

Rice

18th -23rd January 2006

MAJOR ACTIVITY HIGHLIGHTS

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DOMESTIC AND INTERNATIONAL NEWS:

Rabi Rice Sowing Increasing

The Rabi rice acreage is still increasing in this year. According to agricultural ministry, the rice sowing has covered 9.55 lakh hectares in the Nov.1-Jan. 16 period, relative to 9.29 lakh hectares in the previous year period. The area has increased only in Tamil Nadu but it is lagging behind in Andhra Pradesh and Kerala.

FCI Likely to Procure Record Amount of Rice

It is expected that the rice procurement by the Food Corp of India (FCI) would be a record to 25 million MT in the current marketing year to September. The main bullish factor is the crop was very good in Tamil Nadu, Andhra Pradesh, Chhattisgarh, and Orissa. If favourable weather condition is prevailed till harvesting time then the production is likely to go up. Last year, the agency had procured a record 24.68 million MT of rice. For the current year, the government had pegged a traditional procurement target of 23 million MT. Till now the procurement is increasing and prevailed at 14.83 MMT as on 9th January, which is increased as compared to 13.59 MMT as of previous year same period.

Vietnam Contracted to Export 8-Lakh MT Rice

According to a source, Vietnam has contracted to export around 800,000 MT of rice as of mid- January, of which 500,000 MT will be delivered in the first quarter. According to the Vietnam Food Association, 500,000 MT to be delivered in January-to-March, 110,000 MT will export to Indonesia. Philippines, Cuba and Malaysia are the other major importers for Vietnam's rice. Farmers are likely to start harvesting their main paddy rice crop from next month, and traders will intensify their overseas shipments starting March.

AP Fetched Bumper Kharif Rice Production

The record kharif food grains production of 109.67 lakh tonnes is witnessed in Andhra Pradesh (AP) as compared with 83.97 lakh tonnes in the 2004 kharif season. The growth was 31% in spite of the unprecedented rains and cyclones harmfully affected the crop in this kharif season. Rice production during this kharif season stood at 77.31 lakh tonnes as compared with 63.93 lakh tonnes. The productivity of rice, however, was put lower at 2,809 kg/hectare over 2,886 kg/ha in 2004, a decline of 3%. The yield reduction was due to the rains and cyclones. The higher production was due to the rise in area under cultivation, a rise of 7%. The total area had gone up to 84

lakh hectares as against the normal 78-lakh hectares in this kharif season. Of this, rice area was 27.5 lakh hectares (23.7 lakh hectares of previous year), while dry crops comprised 54 lakh hectares. But for groundnut and rice, productivity of all other crops had gone up during the season. Productivity of maize had gone up from 2,451 kg/ha to 3,441 kg/ha; red gram from 456 kg/ha to 639 kg/ha; and castor from 388 kg/ha to 694 kg/ha. Productivity of cotton was estimated to be at 389 kg/ha from 316 kg/ha.

Haryana Delivered 13 lakh MT of Rice to Central Pool

Central pool has received 13.19 lakh tonnes of rice to the so far this season from the Haryana government, where as this State had delivered 11.25 lakh tonnes during the corresponding period last year. According to the Haryana Deputy Chief Minister Chander Mohan, 23.53 tonnes of paddy was procured by all procurement agencies during the current Kharif season, and the farmers of the State had been paid a sum of Rs.1412 crore for the purchase of their paddy by the various agencies. According to the report, HAFED had delivered 3.85 lakh tonnes, Food and Supplies Department 2.63 lakh tonnes, Haryana Agro Industries 84,000 tonnes, Haryana Ware Housing Corporation 72,000 tonnes, Confed 68,000 tonnes and FCI 45,000 tonnes. Chander Mohan said a total of 9.17 lakh tonnes of rice was delivered by the various procuring agencies to the Central pool besides 4.02 lakh tonnes was delivered by the millers. The Deputy Chief Minister maintained that it was expected that Haryana would deliver over 20.35 lakh tonnes of rice including Custom Mill Rice (CMR) and Levy rice to the Central pool during the entire season.

Rice: USDA Weekly Export Sales Highlights

Net sales of 171,900 MT were three times the previous week and two and one-tenth times the prior 4-week average. The major buyers were Iraq (105,000 MT), Mexico (28,000 MT), the Dominican Republic (9,200 MT), the United Kingdom (6,600 MT), and Guatemala (6,200 MT). Exports of 89,100 MT were 20 percent above the previous week and 26 percent over the prior 4-week average. The primary destinations were Mexico (21,800 MT), Japan (13,000 MT), Haiti (12,400 MT), El Salvador (10,400 MT), and the Dominican Republic (10,300 MT). (This summary is based on reports from exporters for the period January 6-12, 2006)

DOMESTIC MARKET COMMENTARY

DELHI MARKET

The Basmati rice prices have increased in Delhi market due to the strong demand. The restricted arrival did not offset the sturdy demand therefore the prices soared up at the domestic spot market. Basmati common prices soared up by Rs.50/quintal at Rs 2,500-2,650 a quintal. Rice basmati (Lalquila) 4400, Shri Lal Mahal 4600, Basmati common 2500-2650, Parmal raw new 980-1030, old 900-940, Parmal wand 1040-1075, Parmal Sella 1040-1090 and IR-8 925-975 in each quintal on Thursday. Traders are noted that the prevailing sentiments are likely to continue in the coming days also due to the good export buying demand of Basmati rice in international country.

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

Delhi	16.01.06	23.01.06
Basmati New	2450-2600	2500-2650
Basmati paddy	1250-1350	1200-1350
Sharbati new	1575-1600	1575-1600
Sharbati paddy	800-850	800-825
Sharbati old	1650-1675	1650-1675
Parmal raw	975-1030	980-1030
Wand	1075-1110	1040-1075
Parmal sella	1035-1080	1040-1090
IR 8	925-975	925-975
DB Rice	1750-2050	1800-2100
DB Paddy	1100-1150	1100-1150

DEHRADUN MARKET:

Most of the rice varieties showed a range bound with steady sentiment in this week as compared to last week due to stable-demand scenario. The most of the arrival is coming from Haryana. It is expected that the prices would remain stable in the coming days.

Market Price For Different Varieties Of Rice In Dehradun Mandis

DEHRADUN	16.01.06	23.01.06
Basmati Raw	2175-2275	2175-2275
Sharbati	1625-1700	1625-1700
Parmal Raw	1035-1115	1035-1115
IR 8	975-1000	975-1000

RUDRAPUR MARKET:

Rudrapur market showed strong sentiment for paddy and Basmati rice in this week as against of last week. The most of the varieties traded on higher side. The rice is supplying to Uttaranchal and U.P. for government procurement and as well as the domestic demand is also strong in this market for Basmati rices and restricted arrival is also pushed up the market. The arrival of new Basmati rice is restricted. Government is procuring most part of farmers produce. Therefore it put some pressure on prices. The bumper production of Basmati rice kept prices under pressure at most of the trading centre though it traded on

slight higher side due to export demand. It is expecting that the rice price to remain firm in end of January when export pressure will come in full-fledged, according to the traders. Traders are expecting that market may remain range bound in coming week.

Market Price For Different Varieties Of Rice In Rudrapur Mandis

RUDRAPUR	16.01.06	23.01.06
Sharbati paddy (New)	800-825	820-860
DB paddy	1075-1125	1075-1125
Parmal paddy	660-680	660-680
Parmal raw rice	1050-1070	1050-1070
Wand	1050-1070	1050-1070
Basmati paddy	1175-1200	1190-1225
Basmati rice	2450-2525	2475-2550
Sharbati sella	1600-1625	1600-1625
Sharbati esteem	1650-1675	1650-1675
DB sella	2275-2325	2300-2350

KARNAL MARKET:

Karnal market witnessed strong sentiment in this week as compared to previous week for Basmati rice. The demand for paddy remained slight bullish and demand for Parmal rice remained slight weak. The other varieties remained on steady range. Government procurement in this market kept pressure on prices and therefore the prices did not go down in this mandis especially for Parmal quality. The government is procuring parmali rice at the price of Rs.1050-1060 per quintal, according to the traders. The prices for the new varieties are likely to remain stable in the coming week.

Market Price For Different Varieties Of Rice In Karnal Mandis

KARNAL	16.01.06	23.01.06
Basmati rice sella	2875-2925	2850-3000
Basmati rice raw	2300-2475	2400-2600
Sharbati esteem	1710-1770	1700-1760
Sharbati sella	1575-1625	1575-1625
Parmal raw rice	1075-1100	1025-1080
Parmal sella	1070-1080	1060-1070
IR 8	920-950	920-950
DB rice sella	1960-2010	2000-2050

KURUKHESTRA MARKET:

Kurukhestra market showed a steady sentiment in this week over last week. The most of the varieties has traded on mostly stable side except Basmati rice. The daily average arrival is remained at 1100-1500 bags in this market, according to the traders. The most of the varieties is coming from U.P., Delhi and Karnal. The demand for Sharbati and DB rice remained pronounced due to export buying pressure from international market. Government's procurement for rice restricted the price movement on lower side. The domestic demand witnessed good. The prices are

likely to remain steady in the coming days and may increase near January particularly for Basmati varieties.

Market Price For Different Varieties Of Rice In Kurukh Mandis

KURUKHESTRA	16.01.06	23.01.06
DB rice (New)	2220-2250	2220-2250
DB Rice (Old)	2200-2300	2200-2300
Sharbati esteem	1680-1710	1680-1710
Sharbati sella	1610-1640	1610-1640
PR11 sella	1110-1160	1110-1160
Parmal rice	1060-1110	1060-1110
Parmal Wand	1060-1110	1060-1110
Parmal Sella	1060-1110	1060-1110
Basmati Rice New	2450-2550	2450-2550
Basmati Rice Old	2875-2925	2875-2925
Basmati paddy	1200-1250	1200-1250

AMRITSAR MARKET:

The Basmati rice prices remained strong in this week as compared to last week in this mandis. The demand remained strong and arrival remained stable. The government is also procuring the Parmal rice from this market; therefore it put some pressure on rice prices. Besides this export buying pressure from international country also bolstered the market sentiment. The export demand from Middle East country, Dubai etc. is hopeful. Nigeria is importing Sharbati, Basmati and Parmal rice, according to trade sources. Arrivals were stable around 2600-3500 bags daily 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	16.01.06	23.01.06
Sharbati sella rice	1500-1550	1500-1550
Sharbati raw rice	1510-1560	1510-1560
Sharbati esteem (New)	1625-1675	1600-1650
Basmati rice raw	2600-2625	2625-2675
Basmati Paddy	1350-1400	1360-1425
Parmal Govt. Quality	1000-1010	1000-1010
PR11 paddy	700-725	700-725
PR11 rice	1150-1175	1150-1175
Parmal Wand (New)	1100-1150	1100-1150

WEST BENGAL MARKET:

Arrivals of new kharif crop are rising and therefore the prices are going to down for most of the paddies. But the rice prices remained range bound with steady in this week as against of last week. Daily average arrival of 150-200 trucks in Burdwan region is witnessed. The government procurement is going on in most of the mandis. The higher

arrival is keeping pressure on prices. The harvesting pressure is almost completed. The most of the rice is going to M.P., Chhattisgarh, and Orissa etc. According to the traders, the Rabi sowing of rice will be start at the end of January in this State. The prices till that time are expected to remain range bound on a slightly lower side.

Market Price For Different Varieties Of Rice In West Bengal Mandis

WEST BENGAL	16.01.06	23.01.06
Ratnachudi	1050-1150	1050-1150
Fine	1000-1300	1000-1300
Super Fine	1200-1300	1200-1300
IR 36 (super)	950-1030	950-1030
Minikit Shankar	1300-1350	1300-1350
Minikit (M- Shankar)	1250-1300	1250-1300
Doodh Kalma	1240-1300	1240-1300
Swarna (New)	830-880	830-880
Pankaj	860-880	860-880
Swarna parboiled	925-950	925-950
Govindobhog	2275-2340	2275-2340
Chawl Moni	1600-1650	1600-1650

CONCLUSION

The most of the trading centre showed a positive sentiment in this week as compared to last week for Basmati rice. Government procurement is hindering the price movement on lower side rapidly as arrival is increasing at most of the mandis. But traders of most of the domestic spot markets for rice are expecting an increase in demand in January for export demand. Arrivals are increasing but is expected to be followed by greater demand particularly export demand in the coming days. Prices for basmati varieties are expected to rise on increased export demand in late December and January months.

PORT WATCH (As on 16th January, 2006)

'Merics Mirissa' has berthed at Mundra Port and continues to load 13,500 MT of rice to Dammam. Sai Shipping agents is handling the vessel. Kandla Port is expecting 'Indruwa Valley' to load 3,000 MT of rice to Yemen. Universal agents will be handling the vessel. Loading of 8,000 MT of rice is expected at the port on the vessel 'Bunglar Urmi' to Dammam. Aditya agents will handle the vessel. 'Sancris' is expected at Mumbai Port to load 4,000 MT of rice. JM Baxi agents will be handling the vessel.

WEATHER WATCH (As on 15th January, 2006)

ALL INDIA WEATHER FORECAST BULLETIN VALID FOR NEXT 5-DAYS

WEATHER OUTLOOK

A western disturbance is likely to approach in next 24 Hrs. and affect NW India during next 2-3 days. Under its influence J&K, H.P. and Uttaranchal is likely to experience scattered snowfall/rains during 23-24 January 2006. Temperatures over NW India are likely to remain near normal during next 3-4 days. Some parts of Indogangetic Plains of north India are likely to experience light foggy condition in morning and evening hours during 24-26 January 2006.

ZONE-WISE WEATHER FORECAST FOR NEXT 5-DAYS

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

Scattered snowfall/rains is likely over J&K, H.P. and Uttaranchal during next 2-3 days. Adjoining Punjab and Haryana may experience the cloudy conditions during 23-24 January 2006.

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

The region is likely to experience mainly dry weather during next 5-days. Moderate fogs is likely in morning hours.

CENTRAL INDIA [MP, CHATTISGARH, VIDARBHA]

Mainly dry weather is likely.

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

Mainly dry weather over the entire region except over Andaman & Nicobar where cloudy sky conditions are expected during next 48 Hrs.

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

Mainly dry weather is expected to prevail.

Source: NCMRWF

FOREX (As on 23rd January, 2006):

Foreign Currency	Rs. per unit
1 US \$	44.15
1 Euro	54.06
100 Yen	38.48
1 British £	78.60

SUMMARY PROGRESS OF RABI RICE

(Area Coverage) (Area in lakh hectares)

Normal Area	Area Coverage (As reported on 16.01.06)			Area Difference in Important States- This Year vs. Last Year (Absolute, %)
	This Year	Last Year	Difference	
38	11.75	12.24	-0.49	AP (-1.0, -21.2), Ass (-0.3, -40.0), Ker (-0.2, -33.3), TN (+1.0, +18.5),

Source: Ministry of Agriculture, GOI

PROGRESSIVE PROCUREMENT OF RICE AS ON 16.01.06

(Lakh tonnes)

State	Total procurement in marketing season 2003-04 (Oct.- Sept.)	Progressive Procurement as on 16.01.06	
		In Marketing season 2005-06	In Marketing season 2004-05
Andhra Pradesh	39.04	10.10	9.28
Chhattisgarh	28.37	17.71	14.84
Haryana	16.62	19.74	15.59
Maharashtra	2.05	0.63	0.28
Orissa	15.90	2.95	2.30
Punjab	91.06	84.11	84.59
Tamil Nadu	6.52	0.06	0.37
Uttar Pradesh	29.71	14.06	12.92
Uttaranchal	3.16	1.58	1.47
West Bengal	9.44	1.45	0.84
All-India	246.83	154.07	143.03

Source: Ministry of Agriculture, GOI

International Asian Rice Prices Per MT FOB (Current)

THAILAND	\$/Mt	VIETNAM	\$/Mt
100%B	\$300	5% DP	\$263
5%	\$293	5%	\$262
10%	\$290	10%	\$259
15%	\$278	15%	\$247
25%	\$260	25%	\$240
35%	\$258		
Jasmine	\$407		
PB 100% Sortexed	\$286		
A1 super	\$211		
PAKISTAN	\$/Mt	INDIA	\$/Mt
15%	\$225	Basmati (fine grade)	\$850
20%	\$221	PR 106 PB 5%	\$270
25%	\$219	PR 106 5%	\$270
		PR 106 25%	\$236

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