

Rice

24th -29th April 2006

MAJOR ACTIVITY HIGHLIGHTS

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

DOMESTIC AND INTERNATIONAL NEWS:

Thailand and Vietnam Dominating Global Rice Export

Thailand remains the world's largest exporter of rice in terms of value as well as total volumes. The next position is held by Vietnam. The total volumes exported from Thailand in the current year likely to be 7.5 million MT, increased by 2.7 per cent from that of last year. Whereas, Vietnam set the target of exporting 5 million MT of rice this year, lower from last year's 5.28 million MT. The average price of exported Thailand rice is around US\$317 PMT.

ICAR to Release Seven Improved Rice Varieties

ICAR is likely to release seven new rice varieties in different agro-climatic region of the country. The varieties are Sahyadri-4, JKRH-2000, CRM 2007-1, RR 347-2, CR 314-10, UPRI 99-1 and V L Dhan 86. Among them CRM 2007-1 is improved basmati rice variety with the average yield of 3,793 kg per hectare and 7.5 mm kernel length. Sahyadri-4 and JKRH-2000 are improved hybrid rice varieties.

GOI Procured 23.2 Million MT Rice From Farmers

GOI is the single largest buyers of rice in India. This year the Government of India made huge purchase of rice in the marketing year of 2005-06. The marketing year began on 1st October 2005. The Govt. reportedly bought higher amount of 23.2 million MT rice from farmers in the periods of Oct. 1 and April 24, as against the year-earlier periods of 20.7 million MT. The higher production of rice is mainly contributing the large procurement. However, the procurement programme in Punjab is not satisfactory. This state contributed a lower amount of rice estimated to 8.8 million MT this time as against 8.9 million MT in the same period of the last year.

IRC's 21st Session on Promoting Rice Production

The 21st session of the International Rice Commission is likely to be organized at the beginning of May in Chiclayo, Peru. The main organizers are FAO as well as the Ministry of Agriculture of Peru. Different officials from 61 countries, members of the commission, and partner institutions likely to participate in that session. The main discussion will be on how to promote international action on the production, consumption, preservation and distribution of rice so that there is sustainable increases of rice production, reduction of its environmental impact, and mitigation of hunger of affected populations in the world. The theme of the IRC

session is "Rice is Life - Bringing the Implementation of the International Year of Rice to Farmers' Fields."

Pak Likely to Face Lower Supply of Irri-6 in Spot Market

Pakistan is dominating the export of IRRI-6 grade varieties of rice in the Global market. The variety is very popular in Africa. However, the over export of the above mention variety likely to increase the prices in domestic markets of Pakistan by next month. The bullish nature of prices will be on lower supply of that variety. The exports of basmati rice from the country are remaining steady to slow. The basmati rice exported mainly to Europe and its conventional markets in the Middle East.

Rice: USDA Weekly Export Sales Highlights

Weekly Export Sales Highlights of US Department of Agriculture is released on Thursday i.e. April 27, 2006. This summary is based on reports from exporters (for the period April 14-20, 2006).

Rice: Net sales of 39,900 MT were 39 percent below the previous week and 26 percent under the prior 4-week average. The primary buyers were Haiti (22,900 MT), Saudi Arabia (5,300 MT), Canada (4,100 MT), Mexico (2,800 MT), Guatemala (2,000 MT), and Jordan (1,000 MT). Exports of 76,800 MT were 18 percent below the previous week and 10 percent under the prior 4-week average. The primary destinations were South Korea (22,300 MT), Cuba (20,100 MT), Japan (13,200 MT), Haiti (6,200 MT), Ghana (5,600 MT), and Canada (2,100 MT).

DOMESTIC MARKET COMMENTARY

DELHI MARKET

Rice prices at Delhi mandi witnessed higher sentiments on lower arrivals. Increased demand as against meagre arrivals governing the markets sentiments. The rice reportedly exported from this market. The Basmati raw rice quoted in the range of Rs.2900-3000. Rice basmati (Lalquila) Rs.4400, Shri Lal Mahal Rs. 4600 DB Rice quoted higher at Rs.3000. The availability of paddy was almost negligible. The prices of Sharbati varieties remained bullish on lower arrivals and quoted like, Sharbati sella at Rs.1650-1680 and Sharbati raw at Rs.1700-1720. The Parmal varieties also quoted firm Parmal raw offered steady between Rs.1100-1200, Parmal wand Rs.1220-

1275, Parmal sella offered higher at Rs.1150-1200, IR-8 Rs.940-975 per quintal. Traders are noted that the sentiments likely to be steady in the coming week.

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

Delhi	22.04.06	29.04.06
Basmati New	2900	2900-3000
Basmati paddy	1400	1425
Sharbati raw	1670-1700	1700-1720
Sharbati sella	1600-1650	1650-1680
Parmal raw	1050-1070	1100-1200
Wand	1150-1200	1220-1275
Parmal sella	1100-1200	1150-1200
DB Rice	2275-3000	3000
DB Paddy	1150	1150

RUDRAPUR MARKET:

Rudrapur market showed some range bound to bullish 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.1080-1100 and Rs.1120-1150 respectively. No arrival of new Basmati rice is reported. Basmati rice quoted in the market with steady sentiments at Rs.2800. 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	22.04.06	29.04.06
Sharbati paddy (New)	-	-
DB paddy	1250	1270
Parmal paddy	680	690-700
Parmal raw rice	1050-1080	1080-1100
Wand	1100-1125	1120-1150
Basmati paddy	1400	1420
Basmati rice	2800	2800
Sharbati sella	1700	1680-1700
DB sella	2240-2260	2250-2300

KARNAL MARKET:

Karnal mandi witnessed somewhat bullish sentiments during this week. The market activity reportedly increased. The demand reportedly increased. However, supply of rice decreasing. Parmal raw quoted firm in the range of Rs.1120-1180, Parmal sella offered higher in the range of Rs.1140-1200. Sharbati varieties offered range bound with firm undertone like: Sharbati sella offered higher at Rs.1640-1675, Sharbati esteem quoted steady at Rs.1740-1750, DB rice also witnessed higher sentiments and quoted at Rs.2280. The price of basmati rice offered range bound and quoted in the range of Rs.2800-2850 in this week. According to the traders the prices for the rice are likely to witness range bound to slightly increase in the coming week on increased demand against lower arrivals.

Market Price For Different Varieties of Rice In Karnal Mandis

KARNAL	22.04.06	29.04.06
Basmati rice raw	2800-2850	2800-2850
Sharbati esteem	1750	1740-1750
Sharbati sella	1620-1675	1640-1675
Parmal raw rice	1100-1150	1120-1180
Parmal sella	1140-1180	1140-1200
DB rice sella	2200-2250	2280
IR8	900-930	940

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	22.04.06	29.04.06
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 range bound to bullish sentiments in this week comparing to last week. The Sharbati varieties have traded steady 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. 2260-2280. Lower arrival is reported in this market. The arrival of Parmal varieties is reportedly very less. The prices are likely to remain steady to slightly increase in the coming days.

Market Price For Different Varieties Of Rice In Kurukhestra Mandis

KURUKHESTRA	22.04.06	29.04.06
DB rice (New)	2200-2250	2260-2280
Sharbati esteem	1750	1750
Sharbati sella	1640-1680	1640-1680
Parmal raw	1100-1150	1120-1190
Parmal Wand	1150-1160	1180-1200
Parmal Sella	1120-1150	1160-1200
Basmati Rice	2800	2800-2850
Basmati paddy	1400	1400

WEST BENGAL MARKET:

The rice prices in West Bengal market witnessed further bearish sentiment in this week. Slightly increased supply of boro rice coupled with steady domestic demand governing the market sentiment. The Minikit as well as IR36 varieties are coming to the spot markets. The average arrivals of rice in Burdwan district likely to 100-150 trucks. Rice supplied continued in Bihar as well as some southern states such as Karnataka and Tamilnadu. Govindobhog and Chawlmoni are offered lower at Rs.2200 and Rs.1650 respectively. Others varieties also quoted at lower sides, like: Minikit Shankar in the range of Rs.1300-1400, Swarna Rs.1050-1100. Swarna parboiled quoted lower at Rs.1100, Doodh kalma offered also lower in the range of Rs.1400-1450. Traders attributed the rice prices moved downwards further in the coming week.

Market Price For Different Varieties Of Rice In West Bengal

WEST BENGAL	22.04.06	29.04.06
IR 36 (super)	1180-1200	1200
Minikit Shankar	1500	1300-1400
Minikit (M- Shankar)	1650	1550
Doodh Kalma	1620	1400-1450
Swarna (New)	1050	1050-1100
Pankaj	1000	1000
Swarna parboiled	1100-1150	1100
Govindobhog	2300	2200
Chawl Moni	1700-1730	1650

AMRITSAR MARKET:

Rice traded in Amritsar mandi with bullish tone in this week as last week. Lower arrivals coupled with increased demand mainly underpinning the prevailing sentiments. The export demand reportedly increases from the market on basmati as well as Sharbati varieties. Most of the varieties exported to Arab countries. The arrivals reported as about 6,0000 bags from the godowns. The Basmati rice prices quoted higher in the range of Rs.2800-2875 comparing to last week. The present prices of different varieties quoted in Amritsar market are Sarbati raw higher at Rs.1600, Sarbati sella higher in the range of Rs.1625-1660, Esteem at Rs.1650-1700, Parmal Wand offered higher in the range of Rs.1200-1300, Basmati paddy quoted higher also at Rs.1450. Prices are expected to remain range bound to slightly increased for the coming days.

Market Price For Different Varieties Of Rice In Amritsar

AMRITSAR	22.04.06	29.04.06
Sharbati sella rice	1660	1625-1660
Sharbati raw rice	1575-1600	1600
Sharbati esteem (New)	1650-1680	1650-1700
Basmati rice raw	2800	2800-2875
Basmati Paddy	1400	1450
Parmal Govt. Quality	1050-1080	1050-1080
Parmal Wand (New)	1150-1200	1200-1300

CONCLUSION

Rice prices in the majority of the spot markets in the country witnessed on an average a bullish sentiment. Decreasing arrivals coupled with increased export as well as domestic demand driving the rice markets through the bullish track. Market activities reportedly increased. 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. The IMD's projections of below normal rainfall from S.W. monsoon, 2006 influenced traders as well as farmers. It is anticipated that kharif rice output may be affected as this crop mainly grown in the large scale at rainfed condition throughout the country. Range bound with firm undertone sentiments is likely to witness in the coming week.

PORT WATCH (As on 28th April, 2006)

'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

The severe cyclonic storm "Mala" over southeast Bay of Bengal had intensified further into a Very Severe Cyclonic Storm (VSCS) and lay this morning at 0830 hours IST near lat 14.5° N and long 91.5° E about 350 km north-northwest of Port Blair. The system has been pre-dominantly moving in a northeasterly direction during past 24 hours. The current observations show that system appears to have come under the grip of upper air westerlies and exhibiting rapid intensification. The latest satellite observations also shows northeastward extension of cirrus clouds (clouds at high altitudes) associated with outflow from the system indicating influence of upper air westerly winds. These observations and current predictions clearly suggest that the system is likely to intensify further and track north-northeastward towards Arakan coast with a possible landfall on the night of 29th April. Heat wave conditions over north Rajasthan, Punjab and Jammu division of Jammu & Kashmir has extended into more parts of these states and also Haryana and northwest Madhya Pradesh. They have become severe in some parts of Punjab and Jammu division. Heat wave conditions have also developed over south-coastal Andhra Pradesh and north coastal Tamilnadu. The predicted wind flow pattern, maximum temperature trend, and almost clear weather conditions over most parts of north, central and peninsular India indicate that the heat wave conditions are likely to continue for next 2-3 days and may extend into some parts of northwest and central India.

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

Isolated to scattered rains/ snowfall is likely over J&K and Himachal Pradesh during 30 April-1 May, 2006 under the

influence of a fresh western disturbance over J & K.
EAST AND NE INDIA [EAST UP, BIHAR, JHARKHAND, WEST BENGAL, ORISSA, NE STATES]

Isolated to scattered rains are expected over Assam, Arunachal and Sub-himalayan West Bengal. Coastal Orissa and Gangetic West Bengal may experience isolated to scattered rains during next 48 hours. Isolated thunder storm activity is expected over Jharkhand as well. The rainfall activity over NE States and Sub-himalayan west Bengal is expected to increase from 1st May, 2006.

CENTRAL INDIA [MP, CHATTISGARH, VIDARBHA]

Mainly dry weather is likely over the region.

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

Bay Islands are likely to experience fairly widespread to wide spread rains with isolated heavy to very heavy falls with gusty winds. Isolated thunderstorm activity is expected over South Tamilnadu, Kerala, Lakshadweep and coastal AP.

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

Mainly dry weather conditions are likely to prevail with a possible development of duststorm and hazy conditions over Rajasthan in particular.

FOREX (As on 29th April, 2006):

Foreign Currency	Rs. per unit
1 US \$	44.97
1 Euro	56.41
100 Yen	39.39
1 British £	81.04

SUMMARY PROGRESS OF RABI RICE

(Area Coverage) (Area in lakh hectares)

Normal Area	Area Coverage (As reported on 24.04.06)			Area Difference in Important States- This Year vs. Last Year (Absolute, %)
	This Year	Last Year	Difference	
38	49.36	40.19	+9.17	AP(+5.1, +61.0), Ass (-0.2, -4.6), Kar (+1.1, +51.4), TN(+2.0, +28.8), WB(+1.1, +7.6)

Source: Ministry of Agriculture, GOI

PROGRESSIVE PROCUREMENT OF RICE AS ON 24.04.06

(Lakh tonnes)

State	Total procurement in marketing season 2004-05 (Oct.- Sept.)	Progressive Procurement as on 24.04.06	
		In Marketing season 2005-06	In Marketing season 2004-05
Andhra Pradesh	39.06	25.35	25.89
Chhattisgarh	28.37	28.45	24.04
Haryana	16.62	20.40	16.56
Maharashtra	2.05	1.64	0.75
Orissa	15.90	10.79	8.97
Punjab	91.06	88.17	89.61
Tamil Nadu	6.52	6.94	6.34
Uttar Pradesh	29.71	26.37	25.71
Uttaranchal	3.16	3.22	2.59
West Bengal	9.44	11.46	4.88
All-India	246.84	232.48	207.76

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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