

Rice

24th June- 01July, 2006

MAJOR ACTIVITY HIGHLIGHTS

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DOMESTIC AND INTERNATIONAL NEWS

Pakistan To Challenge India's Super Basmati Trading

Daily Times reported Tuesday that Pakistan likely to challenge India against the registration of "super basmati" rice as its national trademark on the world market. Pakistan worried about the reduction of its export market share due to India's entry in the Middle East and United Kingdom. The country exported over 800,000 tonnes of Super Basmati grade every year in the world market.

Vietnam has Exported 2.24 Million MT of Rice

Vietnam has exported 2.24 million MT of rice in the current year. The total revenue generated through this exports is more than US\$ 626 million. However the total value is not increased with the same pace of total export as the country offered rice export prices 2-5% less in the early months of the year.

Thailand and Vietnam Offered Steady Rice Export Prices

Steady Shipments of Thai and Vietnam rice led Asian rice prices to offer steady. Thai 100% B grade was quoted steady at \$318- \$320/ton, FOB, and 5% broken at \$315/ton, while parboiled 100% sortexed was offered at \$310/ton on Wednesday. Rice prices offered by Vietnam also remained steady in the scenario of thin trade and quoted like, Viet's 5% broken at \$260- \$265/ton, FOB Ho Chi Minh City, while 25% broken was offered at \$248/ton. However, in Vietnam farmers have started harvesting the second crop.

Rice: USDA Weekly Export Sales Highlights

Weekly Export Sales Highlights of US Department of Agriculture is released on Thursday i.e. June 29, 2006. This summary is based on reports from exporters (for the period June16-June 22, 2006).

Rice: Net sales of 44,200 MT were 68 percent below the previous week and 38 percent under the prior 4-week average. The primary buyers were Panama (36,300 MT) and Mexico (4,400 MT). Exports of 45,200 MT were 3 percent above the previous week, but 31 percent under the prior 4-week average. The primary destinations were Mexico (22,300 MT), Costa Rica (10,500 MT), and Saudi Arabia (7,700 MT).

Source: USDA

DOMESTIC MARKET COMMENTARY

Rice offered almost steady in majority of spot market. Poor arrivals witnessed in almost all of the markets. The rainy season as well as speculative storing attitude of major stockiest led to poor arrivals in the mandis. It is talks in the market that some 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 condition. The artificial shortage on the anticipation of below normal rainfall from S.W. monsoon as projected by IMD, no doubt underpinning the spot market sentiments. However, the domestic demand remained steady in the context of poor arrivals. The export demand of India is also likely to increase in the coming futures on the poor stocks of global market. India is also offering rice in competitive prices as against Thailand, Pakistan and Vietnam. Good demand amidst poor arrivals mainly governing the market tone. The farmers from the Northern and Western parts of India have been eyeing towards monsoon sentiments for taking decision about sowing of kharif rice. According to the agro -advisory of NCMRWF, farmers from Central India and Gangetic plains could get ready for the sowing of Kharif crops as wide spread rainfalls are expected towards the end of the week in the region. Good monsoon condition is also likely to prevail over southern parts of India and NE-states. Therefore, farmers can continue with the Kharif crops. In central India and Eastern UP, Bihar, Jharkhand, farmers should raise medium and short duration varieties of paddy. The prices of rice at Amritsar, Karnal, Rudrapur, Dehradun, West Bengal and Delhi market remained steady at some higher levels as against last fortnight. No procurement from Govt. was reported from the mandis. The rice prices quoted in Amritsar mandis like Sharbati raw quoted in the range of Rs. 1650-1675, Sharbati Sella offered steady between Rs. 1675-1700, Parmal wand quoted steady with firm undertone in the range of Rs. 1100-1200. No procurement from Govt. was reported from the mandis. All the actors related to rice market are closely monitoring the monsoon progress and sowing activity for taking further decision. The kharif rice acreage and output, 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	24.06.06	01.07.06
Basmati Old	2900	2900
Basmati New	2700	2700-2720
Sharbati raw	1650-1725	1650-1730
Sharbati sella	1700-1725	1700-1725
Parmal raw	1050-1100	1050-1100
Wand	1150-1200	1150-1200
Parmal sella	1150-1200	1150-1200
DB Rice	2450	2425-2460

RUDRAPUR MARKET:

Market Price For Different Varieties Of Rice In Rudrapur Mandis

RUDRAPUR	24.06.06	01.07.06
Parmal paddy	750	750
Parmal raw rice	1150	1150
Wand	1180	1180
Basmati paddy	-	-
Basmati rice	2850	2850
Sharbati sella	1750-1780	1750-1780
DB sella	2400-2450	2400-2450

KARNAL MARKET:

Market Price For Different Varieties of Rice In Karnal Mandis

KARNAL	24.06.06	01.07.06
Basmati rice raw	2850	2850
Sharbati esteem	1750	1725-1750
Sharbati sella	1710-1730	1730
Parmal raw rice	1700-1730	1700
Parmal sella	1220	1220-1250
DB rice sella	2500	2500
IR8	950-965	950-965

DEHRADUN MARKET:

Market Price For Different Varieties Of Rice In Dehradun Mandis

DEHRADUN	24.06.06	01.07.06
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	24.06.06	01.07.06
IR 36 (super)	1200	1200
Minikit Shankar	1400-1450	1450-1475
Minikit (M- Shankar)	1500-1550	1525-1550
Doodh Kalma	1325	1325-1350
Swarna (New)	1050-1080	1050-1080
Pankaj	950-1000	950-1000
Swarna parboiled	1100	1100
Govindobhog	2250-2350	2250-2300
Chawl Moni	1800-1900	1850-1900

AMRITSAR MARKET:

Market Price For Different Varieties Of Rice In Amritsar

AMRITSAR	24.06.06	01.07.06
Sharbati sella rice	1650-1700	1650-1700
Sharbati raw rice	1625-1650	1650
Sharbati esteem	1750-1775	1775
Basmati rice raw	2800-2850	2800-2850
Basmati Paddy	-	-
Parmal Govt. Quality	1050	1050
Parmal Wand (New)	1050-1200	1050-1200

CONCLUSION

Range bound with firm undertone likely to expect for the coming week on good demand amidst poor arrivals.

PORT WATCH (As on 29th June, 2006)

Regal Star' has berthed at the port and is continuing to load 15,500 MT of rice to Jeddah. Sai Shipping agents is handling the vessel. Loading of 12,500 MT of rice is expected at the port on the vessel 'Merco Mirissa' to Dammam. The vessel was handled by Sai Shipping agents.

Monsoon Outlook (01.07.06)

A Well marked low pressure area lies over north Bay of Bengal with associated upper air cyclonic circulation extending upto mid-tropospheric levels. It is likely to intensify as Depression during next 24 hrs and move in west-northwest direction across Orissa- Chattisgarh and Madhya Pradesh. Under the influence of the system widespread with isolated heavy rainfall is expected over Orissa, Coastal Andhra Pradesh and Jharkhand during next 2-3 days. This activity is likely to extend into Chhattisgarh, East Madhya Pradesh, Vidarbha, East Uttar Pradesh and Telangana subsequently. As the system starts moving inland after 2 days the rainfall activity over Konkan & Goa, Madhya Maharashtra and South Gujarat is also likely to increase.

with heavy to very heavy falls at few places and also isolated extremely heavy rainfall over these areas.

Another upper air cyclonic circulation lies over south Gujarat and north Konkan coasts extending between 2.1 and 7.6 km above sea level. It is likely to oscillate over the region during next 3 days. Under its influence fairly widespread rains with heavy to very heavy falls are likely over south Gujarat, Konkan coast and Madhya Maharashtra. Model predictions suggest that the monsoon is likely to be in active phase and may further advance over remaining parts of West Uttar Pradesh, West Madhya Pradesh, East Rajasthan, Uttaranchal, Punjab and remaining of Haryana during next 5 days. The chief amount of rainfall (cm) observed since 8:30 IST of today are : Mahabaleshwar-16, Mumbai (Colaba)-10, Dahanu-6, Dibrugarh-6, Alibag-5, Mumbai (Santacruz)-5, Veraval-5, Puri-5, Sagar-4. An off shore trough extends from north Konkan to Karnataka coast. Isolated Heavy to very heavy rainfall activity may continue over Konkan, Goa and Coastal Karnataka.

ALL INDIA WEATHER FORECAST BULLETIN WEATHER OUTLOOKS

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

Isolated rainfall is likely over J&K H.P., Punjab, Haryana, Delhi and West U.P. during next 3 days. Rainfall activity may increase over West Uttar Pradesh subsequently.

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

Scattered to fairly widespread rains / thundershowers with isolated heavy rains are likely over Sub Himalayan West Bengal and NE States. Fairly widespread to widespread with isolated heavy rains are expected over Orissa, West Bengal and Jharkhand, Bihar and East Uttar Pradesh during next 4-5 days.

CENTRAL INDIA [MP, CHHATTISGARH, VIDARBHA]

Ongoing rainfall activities over Vidarbha, Chattisgarh and East M.P. are likely to increase after 48 hrs. Fairly wide spread rainfall with isolated heavy rains during next 4 days. West M.P. is likely to receive fairly wide spread rains after 72 hrs.

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

Fairly widespread to widespread rainfall with isolated heavy rains is likely over Andaman & Nicobar Islands, Kerala, Lakshadweep, Karnataka and Andhra Pradesh during next 4-5 days. Tamilnadu is likely to receive scattered rainfall.

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

Fairly wide spread with isolated heavy rainfall is likely over Konkan & Goa. Madhya Maharashtra, Marathwada, Gujarat, East Rajasthan during next 4-5 days. Isolated thundershower is expected over West Rajasthan.

Source: GOI (NCMRWF & IMD)

SUMMARY PROGRESS OF KHARIF 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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