

Rice

25th March- 01st April 2006

MAJOR ACTIVITY HIGHLIGHTS

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

DOMESTIC AND INTERNATIONAL NEWS:

Vietnam: Rice Exports at Higher Sides

Vietnam reportedly exported more than 1 Mil MT of rice during first quarter of the current year. Asia remains the largest export market for the country. This total quantity exported is 4.78% higher comparing to same period of the last year. The total amount exported mainly comprised of low-grade rice (48.57%), medium-grade rice (25.54%) and high-grade rice (19.48%). It is also in news that Vietnam has signed contracts to export 2.4 Mil MT of rice further, which likely to delivered before June of the current year.

India Competes Successfully in Par-Boiled Rice Market

India competes successfully in the global rice export market in the area of par boiled rice. In Thailand Government's domestic intervention programme increased the prices. India quoted par boiled rice \$20-25 a tonne lower than Thailand's offered. Presently, India quoted its par-boiled rice at \$270 a tonne while, Thailand offered the same at \$298 a tonne. India reportedly exports a good quantity of par-boiled rice to Nigeria and South Africa.

India Need to be Competitive in White Rice Market

India is reportedly not so much competitive as against Pakistan and Vietnam in white rice global market. However, India eyeing at good progress in near future as the price trend of white rice continued to increase for last couple of years. India is also having surplus of the same variety of rice to export and looking for ending of stocks in Pakistan and Vietnam. Currently, In the global market, 25 per cent broken white rice from India was quoted at \$236 while, Pakistan offered the same variety at \$215, and Vietnam it offered at \$250. Main market of Pakistan for white rice is West Asia and neighbouring countries whereas, for Vietnam it is Indonesia and the Philippines.

India and Pakistan to Mutually Patent Basmati Rice

The Financial Express reported today that India and Pakistan have seen eye to eye to file for patent over Basmati rice together. Concerning officials of the two countries likely to commonly set up a sub-group of experts to discuss further and coming with a suitable direction over the issue. India is the major exporter of Basmati rice followed by Pakistan. India exports on an average 8.5-lakh tonne of Basmati rice in global market annually.

Rice Export Prices: Viet Steady While Thai Higher

Vietnam rice export prices witnessed steady on Wednesday on increased supply. The good harvest of rice crop restricted the export price to move higher despite the rising demand from international market. Whereas, Thailand rice export prices quoted at some higher sides. The demands for Thailand rice turn out to be some weak sides after purchased made by Iran last week. On Wednesday, Vietnamese 5% broken rice was quoted steady at about \$250 PMT, FOB, and 25% broken grade was offered steady at \$240 PMT, FOB. While, Thailand 5% broken rice was offered higher at \$300-\$303 PMT, FOB, as against \$300 PMT, FOB of the previous week.

Rice: USDA Weekly Export Sales Highlights

Weekly Export Sales Highlights of US Department of Agriculture is released on Thursday i.e. March 30, 2006. This summary is based on reports from exporters (for the period February March 17-23, 2006).

Rice: Net sales of 78,700 MT were 6 percent below the previous week and 18 percent under the prior 4-week average. The primary destinations were Mexico (26,600 MT), Cuba (10,000 MT), Nicaragua (10,000 MT), Honduras (7,500 MT), Haiti (6,300 MT), Switzerland (5,400 MT), and the Dominican Republic (4,500 MT). Exports of 116,400 MT were 4 percent above the previous week and 18 percent over the prior 4-week average. The primary destinations were Japan (26,100 MT), the Philippines (24,500 MT), Mexico (23,400 MT), and South Korea (15,000 MT).

DOMESTIC MARKET COMMENTARY DELHI MARKET

Rice traded at Delhi mandi at range bound with somewhat firm undertone sentiments. The activities were restricted due to March closing. Steady demand coupled with meagre arrivals governing the markets tone. Rice export is still rolling from these mandis but in little quantity. Basmati, DB, Sharbati varieties are exported. Nigeria is importing Sharbati, Basmati and DB rice, The Basmati rice remained steady at lower levels and quoted in the range of Rs.2700-2800. DB Rice quoted slightly higher in the range of Rs.2150-2280. The prices of other varieties remained in previous range on steady demand and quoted like, Rice basmati (Lalquila) Rs.4400, Shri Lal Mahal Rs. 4600,

Parmal raw Rs.1080-1100, Parmal wand Rs.1120-1150, Parmal sella Rs.1075-1100, IR-8 Rs.915-965 per quintal. Traders are noted that the prevailing sentiments are likely to continue with possibility of slight increase for the coming days.

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

Delhi	25.03.06	01.04.06
Basmati New	2750-2800	2700-2800
Basmati paddy	1350-1400	-
Sharbati old	1650-1700	1650-1680
Sharbati paddy	850	870
Parmal raw	1100	1080-1100
Wand	1150	1120-1150
Parmal sella	1075-1100	1075-1100
DB Rice	2100-2275	2150-2280
DB Paddy	1150	1150

RUDRAPUR MARKET:

Rudrapur market showed range bound with some weak undertone sentiment for majority of the rice varieties in this week. Price remained stagnant because of March closing and stable demand- supply scenario. Parmal raw and Wand are quoted lower at Rs.1050 and Rs.1070 respectively. No arrival of new Basmati rice is reported. Basmati rice quoted in the market in the steady range of Rs.2700-2800. A lower arrival is reported in the market. It is expecting that the rice price may be range bound to slightly firm in the coming week.

Market Price For Different Varieties Of Rice In Rudrapur Mandis

RUDRAPUR	25.03.06	01.04.06
Sharbati paddy (New)	850	-
DB paddy	1150-1200	1150-1200
Parmal paddy	650	650
Parmal raw rice	1060	1050
Wand	1070-1090	1070
Basmati paddy	1210	1210
Basmati rice	2700-2800	2700-2800
Sharbati sella	1700-1750	1700
DB sella	2150-2250	2200

KARNAL MARKET:

Karnal mandi witnessed somewhat firm sentiments although prevailed almost in the previous range. March closing restricted the market activity. The demand remained steady to somewhat increase. However, supply of rice almost negligible. Parmal raw quoted at Rs. 1080, Parmal sella offered higher at Rs.1080-1100. Sharbati varieties offered steady with firm undertone like: Sharbati sella at Rs.1625-1640, Sharbati esteem at Rs.1740, DB rice also witnessed firm sentiments and quoted at Rs.2150. A lower procurement by Govt. has been witnessed from the mandi. Govt. was procuring Parmal raw from the mandi. The price of basmati rice offered range bound prices in the

range of Rs.2750-2850 in this week. According to traders the prices for the rice are likely to remain range bound in the coming week.

Market Price For Different Varieties of Rice In Karnal Mandis

KARNAL	25.03.06	01.04.06
Basmati rice raw	2700-2850	2750-2850
Sharbati esteem	1725-1750	1740
Sharbati sella	1625-1650	1625-1640
Parmal raw rice	1075-1100	1080
Parmal sella	1060-1080	1080-1100
DB rice sella	2100	2150
IR8	850-900	870-910

DEHRADUN MARKET:

All the rice varieties traded steady in this week. Stable demand and lower supply underpinned the market sentiments. Basmati raw offered steady at the range of Rs.2375-2600. Where others varieties also are quoted range bound like: Sharbati at Rs.1700-1800, and IR-8 Rs.975-1000, Parmal raw at Rs.1025-1100. The most of the arrival is coming from Haryana. It is also expected that the prices would remain steady for the coming days.

Market Price For Different Varieties Of Rice In Dehradun Mandis

DEHRADUN	25.03.06	01.04.06
Basmati Raw	2375-2600	2375-2600
Sharbati	1700-1800	1700-1800
Parmal Raw	1025-1100	1025-1100
IR 8	975-1000	975-1000

KURUKHESTRA MARKET:

Rice prices at Kurukhestra market witnessed mix sentiments in this week comparing to last week. The Sharbati varieties have traded under previous weeks' range. Sharbati prices were like: Sharbati esteem at Rs.1750, Sharbati sella at Rs.1650-1660, DB quoted at lower sides in the range of Rs. 2150-2200. Lower arrival is reported in this market. The arrival of Parmal varieties is reportedly very less. The prices are likely to remain steady in the coming days.

Market Price For Different Varieties Of Rice In Kurukhestra Mandis

KURUKHESTRA	25.03.06	01.04.06
DB rice (New)	2150-2250	2150-2200
Sharbati esteem	1750	1750
Sharbati sella	1650-1675	1650-1660
Parmal raw	1100	1100
Parmal Wand	1100	1100
Parmal Sella	1080-1110	1080-1110
Basmati Rice	2700	2700-2800
Basmati paddy	1300	1300

WEST BENGAL MARKET:

The rice prices in West Bengal market witnessed a steady sentiment in this week. Steady supply coupled with stable domestic demand influencing the market sentiment. Arrivals were reportedly steady in the range of 70-80 tonnes. Rice supplied to Bihar from the mandi. Govindobhog and Chawlmoni reportedly supplied to Karnataka and Tamilnadu states from Burdwan markets. Govindobhog and Chawlmoni are offered higher at the range of Rs.2220-2320 and Rs.1700-1750 respectively. Others varieties also quoted at some higher sides, like: IR36 Rs. 1200, Minikit Shankar Rs.1500-1600, Swarna Rs.1050. About 200 trucks full of rice are going to locally such as Howrah, Nadia, Birbhum mandis per day from the Bardawan mandis. March ending mainly restricted some activity. Traders attributed the rice prices mostly remained range bound with some firm sentiments to the first fortnight of April.

Market Price For Different Varieties Of Rice In West Bengal

WEST BENGAL	25.03.06	01.04.06
IR 36 (super)	1200	1200
Minikit Shankar	1500-1600	1500-1600
Minikit (M- Shankar)	1550-1660	1550-1660
Doodh Kalma	1350	1350
Swarna (New)	1050	1050
Pankaj	950-1000	950-1000
Swarna parboiled	1160-1180	1160-1180
Govindobhog	2220-2320	2220-2320
Chawl Moni	1700-1750	1700-1750

AMRITSAR MARKET:

Rice traded in Amritsar mandi at range bound to some higher prices in this week. Meagre arrival coupled with steady demand mainly underpinning the prevailing sentiments. Govt. has been purchasing Parmal variety at the price of Rs.1065. The Basmati rice prices quoted range bound with weak undertone comparing to last week at Rs.2800-2950. Rice export is continuing for DB rice as well as Basmati from this market. The present prices of different varieties in Amritsar market are Sarbati raw at Rs.1525-1550, Sarbati sella at Rs.1600-1625, Esteem at Rs.1650-1700, Parmal Wand at Rs.1150-1200, Basmati paddy quoted steady at Rs.1350-1400. Prices are expected to remain range bound for the coming days

Market Price For Different Varieties Of Rice In Amritsar

AMRITSAR	25.02.06	01.04.06
Sharbati sella rice	1550-1600	1600-1625
Sharbati raw rice	1550	1525-1550
Sharbati esteem (New)	1600-1650	1650-1700
Basmati rice raw	2800-2950	2800
Basmati Paddy	1300-1400	1350-1400
Parmal Govt. Quality	1070-1090	1070-1090
Parmal Wand (New)	1150-1200	1150-1200

CONCLUSION

Steady with some mix sentiments prevailed in Majority of the rice mandi in this week. The market activities have been limited because of upcoming March closing. Steady demand coupled with meagre arrivals influencing the markets activity. However, Govt. procurement supported the market to a little extent and did not allow further lowering the prices. Rice export has been reportedly rolling on but in lower quantity. However, traders are optimistic about the rising activities in April month. Traders of most of the domestic spot markets for rice are expecting an increase in demand in near future for export as well as domestic demand. Range bound with somewhat firm undertone sentiments is likely to witness in the coming days.

PORT WATCH (As on 31st March, 2006)

Kandla Port is loading 15,000 MT of rice to Nigeria on the vessel 'Banglar Mamatha'. St.John agents is handling the vessel. Loading of 13,500 MT of rice is continuing at Kandla Port on the vessel 'Emirates Star' to Jeddah. Sai Shipping agents are handling the vessel. Loading of 13,500 MT of rice is expected at Kandla Port on the vessel 'Millennium Bright' to Jeddah. Aditya agents will handle the vessel. 'Kardaran Star' is expected at the port to load 11,000 MT of rice to Saudi Arabia. Parekh agents will be handling the vessel

WEATHER WATCH (As on 31st March, 2006)

ALL INDIA WEATHER FORECAST BULLETIN WEATHER OUTLOOKS

A western disturbance lies over north Pakistan and adjoining area. It is likely to progress in an eastward direction and affect hilly regions of northwest and adjoining parts of plains of NW India during next 2-3 days. Isolated thundershowers activity are likely over Bay Islands and southcoastal Tamilnadu and isolated to scattered thunderstorms are expected over north Telangana, Vidarbha, Chhatisgarh, Orissa, West Bengal, NE States and Kerala during 2-5 April 2006. Rest of the regions are likely to experience mainly dry weather conditions. Temperatures over northwest and central India may increase by about 3°C during next 24 Hrs and over eastern parts of the country during next 2-3 days. Thereafter, the regions may experience fall in temperatures by about 2 degree C.

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

Scattered rain/snow is expected over hilly regions of northwest India viz. Jammu and Kashmir, Himachal Pradesh and Uttranchal during next 2-3 days. Cloudy sky with isolated shower is expected over adjoining plains of northwest India viz. Punjab, Haryana and Delhi.

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

Mainly dry weather prevails for next 2 days all over the region. Subsequently, isolated to scattered rainfall/thundershower is expected over Orissa, West Bengal, and NE states.

CENTRAL INDIA [MP, CHATTISGARH, VIDARBHA]

Vidarbha and Chattisgarh is likely to experience isolated thunderstorm activity during next 2 days.

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

Isolated to scattered rainfall is expected over Bay Islands, north Telangana, coastal Tamilnadu and Kerala in coming days.

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

Mainly dry weather may prevail over the region except over Vidarbha during 1-2 April, 2006.

FOREX (As on 01st April, 2006):

Foreign Currency	Rs. per unit
1 US \$	44.61
1 Euro	54.20
100 Yen	38.01
1 British £	77.80

SUMMARY PROGRESS OF RABI RICE

(Area Coverage) (Area in lakh hectares)

Normal Area	Area Coverage (As reported on 27.03.06)			Area Difference in Important States- This Year vs. Last Year (Absolute, %)
	This Year	Last Year	Difference	
38	48.70	39.55	+9.15	AP(+5.1, +61.0), Ass (-0.2, -4.6), Kar (+1.1, +51.4), TN(+1.9, +27.6), WB(+1.1, +7.6)

Source: Ministry of Agriculture, GOI

PROGRESSIVE PROCUREMENT OF RICE AS ON 27.03.06

(Lakh tonnes)

State	Total procurement in marketing season 2004-05 (Oct.- Sept.)	Progressive Procurement as on 27.03.06	
		In Marketing season 2005-06	In Marketing season 2004-05
Andhra Pradesh	39.04	21.37	20.90
Chhattisgarh	28.37	27.44	22.70
Haryana	16.62	20.40	16.51
Maharashtra	2.05	1.45	0.55
Orissa	15.90	8.87	7.62
Punjab	91.06	87.52	88.69
Tamil Nadu	6.52	6.03	5.83
Uttar Pradesh	29.71	24.29	22.90
Uttaranchal	3.16	2.97	2.38
West Bengal	9.44	8.38	3.98
All-India	246.83	214.58	193.82

Source: Ministry of Agriculture, GOI

International Asian Rice Prices Per MT FOB (Current)

THAILAND	\$/Mt	VIETNAM	\$/Mt
100%B	\$307	5% DP	\$265
5%	\$302-303	5%	\$265
10%	\$300	10%	\$260
15%	\$285	15%	\$245
25%	\$268	25%	\$250
35%	\$264		
Jasmine	\$411		
PB 100% Sortexed	\$298		
A1 super	\$215		
PAKISTAN	\$/Mt	INDIA	\$/Mt
15%	\$230	Basmati (fine grade)	\$850
20%	\$221	PR 106 PB 5%	\$270
25%	\$215	PR 106 5%	\$270
		PR 106 25%	\$236

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