

Rice

25<sup>th</sup> -31<sup>st</sup> October, 2005

## MAJOR ACTIVITY HIGHLIGHTS

- Domestic and International News
- Domestic Market Commentary
- International Rice Prices
- Domestic Rice Prices
- Rice Procurement Position

## DOMESTIC AND INTERNATIONAL NEWS:

### Poor Paddy Arrivals in Punjab Mandis

Mandi arrivals of paddy this year have been awfully slow despite relaxation in the specification for minimum support price (MSP) early this month. Government and traders procured only 74.62-lakh metric tonnes (MT) paddy, about 40 lakh MT less than last year. The procurement till October 20 last year was 113.35 lakh MT. The Union government had relaxed the specification of damaged/discoloured paddy to eight per cent till October 24 against the usual permissible limit of three per cent. This deadline could have pushed the panic button and farmers could have rushed to mandis, but it's not evident from the arrivals. The mandi arrival on Thursday was just 4.08 lakh MT compared to 4.21 lakh last year on the same day. However, the Union government has agreed in principle to continue to relax the specifications till November end, said sources in the department though a formal communiqué is still awaited. What is baffling for the state government is that the Union food ministry has not relaxed the rice specifications, which should have been announced along with relaxations for paddy. When paddy damaged up to eight per cent is permitted, it is bound to reflect in the milling. Since government agencies too take the services of private rice sellers for milling, millers are pressing for relaxation in rice specifications.

### Haryana Mandis Received 21.84 LMT of Paddy

Haryana mandis have received around 21.84 lakh metric tonnes (LMT) of paddy as compared to 21.53 LMT during the corresponding period of the last year. According to the sources, 14.08 LMT had been procured by government agencies at the MSP of Rs 570 for common variety and Rs 600 per quintal for grade-A, which is fixed by the central government. The private millers and traders had been procured remaining paddy of 7.75 LMT. Out of total purchase made by the government and traders, 19.22 LMT of paddy was leviable and 2.62 LMT non-leviable. According to Mr Chander Mohan, Hated had procured 6 LMT of paddy, followed by food and supplies department 4.04 LMT, Haryana Agro Industries Corporation 1.41 LMT, Haryana Warehousing Corporation 1.16 LMT, Confed 92,718 MT and Food Corporation of India 52,478 MT. Kurukshetra was witnessed a leading district for purchases of 5.44 LMT of paddy followed by Karnal with 4.17 LMT.

Fatehabad district had procured 3.36 LMT and Kaithal 3.14 LMT of paddy.

### Pakistan Likely to Grab Chinese Rice Market

China is the world's largest rice consumer and they have planned to import significant amount of rice in the coming years. That's why the Pakistani rice exporters keep watchful eye to grasp a high share in the Chinese market. China's rice output this year likely to hit 182 million MT, which is up from 179 million MT last year, according to the State Grain Administration.

## DOMESTIC MARKET COMMENTARY

### DELHI MARKET

The trading activity for rice remained almost as of last week in Delhi mandis. The market showed very slow movement for rice prices due to stable arrival and stable demand. The festive holiday and bomb blast also kept the market activity poor 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	24.10..05	31.10.05
Basmati	2500-2550	2400-2500
Basmati Lalqila	4400	4400
Lalmahal	4600	4600
Sharbati new	1500-1550	1500-1550
Sharbati old	1650-1700	1600-1700
Parmal raw	940-975	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:**

Dehradun market witnessed range bound with slight weak trend in this week due to new crop arrival in the mandis. 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	24.10.05	31.10.05
Basmati Raw	2200-2300	2200-2300
Sharbati	1600-1700	1600-1700
Parmal Raw	1035-1115	1000-1090
IR 8	975-1010	950-1000

**RUDRAPUR MARKET:**

The demand for old varieties of rice remained stable. The demand remained promising for new varieties but surplus arrival offset the prices increase. Therefore the prices remained almost same for old varieties but prices remained slight weak for new varieties. It is likely that the rice prices will maintain the prevailing trend in the coming week also.

**Market Price For Different Varieties Of Rice In Rudrapur Mandis**

RUDRAPUR	24.10.05	31.10.05
Sharbati paddy (New)	725-750	700-725
DB paddy	1100	1100
Parmal paddy	680-720	650-700
Parmal raw rice	1100-1150	900-950
Wand	-	975-1000
Basmati paddy	1100-1150	1100-1150
Basmati rice	2450-2500	2400-2500
Sharbati sella	1700-1750	1700-1750
Sharbati esteem	1675-1700	1670-1700
DB sella	2200-2300	2300
DB esteem	2400-2450	2400-2450

**KARNAL MARKET:**

The demand for old varieties remained stable, therefore the prices remained mostly unchanged for those varieties. The government procurement is likely to enhance the rice prices due to higher MSP than the prevailing rice prices. The government procurement is continuing at this market. The festival holiday and minor trading activity kept the prices almost stable at this mandis. 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	24.10.05	31.10.05
Basmati rice sella	2750-2850	2700-2800
Basmati rice raw	2350-2400	2250-2375
Sharbati esteem	1825-1875	1800-1850
Sharbati sella	1525-1570	1500-1550
Parmal raw rice	975-1050	910-965
Parmal sella	1075-1100	1000-1050
IR 8	875-900	850-890
Wand	950-1025	950-1000
Govind	875-925	850-900
DB rice sella	2000-2050	2000-2050
DB rice esteem	2100-2150	2100-2150

**KURUKHESTRA MARKET:**

Stable sentiment of rice prices remained at Kurukhestra market. The demand for old varieties continued its stable sentiment in this week under review as against of last week. Stable arrival of the new varieties was noticed in this market yards; therefore it put some pressure on the prices. But due to export demand for parmal variety from Kandla port continue to boost up the prices. The demand for Basmati rice is stable. It is expected that the prices of the new varieties would decline, 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	24.10.05	31.10.05
DB paddy	950-1000	950
DB rice	1700-1750	1750
DB esteem	2200-2300	2200-2300
Sharbati esteem	1675-1700	1650-1700
Sharbati sella	1475-1520	1450-1500
PR11 sella	1150	1150
Parmal rice	975-1050	950-1000
Parmal Wand	1100-1125	1050-1100
Parmal Sella	1050-1100	1050-1100
Basmati sella	2200-2300	2200-2300
Raw Basmati	2900-3000	2800-3000
Basmati paddy	1400-1450	1400-1450

**AMRITSAR MARKET:**

Parmal Govt. Quality, PR11 paddy, PR11 rice, and Parmal Wand (New) varieties remained stable at Amritsar market due to stable market demand. The higher prices of wheat products also put some pressure on the rice prices. 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	24.10.05	31.10.05
Sharbati sella rice	1550-1600	1550-1600
Sharbati raw rice	1500-1550	1500-1550
Sharbati esteem (New)	1650	1575-1650
Basmati rice raw	2800-3000	2800-2900
Parmal Govt. Quality	1050	950-975
PR11 paddy	650	575-625
PR11 rice	1150-1200	1150-1200
Parmal Wand (New)	1200-1250	1200-1250

#### WEST BENGAL MARKET:

Festival holiday and minor trading activity kept the prices stable in West Bengal market. The crop remained damaged due to heavy rainfall therefore the production likely to be going down. 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 stable in this market but other rice varieties traded on downside. Due to water stagnation at the main field hampered the crop growth and production is likely to decline, according to the traders. 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	24.10.05	31.10.05
Ratnachudi	1200-1220	1200-1220
Fine	1220-1250	1220-1250
Super Fine	1650-1700	1650-1700
IR 36 (super)	1000-1050	1000-1050
Minikit Shankar	1200-1250	1200-1250
Minikit (M- Shankar)	1250-1300	1250-1300
Doodh Kalma	1150-1200	1150-1200
Swarna	960-970	960-970
Pankaj	950-960	950-960
Swarna parboiled	970-1000	970-1000
Govindobhog	2000-2200	2000-2200
Chawl Moni	1400-1450	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 31<sup>st</sup> October, 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. Sai Shipping agents will be handling the vessel.

#### Weather Watch (As on 28<sup>th</sup> October, 2005)

##### ZONE-WISE WEATHER FORECAST FOR NEXT 5-DAYS

##### NORTH & NORTH NORTH-WEST INDIA [ J&K, HP, UTTANCHAL, PUNJAB, HARYANA, DELHI, WEST UP]

Mainly dry weather is likely to prevail over the region.

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

Isolated to scattered rainfall activity is expected over North-eastern States, Sub-Himalayan West Bengal & Sikkim. Isolated rains may occur over rest areas of the region except over East UP and Bihar where mainly dry weather may prevail during next 3 days. Fairly widespread rainfall activity is expected over Orissa during next 48 hrs.

##### CENTRAL INDIA [MP, CHATTISGARH, VIDARBHA]

Scattered rains are likely over Chattisgarh, East MP and Vidarbha during next 48 hrs then decrease subsequently. Mainly dry weather is likely to prevail over West Madhya Pradesh during next 3-4 days.

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

Widespread rains with heavy to very heavy rains at a few places are expected over Coastal

Andhra Pradesh, Rayalaseema, Interior Karnataka during next 2 days. Fairly widespread rains

are also likely over rest areas of the region with isolated heavy rains during this period. The

overall rainfall activity over Tamilnadu & Pondicherry and Kerala may decrease after 24 hours.

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

Isolated to scattered rainfall activity is expected over Maharastra. Mainly dry weather is likely to

prevail over rest areas of the region.

#### WEATHER OUTLOOK

Yesterday's deep depression over southwest Bay of Bengal moved northwestwards and lay centered at 0830 ISI of 28 October, close to Ongole.

The Deep Depression is just crossing the AP coast between Ongole (15.5 deg N/80deg E) and Bapatla (16N/80E).

Under its influence, widespread rainfall with heavy to very heavy falls at a few places is likely over Coastal Andhra Pradesh and Rayalaseema during next 48 hours. Isolated heavy rainfall may also occur over Interior Karnataka, Talangana and coastal Orissa during next 24-36 hrs. Scattered rains may continue thereafter.

The western disturbance as an upper air system over North Pakistan and neighbourhood has moved away east-northeastwards leading to fair weather and chilly night over Jammu & Kashmir.

#### WARNING (AS ISSUED BY INDIA METEOROLOGICAL DEPARTMENT)

i) **Heavy to very heavy** rainfall likely at a few places over Coastal Andhra Pradesh and

Rayalseema. **Isolated heavy rainfall** is also likely over Andaman & Nicobar Islands, north

Tamilnadu, Talangana and Interior Karnataka and costal Orissa.

ii) **Squally winds** with speed reaching 60-65 kmph likely along and off Coastal Andhra Pradesh during next 12 hrs. State of sea will be rough to very rough. Fishermen are advised not to venture into the sea.

#### Rice Production Estimates for Kharif 2005-06 in million tonnes

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

Source: Ministry of Agriculture, GOI

Foreign Currency	Rs. per unit
1 US \$	45.11
1 Euro	54.43
1 British £	39.01
100 Yen	80.09

#### Summary of Progress of Kharif Rice (Area Coverage) (Area in lakh hectares)

Normal	Area Coverage (As reported on 17.10.05)			Area Difference in Important States This Year
	This Year	Last Year	Difference	
399	367.21	352.28	+14.93	AP(+5.6, +27.2), Bih(+5.4, +20.7), Chhatt(+0.9, +2.5), Jhar(+0.9, +7.6), Ori (-1.6, -4.3), Maha(+0.7, +4.6), Pun(-0.9, -3.5), UP(+4.9, +9.3), WB(-1.7, -3.8)

Source: Ministry of Agriculture, GoI

#### FOREX (As on 31<sup>st</sup> October, 2005):

#### Progressive Procurement of Rice as on 17.10.2005

(Lakh tonnes)

State	Total procurement in marketing season 2003-04 (Oct.- Sept.)	Progressive Procurement as on 17.10.05	
		In Marketing season 2004-05	In Marketing season 2003-04
Andhra Pradesh	38.99		
Chhattisgarh	27.86		
Haryana	16.62	6.15	4.96
Maharashtra	2.05		
Orissa	15.64		
Punjab	91.06	30.32	46.36
Tamil Nadu	6.52		
Uttar Pradesh	29.71		
Uttaranchal	3.16		
West Bengal	9.37		
All-India	245.61	36.48	51.34

Source: Ministry of Agriculture, GOI

### International Asian Rice Prices Per MT FOB (Current)

THAILAND	\$/Mt	VIETNAM	\$/Mt
100%B	\$290	5% DP	\$263
5%	\$284	5%	\$262
10%	\$281	10%	\$254
15%	\$272	15%	\$248
25%	\$257	25%	\$243
35%	\$255		
Jasmine	\$391		
PB 100% Sortexed	\$287		
A1 super	\$219		
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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