

## Rice

14<sup>th</sup> - 19<sup>th</sup> November, 2005

### MAJOR ACTIVITY HIGHLIGHTS

- Domestic and International News
- Domestic Market Commentary
- Domestic and International Rice Prices
- Rice Production Estimates

### DOMESTIC AND INTERNATIONAL NEWS:

#### Rice: USDA Latest Weekly Export Sales Report

According to the latest weekly export sales data of USDA, the Net sales of 72,800 MT of U.S. rice were 15 percent above the previous week. Major importers were Cuba (20,000 MT), Nicaragua (19,300 MT), Spain (13,100 MT), Liberia (7,900 MT), Saudi Arabia (7,100 MT), and Honduras (6,600 MT). Exports of 124,100 MT--a marketing-year high--were two and three-fifths times the previous week and 80 percent over the prior 4-week average. The primary destinations were Mexico (41,400 MT), Iraq (27,100 MT), Haiti (20,000 MT), Spain (12,800 MT), and Canada (5,700 MT). This summary is based on reports from exporters for the period November 4<sup>th</sup> - November 10<sup>th</sup>, 2005.

#### Rice Millers in UP unhappy from State Government

Rice millers in Uttar Pradesh have criticized the state government for its old policies regarding prices of levy rice. They asked for an increase in the prices of levy rice, which was last hiked in the year 2003.

#### Indian Government Procures More Rice this Year

Indian government procured 9.28 million MT of rice this year as compared to previous years 8.24 million MT. Rise in rice sales was mainly by reason of relaxation of government norms. Major share of government purchases is from Punjab.

#### Taiwan to Offer its Public Rice Quota

Taiwan is to offer 43 percent of its 2005 public rice quota in coming two weeks. Its total rice quota for public imports is 94068 MT. Also Taiwan has signed contracts for about 46 percent of its 2005 public sector rice quota.

### DOMESTIC MARKET COMMENTARY

#### DELHI MARKET

Arrivals in Delhi market for most of the commodities remained poor due to less demand. Trading of rice remained gloomy due to unrevised government policies. Most of the varieties remained range bound on a slightly lower side at most of the mandis in this week. It is expected that the prices of new varieties would be stable in the coming days.

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

Delhi	14.11.05	19.11.05
Basmati New	2800-2900	2200-2300
Sharbati new	1500-1600	1600-1700
Sharbati old	1600-1700	1600-1675
Parmal raw	940-975	965-1050
Wand	1025-1080	1000-1050
Parmal sella	950-1100	-
IR 8	950-1000	920-980
DB Rice	2100-2300	1900-2250

#### DEHRADUN MARKET:

Parmal Raw and IR 8 continued to fetch lower price this week due to less demand and higher arrivals. Other varieties traded within same price range. Prices for rice may continue to trade range bound in the coming days.

#### Market Price For Different Varieties Of Rice In Dehradun Mandis

DEHRADUN	14.11.05	19.11.05
Basmati Raw	2200-2300	2200-2300
Sharbati	1600-1700	1600-1700
Parmal Raw	975-1060	965-1050
IR 8	930-990	920-980

#### RUDRAPUR MARKET:

The demand for most of the varieties is negligible and export demand is not present. However demand is expected to improve in coming 5 - 10 days. 25000 bags of sharbati paddy (new) arrived at a price of Rs. 750 per bag. Export demand is expected to come up in late December and around second week of January. 80 percent deals are complete. New Basmati rice will reach market after one month. Food Corporation of India (FCI) is procuring at Rs.948 and UP Government at Rs. 1113. Prices are likely to improve next week on condition to improvement in demand as expected by traders.

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

RUDRAPUR	14.11.05	19.11.05
Sharbati paddy (New)	750-760	750
DB paddy	1040-1090	940
Parmal paddy	600-650	600
Parmal raw rice	950-1000	1025
Wand	950-1000	1025
Basmati paddy	1075-1100	-
Basmati rice	2300-2450	2500
Sharbati sella	1575-1600	1600
Sharbati esteem	1575-1600	1650
DB sella	2200-2250	2300

### KARNAL MARKET:

Most of the rice varieties traded same and remained range bound this week as compared to last week due to government intervention in market. Due to procurement activities of government the prices remained range bound and did not decline. 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 week.

### Market Price For Different Varieties Of Rice In Karnal Mandis

KARNAL	14.11.05	19.11.05
Basmati rice sella	2700-2850	2700-2800
Basmati rice raw	2250-2350	2250-2350
Sharbati esteem	1800-1850	1800-1850
Sharbati sella	1500-1550	-
Parmal raw rice	1020-1040	940-1040
Parmal sella	1050-1100	990-1100
IR 8	850-890	850-890
DB rice sella	1900-2000	2000

### KURUKHESTRA MARKET:

Export demand for rice may pick up in January - February particularly from gulf countries and other Muslim nations due to festival of ID. Government is procuring Parmal rice at a price of Rs. 1050 per bag. The prices may not decline further and may increase near January particularly for Basmati varieties.

### Market Price For Different Varieties Of Rice In Kurukhstra Mandis

KURUKHESTRA	14.11.05	19.11.05
DB rice (New)	1900-2000	1900-200
DB Rice (Old)	2300-2400	2300-2400
Sharbati esteem	1650-1700	1700
Sharbati sella	1450-1500	1500
PR11 sella	1150-1200	1100-1150
Parmal rice	950-1000	1050

Parmal Wand	1050-1100	1050
Parmal Sella	1050-1100	1050
Basmati Rice New	2350-2400	2400-2500
Basmati Rice Old	2800-3000	2800
Basmati paddy	1450-1500	1250-1300

### AMRITSAR MARKET:

Demand for rice is good in domestic market however export demand for Sella rice is low. Arrivals are increasing in domestic market. Prices are expected to improve in near future as government has reduced its release quota.

### Market Price For Different Varieties Of Rice In Amritsar Mandis

AMRITSAR	14.11.05	19.11.05
Sharbati sella rice	1500-1550	1550-60
Sharbati raw rice	1500-1550	1500-1525
Sharbati esteem (New)	1550-1650	1550-1600
Basmati rice raw	2800-2900	2600
Parmal Govt. Quality	950-975	950-975
PR11 paddy	575-625	700
PR11 rice	1150-1200	1150
Parmal Wand (New)	1150	1100

### WEST BENGAL MARKET:

New kharif crop arrivals have started entering the market however they are very very less in numbers. The demand for rice is high and prices for most of the varieties have improved. It is expected the arrivals may increase in coming days and a clear forecast for market may be visible after about 15 days. The prices till that time are expected to remain range bound on a slightly upper side.

### Market Price For Different Varieties Of Rice In West Bengal Mandis

WEST BENGAL	14.11.05	19.11.05
Ratnachudi	1150-1200	1075-1100
Fine	1250-1310	1225-30
Super Fine	1610-1950	1275-1300
IR 36 (super)	1000-1050	1100-1150
Minikit Shankar	1260-1310	1400
Minikit (M- Shankar)	1300-1350	1350-1360
Doodh Kalma	1150-1200	1300-1350
Swarna	960-970	950-1000 (new)
Pankaj	950-960	950-1000
Swarna parboiled	970-1000	1025
Govindobhog	2000-2200	2300
Chawl Moni	1400-1450	1600-1700

### Conclusion

Traders of most of the domestic spot markets for rice are expecting an increase in demand in coming days. Arrivals

are increasing but is expected to be followed by greater demand particularly export demand in the coming days. The arrival of new crop also hindered on abrupt price increase. Prices for basmati varieties are expected to rise on increased export demand in late December and January months.

#### Port Watch (As on 19<sup>th</sup> November, 2005)

- Kandla Port is expecting 'Merco Mahara' to load 13,500 MT of rice to Dammam.
- Sai Shipping agents will be handling the vessel.

#### Weather Watch (upto 23<sup>rd</sup> November, 2005)

#### ALL INDIA WEATHER FORECAST BULLETIN VALID FOR NEXT 5-DAYS

##### Weather Outlook

- Light rainfall/thundershowers likely over Tamil Nadu, Kerala and Lakshadweep during first half of the week. It is likely to increase with isolated heavy falls during 2<sup>nd</sup> half of the week.
- Isolated rainfall/thundershowers also likely over northeastern States on one or two days of the week.
- Weather will be mainly dry over remaining parts of the country.

Source: IMD

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

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

Source: Ministry of Agriculture, GOI

#### FOREX (As on 12<sup>th</sup> November, 2005):

Foreign Currency	Rs. per unit
1 US \$	45.73
1 Euro	53.86
100 Yen	38.39
1 British £	78.46

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

Normal	Area Coverage (As reported on 7.11.05)			Area Difference in Important
	This Year	Last Year	Differen ce	
399	371.33	354.86	+16.47	AP(+7.0, +34.4), Bih(+5.4, +20.7), Chhatt(+0.9, +2.5), Jhar(+0.2, +1.6), 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 7.11.2005

(Lakh tonnes)

State	Total procurement in marketing season 2003-04 (Oct.- Sept.)	Progressive Procurement as on 7.11.05	
		In Marketing season 2004-05	In Marketing season 2003-04
Andhra Pradesh	39.04	0.04	-
Chhattisgarh	28.37		
Haryana	16.62	14.54	10.92
Maharashtra	2.05		
Orissa	15.90		
Punjab	91.06	71.90	66.29
Tamil Nadu	6.52		
Uttar Pradesh	29.71		
Uttaranchal	3.16		
West Bengal	9.44		
All-India	246.83	86.54	77.42

Source: Ministry of Agriculture, GOI

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

<b>THAILAND</b>		<b>VIETNAM</b>	
	<b>\$/Mt</b>		<b>\$/Mt</b>
100%B	\$282	5% DP	\$263
5%	\$275	5%	\$262
10%	\$272	10%	\$254
15%	\$260	15%	\$248
25%	\$249	25%	\$243
35%	\$247		
Jasmine	\$381		
PB 100% Sortexed	\$280		
A1 super	\$210		
<b>PAKISTAN</b>		<b>INDIA</b>	
	<b>\$/Mt</b>		<b>\$/Mt</b>
15%	\$233	Basmati (fine grade)	\$850
20%	\$227	PR 106 PB 5%	\$270
25%	\$225	PR 106 5%	\$270
		PR 106 25%	\$236

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