

Rice

08th -15th April 2006

MAJOR ACTIVITY HIGHLIGHTS

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

DOMESTIC AND INTERNATIONAL NEWS:

Pakistan: Record Rice Export Of \$1.002 Billion

Pakistan achieved the record rice export of \$1.002 billion for the first time in the country's history. The country reportedly exported rice of about 2.81 million MT up to March 31st. According to statistics, a total of 1.5 million MT Irri-6 variety was exported, which fetching \$450 million, while 560,000 MT Basmati variety received \$325 million during nine months of the current fiscal year. Most of the volumes exported to Iran as well as Afghanistan through land route. Besides, some rice was exported to East African countries through container cargo during the above-mentioned period. In this relation the rice Exporters Association of Pakistan (Reap) likely to arrange "Export Trophy Award" for top ten rice exporters to motivate their services for increasing the country's export.

USDA Report of Global Supply-Demand on Rice

World production, trade, and ending stocks for 2005/06 are raised from a month ago. Global production is projected at a record 411.0 million tons, 1.3 million tons above a month ago. The increase in production is due primarily to larger crops projected for India, Indonesia, Cambodia, and Thailand, which is partially offset by reductions for Sri Lanka and Egypt. Exports are raised for India, Thailand, and Cambodia. Imports are raised for Vietnam (mostly from Cambodia), Iran, Canada, and a number of smaller markets.

Indonesia's imports are lowered from a month ago. Global ending stocks are projected at 67.4 million tons, up 1.7 million tons from last month, but down 7.2 million tons from 2004/05. Ending stocks are raised from a month ago for Indonesia, India, Vietnam, and Iran. World rice stocks are the lowest since 1982/83, and the lowest stocks-to-use ratio since 1974/75.

Rice Prices at Lower Sides in Asia

In Asia rice prices were mostly lower in the week. On Wednesday prices in Vietnam remained at down sides as ongoing harvesting of the main crop put pressure on prices. Reportedly, the harvesting of the main winter-spring crop will be ended by the end of the month. Vietnam's price for 5% broken rice was quoted on Wednesday at \$245 PMT, FOB, while the price of 25% broken rice was offered at \$225 PMT. These prices were lower by \$2-\$5 PMT from Friday's prices.

On the other hand, in Thailand rice prices were offered steady in front of the traditional New Year celebration. Thai 100% grade B was quoted Wednesday at \$309-\$310 PMT, FOB, while, 5% broken rice offered at \$300-\$305 PMT.

Rice: USDA Weekly Export Sales Highlights

Weekly Export Sales Highlights of US Department of Agriculture is released on Thursday i.e. April 06, 2006. This summary is based on reports from exporters (for the period February March 24-30, 2006).

Rice: Net sales of 32,500 MT were 16 percent below the previous week and 50 percent under the prior 4-week average. The primary destinations were Cuba (20,000 MT), Saudi Arabia (6,100 MT), Canada (2,000 MT), and Guatemala (1,200 MT). Exports of 38,900 MT were 58 percent below the previous week and 62 percent under the prior 4-week average. The primary destinations were South Korea (24,800 MT), Haiti (6,400 MT), Mexico (4,600 MT), and Canada (1,200 MT).

Indian Rice Stocks increased by 15.7%

Rice stocks of India increased by 15.7% from a last year and estimated to 15.4 million MT. 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.

DOMESTIC MARKET COMMENTARY DELHI MARKET

Rice prices at Delhi mandi witnessed some steady to firm tone on increased demand. Increased demand coupled with meagre arrivals governing the markets sentiments. The rice reportedly exported from this market. The Basmati raw rice quoted steady at Rs.3000. Rice basmati (Lalquila) Rs.4400, Shri Lal Mahal Rs. 4600 DB Rice also quoted range bound at Rs.2300. The availability of paddy was almost negligible. The prices of Sharbati varieties remained bullish on increased demand and quoted like, Sharbati sella at Rs.1550-1600 and Sharbati raw at Rs.1650-1700. The Parmal varieties quoted steady to slightly firm Parmal raw offered steady at Rs.1050, 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 with possibility of slight increase for the coming days.

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

Delhi	08.04.06	15.04.06
Basmati New	3000	3000
Basmati paddy	-	
Sharbati raw	1650-1680	1650-1700
Sharbati sella	1525-1600	1550-1600
Parmal raw	1000-1050	1050
Wand	1150	1150-1200
Parmal sella	1100-1200	1100-1200
DB Rice	2300	2250-2300
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.1025-1100 and Rs.1075-1120 respectively. No arrival of new Basmati rice is reported. Basmati rice quoted in the market with range bound to firm undertone 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	08.04.06	15.04.06
Sharbati paddy (New)	-	-
DB paddy	1150-1200	1230
Parmal paddy	650	650
Parmal raw rice	1000-1025	1025-1100
Wand	1040-1075	1075-1120
Basmati paddy	-	-
Basmati rice	2700-2800	2800
Sharbati sella	1750	1700-1750
DB sella	2250	2250

KARNAL MARKET:

Karnal mandi remained somewhat firm 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.1125-1150, Parmal sella offered steady at Rs.1125. Sharbati varieties offered steady to higher levels like: Sharbati sella offered higher at Rs.1600-1675, Sharbati esteem quoted steady at Rs.1750, DB rice also witnessed range bound sentiments and quoted at Rs.2200. The price of basmati rice offered range bound with firm undertone and quoted at Rs.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	08.04.06	15.04.06
Basmati rice raw	2800-2850	2850
Sharbati esteem	1750-1770	1750
Sharbati sella	1600-1650	1600-1675
Parmal raw rice	1100	1125-1150
Parmal sella	1125	1125
DB rice sella	2200	2200
IR8	900-920	900-920

DEHRADUN MARKET:

The prices for all the rice varieties remained steady 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 to slightly increase for the coming days.

Market Price For Different Varieties Of Rice In Dehradun Mandis

DEHRADUN	08.04.06	15.04.06
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 sentiments in this week as to last week. The Sharbati varieties have traded steady as last week. Sharbati prices were like: Sharbati esteem at Rs.1750, Sharbati sella at Rs.1640-1660, DB quoted at steady with firm undertone sentiments at Rs. 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	08.04.06	15.04.06
DB rice (New)	2200	2200
Sharbati esteem	1750	1750
Sharbati sella	1640-1660	1640-1660
Parmal raw	1100	1100
Parmal Wand	1150	1150
Parmal Sella	1110-1130	1110-1130
Basmati Rice	2800-2850	2800-2850
Basmati paddy	1300	1300

WEST BENGAL MARKET:

The rice prices in West Bengal market witnessed a range bound sentiment in this week. Lower supply coupled with increased domestic demand governing the market sentiment. Arrivals were reportedly lower. Rice supplied remain steady in Bihar as well as some southern states such as Karnataka and Tamilnadu. Rice supplied to Bihar in the range of 60-70 tonnes. Govindobhog and Chawlmoni reportedly supplied to states from Burdwan markets. Govindobhog and Chawlmoni are offered steady at the range of Rs.2300-2330 and Rs.1720-1770 respectively. Others varieties also quoted at some range bound sides, like: IR36 Rs.1200-1220, Minikit Shankar Rs.1600, Swarna Rs.1070-1080. 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 range bound with some firm sentiments.

Market Price For Different Varieties Of Rice In West Bengal

WEST BENGAL	08.04.06	15.04.06
IR 36 (super)	1200-1220	1200
Minikit Shankar	1600	1600
Minikit (M- Shankar)	1650-1670	1650-1680
Doodh Kalma	1360	1620-1640
Swarna (New)	1070-1080	1080
Pankaj	980-1000	980-1000
Swarna parboiled	1150-1180	1150-1200
Govindobhog	2300-2330	2300-2330
Chawl Moni	1720-1770	1720-1770

AMRITSAR MARKET:

Rice traded in Amritsar mandi at some firm tone in this week. Steady arrival coupled with fresh demand mainly underpinning the prevailing sentiments. The Basmati rice prices quoted range bound with firm undertone at Rs.2800-2900 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.1650-1670, Esteem at Rs.1650-1670, 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	08.04.06	15.04.06
Sharbati sella rice	1630-1650	1650-1670
Sharbati raw rice	1550-1600	1575-1600
Sharbati esteem (New)	1700	1650-1670
Basmati rice raw	2850-2900	2800-2900
Basmati Paddy	1400	1400
Parmal Govt. Quality	1080	1000-1080
Parmal Wand (New)	1150-1200	1150-1200

CONCLUSION

Rice traded in majority of rice markets in the country at steady to some bullish sentiments. Slightly increased demand amidst meagre arrivals mostly governed the market sentiments. Market activities also increased after March closing. The arrivals were steady at some lower levels. Rice export has 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 13th April, 2006)

Loading of 8,500 MT of rice is continuing at Kandla Port on the vessel 'Aboudi' to Dammam. 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 14th April, 2006)

ALL INDIA WEATHER FORECAST BULLETIN WEATHER OUTLOOKS

Isolated rain/thundershowers have occurred over northeastern states. Gangetic West Bengal, South Tamil Nadu, Kerala and Nicobar Islands. A western disturbance is likely to approach J&K and adjoining hilly region by 15th April. It is likely to move slowly in an eastward direction. Under its influence Jammu and Kashmir, Himachal Pradesh and Uttranchal are likely to receive scattered to fairly widespread rains/snow during 15- 17 April,2006. Adjoining plains of NW India viz. Punjab, Haryana and west Uttar Pradesh are expected to have isolated to scattered rains/ Thundershowers during above period. Temperatures over NW and central India may rise by about 2 degree C during next 24 hrs. subsequently fall in temperatures is likely by about 3 degree C over north and central India. As a result of expected fall in temperatures no heat wave conditions are likely to occur during next 4-5 days. An easterly wave is likely to cause scattered rains over south peninsular India viz. Tamilnadu, Kerala, Andhra Pradesh and Karnataka beginning from 15th April,2006.

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

Scattered to fairly widespread rains/snow are likely over J&K ,Himachal Pradesh and Uttranchal during 15-17 April,2006. Plains of NW India viz. Punjab, Haryana and west Uttar Pradesh are ok

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

Scattered rain/thundershowers are likely over NE States and West Bengal & Sikkim during next 3 days. Bihar, Orissa, Jharkhand regions as well are expected to receive scattered rains during 16-18 April,2006.

CENTRAL INDIA [MP, CHATTISGARH, VIDARBHA]

Chattisgarh is likely to experience isolated thunderstorm activity during next 2-3 days. Mainly clear weather is likely to prevail over rest region.

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

Scattered rains are likely over most parts of the region viz. Tamilnadu, Kerala, Andhra Pradesh and Karnataka beginning from 15th April, 2006.

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

Mainly dry weather may prevail over the region.

FOREX (As on 15th April, 2006):

Foreign Currency	Rs. per unit
1 US \$	45.30
1 Euro	54.88
100 Yen	38.27
1 British £	78.45

SUMMARY PROGRESS OF RABI RICE

(Area Coverage) (Area in lakh hectares)

Normal Area	Area Coverage (As reported on 03.04.06)			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 03.04.06	
		In Marketing season 2005-06	In Marketing season 2004-05
Andhra Pradesh	39.04	22.91	22.79
Chhattisgarh	28.37	27.70	23.18
Haryana	16.62	20.40	16.56
Maharashtra	2.05	1.53	0.64
Orissa	15.90	9.76	8.07
Punjab	91.06	87.78	89.24
Tamil Nadu	6.52	6.29	6.07
Uttar Pradesh	29.71	24.29	22.90
Uttaranchal	3.16	3.11	2.38
West Bengal	9.44	8.63	4.05
All-India	246.83	218.86	197.77

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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