

Rice

01st -06th May, 2006

MAJOR ACTIVITY HIGHLIGHTS

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DOMESTIC AND INTERNATIONAL NEWS:

Bangladesh: Boro Production Increased by 0.5 Mil MT This Year

Bangladesh produces a higher production of IRRI-boro paddy this year. The total production likely to fulfil the target of 15.05 million MT of paddy set by Department of Agriculture Extension of the country. The production reportedly increased by about 0.5 Mil MT as against previous year's production volume. The total acreage for IRRI-boro rice was 4.35 Mil hectares of land, which is higher than the target of 4.22 million hectares. The farmers of Bangladesh succeeded to increase the total production of boro rice even though the crisis of urea, diesel and electricity this year.

Thai And Viet Quoted Lower Export Prices for Rice

The global rice production for the year of 2005-06 estimated to at 411 million tones. The estimation was provided by The US Department of Agriculture. Majority of the rice came from India, Indonesia, Thailand and Cambodia. The export forecasts for the year 2006 were increased for India, Thailand, and Cambodia but lowered for the United States. The global rice production for the year 2006 was projected at 27.3 million tones. The Thailand export prices for white rice varieties have lowered for last couples of months because of ongoing harvest of irrigated crops. The Vietnam export prices for most grades of rice also decreased for last month amidst higher supply due to harvesting of ongoing winter-spring crop in the Mekong River Delta region.

India's Rice Stocks Increased by 10%

This year the Government of India made huge purchase of rice in the marketing year of 2005-06. This led to increase the rice stocks of India by 10 per cent as against last year. 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.

Vietnam: Exports Rice to Philippines

Rice companies from Vietnam reportedly have signed contracts to export 1.19 million MT of rice to the Philippines so far in the current year. The latest contract is to sell a total of 440,000 MT of rice to the Philippines in the coming months. The 25% broken rice will be transport between June and August this year. However, the prices of the contract reportedly not disclosed so far.

Rice: USDA Weekly Export Sales Highlights

Weekly Export Sales Highlights of US Department of Agriculture is released on Thursday i.e. May04, 2006. This summary is based on reports from exporters (for the period April 21-27, 2006).

Rice: Net sales of 30,200 MT were 24 percent below the previous week and 32 percent under the prior 4-week average. The primary destinations were Panama (9,000 MT), Mexico (7,900 MT), Germany (3,300 MT), Haiti (2,800 MT), France (2,300 MT), and the United Kingdom (1,600 MT). Exports of 62,700 MT were 18 percent below the previous week and 17 percent under the prior 4-week average. The primary destinations were Japan (13,200 MT), Panama (9,000 MT), the United Kingdom (7,000 MT), Haiti (6,900 MT), Nicaragua (5,500 MT), Mexico (5,100 MT), and Jamaica (3,600 MT).

DOMESTIC MARKET COMMENTARY

DELHI MARKET

Rice prices at Delhi mandi remained bullish on meagre arrivals. Increased demand as against decreasing arrivals governing the markets sentiments. The rice reportedly exported from this market. The Basmati raw rice quoted in the range of Rs.2900-2950. Rice basmati (Lalquila) Rs.4400, Shri Lal Mahal Rs. 4600. DB Rice quoted steady at Rs.3000. The availability of paddy was almost negligible. The prices of Sharbati varieties remained steady to bullish on lower arrivals and quoted like, Sharbati sella at Rs.1700 and Sharbati raw at Rs.1710-1725. The Parmal varieties also quoted range bound with firm undertone. Parmal raw offered between Rs.1150-1200, Parmal wand Rs.1240-1280, Parmal sella offered higher at Rs.1250, 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	29.04.06	06.05.06
Basmati New	2900-3000	2900-2950
Basmati paddy	1425	1425
Sharbati raw	1700-1720	1710-1725

Sharbati sella	1650-1680	1700
Parmal raw	1100-1200	1150-1200
Wand	1220-1275	1240-1280
Parmal sella	1150-1200	1250
DB Rice	3000	3000
DB Paddy	1150	-

RUDRAPUR MARKET:

Rudrapur market showed some bullish 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. Parmal raw and Wand are quoted higher as against previous week in the range of Rs.1100-1120 and Rs.1150-1180 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 slightly firm in the coming week.

Market Price For Different Varieties Of Rice In Rudrapur Mandis

RUDRAPUR	29.04.06	06.05.06
Sharbati paddy (New)	-	-
DB paddy	1270	12820
Parmal paddy	690-700	720
Parmal raw rice	1080-1100	1100-1120
Wand	1120-1150	1150-1180
Basmati paddy	1420	1425
Basmati rice	2800	2800
Sharbati sella	1680-1700	1800
DB sella	2250-2300	2300

KARNAL MARKET:

Karnal mandi witnessed also a bullish sentiment during this week. The market activity reportedly increased. The demand reportedly increased. However, supply of rice decreasing. Parmal raw quoted range bound with firm undertone in the range of Rs.1150-1180, Parmal sella offered higher in the range of Rs.1200-1240. Sharbati sella offered higher at Rs.1675-1700, Sharbati esteem quoted steady in the range of Rs.1740-1750, DB rice also witnessed higher sentiments and quoted at Rs.2600. The price of basmati rice offered range bound and quoted in the range of Rs.2800 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	29.04.06	06.05.06
Basmati rice raw	2800-2850	2800
Sharbati esteem	1740-1750	1740-1750
Sharbati sella	1640-1675	1675-1700
Parmal raw rice	1120-1180	1150-1180
Parmal sella	1140-1200	1200-1240

DB rice sella	2280	2600
IR8	940	950

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 with firm undertone at the range of Rs.2450-2600. Where others varieties also are quoted range bound with firm undertone like: Sharbati at Rs.1725-1800, and IR-8 quoted steady Rs.975-1000, Parmal raw offered range bound with firm undertone in the range of 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	29.04.06	06.05.06
Basmati Raw	2375-2600	2450-2600
Sharbati	1700-1800	1725-1800
Parmal Raw	1025-1100	1050-110
IR 8	975-1000	975-1000

KURUKHESTRA MARKET:

Rice prices at Kurukhestra market witnessed range bound with bullish undertone sentiments in this week comparing to last week. The arrivals were reportedly at very lower sides. The Sharbati varieties have traded steady to bullish on increase demand during this week. Sharbati prices were like: Sharbati esteem at Rs.1725-1750, Sharbati sella at Rs.1750, DB quoted with bullish sentiments in the range of Rs. 2280-2300. 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	29.04.06	06.05.06
DB rice (New)	2260-2280	2280-2300
Sharbati esteem	1750	1725-1750
Sharbati sella	1640-1680	1750
Parmal raw	1120-1190	1170
Parmal Wand	1180-1200	1200
Parmal Sella	1160-1200	1160-1200
Basmati Rice	2800-2850	2800-2850
Basmati paddy	1400	1420

WEST BENGAL MARKET:

The rice prices in West Bengal market witnessed almost range bound sentiments in this week. Slightly increased supply of boro rice coupled with steady domestic demand traded rice at lower sides from last week. However, outlook of above normal monsoon rainfall did not allow decreasing of price movement further. 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	29.04.06	06.05.06
IR 36 (super)	1200	1200
Minikit Shankar	1300-1400	1300-1400
Minikit (M- Shankar)	1550	1550
Doodh Kalma	1400-1450	1400-1450
Swarna (New)	1050-1100	1050-1100
Pankaj	1000	1000
Swarna parboiled	1100	1100
Govindobhog	2200	2200
Chawl Moni	1650	1650

AMRITSAR MARKET:

Rice traded in Amritsar mandi with bullish tone 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. The arrivals reported as about 6,0000 bags from the godowns. The Basmati rice prices quoted steady in the range of Rs.2800-2850. The present prices of different varieties quoted in Amritsar market are Sarbati raw higher in the range of Rs.1600-1650, Sarbati sella higher in the range of Rs.1680-1700, Esteem offered higher at Rs.1700-1725, Parmal Wand offered range bound in the range of Rs.1200-1275, the arrival of Basmati paddy reportedly nil. Prices are expected to remain range bound to slightly increased for the coming week.

Market Price For Different Varieties Of Rice In Amritsar

AMRITSAR	29.04.06	06.05.06
Sharbati sella rice	1625-1660	1680-1700
Sharbati raw rice	1600	1600-1650
Sharbati esteem	1650-1700	1700-1725
Basmati rice raw	2800-2875	2800-2850
Basmati Paddy	1450	-
Parmal Govt. Quality	1050-1080	1000-1050
Parmal Wand (New)	1200-1300	1200-1275

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. The anticipation of lower production of rainfed kharif rice due to bellow normal rainfall also influencing the

market sentiments. 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. Range bound with firm undertone sentiments is likely to witness in the coming week.

PORT WATCH (As on 5th May, 2006)

Loading of 13,500 MT of rice is continuing at Kandla Port on the vessel 'Merch Mahara' to Dammam. Sai Shipping agents is handling the vessel. 'Regal Star' has berthed at Kandla Port and continues to load 14,500 MT of rice to Jeddah. Sai Shipping 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.

ALL INDIA WEATHER FORECAST BULLETIN WEATHER OUTLOOKS

During past 24 hrs. rainfall/thundershowers activity has occurred at a few places over Assam, Arunachal Pradesh, Sub-Himalayan West Bengal & Sikkim, south Tamil Nadu, Kerala and Lakshadweep and at isolated places over Chhattisgarh, Jharkhand, Gangetic West Bengal and Interior Karnataka. Predictions suggest that the **rainfall activity over NE states and Sub-himalayan West Bengal may increase further and may become fairly widespread** during next 3-4 days. There could be isolated heavy rainfall activity in the region. The rainfall activity over south peninsular India may continue for another 5 days. Under the influence of weak western disturbance, there may be isolated rain/ snowfall during 7-9 May, 2006 over hilly region of NW India especially in J&K and Himachal Pradesh. Rest areas in the country may experience mainly clear sky condition and may remain dry during this period. The day temperatures are above 42°C over Rajasthan and 40-42°C over Punjab, Haryana, Uttar Pradesh, Madhya Pradesh, Interior Maharashtra and northern parts of Andhra Pradesh. Predictions indicate further rise in day temperatures in some of these areas during next 3-4 days. **The day temperatures are expected to cross 45 deg C mark in certain areas in extreme West Rajasthan. Other parts of Rajasthan, parts of West Madhya Pradesh and south UP may also experience day temperatures touching 44 deg C mark during this period.** This situation may cause development of Moderate Heat wave condition in certain pockets of west (Rajasthan and Gujarat), North-west and Central India in coming 4 days. There are also indications of further fall in day temperatures over NE States and south peninsular India due to continued rainfall activity.

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

Mainly dry weather during next 2 days. Isolated to scattered rains/ snowfall is likely over J&K, Himachal Pradesh and Uttranchal and isolated duststorms/ thundershower activity over Punjab, Haryana, west U.P. during 7-9 May 2006.

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

Scattered to fairly widespread rains are expected over NE States and Sub-himalayan West Bengal. Coastal Orissa, Gangetic West Bengal, Bihar and Jharkhand may experience isolated rains during next 3-4 days.

CENTRAL INDIA [MP, CHATTISGARH, VIDARBHA]

Occasional Isolated thunder storm activity is likely over Chhatisgarh, east MP and Vidarbha during next 3-4 days.

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

Isolated to scattered thunderstorm activity is expected over the region especially Kerala, southern parts of Karnataka, south Rayalaseema, south coastal Andhra Pradesh and Tamilnadu during next 3-4 days.

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

Mainly dry weather conditions are likely to prevail over the region. Isolated duststorm activity is expected in North Rajasthan on 7th and 8th May. over Rajasthan in particular.

FOREX (As on 29th April, 2006):

Foreign Currency	Rs. per unit
1 US \$	44.88
1 Euro	56.94
100 Yen	39.47
1 British £	83.07

SUMMARY PROGRESS OF RABI RICE

(Area Coverage) (Area in lakh hectares)

Normal Area	Area Coverage (As reported on 01.05.06)			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 01.05.06

(Lakh tonnes)

State	Total procurement in marketing season 2004-05 (Oct.- Sept.)	Progressive Procurement as on 01.05.06	
		In Marketing season 2005-06	In Marketing season 2004-05
Andhra Pradesh	39.06	26.97	27.60
Chhattisgarh	28.37	28.50	24.10
Haryana	16.62	20.40	16.56
Maharashtra	2.05	1.66	0.86
Orissa	15.90	11.06	9.19
Punjab	91.06	88.30	89.80
Tamil Nadu	6.52	7.06	6.36
Uttar Pradesh	29.71	26.69	25.75
Uttaranchal	3.16	3.24	2.76
West Bengal	9.44	11.73	5.03
All-India	246.84	235.60	210.67

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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