. It is estimated 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. Less trading activity was seen due to monsoon.

Market Price For Different Varieties Of Rice In Delhi Mandis (Rs. per Qtl.)

Delhi	12.09.05	17.09.05
Basmati	2400-2500	2400-2500
Basmati Lalqila	4400	4400
Lalmahal	4600	4600
Sharbati new	1500-1550	1500-1550
Sharbati old	1600-1700	1600-1700
Parmal raw	925-975	925-975
Wand	1000-1075	1020-1100
Parmal sella	975-1025	975-1025
IR 8	900-950	900-950
DB Rice	2100-2300	2100-2300

DEHRADUN MARKET:

At the Dehradun market the rice prices remained same this week as compared to the last week. The Basmati variety was available at same prices in this week on stable demand. The Sharbati, Parmal and IR-8 varieties were also quoted in same price range 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	12.09.05	17.09.05
Basmati Raw	2200-2350	2200-2350
Sharbati	1650-1750	1650-1750
Parmal Raw	1000-1090	1000-1090
IR 8	960-985	960-985

RUDRAPUR MARKET:

In this week the rice prices at the Rudrapur market witnessed a more or less weak due to higher arrival of new crop, which put pressure on rice prices. The Sharbati and Parmal varieties registered slight weak 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	12.09.05	17.09.05
Sharbati paddy (New)	675-725	650-700
DB paddy	1000-1075	1000-1050
Parmal paddy	600-625	590-615
Parmal rice	860-915	850-900
Basmati paddy	1150-1200	1150-1200
Basmati rice	1200-1250	1200-1250
Sharbati sella	1550-1600	1500-1550
Sharbati esteem	1600-1650	1550-1625
DB sella	2250-2275	2250-2300
DB esteem	2375-2400	2370-2400

KARNAL MARKET:

At Karnal market rice prices remained slight weak during this week mainly due to increased arrival of new varieties and monsoon activities. 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	12.09.05	17.09.05
Basmati rice sella	2200-2250	2200-2250
Basmati rice raw	2300-2400	2300-2400
Sharbati esteem	1775-1825	1750-1800
Sharbati sella	1550-1600	1500-1550
Parmal raw rice	915-1000	925-1000
Parmal sella	975-990	975-1000
IR 8	825-850	850-875
Wand	975-1000	950-1000
Govind	850-900	850-900
DB rice sella	2000-2060	2000-2050
DB rice esteem	2125-2180	2100-2150

KURUKHESTRA MARKET:

Kurukhestra market for rice observed a mixed sentiment in this week under review as against the last week. The arrival of the new varieties remained higher, therefore it put some pressure on the prices and consequently the Sharbati and Parmal varieties fetched lower prices in this week. The demand for the old varieties remained almost stable in this week and the prices remained range bound. The demand for Basmati rice is decreasing day by day. The Government quality rice has been exported from Punjab in the range of Rs.865-870 per quintal to Africa, according to the traders. 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	12.09.05	17.09.05
DB paddy	1150-1200	1175-1200
DB rice	2150-2200	2100-2200
DB esteem	2500-2600	2450-2550
Sharbati esteem	1725-1800	1550-1650
Sharbati sella	1550-1600	1500-1550
PR11 sella	1100-1200	1150-1200
Parmal rice	975-1025	1000-1025
Parmal Wand	-	1050
Parmal Sella	-	1050
Basmati sella	2200-2300	2200-2300
Raw Basmati	2650-2850	2800-3000
Basmati paddy	1400-1425	1400-1450

AMRITSAR MARKET:

At the Amritsar market the rice prices improved this week as against the last week. The PR11 rice was quoted at Rs 1125 per quintal in this week as against the last week.

The demand for parmal varieties and for sharbati sella and sharbati raw rice increased. Therefore these varieties were available at higher prices this week. 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	12..09.05	17.09.05
Tewar Old	2400-2500	-
Duar	1900-2000	-
DB paddy	1000-1025	-
Sharbati sella rice	1425-1450	1550
Sharbati raw rice	-	1475-1500
Sharbati esteem (New)	1500-1550	-
Basmati rice raw	2400-2450	2700-2800
Basmati rice sella	2150-2200	-
Parmal (Govinda New)	875-925	900
PR11 paddy	575-600	-
PR11 rice	-	1125
Parmal Wand (New)	1071-1075	1025-1150

WEST BENGAL MARKET:

The rice prices at the West Bengal market remained range bound with stable sentiment in this week. The Ratnachudi, CO36 and Coarse varieties were quoted slight 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. The rice crop position remained good in this kharif season. 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	12.09.05	17.09.05
Ratnachudi	1150-1250	1200-1250
CO 36	1075-1125	1100-1125
Coarse	900-1000	920-1000
Fine	1225-1250	1250-1300
Super Fine	1750-1800	1775-1800
IR 36 (super)	1175-1200	1175-1200
Minikit Shankar	1225-1250	1225-1250
Minikit (M- Shankar)	1400-1450	1400-1450
Doodh Kalma	1400-1425	1400-1425
Swarna	950-975	950-975
Pankaj	950-1000	950-1000
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 17th 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 2005-06 in million tonnes

Crops	2004-05 (4 th Advance Estimates)	2005-06 (1st Advance Estimates)	% Variation
Rice	71.67	73.83	3.0

Source: Ministry of Agriculture, GoI

Progressive Procurement of Rice as on 05.09.2005

(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, GoI

Weather Watch (As on 17th September 2005)

Chief Features

During past 24 hours, widespread rains with isolated heavy falls have occurred over Uttar Pradesh, Haryana, Delhi, Uttaranchal, Gujarat, Konkan & Goa, and Andaman & Nicobar Islands. Chief amounts of rainfall recorded (in cms) are: Bareilly-27, Pantnagar-17, Bahraich-12, Ayodhya-11, Port Blair, Mahabaleshwar & Mandi-8 each, Haridwar-7, Delhi (Safdarjung), Chandigarh & Baroda-6 each, Tehri, Delhi (Palam) & Ambala-5 each, Dahanu, Porbander, Dwarka & Gorakhpur-4 each.

Yesterday's depression over southwest Uttar Pradesh has weakened into a low pressure area over West Uttar Pradesh and neighbourhood. Its associated upper air cyclonic circulation extends upto mid-tropospheric levels. Under this scenario the prevailing rainfall activity over plains of northwest India is likely to decrease considerably from today evening. However, enhanced rainfall will continue over Uttaranchal and Himachal Pradesh during next 24 hours.

Yesterday's well marked low pressure area over northeast Arabian Sea has moved northwards and weakened into a low pressure area and now lies over Gujarat state. its associated upper air cyclonic circulation extends upto mid-tropospheric levels. it will cause moderate rains with isolated heavy falls over Gujarat and Konkan & Goa.

The low pressure area over East Central Bay of Bengal has concentrated into a depression and now lies over northeast Bay of Bengal near Lat. 20° N and Long. 90.5° E with its centre about 400 km of southeast of Balasore. The system is likely to intensify further and move in west-northwesterly direction. This may cause heavy to very heavy rainfall over Orissa and Gangetic West Bengal during next 2-3 days.

Forecast valid 0830 hours IST of 20th September, 2005

NORTH: Rain/thundershowers likely at many places over Himachal Pradesh, Uttaranchal, Haryana and Uttar

Pradesh and a few places in the rest region. Rainfall likely to decrease further over the region from 18th.

EAST: Rain/thundershowers likely at many places over Nagaland, Mizoram, Manipur & Tripura, Gangetic West Bengal and Orissa and at a few places over the rest region. Rainfall will increase over eastcentral India from 19th.

SOUTH: Rain/thundershowers likely at many places over Andaman & Nicobar Islands; at a few places over north Coastal Andhra Pradesh and Coastal Karnataka and isolated in the rest region.

WEST: Rain/thundershowers likely at many places over Gujarat State, Konkan & Goa, Madhya Maharashtra and East Rajasthan and at a few places over the rest region.

Heavy Rainfall Warning

Isolated heavy to very heavy rainfall likely over Uttar Pradesh, Himachal Pradesh, Uttaranchal, Gangetic West Bengal, Orissa, Konkan & Goa, Gujarat State and Andaman & Nicobar Islands.

Outlook for subsequent two days based on NCMRWF and other numerical weather products:

- 1) Increase in rainfall over east central and adjoining peninsular India.
- 2) Further decrease in rainfall activity over Northwest India.

FOREX (As on 17th September 2005):

Foreign Currency	Rs. per unit
1 US \$	43.8350
1 Euro	53.6431
1 British £	79.2784
100 Yen	39.3616

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, GoI

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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