

Rice

19th - 26th November, 2005

MAJOR ACTIVITY HIGHLIGHTS

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

DOMESTIC AND INTERNATIONAL NEWS:

USDA: Weekly Export Sales of Rice

According to the latest weekly export sales data of USDA, the Net sales of 95,700 MT were 32 percent above the previous week. The major buyers were Japan, Cuba, Mexico, Haiti and Honduras of 41,900 MT, 15,000 MT, 7,100 MT, 6,100 MT and 4,000 MT respectively. Exports of 46,100 MT were 63 percent below the previous week. The main destinations were Iraq, Saudi Arabia, Mexico, UK, Jamaica, Germany of 14,000 MT, 7,100 MT, 5,800 MT, 5,000 MT, 3,700 MT, and 3,200 MT. This summary is based on reports from exporters for the period November 11th - November 17th, 2005.

Pakistani Traders Move to Boost Rice Exports.

A delegation of 15 members of Pakistani rice traders and export promotion bureau is expected to visit China from December 15th 2005. The motive behind this visit is to encourage exports of Pakistani rice in china. Earlier Chinese delegation conducted a survey of hygiene conditions and approved the quality of Pakistani rice.

Philippines Government Assures Continuous Rice Supply

Philippines government recently declared sufficient stock of rice in the country. Present rice stock is estimated to be of about 1.6 million MT.

Indian Rice Production Declines

Indian Rice production declines in by 8.19 million tonnes less than the target production. The main reason for lesser production is abnormal southwest monsoon. According to 4th advance estimates for 2004-05 the rice production was of 85.31 million tonnes including production of 71.67 million tonnes of kharif rice and 13.64 million tonnes of rabi rice.

Indian Revises MSP for Rice

Government of India revised its Minimum Support Price for paddy (common) variety at Rs 570 per quintal and for paddy Grade A variety at Rs. 600 per quintal.

DOMESTIC MARKET COMMENTARY

DELHI MARKET

The most of the varieties remained almost stable in this week as compared to last week. The less demand kept the prices significantly stable. 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. 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	19.11.05	26.11.05
Basmati New	2200-2300	2200-2300
Sharbati new	1600-1700	1600-1650
Sharbati old	1600-1675	1600-1650
Parmal raw	965-1050	975-1050
Wand	1000-1050	1025-1080
Parmal sella	-	1000-1050
IR 8	920-980	900-950
DB Rice	1900-2250	1900-2000

DEHRADUN MARKET:

The Dehradun market showed stable undertone in this week. The most of the varieties traded on relatively stable 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	19.11.05	26.11.05
Basmati Raw	2200-2300	2200-2300
Sharbati	1600-1700	1600-1700
Parmal Raw	965-1050	965-1050
IR 8	920-980	920-980

RUDRAPUR MARKET:

Markets this week remained lacklustrous and witnessed nearly same sentiments. Prices for most of the varieties

remained same this week. The domestic demand for most of the varieties is negligible and export demand is expected to improve in January. New Basmati rice will reach market after one month. Prices are at its lowest levels and Government is procuring most part of farmers produce. traders are expecting that market may remain range bound in coming week and prices may increase sometime in January due to export demand.

Market Price For Different Varieties Of Rice In Rudrapur Mandis

RUDRAPUR	19.11.05	26.11.05
Sharbati paddy (New)	750	750
DB paddy	940	940
Parmal paddy	600	600
Parmal raw rice	1025	1025
Wand	1025	1025
Basmati paddy	-	-
Basmati rice	2500	2500
Sharbati sella	1600	1600
Sharbati esteem	1650	1650
DB sella	2300	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	19.11.05	26.11.05
Basmati rice sella	2700-2800	2700-2800
Basmati rice raw	2250-2350	2250-2350
Sharbati esteem	1800-1850	1800-1850
Sharbati sella	-	-
Parmal raw rice	940-1040	940-1040
Parmal sella	990-1100	990-1100
IR 8	850-890	850-890
DB rice sella	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 rice varieties traded on stable range due to stable demand and stable arrival. The prices may not decline further and may increase near January particularly for Basmati varieties.

Market Price For Different Varieties Of Rice In Kurukhestra Mandis

KURUKHESTRA	19.11.05	26.11.05
DB rice (New)	1900-200	1900-200
DB Rice (Old)	2300-2400	2300-2400
Sharbati esteem	1700	1700
Sharbati sella	1500	1500
PR11 sella	1100-1150	1100-1150
Parmal rice	1050	1050
Parmal Wand	1050	1050
Parmal Sella	1050	1050
Basmati Rice New	2400-2500	2400-2500
Basmati Rice Old	2800	2800
Basmati paddy	1250-1300	1250-1300

AMRITSAR MARKET:

Slight upward demand was noticed in Amritsar market as moderate demand and export demand of Parmal rice. Demand for rice is good in domestic market however export demand for Sella rice is low. Arrivals was stable 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	19.11.05	26.11.05
Sharbati sella rice	1550-60	1550-1600
Sharbati raw rice	1500-1525	1500-1550
Sharbati esteem (New)	1550-1600	15550-1650
Basmati rice raw	2600	2600
Parmal Govt. Quality	950-975	950-980
PR11 paddy	700	550-650
PR11 rice	1150	1150-1200
Parmal Wand (New)	1100	1150

WEST BENGAL MARKET:

New kharif crop arrivals have started entering the market however they are 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	19.11.05	26.11.05
Ratnachudi	1075-1100	1075-1100
Fine	1225-30	1225-30
Super Fine	1275-1300	1275-1300
IR 36 (super)	1100-1150	1100-1150

Minikit Shankar	1400	1400
Minikit (M- Shankar)	1350-1360	1350-1360
Doodh Kalma	1300-1350	1300-1350
Swarna	950-1000 (new)	950-1000 (new)
Pankaj	950-1000	950-1000
Swarna parboiled	1025	1025
Govindobhog	2300	2300
Chawl Moni	1600-1700	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 26th November, 2005)

- 'Darya Raag' is expected at Kandla Port and continues to load 15,750 MT of rice to Nigeria. InterOcean agents is handling the vessel.
- Kandla Port is expecting 'El Tanin' to load 14,000 MT of rice to Dammam. Aditya agents will be handling the vessel.
- Kandla Port is expecting 'Mercks Mahara' to load 13,500 MT of rice to Dammam. Sai Shipping agents will be handling the vessel.

Weather Watch (upto 30th November, 2005)

ALL INDIA WEATHER FORECAST BULLETIN VALID FOR NEXT 5-DAYS

Weather Outlook

- Increased rainfall activity likely over Tamil Nadu, Kerala and Lakshadweep during first two days of the week, which will remain subdued during subsequent two days. During 2nd half of the week rainfall activity is likely to increase again over south Peninsula.

Progressive Procurement of Rice as on 21.11.2005

State	Total procurement in marketing season 2003-04 (Oct.- Sept.)	Progressive Procurement as on 21.11.05 (Lakh tonnes)	
		In Marketing season 2005-06	In Marketing season 2004-05
Andhra Pradesh	39.04	0.51	0.03
Chhattisgarh	28.37	1.09	
Haryana	16.62	17.03	12.07
Maharashtra	2.05		
Orissa	15.90		
Punjab	91.06	77.65	72.41
Tamil Nadu	6.52		0.10
Uttar Pradesh	29.71	0.61	0.45
Uttaranchal	3.16	0.07	0.03
West Bengal	9.44		
All-India	246.83	96.96	85.21

- Light to moderate rain/snow is likely over Western Himalayan Region during 2nd half of the week. Isolated light rain/thundershowers also likely over the adjoining plains.
- A low-pressure area is likely to form in the 2nd half of the week over Andaman Sea and adjoining southeast Bay of Bengal.

Source: IMD

Rice Production Estimates for Kharif 2005-06 in million tonnes

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

Source: Ministry of Agriculture, GOI

FOREX (As on 12th November, 2005):

Foreign Currency	Rs. per unit
1 US \$	45.99
1 Euro	53.84
100 Yen	38.36
1 British £	78.60

Summary of Progress of Rabi Rice (Area Coverage) (Area in lakh hectares)

Normal Area	Area Coverage (As reported on 21.11.05)			Area Difference in Important States-This Year vs. Last Year (Absolute, %)
	This Year	Last Year	Differen ce	
38	1.42	1.32	+0.10	AP (-0.2, -38.7.), Ker (-0.1, -52.4), TN (+0.5, +128.9)

Source: Ministry of Agriculture, GOI

Source: Ministry of Agriculture, GOI

International Asian Rice Prices Per MT FOB (Current)

THAILAND	\$/Mt	VIETNAM	\$/Mt
100%B	\$283	5% DP	\$263
5%	\$277	5%	\$262
10%	\$274	10%	\$254
15%	\$262	15%	\$248
25%	\$249	25%	\$243
35%	\$247		
Jasmine	\$378		
PB 100% Sortexed	\$278		
A1 super	\$206		
PAKISTAN	\$/Mt	INDIA	\$/Mt
15%	\$231	Basmati (fine grade)	\$850
20%	\$225	PR 106 PB 5%	\$270
25%	\$223	PR 106 5%	\$270
		PR 106 25%	\$236

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