

Rice

16th -22nd April 2006

MAJOR ACTIVITY HIGHLIGHTS

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

DOMESTIC AND INTERNATIONAL NEWS:

Rice Export Remains Higher in Thailand

Rice exports of Thailand reportedly increased and reached about to 7.5 million MT this year. With this export the country will achieve the earning of US\$2.3 billion. The target of rice export in this year would be just about 200,000 MT higher as against the last year's total rice exports

Thai, Viet to Develop a Model on Marketing Cooperation on Rice

Zee news reported Monday that rice exporters of South East Asia would develop a joint model on marketing cooperation for mutual benefit. This joint model likely to strengthen and stabilise the rice prices in global market. The joint cooperation will ease the competition so that price undercutting might be resisting in global market of rice. Thailand set a target of exporting a total of 7.5 million tonnes of rice valued USD 2.3 billion in 2006, higher from last years' export of 7.3 million tonnes Whereas, Vietnam, the second ranker of rice exporting in the world's market target to export 5 million tonnes of rice in the same period. According to the Director-General of the Foreign Trade Department, Rachane Potjanasuntorn this marketing cooperation will be extended further among the world's top five rice-exporting countries such as Thailand, Vietnam, China, Pakistan and India.

2005, a Record Rice Production Year

FAO Rice Market Monitor reported that the year 2005 proved to be a breaking year for the Global rice economy. Positive sentiments reached it to a record high of 628 million tonnes. Global paddy production in the year 2006 likely to be increased by 1% as against last year and amounted to around 634 million tonnes. However, this forecasting is tentative and would depend upon the tendency of upcoming South-West monsoon in Asia The conducive weather conditions in Asia, western Africa and South America coupled with positive tone of higher prices in the previous year underpinning the increase in planting.

Better Rice Production to Ease the Imports in Philippines

Philippines is reportedly to produce better rice production this year as against of last year. The country is likely to achieve a new record of yield as 18 MT per hectare. However, the gap of yield is still wide as targeted world-

record high is 20 MT. The availability of plenty irrigation due to La Nina helped farmers. The farmers are also likely to plant the upcoming crops early in the year. Therefore, the total imports are about to ease near by 11-22 % and amounted to 1.4-1.6 million MT this year. The country had imported 1.8 million MT of rice in the previous year.

Rice: USDA Weekly Export Sales Highlights

Weekly Export Sales Highlights of US Department of Agriculture is released on Thursday i.e. April 20, 2006. This summary is based on reports from exporters (for the period April 07-13, 2006).

Rice: Net sales of 65,600 MT were double the previous week and 12 percent over the prior 4-week average. The primary buyers were Iraq (30,000 MT), Mexico (11,000 MT), Haiti (7,100 MT), Ghana (5,400), the United Kingdom (5,000 MT), Germany (2,000 MT), and Belgium (1,900 MT). Exports of 93,700 MT were two and two-fifths times the previous week and 5 percent above the prior 4-week average. The primary destinations were Iraq (38,000 MT), Cuba (17,500 MT), Japan (13,200 MT), Haiti (7,100 MT), Mexico (6,600 MT), and Canada (4,900 MT).

GOI procured More Rice This Year

Rice procurement of Indian Government has been higher this year as the Government of India made huge purchase of rice. The Government bought a total of 23.17 million tonnes of rice directly from farmers; the last year procurement was 20.6 million tonnes.

DOMESTIC MARKET COMMENTARY

DELHI MARKET

Rice prices at Delhi mandi witnessed some bullish tone on increased demand. Increased demand as against meagre arrivals governing the markets sentiments. The rice reportedly exported from this market. The Basmati raw rice quoted steady in the range of Rs.2900-3000. Rice basmati (Lalquila) Rs.4400, Shri Lal Mahal Rs. 4600 DB Rice quoted higher in the range of Rs.2275-3000. The availability of paddy was almost negligible. The prices of Sharbati varieties remained range bound with firm undertone on increased demand and quoted like, Sharbati sella at Rs.1600-1650 and Sharbati raw at Rs.1670-1700. The Parmal varieties quoted steady to slightly firm Parmal

raw offered steady between Rs.1050-1070, Parmal wand Rs.1150-1200, Parmal sella offered steady at Rs.1100-1200, IR-8 Rs.915-965 per quintal. Traders are noted that the prevailing sentiments are likely to continue for the coming days.

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

Delhi	15.04.06	22.04.06
Basmati New	3000	2900-3000
Basmati paddy	-	1400
Sharbati raw	1650-1700	1670-1700
Sharbati sella	1550-1600	1600-1650
Parmal raw	1050	1050-1070
Wand	1150-1200	1150-1200
Parmal sella	1100-1200	1100-1200
DB Rice	2250-2300	2275-3000
DB Paddy	1150	1150

RUDRAPUR MARKET:

Rudrapur market showed firm sentiment for majority of the rice varieties in this week. Steady supply amidst increased demand mainly underpinning the market sentiments. Parmal raw and Wand are quoted higher as against previous week in the range of Rs.1050-1080 and Rs.1100-1125 respectively. No arrival of new Basmati rice is reported. Basmati rice quoted in the market with steady sentiments at Rs.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	15.04.06	22.04.06
Sharbati paddy (New)	-	-
DB paddy	1230	1250
Parmal paddy	650	680
Parmal raw rice	1025-1100	1050-1080
Wand	1075-1120	1100-1125
Basmati paddy	-	1400
Basmati rice	2800	2800
Sharbati sella	1700-1750	1700
DB sella	2250	2240-2260

KARNAL MARKET:

Karnal mandi remained steady during this week. The market activity reportedly increased. The demand reportedly increased. However, supply of rice steady at some lower sides. Parmal raw quoted firm in the range of Rs.1100-1150, Parmal sella offered higher in the range of Rs.1140-1180. Sharbati varieties offered steady to higher levels like: Sharbati sella offered higher at Rs.1620-1675, Sharbati esteem quoted steady at Rs.1750, DB rice also witnessed firm sentiments and quoted between Rs.2200-2250. The price of basmati rice offered range bound with firm undertone and quoted in the range of Rs.2800-2850 in this week. According to traders the prices for the rice are

likely to witness range bound to slightly increase in the coming week on increased demand and steady to lower arrivals.

Market Price For Different Varieties of Rice In Karnal Mandis

KARNAL	15.04.06	22.04.06
Basmati rice raw	2850	2800-2850
Sharbati esteem	1750	1750
Sharbati sella	1600-1675	1620-1675
Parmal raw rice	1125-1150	1100-1150
Parmal sella	1125	1140-1180
DB rice sella	2200	2200-2250
IR8	900-920	900-930

DEHRADUN MARKET:

The prices for all the rice varieties remained range bound in this week. Stable demand and steady supply had 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	15.04.06	22.04.06
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 bullish sentiments in this week comparing to last week. The Sharbati varieties have traded steady to firm in this week. Sharbati prices were like: Sharbati esteem at Rs.1750, Sharbati sella at Rs.1640-1680, DB quoted with bullish sentiments in the range of Rs. 2200-2250. 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	15.04.06	22.04.06
DB rice (New)	2200	2200-2250
Sharbati esteem	1750	1750
Sharbati sella	1640-1660	1640-1680
Parmal raw	1100	1100-1150
Parmal Wand	1150	1150-1160
Parmal Sella	1110-1130	1120-1150
Basmati Rice	2800-2850	2800
Basmati paddy	1300	1400

WEST BENGAL MARKET:

The rice prices in West Bengal market witnessed a weak sentiment in this week. Slightly increased supply coupled with steady domestic demand governing the market sentiment. Rice supplied continued in Bihar as well as some southern states such as Karnataka and Tamilnadu. Rice supplied to Bihar in the range of 50-60 tonnes. Govindobhog and Chawloni reportedly supplied to states from Burdwan markets. Govindobhog and Chawloni are offered lower at Rs.2300 and Rs.1700-1730 respectively. Others varieties also quoted at lower sides, like: IR36 Rs.1180-1200, Minikit Shankar Rs.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. Traders attributed the rice prices mostly remained steady for the coming week.

Market Price For Different Varieties Of Rice In West Bengal

WEST BENGAL	15.04.06	22.04.06
IR 36 (super)	1200	1180-1200
Minikit Shankar	1600	1600
Minikit (M- Shankar)	1650-1680	1650
Doodh Kalma	1620-1640	1620
Swarna (New)	1080	1050
Pankaj	980-1000	1000
Swarna parboiled	1150-1200	1100-1150
Govindobhog	2300-2330	2300
Chawl Moni	1720-1770	1700-1730

AMRITSAR MARKET:

Rice traded in Amritsar mandi with some steady to firm tone in this week. Steady arrival coupled with fresh demand mainly underpinning the prevailing sentiments. The arrivals reported as about 10,000 bags. The Basmati rice prices quoted range bound with weak undertone at Rs.2800 comparing to last week. 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.1575-1600, Sarbati sella at Rs.1660, Esteem at Rs.1650-1680, Parmal Wand at Rs.1150-1200, Basmati paddy quoted steady at Rs.1400. Prices are expected to remain range bound to slightly increased for the coming days.

Market Price For Different Varieties Of Rice In Amritsar

AMRITSAR	15.04.06	22.04.06
Sharbati sella rice	1650-1670	1660
Sharbati raw rice	1575-1600	1575-1600
Sharbati esteem (New)	1650-1670	1650-1680
Basmati rice raw	2800-2900	2800
Basmati Paddy	1400	1400
Parmal Govt. Quality	1000-1080	1050-1080
Parmal Wand (New)	1150-1200	1150-1200

CONCLUSION

Rice traded in majority of rice markets in the country at steady to bullish sentiments. Increased demand as against meagre arrivals mostly governed the market sentiments. Market activities reportedly increased. The arrivals were steady at some lower levels. Rice export on basmati and DB rice have been reportedly rolling on from the Delhi, Amritsar markets. Traders are optimistic about the rising prices in coming days due to increase in demand in near future for export as well as domestic demand amidst lower supply. Range bound with somewhat firm undertone sentiments is likely to witness in the coming days.

PORT WATCH (As on 21st April, 2006)

Loading of 15,000 MT of rice is continuing at Kandla Port on the vessel 'Marine Island' to Jeddah. Aditya agents is handling the vessel. 'Regal Star' is expected at Kandla Port to load 14,500 MT of rice to Jeddah. Sai Shipping agents will be handling the vessel. 'Toulson' is expected at the port to load 7,500 MT of rice to Russia. JM Baxi agents is handling the vessel. Loading of 11,000 MT of rice is expected at the port on the vessel 'Kardaran Star' to Dammam. Parekh agents will be handling the vessel.

WEATHER WATCH (As on 20th April, 2006)

ALL INDIA WEATHER FORECAST BULLETIN WEATHER OUTLOOKS

There is significant decreasing trend in rainfall activity over east and northeastern states. While intermittent light rain and thunderstorm activity over the region may continue, major activity may remain confined to northern parts e.g., Arunachal Pradesh, North Assam and Sub-himalayan West Bengal during next 3-4 days. As predicted, the day temperatures have started showing increasing trend over some parts of the country. This tendency may continue for another 5 days with temperature values crossing 40 deg C mark in certain locations in North and Central India. North-east and east India may also experience increasing tendency in day temperatures. As no major weather is likely to affect during next 5 days, most of the country may remain devoid of significant rainfall activity during this period. There is, however, chance of isolated rain/snowfall activity in the hilly region of northwest India during 21-23 April, caused by a weak western disturbance. Adjoining parts of Punjab and Haryana may experience cloudy conditions on 22 and 23 April, 2006. The model predictions continue to indicate formation of a low pressure system in the southeast Bay of Bengal around 23rd April, 2006.

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

Isolated rainfall/snowfall is expected over Jammu & Kashmir and Himachal Pradesh during 21-23 April 06.

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

Scattered rains are expected over Arunachal Pradesh, North Assam and Sub-himalayan West Bengal. Isolated rain/thundershowers are likely over rest areas of the region except East UP and Bihar where mainly dry weather may prevail.

CENTRAL INDIA [MP, CHATTISGARH, VIDARBHA]

Mainly dry weather is likely over the region.

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

The region is likely to experience isolated rainfall activity during next 4-5 days.

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

Mainly dry weather conditions are likely to prevail.

FOREX (As on 22nd April, 2006):

Foreign Currency	Rs. per unit
1 US \$	45.09
1 Euro	55.40
100 Yen	38.33
1 British £	80.15

SUMMARY PROGRESS OF RABI RICE

(Area Coverage) (Area in lakh hectares)

Normal Area	Area Coverage (As reported on 17.04.06)			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 03.04.06

(Lakh tonnes)

State	Total procurement in marketing season 2004-05 (Oct.- Sept.)	Progressive Procurement as on 17.04.06	
		In Marketing season 2005-06	In Marketing season 2004-05
Andhra Pradesh	39.04	23.71	23.58
Chhattisgarh	28.37	27.87	23.27
Haryana	16.62	20.40	16.56
Maharashtra	2.05	1.59	0.69
Orissa	15.90	10.18	8.64
Punjab	91.06	88.00	89.57
Tamil Nadu	6.52	6.71	6.29
Uttar Pradesh	29.71	26.20	24.27
Uttaranchal	3.16	3.19	2.59
West Bengal	9.44	11.28	4.58
All-India	246.83	228.47	202.32

Source: Ministry of Agriculture, GOI

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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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