

Rice

17th June-24th June, 2006

MAJOR ACTIVITY HIGHLIGHTS

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- Rice Production Estimates

DOMESTIC AND INTERNATIONAL NEWS

India Exported Rice to Africa, Bangladesh and Italy

India exported rice to Africa, Bangladesh and Italy. Near about 95,053 MT parboiled rice, exported to African countries, Italy and Bangladesh on both cost and freight and free-on-board basis. The cost and freight for African countries varied between \$273 PMT and \$286 PMT. Most of these sales were on FoB basis in the price range of \$211/ton-\$235 PMT. However, few deals have been offered around \$245/ton-\$247 PMT. Around 8,100 MT of brown parboiled rice has been exported to Italy at \$256.76 PMT, cost and freight. Whereas, 12,500 MT of parboiled rice exported to Bangladesh. The prices quote on the basis of broken content, whether it is sortexed or not and also on the basis of harvesting year.

Viet Export Rice Prices Quoted Higher on Global Demand

In the context of increased global demand, Vietnamese rice export prices offered higher. Viet 5% broken rice was quoted higher at \$265 PMT, as against \$264 PMT last week, while 25% broken grade was offered at \$250 PMT, up from \$248 last week. The rice prices ran into bullish tone amidst plenty of local supply. However, some traders from the Mekong delta region attributed that price wont go up further in the coming week as the local farmers started harvesting of the summer paddy crops.

Farmers Should Wait for Monsoon in Northern, Central India.

S. W. Monsoon is not likely to revive during next seven days over northern, central and western parts of India. Therefore, farmers of these areas who have not started sowing so far should wait for sowing their kharif rice crops until the arrivals of monsoon rains. Farmers can continue the sowing of rice crops in the Southern and North Eastern states due to good monsoon rainfall. According to the NCMRWF, in NW India farmers can raise paddy nursery in J&K, H.P., Uttranchal, Punjab, Delhi by selecting varieties like K-39, Palam Dhan, Pant Dhan-12, PR-108 and Pusa Basmati-1 respectively. Due to prevailing hot weather condition, sufficient water should be kept standing in nursery to avoid iron deficiency. In Central India mainly dry weather is likely to prevail for next 5-7 days, farmers of this region only can prepare the fields for sowing paddy nursery and other Kharif crops.

Pakistan and China to Develop Hybrid Rice

Pakistan and China likely to concentrate on the development of hybrid rice and super hybrid rice through joint venture. The joint venture would be based on resource sharing, exchange of expertise and training of scientists. China was successfully developed hybrid rice that generally gives high output with equally better quality. Although, Pakistan started developing hybrid rice with the help of Chinese technology in the year of 1986 but no fruitful results have been achieved. However, this time the joint venture would likely to help Pakistan to overcome the early setback.

Rice: USDA Weekly Export Sales Highlights

Weekly Export Sales Highlights of US Department of Agriculture is released on Thursday i.e. June 22, 2006. This summary is based on reports from exporters (for the period June09-June 15, 2006).

Rice: Net sales of 139,100 MT were two and one-tenth times the previous week and nearly three and one-half times the prior 4-week average. Iraq (90,000 MT) was the major buyer, with smaller quantities to Cote D'Ivoire (8,000 MT), Canada (6,700 MT), Haiti (6,300 MT), Saudi Arabia (6,100 MT), and Mexico (6,000 MT). Exports of 44,000 MT were 46 percent below the previous week and 34 percent under the prior 4-week average. The primary destinations were Haiti (11,500 MT), Ghana (5,500 MT), Mexico (4,300 MT), Guatemala (3,900 MT), and Jamaica (3,500 MT).

Source: USDA

DOMESTIC MARKET COMMENTARY

A steady to somewhat firm sentiments witnessed in the majority of the rice spot markets. The demand remained steady in the context of poor arrivals. The lower stocks as well as rainy season mainly decreased the arrivals. In the west Bengal market the average arrivals down significantly on heavy rains. The prices of rice at Amritsar, Karnal, Rudrapur, Dehradun market remained somewhat firm. The meager arrivals coupled with steady demand is underpinning the market tone. According to some traders the artificial shortage pushes up prices in the local markets. Farmers and wholesalers prefer to hoard in the expectation that they will get better return in the coming futures as

prices continue to rise on the upwards sentiments of futures market as well as uncertain weather. Moreover, IMD's projection of below normal rainfall from S.W. monsoon is also playing a vital role in the minds of stockiest. No procurement from Govt. was reported from the mandis. However, some arrivals from Uttar Pradesh did not allow increasing the prices in Delhi mandi. The rice prices remained eased in Delhi mandis and quoted lower like Sharbati raw quoted in the range of Rs. 1650-1725, Sharbati Sella offered lower between Rs. 1700-1725, Parmal quoted lower also in the range of Rs. 1050-1100. DB rice offered steady in the range of Rs.2400-2425. No procurement from Govt. was reported from the mandis. All the players related to rice market are closely monitoring the monsoon progress and sowing activity for taking further decision. The sowing of kharif rice may be delayed in Northern part due to uncertain arrivals of S.W. monsoon. Rice export from India likely to increase in the coming future on the good global demand. India is also offering rice in competitive prices as against Thailand, Pakistan and Vietnam. India exported near about 95,053 MT parboiled rice to Africa, Bangladesh and Italy on both cost and freight and free-on-board basis. The kharif rice production, the intensity 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, export scenario 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	17.06.06	24.06.06
Basmati Old	2900	2900
Basmati New	2700	2700
Sharbati raw	1700-1725	1650-1725
Sharbati sella	1725-1750	1700-1725
Parmal raw	1100-1150	1050-1100
Wand	1200-1280	1150-1200
Parmal sella	1175-1200	1150-1200
DB Rice	2450	2450

RUDRAPUR MARKET:

Market Price For Different Varieties Of Rice In Rudrapur Mandis

RUDRAPUR	17.06.06	24.06.06
Parmal paddy	750	750
Parmal raw rice	1100-1150	1150
Wand	1140-1160	1180
Basmati paddy	-	-
Basmati rice	2850	2850
Sharbati sella	1750-1775	1750-1780
DB sella	2400	2400-2450

KARNAL MARKET:

Market Price For Different Varieties of Rice In Karnal Mandis

KARNAL	17.06.06	24.06.06
Basmati rice raw	2850	2850
Sharbati esteem	1710-1740	1750
Sharbati sella	1700-1720	1710-1730
Parmal raw rice	1150	1700-1730
Parmal sella	1200-1220	1220
DB rice sella	2500	2500
IR8	950-965	950-965

DEHRADUN MARKET:

Market Price For Different Varieties Of Rice In Dehradun Mandis

DEHRADUN	17.06.06	24.06.06
Basmati Raw	2600-2700	2600-2700
Sharbati	1950-2000	1950-2000
Parmal Raw	1090-1180	1090-1180
IR 8	980-1010	980-1010

WEST BENGAL MARKET:

Market Price For Different Varieties Of Rice In West Bengal

WEST BENGAL	17.06.06	24.06.06
IR 36 (super)	1075-1150	1200
Minikit Shankar	1400	1400-1450
Minikit (M- Shankar)	1475-1520	1500-1550
Doodh Kalma	1300	1325
Swarna (New)	1050-1080	1050-1080
Pankaj	950-1000	950-1000
Swarna parboiled	1050	1100
Govindobhog	2200-2250	2250-2350
Chawl Moni	1700-1800	1800-1900

AMRITSAR MARKET:

Market Price For Different Varieties Of Rice In Amritsar

AMRITSAR	17.06.06	24.06.06
Sharbati sella rice	1650-1675	1650-1700
Sharbati raw rice	1600-1650	1625-1650
Sharbati esteem	1725-1750	1750-1775
Basmati rice raw	2900	2800-2850
Basmati Paddy	-	-
Parmal Govt. Quality	1050	1050
Parmal Wand (New)	1150-1200	1050-1200

CONCLUSION

Somewhat bullish sentiments is likely to witness on steady demand amidst decreasing arrivals

PORT WATCH (As on 23rd June, 2006)

Kandla Port is expecting 'Precious' to load 14,000 MT of rice to Jeddah. Kandla Port is expecting 'Banglar Urmi' to load 14,000 MT of rice to Dammam. Loading of 5,500 MT of rice is expected at the port on the vessel 'Aboudi' to Dammam. Aditya agents will be handling these vessels.

Monsoon Outlook (24.06.06)

Southwest monsoon has further advanced into some more parts of Gujarat Region, remaining parts of Madhya Maharashtra, entire Marathwada and some more parts of Telangana and Chhattisgarh. The Northern Limit of Monsoon as on today, passes through 22.0°N/ 60.0°E, 22.0 °N/ 68.0°E, Porbandar, Rajkot, Ahmedabad, Jalgaon, Parbhani, Ramagundam, Kanker, Ambikapur, Daltonganj and Raxaul.

Conditions are favourable for further advance of southwest monsoon over remaining parts of Telangana, some more parts of Chhattisgarh and some parts of Vidarbha during next 48 hours.

ALL INDIA WEATHER FORECAST BULLETIN WEATHER OUTLOOKS

Yesterday's western disturbance still lies over J&K. The W.D. is expected to remain near stationary during next 48 Hrs and move in eastward direction. Under its influence scattered to fairly wide spread snowfall/rainfall occur over hilly regions of NW India during next 48 Hrs. Isolated to scattered rainfall/thunderstorm activity are also likely over plains of NW India viz. Punjab, North Rajasthan and Haryana, including Delhi on during next 48 Hrs.

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

Rain/thundershowers are likely **at a few places** over Himachal Pradesh and Uttaranchal and **isolated** over the rest regions. **Isolated** thundersquall are likely over the region.

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

Rain/thundershowers are likely **at many places** over Sub-Himalayan West Bengal & Sikkim and Orissa, **at a few places** over Gangetic West Bengal and Jharkhand and **isolated** over the rest region.

Rain/thundershowers are likely **at many places** over the region.

CENTRAL INDIA [MP, CHATTISGARH, VIDARBHA]

Rain/thundershowers are likely **at many places** over Chhattisgarh, Vidarbha **at a few places** over Madhya Pradesh.

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

Rain/thundershowers are likely **at most places** over Lakshadweep, Kerala and Coastal Karnataka; **at many places** over South Interior Karnataka, Coastal Andhra Pradesh, Telengana and Andaman & Nicobar Islands and **isolated** over the rest region.

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

Rain/thundershowers are likely **at many places** over Konkan & Goa, Madhya Maharashtra and Marathwada **at a few places** over south Gujarat Region and **isolated** over the rest region.

SUMMARY PROGRESS OF RABI RICE

(Area Coverage) (Area in lakh hectares)

Normal Area	Area Coverage (As reported on 19.06.06)			Area Difference in Important States- This Year vs. Last Year (Absolute, %)
	This Year	Last Year	Difference	
399	14.02	13.59	+0.43	Ass (-0.3, -5.8), Ori (+1.6, +150.5), Pun (-1.5, -64.1), UP (+0.5, +1125.0), WB (+0.3, +12.5)

Source: Ministry of Agriculture, GOI

PROGRESSIVE PROCUREMENT OF RICE AS ON 19.06.06

(Lakh tonnes)

State	Total procurement in marketing season 2004-05 (Oct.- Sept.)	Progressive Procurement as on 19.06.06	
		In Marketing season 2005-06	In Marketing season 2004-05
Andhra Pradesh	39.06	41.24	35.76
Chhattisgarh	28.37	29.86	25.03
Haryana	16.62	20.49	16.62
Maharashtra	2.05	1.75	1.21
Orissa	15.90	13.99	11.39
Punjab	91.06	88.38	90.54
Tamil Nadu	6.52	7.92	6.48
Uttar Pradesh	29.71	29.96	25.75
Uttaranchal	3.16	3.28	3.04
West Bengal	9.44	13.06	6.57
All-India	246.84	261.01	225.95

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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