

Rice

01st-08th July, 2006

MAJOR ACTIVITY HIGHLIGHTS

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DOMESTIC AND INTERNATIONAL NEWS

Sri Lanka Government given consent to Duty Free Import Of Pak Rice

The Sri Lankan government has allowed duty free import of 9,337 MT of rice from Pakistan Under the Free Trade Agreement (FTA) to be utilized till December 2006. Under the FTA effective from June 12, 2005, Sri Lanka has given duty free access to Pakistan for long grain basmati rice up to 6,000 MT per annum. Pakistani exporters, however, were not able to utilize the full quantity for 2005. The Sri Lankan government has also allowed importers of basmati rice to carry out their business in a free market condition.

Vietnam Contracted to Export 4 MMT Rice so far

Vietnam traders have contracted to export of 4 million MT of rice so far this year. However, rice export of that country likely to reach 5 million-5.2 million tons in this year. The last year export was about to 5.2 million tons. It is expected that African countries may purchase a good amount in near futures.

Punjab MARKFED to Start Contract farming on Rice

Punjab MARKFED, state government owned Asia's largest cooperative body declared to take on contract farming of various crops including rice with the view to export potential. The organisation to start contract farming for near about 15,000 acres on basmati & long grain varieties of paddy, including PB-1, Pusa-1121 and sharbati during Kharif 2006, in 13 districts of Punjab, namely Amritsar, Faridkot, Ferozepur, Fatehgarh Sahib, Gurdaspur, Hoshiarpur, Kapurthala, Ludhiana, Moga, Mukatsar, Nawanshahr, Patiala & Ropar. The procurement price of Pusa 1121 likely to Rs. 1200/- per qtl, for PB-1 Rs. 1000/- per qtl. and for Sharbati Rs. 750 per qtl. The prices offered are higher than the prevalent rates of common Paddy varieties.

Rice: USDA Weekly Export Sales Highlights

Weekly Export Sales Highlights of US Department of Agriculture is released on Thursday i.e. July 06, 2006. This summary is based on reports from exporters (for the period June23-June 29, 2006).

Rice: Net sales of 50,600 MT were 15 percent above the previous week, but 27 percent below the prior 4-week average. The primary buyer was Haiti (29,000 MT), with smaller quantities to Canada (9,200 MT), and Mexico

(8,000 MT). Exports of 82,700 MT were 83 percent above the previous week and 44 percent over the prior 4-week average. The primary destinations were Iraq (29,500 MT), Cuba (21,400 MT), and Mexico (12,200 MT).

DOMESTIC MARKET COMMENTARY

Rice offered somewhat higher prices in majority of spot market. Decreasing arrivals coupled with good demand mainly underpinning the spot market tone. The arrivals from U.P. is likely to witness in the coming futures in the market of Amritsar, Karnal and Rudrapur. The traders from Amritsar reported that the higher prices offered from the U.P. restricted the arrivals recently. The new crop from Punjab is expected to arrive in the local market in the first part of August. Therefore, the prices may ease in the month of August. However, the prices of Delhi mandi witnessed some steady sentiments on arrivals from U.P. The rainy season also restricted the arrivals in the many major markets of west bengal and south India. This led to tight the rice prices. The speculative storing attitude of major stockiest as well as wholesalers on the expectation of getting better return in the coming futures as prices continue to rise on the upwards sentiments of futures market as well as uncertain weather condition made artificial shortage in spot market. However, the domestic demand as well as export 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. The farmers from the Northern and Western parts of India have been still eyeing towards monsoon sentiments for taking decision about sowing of kharif rice. Recently, the monsoon progress is somewhat poor in this region. The prices of rice at Amritsar, Karnal, Rudrapur, Dehradun, West Bengal market remained firm. No procurement from Govt. was reported from the mandis. The rice prices quoted in Amritsar mandis like Sharbati sella quoted at Rs. 1700, Sharbati raw offered between Rs. 1625-1650, Parmal wand quoted higher at Rs.1250. All the players related to rice market are closely monitoring the monsoon progress and sowing activity for taking further decision. The kharif rice production, acreage and 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	30.06.06	08.07.06
Basmati Old	2900	2900
Basmati New	2700-2720	2700-2750
Sharbati raw	1650-1730	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	2425-2460	2425-2460

RUDRAPUR MARKET:

Market Price For Different Varieties Of Rice In Rudrapur Mandis

RUDRAPUR	30.06.06	08.07.06
Parmal paddy	750	-
Parmal raw rice	1150	1160
Wand	1180	1180-1200
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	30.06.06	08.07.06
Basmati rice raw	2850	2850-2900
Sharbati esteem	1725-1750	1750
Sharbati sella	1730	1730-1750
Parmal raw rice	1200	1180
Parmal sella	1220-1250	1200
DB rice sella	2500	2500
IR8	950-965	950-965

DEHRADUN MARKET:

Market Price For Different Varieties Of Rice In Dehradun Mandis

DEHRADUN	30.06.06	08.07.06
Basmati Raw	2600-2700	2600-2700
Sharbati	1950-2000	1950-2000
Parmal Raw	1090-1180	1090-1180
IR 8	980-1010	980-1000

WEST BENGAL MARKET:

Market Price For Different Varieties Of Rice In West Bengal

WEST BENGAL	30.06.06	08.07.06
IR 36 (super)	1200	1220
Minikit Shankar	1450-1475	1475
Minikit (M- Shankar)	1525-1550	1530-1560
Doodh Kalma	1325-1350	1330-1360
Swarna (New)	1050-1080	1050-1080
Pankaj	950-1000	950-1000
Swarna parboiled	1100	1100
Govindobhog	2250-2300	2270-2300
Chawl Moni	1850-1900	1880-1900

AMRITSAR MARKET:

Market Price For Different Varieties Of Rice In Amritsar

AMRITSAR	30.06.06	08.07.06
Sharbati sella rice	1650-1700	1700
Sharbati raw rice	1650	1625-1650
Sharbati esteem	1775	1780
Basmati rice raw	2800-2850	2800-2900
Basmati Paddy	-	-
Parmal Govt. Quality	1050	1050
Parmal Wand (New)	1050-1200	1075-1200

CONCLUSION

A somewhat bullish sentiment is likely to expect for the coming week on good demand amidst poor arrivals.

PORT WATCH (As on 29th June, 2006)

'Selcon' has berthed at Kandla Port and is continuing to load 10,000 MT of rice to Dammam. Sai Shipping agents is handling the vessel. Loading of 12,500 MT of rice is expected at the port on the vessel 'Mercs Mirissa' to Dammam. The vessel was handled by Sai Shipping agents. The port is expecting 'Fedel Arab' to load 10,000 MT of rice to Jeddah. Sai Shipping agents will be handling the vessel. 'Aziza' is expected at the port to load 9,000 MT of rice to Dammam. Aditya agents will be handling the vessel.

Loading of 1,000 MT of rice is expected at Mumbai Port on the vessel 'Asha Himani'. The vessel will be handled by Mitsutor agents.

Monsoon Outlook (07.07.06)

Yesterday's feeble low over south Rajasthan become unimportant. The seasonal trough has shifted to foot hills of Himalayas. Model prediction suggest that the subdued rainfall activity is expected over peninsula except Tamilnadu, Central India and plains of northwest India. Widespread with **heavy to very heavy** rainfall activity is likely over Sub-Himalayan West Bengal, northeastern States and foot hills Indogangetic plains. The chief amount of rainfall (cm) reported at different parts of country are : Jalpaiguri-25, Cooch Behar-18, Dibrugarh-9, Porbandar-8, Mahabaleshwar & Passighat-7 each, Bhira-6, Nalia & Okha-5 each.

ALL INDIA WEATHER FORECAST BULLETIN WEATHER OUTLOOKS

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

Scattered rainfall are expected are likely over J&K H.P. and Uttaranchal. Isolated thundershower is likely over Punjab, Haryana and West U. P. during next 3-4 days.

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

Widespread rainfall with **isolated heavy to very heavy** rains are likely over Sub Himalayan West Bengal, NE States and north Bihar. Scattered to fairly widespread rainfall are expected over south Bihar, East Uttar Pradesh and Gangetic West Bengal. Isolated rainfall is expected over Orissa and Jharkhand.

CENTRAL INDIA [MP, CHHATTISGARH, VIDARBHA]

Isolated rainfall is likely over Madhya Pradesh, Vidharbha and Chattisgarh.

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

Fairly widespread rainfall is expected over Tamilnadu during next 4-5 days. Scattered rainfall is likely over Kerala and coastal Karnataka and isolated over remaining area of the region during next 4-5 days.

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

Maharashtra, Gujarat, East Rajasthan and Vidarbha are also likely to receive isolated rainfall during next 4-5 days. West Rajasthan is likely to be dry.

Source: GOI (NCMRWF & IMD)

SUMMARY PROGRESS OF KHARIF RICE

(Area Coverage) (Area in lakh hectares)

Normal Area	Area Coverage (As reported on 03.07.06)			Area Difference in Important States- This Year vs. Last Year (Absolute, %)
	This Year	Last Year	Difference	
399	39.34	39.64	-0.30	Har (-0.7, -18.8), Chhatt (+1.5, +263.6), Ori (+0.9, +11.5), Pun (-3.5, -30.5)

Source: Ministry of Agriculture, GOI

PROGRESSIVE PROCUREMENT OF RICE AS ON 26.06.06

(Lakh tonnes)

State	Total procurement in marketing season 2004-05 (Oct.- Sept.)	Progressive Procurement as on 26.06.06	
		In Marketing season 2005-06	In Marketing season 2004-05
Andhra Pradesh	39.06	43.67	36.60
Chhattisgarh	28.37	30.38	25.39
Haryana	16.62	20.49	16.62
Maharashtra	2.05	1.78	1.41
Orissa	15.90	15.21	12.24
Punjab	91.06	88.40	90.56
Tamil Nadu	6.52	8.16	6.50
Uttar Pradesh	29.71	29.98	25.75
Uttaranchal	3.16	3.31	3.07
West Bengal	9.44	13.19	7.13
All-India	246.84	265.71	228.99

Source: Ministry of Agriculture, GOI

International Asian Rice Prices Per MT FOB (Current)

THAILAND	\$/Mt	VIETNAM	\$/Mt
100%B	\$318	5% DP	\$251
5%	\$310	5%	\$251
10%	\$305	10%	\$249
15%	\$295	15%	\$240
25%	\$272	25%	\$225
35%	\$NA		
Jasmine	\$490		
PB 100% Sortexed	\$305		
A1 super	\$NA		
PAKISTAN	\$/Mt	INDIA	\$/Mt
15%	\$242	Basmati (fine grade)	\$850
20%	\$NA	PR 106 PB 5%	\$270
25%	\$240-242	PR 106 5%	\$270
		PR 106 25%	\$236

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