

Rice

8th - 14th November, 2005

MAJOR ACTIVITY HIGHLIGHTS

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

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 63,200 MT of U.S. rice were 27% below the previous week and 34% under the prior 4-week average. The major importers were Taiwan (17,000 MT), Canada (11,200 MT), Saudi Arabia (10,000 MT), Mexico (9,100 MT), Cuba (5,000 MT), and Honduras (3,000 MT). Exports of 47,300 MT were 30 percent below the previous week and 42 percent under the prior 4-week average. The primary destinations were Mexico (24,200 MT), Japan (13,100 MT), Honduras (3,000 MT), Trinidad (2,600 MT), and Canada (2,100 MT). (This summary is based on reports from exporters for the period October 28 - November 3, 2005.)

Vietnam Likely to Evolve High Quality Rice

In Vietnam, The Southern Agricultural Science Institute is using nuclear technology to create high-quality rice strains to serve export. According to researcher from the institute, the nuclear technology is applied on valuable rice varieties. The technology is utilized for adapting to various soil types, weather conditions, and farmers' needs. It is also emphasized on growth period where it can be reduced from 180 days to just 90, with pesticide and drought resistance, as well as higher productivity and quality. The Southern Institute is likely to create VND 95-20 rice strain by the use of this technology, which has been planted on 300,000 ha in the southwest and the central highlands province of Lam Dong.

Rice: Japan Urging China to Solve Quarantine Problem

China is likely to allow Japan to export rice, which China bans on the grounds it, may carry disease or insects harmful to domestic agriculture. Japan was urging China to solve the quarantine problem immediately. Japan would target wealthier Chinese people due to the high price (10 to 20 times) of imported Japanese rice as compared to Chinese rice.

Philippines: Setting Import of 350,000 MT Rice for 2006

The Philippines National Food Authority is setting for a tender of initial 350,000 MT of rice import on December 8. The government is expecting that the prices will go up in the domestic market in near future; therefore they are preparing an import schedule for 2006. Generally the

government begins scheduling rice tender in February or March of every year in preparation for the lean months July to September. The countries that negotiated with the Philippines on the QR extension will be sourced of the 25 % broken rice. Excluding Vietnam whose WTO membership bid is still continuing. Rice origin will be from Thailand, China, Pakistan, Australia, and the US.

India's Rice Export Prices Summary

The export prices for Indian rice are explained below:

Basmati Premium, Brown, Pusa 0-2% and Sharbati variety were sold at the price of \$850, \$675, \$480 and \$360. Where as IR 36 Parboiled 5% and IR 8 Raw 35% were quoted at the range of \$152-154 and \$162-164. But PR106 Parboiled Raw 5% and Raw 15% remained at \$164-167 and \$163-164. PR 106 Parboiled Sortexed 5% and Unsortexed 15% traded at the range of \$170 and \$147. (All prices are in US \$ per MT FOB)

Khanna Market Witnessing Steady Prices for Paddy

In Khanna, the meeting specific standards paddy got a maximum rate of Rs. 600-605 per quintal; where as poor varieties fetched Rs. 587-592 each quintal at the domestic spot market, according to the traders. The government fixed the minimum support prices (MSP) for certain standards quality of paddy at Rs.600 per quintal. The discolouration limit and moisture content limit in paddy as per standards have been set at 8% and 17% respectively.

Orders for 26000 MT of Basmati Rice Goes to Satnam Overseas

It is reported by the Satnam Overseas Ltd. that they have got an order for providing 26,000 MT of Basmati Rice. Therefore the company is now willing to export 16000 MT out of the total orders to Kuwait and Saudi Arabia in this marketing year, according to sources. The remaining 10,000 MT of Basmati Rice will be sold in the domestic market particularly in Gujarat and Maharashtra also.

DOMESTIC MARKET COMMENTARY

DELHI MARKET

The less demand and poor trading activity restricted the price movement in Delhi mandis. Therefore the arrival also remained poor. The market is eyeing on the wheat trading as consumption is increasing day by day. The most of the varieties remained range bound with stable at most of the mandis in this week. The Rangam and PR 11 variety

prevailed at Rs.850-875 and Rs.1200 per quintal, according to the traders. 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	14.11.05
Basmati New	2800-2900	2800-2900
Sharbati new	1500-1600	1500-1600
Sharbati old	1650-1750	1600-1700
Parmal raw	975-1000	940-975
Wand	1050-1080	1025-1080
Parmal sella	1000-1050	950-1100
IR 8	900-950	950-1000
DB Rice	2100-2300	2100-2300

DEHRADUN MARKET:

Parmal Raw and IR 8 fetched lower price in this week as less demand and strong arrival, where as other variety remained range bound with stable position in this market. The rice prices are expected to maintain the prevailing trend in the coming days.

Market Price For Different Varieties Of Rice In Dehradun Mandis

DEHRADUN	7.11.05	14.11.05
Basmati Raw	2200-2300	2200-2300
Sharbati	1600-1700	1600-1700
Parmal Raw	1000-1090	975-1060
IR 8	950-1000	930-990

RUDRAPUR MARKET:

Government procurement on Parmal rice kept rice prices almost unchanged for that of variety, where as some variety witnessed range bound with slight weak undertone in this week due to less demand and high arrival. 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 and other areas.

Market Price For Different Varieties Of Rice In Rudrapur Mandis

RUDRAPUR	7.11.05	14.11.05
Sharbati paddy (New)	750	750-760
DB paddy	1050-1100	1040-1090
Parmal paddy	600-650	600-650
Parmal raw rice	950-1000	950-1000
Wand	950-1000	950-1000
Basmati paddy	1100-1150	1075-1100
Basmati rice	2400-2500	2300-2450
Sharbati sella	1600	1575-1600
Sharbati esteem	1650	1575-1600
DB sella	2250	2200-2250

KARNAL MARKET:

The most of the varieties traded on relatively range bound position in this week as compared to last week as government intervened at the market. The Government procurement is going on in this market. Therefore the prices did not move on lower side. 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	7.11.05	14.11.05
Basmati rice sella	2750-2850	2700-2850
Basmati rice raw	2250-2350	2250-2350
Sharbati esteem	1850-1900	1800-1850
Sharbati sella	1550	1500-1550
Parmal raw rice	1030-1040	1020-1040
Parmal sella	1100	1050-1100
IR 8	850-875	850-890
Wand	950-1000	950-1000
Govind	850-875	850-875
DB rice sella	1900-1950	1900-2000

KURUKHESTRA MARKET:

Government procurement on Parmal rice kept rice prices almost unchanged for that of variety, where as some variety fetched lower return and some were in stable range in Kurukhestra mandis. The new DB sella rice fetched lower price, as arrival remained higher. The Basmati traded on relatively stable range due to export demand. Therefore the overall market sentiment remained mixed. The demand for old varieties continued its stable sentiment in this week also. 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	14.11.05
DB rice (New)	2150-2200	1900-2000
DB Rice (Old)	2400-2500	2300-2400
Sharbati esteem	1600-1700	1650-1700
Sharbati sella	1600-1700	1450-1500
PR11 sella	1100-1150	1150-1200
Parmal rice	900-975	950-1000
Parmal Wand	1100-1125	1050-1100
Parmal Sella	1075-1100	1050-1100
Basmati Rice New	2300-2400	2350-2400
Basmati Rice Old	2800-2900	2800-3000
Basmati paddy	1450-1500	1450-1500

AMRITSAR MARKET:

Government has started in Amritsar market. Therefore the prices remained on steady range. The market is eyeing on the wheat trading as wheat prices are going up. The most of the varieties prevailed on range bound position. Parmal rice varieties are exported from the Kandla port. It is expected that the rice prices would maintain the prevailing trend in the coming week also.

Market Price For Different Varieties Of Rice In Amritsar Mandis

AMRITSAR	7.11.05	14.11.05
Sharbati sella rice	1550-1600	1500-1550
Sharbati raw rice	1500-1550	1500-1550
Sharbati esteem (New)	1575-1650	1550-1650
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	1150

WEST BENGAL MARKET:

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. Fine variety fetched also higher prices in this week. 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	14.11.05
Ratnachudi	1200-1250	1150-1200
Fine	1200-1260	1250-1310
Super Fine	1650-1700	1610-1950
IR 36 (super)	1025-1060	1000-1050
Minikit Shankar	1250-1300	1260-1310
Minikit (M- Shankar)	1300-1325	1300-1350
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. The arrival of new crop also hindered on abrupt price increase. The demand for new variety remained almost stable at most of the places. The export of parmal rice from India and Government procurement restricted the price downfall for Parmal variety, but the old rice variety remained almost stable at most of the places. The prices of the old varieties remained mostly steady on less stock. It is

expected that the prices of the new varieties would stable, while the prices of the old varieties are expected to remain range bound in the coming week.

Port Watch (As on 11th November, 2005)

Loading of 14,000 MT of rice is continuing at the port on the vessel 'El Tanin' to Jeddah. Aditya agents will be handling the vessel. Kandla Port is loading 23,000 MT of rice on the vessel 'Priority' to Lagos. Trinity agents are handling these vessels. 'Mercks Mirissa' has berthed at Kandla Port and continues to load 12,500 MT of rice to Dammam. Sai Shipping agents is handling the vessel. Kandla Port is expecting 'Aboudi' to load 8,000 MT of rice to Dammam. Aditya agents will be handling the vessel.

Weather Watch (As on 11th November, 2005)

ALL INDIA WEATHER FORECAST BULLETIN VALID FOR NEXT 5-DAYS

Weather Outlook

- Yesterday's upper air cyclonic circulation over southwest Bay of Bengal off south Tamil Nadu-Sri Lanka has become less marked and is now seen as a northeast-southwest shear zone over central Bay of Bengal. The other cyclonic circulation over southeast Arabian Sea also persists and extends upto 2.1 km a.s.l..

- Model predictions continue to indicate weakening of NE monsoon circulation pattern.

Under this scenario, only scattered light to moderate rainfall is likely over Tamil Nadu,

- The western disturbance as an upper air system over north Pakistan and neighbourhood persists. Under its influence, light to moderate rainfall /snowfall is likely at many places in Jammu & Kashmir and Himachal Pradesh. The system is likely to move away by 13th.

- Another Western disturbance is expected to approach NW India by 16th November,2005 and cause isolated to scattered rains/snow in J&K beginning from 16th.

Zone-wise weather forecast for next 5-Days

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

- Isolated to scattered snow/rains are expected over J & K and Himachal Pradesh during next 24 hours. Mainly dry weather may prevail over plains of NW India.

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

- Mainly dry weather may prevail over the region.

CENTRA CENTRAL INDIA L [MP, CHATTISGARH, VIDARBHA]

- Mainly dry weather is likely to prevail over the region during next 5 days.

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

Scattered rains are likely over Tamil Nadu & Pondicherry, South Coastal Andhra Pradesh, Kerala, Andaman & Nicobar Islands and Lakshadeep for next 2-3 days. The overall rainfall activity is expected to decrease further.

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

- Mainly dry weather is likely to prevail over the region.

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 12th November, 2005):

Foreign Currency	Rs. per unit
1 US \$	45.77
1 Euro	53.51
100 Yen	38.90
1 British £	79.74

**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 States This Year
	This Year	Last Year	Difference	
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, Go

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)

THAILAND	\$/Mt	VIETNAM	\$/Mt
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		
PAKISTAN	\$/Mt	INDIA	\$/Mt
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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