

## Rice

20<sup>th</sup> May-27<sup>th</sup> May, 2006

### MAJOR ACTIVITY HIGHLIGHTS

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

### DOMESTIC AND INTERNATIONAL NEWS

#### GOI Procured a Higher Amount of 245.44 LT Rice

Rice procurement of India is likely to test all time high during the ongoing season of 2005-06 (October-September). The GOI has been already procured a higher amount of 245.44 LT. as against the purchased of 217.26 LT. during the corresponding period of 2004-2005. This time a significant number of states of the country contributed a lot in the procurement of rice. Chhattisgarh, Orissa and West Bengal also are emerging as noteworthy contributors in this area. The procurement made by different states as Punjab (88.37 lt), Andhra Pradesh (32.39 lt), Uttar Pradesh (28.10 lt), Chhattisgarh (29.03 lt), Haryana (20.40 lt), West Bengal (12.06 lt), Orissa (11.97 lt), Tamil Nadu, Bihar (7.66 lt), (7.36 lt), Maharashtra (1.68 lt) and Madhya Pradesh (1.31 lt).

#### Viet Rice Export Prices Steady Tuesday on Supply

Vietnam rice export prices were steady during Tuesday despite the increasing demand of global sector. The local supply in Vietnam reportedly at higher sides as farmers of the country has finished their harvesting early this month. Vietnam's 5% broken rice was offered steady at \$265 PMT, as last week, while 25% broken grade was also quoted steady at \$250 PMT, similar to last week.

#### Despite Direction Punjab Farmers Sown Paddy Before June 15th

Many farmers from Punjab state have started to sowing kharif rice crop despite the advised of the government of the state to not to show paddy before 15th June in the current year. Second fortnight of June is the right time of showing the crop, as monsoon is very near at that time and the rainfall from the S.W. monsoon likely to fulfill the huge water requirement for this crop. Nearly 15 per cent farmers of the district have already sown paddy crops in their respective field, whereas remaining farmers are expected to do so earlier than June 15th. The pre sowing of the paddy crops would affect the already depleting water table adversely in North Indian region. The monsoon has reached the southern tip of Sri Lanka, there has been very good rainfall in the Andamans, monsoon winds are strengthening and there are positive signs for its further advancement. Whereas, IMD has forecast that the

monsoon will hit the mainland on the southern Indian coast of Kerala on May 30, or up to three days either side of that date. The monsoon normally arrives June 1.

#### India, Pak Can Export Duty Free Basmati Rice to EU

According to the decision of agriculture minister of EU India as well as Pakistan can continue to export duty free basmati rice to the 25-nation European Union. On the other hand, US and Thailand's export to the EU is subjected to import duty that is recalculated at regular intervals. Indian exported lower amount of 217,242 tonnes worth 106 million valued at euro in the last year as against the previous year (2004) 233,941 tonnes valued at euro 110 million. Whereas, the export to the EU in the year of 2003 was 191,000 tonnes valued at euro 108 million. India reportedly can export of eight varieties of basmati rice and Pakistan can export three variety of basmati rice to the EU.

#### Haryana Contributed Higher Amount Rice to the Central Pool

The GOI has been already procured a higher amount of 245.44 LT. of rice as against the purchased of 217.26 LT. during the corresponding period of 2004-2005. The Haryana Govt. has already delivered a higher amount of 20.13 lakh metric tonnes of rice to the central pool up to the date of April 30, 2006. The target of delivery to the central pool of the state is 20.35 lakh mt. Whereas, this state has delivered a comparatively lower amount of rice i.e. 16.53 lakh mt to the central pool. Among the districts of the state Kurukshetra contributed largest amount of 4.28 lakh mt, followed by Karnal with 3.15 lakh mt, Kaithal 2.38 lakh mt, Fatehabad 3.10 lakh mt, Ambala 2.19 lakh mt, Yamunanagar 1.29 lakh mt, Jind 1.15 lakh mt, Sirsa 81,000 mt, Faridabad 73,000 mt, Hisar 28,000 mt, Panipat 25,000 mt and Sonapat 13,000 mt.

#### Rice: USDA Weekly Export Sales Highlights

Weekly Export Sales Highlights of US Department of Agriculture is released on Thursday i.e. May25, 2006. This summary is based on reports from exporters (for the period May12-May18, 2006).

Rice: Net sales of 14,700 MT--a marketing-year low--were 67 percent below the previous week and 60 percent under the prior 4-week average. The primary buyers were Nicaragua (4,000 MT), Mexico (2,200 MT), Switzerland (1,800 MT), Canada (1,600 MT), and Barbados (1,300 MT). Exports of 49,600 MT were 30 percent below the previous

week and 26 under prior 4-week average. The primary destinations were Mexico (18,200 MT), Haiti (12,700 MT), Jamaica (6,400 MT), and Ghana (5,100 MT).

## DOMESTIC MARKET COMMENTARY

The Rice prices in the majority of the spot markets in the country witnessed steady sentiments at some higher sides during the week in the country. Increasing global demand for rice coupled with ending of white rice stock of Pakistan raising some export demand from India. The export demand of rice on basmati and sharbati varieties reportedly increased. The basmati rice export likely to smooth in the EU as agriculture minister of EU declared India as well as Pakistan can continue to export duty free basmati rice to the 25-nation European Union. India can export of eight varieties of basmati rice to EU. Domestic demand is also at higher sides as against lower arrivals. The arrival is reportedly coming from old stock of godown. However, in the eastern part of the country increasing arrivals of fresh boro rice have been witnessing. The supply of boro rice ease the market sentiments further in West Bengal markets. The rice from West Bengal reportedly supplied to the Bihar, as well as Southern state of the country. However, rice prices in northern as well as western parts of the country remained firm on decreasing arrivals amidst increased demand. The rice prices in Delhi, Amritsar, karnal, rudrapur, Dehradun market continued at some higher sides. All rice traders as well as farmers are eyeing towards S.W. monsoon progress. Most of the total rice out put comes from kharif rice in the country. The rainfed kharif crops are to a great extent depends on S.W. monsoon. The sowing of kharif rice generally begins in June and harvesting starts in middle of September and continues till end of December. However, many farmers from Punjab state have started to sowing kharif rice crop despite the advised of the government of the state to not to show paddy before 15th June in the current year. The kharif rice out put and its time of arrivals in the market would determine the market sentiments in the coming futures. The procurement price of Govt. and their time of purchasing will also regulate the market sentiments in near futures. The GOI has been already procured a higher amount of 245.44 LT of rice.

## DELHI MARKET

Rice prices at Delhi mandi witnessed somewhat bullish to rangebound tone on meagre arrivals. Increased domestic as well as export demand as against decreasing arrivals governing the markets sentiments. The rice reportedly exported from this market. However, according to traders exports are witnessing a slowdown since the Centre has withdrawn the target plus scheme. The Basmati raw rice quoted in the range of Rs.2800-2950. Rice basmati (Lalquila) Rs.4400, Shri Lal Mahal Rs. 4600. DB Rice quoted steady at Rs.2500. The availability of paddy was almost negligible. The prices of Sharbati varieties remained steady to bullish on lower arrivals and good demand. Traders are noted that the sentiments likely to be steady to somewhat increase in the coming week.

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

Delhi	20.05.06	27.05.06
Basmati New	2800-2950	2800-2950
Sharbati raw	1750-1800	1750-1800
Sharbati sella	1750	1750-1775
Parmal raw	1150-1180	1150-1180
Wand	1250-1280	1250-1280
Parmal sella	1250	1250
DB Rice	2500	2450-2500

## RUDRAPUR MARKET:

Rudrapur market showed somewhat bullish to range bound sentiment for majority of the rice varieties in this week. Meagre supply amidst increased demand mainly underpinning the market sentiments. Most of the arrivals have been coming from godowns.. It is expecting that the rice price may be slightly firm in the coming week.

## Market Price For Different Varieties Of Rice In Rudrapur Mandis

RUDRAPUR	20.05.06	27.05.06
Parmal paddy	720	720
Parmal raw rice	1120	1100-1125
Wand	1160-1190	1160-1190
Basmati paddy	1425	
Basmati rice	2800-2825	2800
Sharbati sella	1800	1800
DB sella	2400	2400-2425

## KARNAL MARKET:

Karnal mandi witnessed also a firm sentiment during this week. The increased demand as against meagre arrivals mainly underpinning the market sentiments. The export demand reportedly increased. Parmal as well as Sharbati varieties were quoted range bound with firm undertone. 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	20.05.06	27.05.06
Basmati rice raw	2800-2850	2800-2850
Sharbati esteem	1750	1750
Sharbati sella	1700-1725	1700-1725
Parmal raw rice	1150-1190	1150-1165
Parmal sella	1200-1230	1230
DB rice sella	2600	2500-2550
IR8	960	965

## DEHRADUN MARKET:

The prices for all the rice varieties remained bullish in this week. Increased demand amidst decreasing supply had underpinned the market sentiments. 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	20.05.06	27.05.06
Basmati Raw	2500-2600	2600-2700
Sharbati	1800-1900	1950-2000
Parmal Raw	1050-1100	1100-1190
IR 8	975-1000	1000-1025

## WEST BENGAL MARKET:

The rice prices in West Bengal market witnessed somewhat bearish to some range bound sentiments in this week on increase boro rice supply coupled with steady demand at the higher levels. The arrivals were reportedly at higher sides. About 400-450 load trucks arrived in the Burdwan, Howrah and Hooghly districts of west Bengal. Majority of the boro rice crop harvested so far and reached at the processing centres. Slightly increased supply of boro rice coupled with steady domestic demand traded rice at lower sides from last week. However, outlook of below normal monsoon rainfall as well as Govt. procurement did not allow decreasing of price movement further. The rice reportedly supplied to the Bihar, as well as Southern state of the country. Traders attributed the rice prices moved downwards further in the coming week

### Market Price For Different Varieties Of Rice In West Bengal

WEST BENGAL	20.05.06	27.05.06
IR 36 (super)	950-1000	950
Minikit Shankar	1200-1250	1200
Minikit (M- Shankar)	1350	1300-1350
Doodh Kalma	1200-1250	1200-1225
Swarna (New)	900-950	900-925
Pankaj	950	950
Swarna parboiled	1000	975-1000
Govindobhog	2200-2250	2200-2250
Chawl Moni	1650	1650

## AMRITSAR MARKET:

Rice prices in Amritsar mandi witnessed range bound with bullish undertone sentiments in this week comparing to last week. Lower arrivals coupled with rising 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. Prices are expected to remain range bound to slightly increased for the coming week.

## Market Price For Different Varieties Of Rice In Amritsar

AMRITSAR	20.05.06	27.05.06
Sharbati sella rice	1700-1750	1700
Sharbati raw rice	1625-1650	1650-1680
Sharbati esteem	1750	1700-1750
Basmati rice raw	2700-2800	2800-2900
Basmati Paddy	-	-
Parmal Govt. Quality	1000-1050	1000-1050
Parmal Wand (New)	1250-1275	1250-1275

## CONCLUSION

Some range bound to somewhat firm sentiment is likely to witness in the coming week.

## PORT WATCH (As on 26<sup>th</sup> May, 2006)

Kandla Port is expecting 'Aziza' to load 9,000 MT of rice to Jeddah. 'Aboudi' is expected at the port to load 9,000 MT of rice to Dammam. Aditya agents will be handling these vessels.

## Monsoon Outlook (26.05.06)

As predicted for building up of favourable conditions for onset of south-west monsoon over Kerala; southwest monsoon has set in over Kerala, today. i.e. on 26 May06. Today, the southwest monsoon has also covered parts of south Tamilnadu and some more parts of west, east and central Bay of Bengal with the Northern Limit of Monsoon passing through 12.0°N/ 60.0°E, 12.0°N/ 70.0°E, Kochi, Chennai, 17.0°N/ 90.0°E and 20.0°N/ 93.0°E. Model predictions suggest that the monsoon is likely to remain active, further progress northward and cover coastal Karnataka, some more parts of Tamilnadu and parts of northeastern states viz. Tripura, Nagaland, Manipur, Mijoram and Arunachal Pradesh in next 24-48 Hrs. Northward progression of monsoon is likely to continue over Peninsular India during next 4 days .

## ALL INDIA WEATHER FORECAST BULLETIN WEATHER OUTLOOKS

Rainfall has occurred at many places over Andaman & Nicobar Islands ,Kerala and Coastal Karnataka and a few places over northeastern States, Andhra Pradesh, South Madhya Maharashtra, South Konkan & Goa and isolated over West Madhya Pradesh, Punjab, Himachal, East Uttar Pradesh, Vidarbha, West Bengal & Sikkim and Lakshadweep during past 24 Hrs. The chief amounts of rainfall (in cm) recorded at 8.30 hrs IST today are; Ananatpur-8, Mangalore-6, Kailashahar, Ratnagiri and Panjim-5 each, Karipur, Palghat and Kozhikode-4 each Hyderabad, Nancowry, Hutbay, Patiala and Guwahati-3 each. A western disturbance is likely to approach J&K and adjoining area by 28th May. It is likely to cause isolated to scattered rainfall/snowfall is likely over hilly regions of NW India during 28-30 May 06.

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

Hilly regions of NW India viz. J&K, H.P. and Uttaranchal are likely to experience isolated to scattered rainfall/snowfall during 28-30 May06. Isolated thundershowers may occur over parts of plains of NW India during this period.

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

Isolated to scattered rains/ thundershowers are likely in Bihar, Orissa and Jharkhand. Conditions are becoming favorable for monsoon covering parts of northeastern states except Assam and Meghalaya during next 24-48 Hrs.

## **CENTRAL INDIA [MP, CHATTISGARH, VIDARBHA]**

Entire region is likely to experience isolated thunder storm activity during next 24-48 Hrs.

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

Fairly widespread rains with isolated heavy falls are expected over Bay islands during next 2-3 days. Scattered

rainfall/thunderstorm activity is expected over Coastal A.P., Telangana, North-interior Karnataka during next 4-5 days. With the onset of monsoon over Kerala, ongoing rainfall activity is likely to be widespread with isolated heavy rainfall over Lakshadweep, Kerala, coastal and south-interior Karnataka during next 4-5 days.

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

Isolated rain accompanied with thunderstorm/duststorm activity is expected in Rajasthan and Madhya Maharashtra. Mainly dry weather conditions are likely over rest areas of the region.

## **FOREX (As on 27<sup>th</sup> May, 2006):**

Foreign Currency	Rs. per unit
1 US \$	45.85
1 Euro	58.62
100 Yen	40.93
1 British £	85.82

## **SUMMARY PROGRESS OF RABI RICE**

(Area Coverage) (Area in lakh hectares)

Normal Area	Area Coverage (As reported on 15.05.06)			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 15.05.06**

(Lakh tonnes)

State	Total procurement in marketing season 2004-05 (Oct.- Sept.)	Progressive Procurement as on 15.05.06	
		In Marketing season 2005-06	In Marketing season 2004-05
Andhra Pradesh	39.06	30.56	29.88
Chhattisgarh	28.37	28.85	24.36
Haryana	16.62	20.40	16.56
Maharashtra	2.05	1.67	1.03
Orissa	15.90	11.73	9.63
Punjab	91.06	88.37	90.10
Tamil Nadu	6.52	7.32	6.42
Uttar Pradesh	29.71	28.05	25.75
Uttaranchal	3.16	3.24	2.76
West Bengal	9.44	11.77	5.39
All-India	246.84	242.43	214.81

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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