

Rice

03rd June-10th June, 2006

MAJOR ACTIVITY HIGHLIGHTS

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

DOMESTIC AND INTERNATIONAL NEWS

Farmers should be Cautious about Sowing of Paddy Crop

The farmers should be cautious about sowing of paddy in this season. In the early stage of paddy crops, some water is required for crop growth. The kharif rice to a great extent depends on the rainfall from s.w. monsoon in the country. However, in some parts of the country early monsoon arrivals in this season motivated farmers to prepare the seedbed earlier. But, presently IMD's projection that S.W. monsoon is likely to go into weak phase beginning from 8th June leading to overall decrease in rainfall activity over the country may cause some water shortage. Therefore, farmers should be careful enough about the time of paddy sowing and progress of monsoon arrivals.

Basmati Rice Exports From India to Go Up

Export of Basmati rice from India likely to go up 1.4 million tonne mark in 2005-06. The export of basmati already topped the one million tonne mark till February 2006. The export may boost in the coming futures with the inclusion of Super basmati rice variety. The Indian government has recently notified 'Super' as a basmati variety under the Exports Inspection Certification Act. 'Super' basmati is better than the traditional basmati currently being exported by India, in terms of aroma, non-stickiness and elongation upon cooking quality. The Punjab Agricultural University officially released 'Super' in 2001 after sourcing the seeds from Pakistan and working on it for about three years. Pakistan too has been exporting the Pusa basmati variety, originally evolved in India.

Weak Monsoon May Delay the Rice Sowing

June-September monsoon rains very vital for India's staple rice crop. The kharif rice crop mostly depends on S.W. monsoon rains in many parts of the country. The sowing of kharif rice generally begins in June and harvesting starts in middle of September and continues till end of December. Among the countries monsoon crops rice along contributes 70%. However, early advancement of monsoon in the northeast, eastern, and southern parts of India helped farmers to sowing the crop earlier. The monsoon rainfall is likely to help early growth of rice crop through replenishing soil moisture. On the other sides in Northern and western parts of India the weak monsoon progress was witnessed. Presently, the country is passing through a weak phase of

monsoon. According to the IMD's report the monsoon hasn't advanced since June 6. Therefore, the farmers have to wait a while to sow the rice crops in their respective fields. However, rice plantation can presently be done in coastal areas, which received good rains already.

Rice Export From India Likely to Increase

Rice export from India likely to increase on the ending stocks of Pakistan. The rice stock from Pakistan is getting over and this leading to increase in prices. Therefore, Indian rice experiencing some demands from global market. India is also offering competitive prices at present. Presently, Indian white rice is offered lower at \$225-30 PMT, FOB for 25% broken from southern ports as against Pakistan's quotation of around \$235, FOB. Thailand and Vietnam also offering higher prices. Vietnam is quoting \$245 for 25% broken, while in the case of Thailand, it is upwards of \$265. West Africa have signed for importing of 0.175 million MT of white rice from India.

Rice: USDA Weekly Export Sales Highlights

Weekly Export Sales Highlights of US Department of Agriculture is released on Thursday i.e. June 08, 2006. This summary is based on reports from exporters (for the period May26-June 01, 2006).

Rice: Net sales of 27,900 MT were 46 percent below the previous week and 22 percent under the prior 4-week average. The primary buyers were the United Kingdom (7,400 MT), Haiti (6,400 MT), Guatemala (4,000 MT), Mexico (2,900 MT), El Salvador (2,000 MT), and Jordan (1,600 MT). Exports of 59,400 MT were 23 percent below the previous week and 6 percent under the prior 4-week average. The primary destinations were Iraq (31,400 MT), Saudi Arabia (7,100 MT), Mexico (6,300 MT), Haiti (6,200 MT), and Canada (4,400 MT).

DOMESTIC MARKET COMMENTARY

Rice prices in the majority of the spot markets witnessed mix sentiments during the week. The rice prices in West Bengal market turned to higher levels on decreasing arrivals amidst steady demand. The arrivals were in lower sides due to rainy season. Whereas, the prices of rice at Delhi, Amritsar, Karnal, Rudrapur, Dehradun market remained steady to weak. At Delhi mandi rice prices eased

somewhat on increasing arrivals amidst steady demand. In the Delhi Mandi the arrivals improve from early weakness. The arrivals have been coming from Uttar Pradesh. The rice prices quoted lower in Delhi mandi as Sharbati raw quoted lower at Rs. 1675-1750, Parmal raw also quoted lower at Rs. 1100-1150. DB rice offered at Rs.2450. The anticipation of higher production due to early progress of S.W. monsoon also motivated stockiest to release some of their stocks. However, IMD's projection that S.W. monsoon is likely to go into weak phase beginning from 8th June leading to overall decrease in rainfall activity over the country may have some affect on already sown paddy crops in some parts of the country. The export demands for rice is steady at somewhat higher levels and likely to increase in the coming futures with the inclusion of Super basmati rice variety. The domestic demand is reportedly steady. All rice traders as well as farmers are eyeing towards S.W. monsoon progress. The kharif rice out put, the amount of rainfall in different growth stage of the crop and the time of arrivals in the market would determine the market sentiments in the coming futures. The procurement policy of Govt., MSP and their time of purchasing will also regulate the market sentiments in near futures.

DELHI MARKET:

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

Delhi	03.06.06	10.06.06
Basmati Old	2800-2950	2800-2900
Basmati New	2600-2700	2600-2700
Sharbati raw	1750-1800	1675-1750
Sharbati sella	1750-1775	1700-1750
Parmal raw	1150-1180	1100-1150
Wand	1250-1280	1200-1280
Parmal sella	1250	1175-1200
DB Rice	2450-2500	2450

RUDRAPUR MARKET:

Market Price For Different Varieties Of Rice In Rudrapur Mandis

RUDRAPUR	03.06.06	10.06.06
Parmal paddy	720	720
Parmal raw rice	1100	1080-1100
Wand	1140-1160	1120-1140
Basmati paddy	-	-
Basmati rice	2800	2800
Sharbati sella	1800	1800
DB sella	2400-2425	2400

KARNAL MARKET:

Market Price For Different Varieties of Rice In Karnal Mandis

KARNAL	03.06.06	10.06.06
Basmati rice raw	2850	2850
Sharbati esteem	1725-1750	1700-1740
Sharbati sella	1700	1700
Parmal raw rice	1150	1150
Parmal sella	1200-1220	1200-1220
DB rice sella	2500	2500
IR8	950-965	950-965

DEHRADUN MARKET:

Market Price For Different Varieties Of Rice In Dehradun Mandis

DEHRADUN	03.06.06	10.06.06
Basmati Raw	2600-2700	2600-2700
Sharbati	1950-2000	1950-2000
Parmal Raw	1100-1190	1100-1190
IR 8	1000-1025	1000-1025

WEST BENGAL MARKET:

Market Price For Different Varieties Of Rice In West Bengal

WEST BENGAL	03.06.06	10.06.06
IR 36 (super)	950	1050-1150
Minikit Shankar	1200	1350-1400
Minikit (M- Shankar)	1300-1350	1450-1500
Doodh Kalma	1200-1225	1300
Swarna (New)	900-925	1050
Pankaj	950	950-1000
Swarna parboiled	975-1000	1050
Govindobhog	2200-2250	2200-2250
Chawl Moni	1650	1700-1800

AMRITSAR MARKET:

Market Price For Different Varieties Of Rice In Amritsar

AMRITSAR	03.06.06	10.06.06
Sharbati sella rice	1650-1700	1650-1700
Sharbati raw rice	1600-1650	1600-1650
Sharbati esteem	1700-1750	1700-1750
Basmati rice raw	2850	2850
Basmati Paddy	-	-
Parmal Govt. Quality	1050	1050
Parmal Wand (New)	1150-1200	1150-1200

CONCLUSION

Range bound to bearish tone is likely to witness in the coming week on steady demand amidst improved arrivals

PORT WATCH (As on 09th June, 2006)

Kandla Port is expecting 'Precious' to load 14,000 MT of rice to Jeddah. The vessel will be handled by Aditya agents. Kandla Port is expecting 'Aziza' to load 9,000 MT of rice to Jeddah. Aditya agents will be handling the vessel.

Monsoon Outlook (10.06.06)

Yesterday's low pressure area over West Bengal & Jharkhand now lies over Bihar and adjoining West Bengal. The system is likely to weaken and move eastward. South-west Monsoon continues to be in weak phase for past 2 days with sub-due rainfall activity over most parts of the country except east and NE regions. Model predictions indicate poor chances of revival of monsoon till 15th June. Under this scenario, rainfall activity may continue to remain confined to east and northeastern regions with below normal activity over rest areas of the country during this period. Owing to dominance of westerly winds over the country and sub-due rainfall activity, north and central parts may witness continued rising trend in day temperatures with interior parts experiencing low relative humidity values. This might lead to development of Heat wave conditions in certain pockets of North and west India in the days to come. The eastern parts e.g. Bihar, Jharkhand, Orissa and West Bengal may also experience rise in temperatures once present rainfall spell is over, during next 1 or 2 days.

ALL INDIA WEATHER FORECAST BULLETIN WEATHER OUTLOOKS

Chief amount of rainfall (cm) during past 24 hours reported at 08.30 am today are: Patna-15, Gaya-14, Daltonganj, Hut Bay, Car Nicobar & Cherapunji-3 each, Dibrugarh, Agathi & Honawar-2 each. A fresh western disturbance is likely to

approach north Pakistan and J&K during next 24 Hrs. and move in an east-northeast direction. Under its influence hilly regions of NW India are expected to receive isolated to scattered rains/snowfall during next 2-3 days.

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

Under the influence of a western disturbance, J&K, H.P. and Uttaranchal are likely to receive isolated to scattered rainfall/snowfall during next 2-3 days. Adjoining plain areas viz. Haryana, Punjab and West UP, may also receive isolated duststorm during next 2 days.

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

Fairly widespread rains / thundershowers are likely over West Bengal, Bihar, Jharkhand and NE States, scattered over Orissa and isolated over East Uttar Pradesh during next 2 days. Thereafter, except NE States and Sub-himalayan West Bengal, rainfall activity over the region is likely to decrease.

CENTRAL INDIA [MP, CHHATTISGARH, VIDARBHA]

Isolated to scattered rains are expected over Chattisgarh during next 24 hours. Mainly dry weather may prevail over rest areas of the region.

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

Fairly widespread rainfall is likely over Andaman & Nicobar Islands and isolated to scattered rains in Kerala, Lakshadweep and Coastal Karnataka. Mainly dry weather is expected over rest areas of the region.

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

Konkan & Goa and Madhya Maharashtra may receive isolated to scattered rains during next 3-4 days. Other areas of the region are likely to experience mainly dry weather during this period.

SUMMARY PROGRESS OF RABI RICE

(Area Coverage) (Area in lakh hectares)

Normal Area	Area Coverage (As reported on 05.06.06)			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 05.06.06

(Lakh tonnes)

State	Total procurement in marketing season 2004-05 (Oct.- Sept.)	Progressive Procurement as on 05.06.06	
		In Marketing season 2005-06	In Marketing season 2004-05
Andhra Pradesh	39.06	37.80	34.18
Chhattisgarh	28.37	29.17	24.67
Haryana	16.62	20.40	16.56
Maharashtra	2.05	1.73	1.21
Orissa	15.90	13.05	10.53
Punjab	91.06	88.37	90.48
Tamil Nadu	6.52	7.54	6.46
Uttar Pradesh	29.71	28.18	25.75
Uttaranchal	3.16	3.25	3.04
West Bengal	9.44	12.77	6.38
All-India	246.84	253.24	222.56

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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