

Rice

1st -7th November, 2005

MAJOR ACTIVITY HIGHLIGHTS

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DOMESTIC AND INTERNATIONAL NEWS:

Rice: USDA Latest Export Sales Highlights

According to the latest export sales data of USDA, the net sales of 86,000 MT rice were 3 percent below the previous week and 6 percent under the prior 4-week average. The major buyers were Japan (37,400 MT), Mexico (30,400 MT), Taiwan (5,000 MT), the United Kingdom (3,500 MT), Honduras (1,900 MT), and Canada (1,700 MT). Exports of 67,600 MT were 24 percent below the previous week and 15 percent under the prior 4-week average. The primary destinations were Nicaragua (20,700 MT), Japan (13,300 MT), Ghana (9,400 MT), Papua New Guinea (7,400 MT), the Dominican Republic (5,000 MT), and Canada (3,000 MT). (This summary is based on reports from exporters for the period October 21-27, 2005.)

Cuba Likely to Import 200,000 MT of Viet Rice

According to local media, Vietnam will export 200,000 MT of rice to Cuba next year. The Northern Food Corporation is likely to sign contracts with Cuban partners, and commercial banks to facilitate lending to the state-owned corporation. The country exported slightly more than 4 million tons (MMT) of rice valued at 941 million dollars last year, mainly to the Asia-Pacific region, Africa and the Middle East, up 6.3 % and 30.6 % from the year before last, respectively. On the other hand the ban on rice export by the government is expected to continue till December. At present Vietnam is out of the export market because of low export supplies, although Vietnamese farmers will start to harvest the main crop soon.

Global Rice Outlook

It is reported that Egypt exported 776,863 MT of rice from January to the end of August 2005. It is expected that Egypt's rice export to hit 1 million MT (MMT) in 2005 due to the considerable shortage of medium grain rice supply in the international market, according to a U.S. Department of Agriculture attaché. According to USDA, the estimated production was revised downward from 6.3 MMT to 6.2 MMT; the total export estimate was also revised downward from 1.1 MMT to 1 MMT. Egypt is anticipated to accomplish record rice exports at the end of 2005; exports are projected to total 1 MMT. The managing committee of the Rice Exporters Association of Pakistan (REAP) has arranged a meeting with Mohammad Khodadi, consul-general of the Islamic Republic of Iran, on Nov 7 for rice

export. Iran has a customs duty of 4% and 96% CBT on the import of rice, making a total impact of 100 % in the Iranian year 1383 (March 21, 2004 to March 20, 2005). At present the customs duty has been pegged at 150 % in the New Year. The Thai government procures rice from farmers in an intervention scheme to support domestic prices, and was expected to buy 9 MMT of paddy. It estimates a new crop could grow 14% to 21.27 million MT of paddy over last year, due to good weather and provoking domestic prices.

Karnataka Govt. Permitted FCI to Procure Rice

It was reported that Karnataka government has allowed FCI to procure 3 lakh tonnes levy rice from mills at the rate of Rs. 990 per ton, which is fixed by the centre during 2005-06. The 'levy rice' will be procured in Mandya, Chamarajanagar, Mysore, Shimoga and Hassan districts where over 500 rice mills are located. It is witnessing that the supplied rice from centre to state was very poor quality. The mills could also collect paddy from the farmers at the current MSP, which was fixed by the government at Rs. 570 per quintal.

Taiwan Eyeing to Export Rice To Japan

It is expected that Taiwan to export over 300 MT of rice to Japan in 2005. It is more than double as compared to the 2004 level, according to the Cabinet-level Council of Agriculture (COA). In last year Taiwan sold 126 tons of "Fu Lee" rice to Japan. Taiwan had been visited by the Japanese officials and private-sector experts three times to conduct on-site inspection, sampling and testing before the Japanese government allowed the opening last year, reflecting that the quality and safety of Taiwan rice has reached the world's top-shelf level.

DOMESTIC MARKET COMMENTARY

DELHI MARKET

The trading activity for rice in Delhi mandis witnessed almost quiet as Narella market received 70000 bags of new rice crop. The market remained closed for several days due to festival holiday. The most of the varieties remained range bound with stable at most of the mandis in this week. It is expected that the prices of new varieties would stable in the coming days. The arrival was from Uttar Pradesh and Haryana.

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

Delhi	7.11.05	31.10.05
Basmati New	2800-2900	2400-2500
Sharbati new	1500-1600	1500-1550
Sharbati old	1650-1750	1600-1700
Parmal raw	975-1000	940-975
Wand	1050-1080	1025-1080
Parmal sella	1000-1050	1000-1050
IR 8	900-950	900-950
DB Rice	2100-2300	2100-2300

DEHRADUN MARKET:

Range bound with stable sentiment is witnessed in Dehradun market in this week. The demand remained stable and arrival has been opened. 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	7.11.05	31.10.05
Basmati Raw	2200-2300	2200-2300
Sharbati	1600-1700	1600-1700
Parmal Raw	1000-1090	1000-1090
IR 8	950-1000	950-1000

RUDRAPUR MARKET:

The demand for old varieties of rice remained stable. The government procurement is going on in this market therefore the prices did not decreased. Some varieties showed slight upward ness of prices. Sharbati variety slipped down where as Parmal fetched good return in this week. The new Basmati rice will be reached at the market after one month. It is likely to the rice prices will remain stable in the coming days. There was slight demand from Haryana.

Market Price For Different Varieties Of Rice In Rudrapur Mandis

RUDRAPUR	7.11.05	31.10.05
Sharbati paddy (New)	750	700-725
DB paddy	1050-1100	1100
Parmal paddy	600-650	650-700
Parmal raw rice	950-1000	900-950
Wand	950-1000	975-1000
Basmati paddy	1100-1150	1100-1150
Basmati rice	2400-2500	2400-2500
Sharbati sella	1600	1700-1750
Sharbati esteem	1650	1670-1700
DB sella	2250	2300

KARNAL MARKET:

Government procurement pushed up the rice prices in the Karnal market. Most of the varieties showed an upward trend at this weekend. The market remained closed for several days as for festive holiday. The government procured rice from the markets at the current MSP rate, which is higher, therefore the prices increased slightly. It can be expected that the prices of the old varieties would remain mostly steady in the coming week. The prices for the new varieties are likely to remain strong in the coming days.

Market Price For Different Varieties Of Rice In Karnal Mandis

KARNAL	7.11.05	31.10.05
Basmati rice sella	2750-2850	2700-2800
Basmati rice raw	2250-2350	2250-2375
Sharbati esteem	1850-1900	1800-1850
Sharbati sella	1550	1500-1550
Parmal raw rice	1030-1040	910-965
Parmal sella	1100	1000-1050
IR 8	850-875	850-890
Wand	950-1000	950-1000
Govind	850-875	850-900
DB rice sella	1900-1950	2000-2050

KURUKHESTRA MARKET:

New Basmati rice has hit the market in Kurukhestra mandis and fetched good response due to less arrival. Overall market sentiment remained mixed. The demand for old varieties continued its stable sentiment in this week. Stable arrival of the new varieties was noticed in this market yards; therefore it put some pressure on the prices. The market remained closed for few days for festive holiday. The government procurement is putting some pressure on prices. It is anticipated that the prices of the new varieties would stable, 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	7.11.05	31.10.05
DB rice (New)	2150-2200	-
DB Rice (Old)	2400-2500	-
Sharbati esteem	1600-1700	1650-1700
Sharbati sella	1600-1700	1450-1500
PR11 sella	1100-1150	1150
Parmal rice	900-975	950-1000
Parmal Wand	1100-1125	1050-1100
Parmal Sella	1075-1100	1050-1100
Basmati Rice New	2300-2400	2200-2300
Basmati Rice Old	2800-2900	2800-3000
Basmati paddy	1450-1500	1400-1450

AMRITSAR MARKET:

Amritsar market showed stable sentiment in this week. The trading activity remained quiet for festive holiday. Parmal rice varieties are exported from the Kandla port. Therefore the demand for parmal rice is increasing. 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	7.11.05	31.10.05
Sharbati sella rice	1550-1600	1550-1600
Sharbati raw rice	1500-1550	1500-1550
Sharbati esteem (New)	1575-1650	1575-1650
Basmati rice raw	2800-2900	2800-2900
Parmal Govt. Quality	950-1000	950-975
PR11 paddy	575-625	575-625
PR11 rice	1150-1200	1150-1200
Parmal Wand (New)	1150-1200	1200-1250

WEST BENGAL MARKET:

Festival holiday and minor trading activity kept the prices stable in West Bengal market. The crop damage was noticed in this market therefore the production is likely to decline. The market is waiting for the new kharif crop, which would be arrived at the market within November at full-fledged. The demand for Minikit rice remained slight higher in this market but other rice varieties traded on stable range. It is expected that the rice prices in West Bengal markets would maintain the prevailing trend in the coming days.

Market Price For Different Varieties Of Rice In West Bengal Mandis

WEST BENGAL	7.11.05	31.10.05
Ratnachudi	1200-1250	1200-1220
Fine	1200-1260	1220-1250
Super Fine	1650-1700	1650-1700
IR 36 (super)	1025-1060	1000-1050
Minikit Shankar	1250-1300	1200-1250
Minikit (M- Shankar)	1300-1325	1250-1300
Doodh Kalma	1175-1225	1150-1200
Swarna	950-980	960-970
Pankaj	950-960	950-960
Swarna parboiled	970-1000	970-1000
Govindobhog	2100-2250	2000-2200
Chawl Moni	1400-1500	1400-1450

Conclusion

The most of the market showed a stable tone for rice prices due to festival holiday and minor trading activity. The arrival of new crop also hindered on abrupt price increase. The demand for new variety remained almost strong at most of the places. The export of parmal rice from India boost up the domestic prices for parmal rice, but the old rice variety

remained almost stable at most of the places. 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 stable on increased arrivals, while the prices of the old varieties are expected to remain range bound in the coming week.

Port Watch (As on 4th November, 2005)

Kandla Port is expecting 'Aboudi' to load 8,000 MT of rice to Dammam. Aditya agents will be handling the vessel. 'Merco Mahara' is expected at the port to load 13,500 MT of rice to Dammam. The port is expecting 'Fedel Arab' to load 12,000 MT of rice to Jeddah. Sai Shipping agents will be handling these vessels. Loading of 23,000 MT of rice is expected at the port on the vessel 'Priority'. TSAS agents will handle the vessel.

Weather Watch (As on 4th November, 2005)

ALL INDIA WEATHER FORECAST BULLETIN VALID FOR NEXT 5-DAYS

Zone-wise weather forecast for next 5-Days

NORTH & NORTH NORTHWEST INDIA [J&K, HP, UTTRANCHAL, PUNJAB, HARYANA, DELHI, WEST UP]

Isolated to scattered snow/rains are expected over J & K, H.P., Uttranchal, Haryana and Delhi during next 2-3 days only. Subsequently dry weather is likely to prevail over the region with a fall in night temperatures.

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

Isolated to scattered rainfall activity is expected over Orissa and Northeastern States for next 1-2 days only. Mainly dry weather may prevail subsequently.

CENTRAL INDIA [MP, CHATTISGARH, VIDARBHA]

Mainly dry weather is likely to prevail over the region except over Chattisgarh where isolated rains are expected during next 2days atleast.

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

Scattered to widespread rainfall is likely over Tamilnadu & Pondicherry, Rayalaseema and south coastal Andhra Pradesh, south interior Karnataka, coastal Karnataka, Kerala, Bay Islands and Lakshadweep.

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

Mainly dry weather is likely to prevail over the region.

Weather Outlook

Isolated to scattered rainfall activity has been recorded during the last 24hrs over Tamilnadu, Rayalaseema, south interior Karnataka, coastal Karnataka, Kerala, Lakshadweep, Andaman & Nicobar Islands, Orissa, Haryana and Delhi.

The upper air cyclonic circulation that was over north Tamilnadu and adjoining regions yesterday has weakened further and lies over coastal Karnataka today. On the other hand, yesterday's upper air cyclonic circulation over south Bay of Bengal has intensified and organized in to a low-pressure area today. It is expected that the low-pressure system over south Bay is likely to move very slowly in west northwesterly direction in coming days. Under this scenario, scattered to fairly widespread rainfall with isolated heavy falls at some places are likely over Tamilnadu, Rayalaseema, south coastal Andhra Pradesh, south interior

Karnataka, coastal Karnataka, Kerala, Bay Islands and Lakshadweep in coming 3-4 days.

The upper air cyclonic circulation over North Bay of Bengal and neighbourhood also weakened today. It is expected that isolated to scattered rainfall activity to continue over Orissa and NE states at least for 1-2days.

Source: NCMRWF

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

FOREX (As on 4th November, 2005):

Foreign Currency	Rs. per unit
1 US \$	45.67
1 Euro	53.91
100 Yen	38.74

1 British £	79.92
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Summary of Progress of Kharif Rice (Area Coverage) (Area in lakh hectares)

Normal	Area Coverage (As reported on 24.10.05)			Area Difference in Important States This Year
	This Year	Last Year	Differen ce	
399	367.75	352.40	+15.35	AP(+5.7, +27.6), Bih(+5.4, +20.7), Chhatt(+0.9, +2.5), Jhar(+0.9, +7.6), Ori (-1.6, - 4.2), Maha(+0.7, +4.6), Pun(-0.9, - 3.5), UP(+5.2, +9.9), WB(-1.7, - 3.8)

Source: Ministry of Agriculture, GoI

Progressive Procurement of Rice as on 24.10.2005

(Lakh tonnes)

State	Total procurement in marketing season 2003-04 (Oct.- Sept.)	Progressive Procurement as on 24.10.05	
		In Marketing season 2004-05	In Marketing season 2003-04
Andhra Pradesh	39.04	0.02	-
Chhattisgarh	28.37		
Haryana	16.62	9.56	7.59
Maharashtra	2.05		
Orissa	15.90		
Punjab	91.06	46.94	59.48
Tamil Nadu	6.52		
Uttar Pradesh	29.71		
Uttaranchal	3.16		
West Bengal	9.44		
All-India	246.83	56.53	67.09

Source: Ministry of Agriculture, GOI

International Asian Rice Prices Per MT FOB (Current)

THAILAND	\$/Mt	VIETNAM	\$/Mt
100%B	\$286	5% DP	\$263
5%	\$280	5%	\$262
10%	\$277	10%	\$254
15%	\$266	15%	\$248
25%	\$255	25%	\$243
35%	\$253		
Jasmine	\$389		
PB 100% Sortexed	\$286		
A1 super	\$216		
PAKISTAN	\$/Mt	INDIA	\$/Mt
15%	\$233	Basmati (fine grade)	\$850
20%	\$227	PR 106 PB 5%	\$280
25%	\$225	PR 106 5%	\$270
		PR 106 25%	\$236
		1001 25%	\$247

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