

## Rice

30<sup>th</sup> July- 05<sup>th</sup> August, 2006

### MAJOR ACTIVITY HIGHLIGHTS

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

### DOMESTIC AND INTERNATIONAL NEWS

#### Rice Acreage in India Up till 26<sup>th</sup> July in the Year

Total rice acreage increase in the current summer planting season beginning from 1st June as against last year and estimated to 19.2 million hectares. The last year it was 18 million hectares. However, monsoon rains in the country were 14% below normal in the period of June 1-July 26 in the year.

#### Asia Rice almost Steady, While Viet Rice Quoted Higher

The physical rice prices of different countries of Asia almost remained steady at Wednesday. However, the price quoted by Vietnam up by \$2/ton from Friday's offers due to meagre supply for export. The arrival of fresh supply in the market of Vietnam had been restricted due to heavy rains. The heavy rainfall activity forced farmers to stop harvesting of the summer-autumn crop right now. However, farmers of that country are likely to finish the harvesting in the month time. Vietnam's 5% broken rice was offered higher Wednesday at \$263- \$265/ton, FOB Ho Chi Minh City, on the other hand, 25% broken was quoted at \$242-\$245/ton. These prices were about \$2/ton higher from Friday's offers. Despite the thin movement in market the prices did not slid down because of the limited supply. Thailand also experienced thin trading activity and exported only to the regular customer such as Malaysia and Singapore. Thai 100% grade B was quoted Wednesday at \$320-\$321/ton, FOB Bangkok, and 5% broken at \$315-\$317/ton, while parboiled 100% sortexed was offered at \$315-\$316/ton. The price remained almost steady as compared to last Friday.

#### Rice: Sowing Acreage Up Till July 31st

Rice is the most important kharif crop in India. The sowing acreage of rice till July 31 increased as compared to year ago-period. The total acreage reported to 19.3 million hectares till above mention period. On the other hand, it was 18.1 million hectares in the same period of last year. The normal acreage of rice is 39.9 million hectares. The transplantation has been commenced in all the states.

#### Rice: USDA Weekly Export Sales Highlights

Rice: Net sales of 9,200 MT were 72 percent under the previous week and 45 percent below the prior 4-week

average. The buyers were Mexico (3,500 MT), Nicaragua (1,800 MT), Canada (1,500 MT), and Jordan (800 MT). Net sales of 3,100 MT for delivery in 2006/07 (which began August 1) were mainly for the United Kingdom (3,500 MT) and Mexico (1,400 MT). Decreases were reported for Nicaragua (1,800 MT). Exports of 60,800 MT were 7 percent above the previous week and the prior 4-week average. The primary destinations were Canada (12,700 MT), Nicaragua (10,300 MT), Costa Rica (8,200 MT), Mexico (7,600 MT), Saudi Arabia (7,100 MT), and Cote D'Ivoire (6,000 MT).

Source: FAS, USDA

### DOMESTIC MARKET COMMENTARY

Delhi, Punjab, Haryana and Uttaranchal because of fresh arrival of parmal varieties. The Amritsar market experienced 15,000-20,000 bags of fresh arrivals in this week. The price of different varieties of rice offered in the market like, Sharbati sella Rs. 1650-1670, Sharbati raw Rs. 1600-1620, Basmati raw Rs. 28000-2900, Parmal wand Rs. 1200 etc. The arrivals led to ease the prices of parmal varieties. However, the sharbati varieties witnessed steady to slightly bullish tone in these markets. The arrivals of sharbati varieties expected to peak in the market in the month of October. The traders have been gradually releasing their old stocks. On the other hand, West Bengal market witnessed steady to slightly bullish sentiments on good demand amidst lower arrivals due to rainy season. Govt. selling also has been regulating the market sentiments. The good demand from domestic sector is playing a favourable role and this did not come down the price further. The demand is likely to increase in the coming months due to different festivals. Steady export of rice also supported the market. The lower supply in different major market of Asia such as Vietnam, Thailand is also likely to provide underlying support to the market. Vietnam offered slightly higher rice export prices in the week, which helped India to compete in global rice market. The sowing acreage of rice till July 31 increased as compared to year ago-period. The total acreage reported to 19.3 million hectares as against 18.1 million hectares in last year till above mention period. The favourable rainfalls also help to commenced transplanting in major rice growing belts. On

the other side, the government raised the minimum support of prices of Kharif 2006-07 Common Paddy- by Rs 10/qtl at Rs 580 per qtl, The good acreage and higher rate of procurement of Govt. will regulate the rice market in near future.

#### DELHI MARKET:

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

Delhi	29.07.06	05.08.06
Basmati Old	2800-3000	2900
Basmati New	-	-
Sharbati raw	1550-1600	1550-1600
Sharbati sella	1500-1600	1575-1600
Parmal raw	950-1175	1000-1025
Wand	925-1000	1000
Parmal sella	1150-1250	1125-1150
DB Rice	2300-2350	2325

#### RUDRAPUR MARKET:

##### Market Price For Different Varieties Of Rice In Rudrapur Mandis

RUDRAPUR	29.07.06	05.08.06
Parmal paddy	-	-
Parmal raw rice	1100-1130	1125
Wand	1100-1140	1100-1150
Basmati paddy	-	-
Basmati rice	2750-2850	2750-2850
Sharbati sella	1700-1750	1700-1750
DB sella	2350-2400	2350-2400

#### KARNAL MARKET:

##### Market Price For Different Varieties of Rice In Karnal Mandis

KARNAL	29.07.06	05.08.06
Basmati rice raw	2700-2800	2800
Sharbati esteem	1650-1700	1675-1700
Sharbati sella	1650-1700	1650
Parmal raw rice	1100-1150	1100-1130
Parmal sella	1150-1175	1130-1160
DB rice sella	2300-2400	2300-2400
IR8	900-950	900-950

#### DEHRADUN MARKET:

##### Market Price For Different Varieties Of Rice In Dehradun Mandis

DEHRADUN	29.07.06	05.08.06
Basmati Raw	2600-2700	2600-2700
Sharbati	1950-2000	1950-2000
Parmal Raw	1065-1160	1065-1160
IR 8	950-980	950-980

#### WEST BENGAL MARKET:

##### Market Price For Different Varieties Of Rice In West Bengal

WEST BENGAL (Burdwan)	29.07.06	05.08.06
IR 36 (super)	1250-1300	1275-1300
Minikit Shankar	1500-1550	1530-1550
Minikit (M- Shankar)	1580-1610	1590-1620
Doodh Kalma	1350-1400	1375
Swarna (New)	950-975	950-980
Pankaj	1020-1050	1030-1060
Swarna parboiled	1170-1200	1170-1200
Govindobhog	2325-2375	2325-2375
Chawl Moni	1940-1960	1940-1960

#### AMRITSAR MARKET:

##### Market Price For Different Varieties Of Rice In Amritsar

AMRITSAR	29.07.06	05.08.06
Sharbati sella rice	1650	1650-1670
Sharbati raw rice	1600	1600-1620
Sharbati esteem	1750	1750
Basmati rice raw	2800-2900	2800-2900
Basmati Paddy	1400-1450	1400-1450
Parmal Govt. Quality	1025-1030	1000-1080
Parmal Wand (New)	1150-1200	1200-1225

#### CONCLUSION

A somewhat bearish sentiment is likely to expect for the coming week on good arrival.

#### PORT WATCH (As on 04<sup>th</sup> August, 2006)

Loading of 14,000 MT of rice is expected at the port on the vessel 'Bunglar Urmi' to Dammam. The vessel will be handled by Aditya agents. Loading of 13,500 MT of rice is expected at the port on the vessel 'Merco Mahara' to Dammam. Sai Shipping agents will be handling these vessels. 'Aziza' is expected at the port to load 9,000 MT of rice to Dammam. Aditya agents will be handling the vessel. The port is expecting 'Fu Ping Shan' to load 23,500 MT of rice to Nigeria. Interocean agents will be handling the

vessel. Loading of 7,500 MT of rice is expected at the port on the vessel 'Golden Aries' to Russia. JM Baxi agents will be handling the vessel. 'Persepolis' is expected at the port to load 15,000 MT of rice to Jeddah. Aditya agents will be handling the vessel. Loading of 6,500 MT of rice is expected at the port to Mombasa on the vessel 'Emerald Sea'. Sai Shipping agents will be handling the vessel.

#### Monsoon Outlook (04.08.06)

Yesterday's deep depression near Gopalpur moved westward and now lies near Jagdalpur. The system is likely to move in west-northwest direction and weaken. Under its influence, wide spread with heavy to very heavy falls at a few places and extremely heavy falls (more than 25 cm) likely over north Coastal Andhra Pradesh, Telangana, Chhattisgarh, east M.P. and idarbha during next 24 hours. with squally winds speed reaching 50 KMPH. The enhanced rainfall activity is likely to shift westwards subsequently across Madhya Pradesh, north interior Karnataka and Maharashtra. Rainfall activities over West Coast of India, particularly Konkan & Goa is also likely to enhance during next 3-4 days. The axis of monsoon trough runs in near normal position. A western disturbance lies over J&K It is likely to move slowly in eastward direction across J&K, H.P. , parts of Punjab and Uttranchal during

#### SUMMARY PROGRESS OF KHARIF RICE

(Area Coverage) (Area in lakh hectares)

Normal Area	Area Coverage (As reported on 31.07.06)			Area Difference in Important States- This Year vs. Last Year (Absolute, %)
	This Year	Last Year	Difference	
399	192.64	180.72	+11.92	AP (-3.0, -62.0), Bih (+4.2, +31.8), Chhatt (+0.9, +3.4), Guj (+1.7, +99.4), MP (+1.7, 28.2), Ori (+1.8, +9.5), TN (+0.9, +69.3), UP (+4.2, +14.7), WB (-1.0, -7.4)

Source: Ministry of Agriculture, GOI

#### PROGRESSIVE PROCUREMENT OF RICE AS ON 31.07.06

(Lakh tonnes)

State	Total procurement in marketing season 2004-05 (Oct.- Sept.)	Progressive Procurement as on 31.07.06	
		In Marketing season 2005-06	In Marketing season 2004-05
Andhra Pradesh	39.06	46.69	37.76
Chhattisgarh	28.37	31.38	26.07
Haryana	16.62	20.49	16.62
Maharashtra	2.05	1.87	1.57
Orissa	15.90	16.38	13.42
Punjab	91.06	88.48	90.56
Tamil Nadu	6.52	8.45	6.52
Uttar Pradesh	29.71	31.51	29.71
Uttaranchal	3.16	3.37	3.16
West Bengal	9.44	14.14	7.77
All-India	246.84	274.15	237.17

Source: Ministry of Agriculture, GOI

next 3 days causing scattered to fairly widespread rains over the regions.

#### Outlook for the week ending on 2nd August, 2006

Enhanced rainfall activity likely to continue over Konkan & Goa, Madhya Maharashtra and Gujarat Region and may extend into Saurashtra & Kutch and south Rajasthan.

Source: GOI (IMD)

#### FOREX (As on 28<sup>th</sup> JULY, 2006):

Foreign Currency	Rs. per unit
1 US \$	46.54
1 Euro	59.55
100 Yen	40.43
1 British £	87.76

### International Asian Rice Prices Per MT FOB (Current)

THAILAND	\$/Mt	VIETNAM	\$/Mt
100%B	\$320	5% DP	\$265
5%	\$315	5%	\$260
10%	\$310	10%	\$255
15%	\$300	15%	\$250
25%	\$277	25%	\$245
35%	\$NA		
Jasmine	\$495		
PB 100% Sortexed	\$315		
A1 super	\$NA		
PAKISTAN	\$/Mt	INDIA	\$/Mt
15%	\$255	Basmati (fine grade)	\$850
20%	\$NA	PR 106 PB 5%	\$270
25%	\$248	PR 106 5%	\$270
		PR 106 25%	\$228

#### Disclaimer

The information and opinions contained in the document have been compiled from sources believed to be reliable. The company does not warrant its accuracy, completeness and correctness. Use of data and information contained in this report is at your own risk. This document is not, and should not be construed as, an offer to sell or solicitation to buy any commodities. This document may not be reproduced, distributed or published, in whole or in part, by any recipient hereof for any purpose without prior permission from the Company. IASL and its affiliates and/or their officers, directors and employees may have positions in any commodities mentioned in this document (or in any related investment) and may from time to time add to or dispose of any such commodities (or investment). Please see the detailed disclaimer at <http://www.agriwatch.com/Disclaimer.asp>  
 © 2005 Indian Agribusiness Systems Pvt Ltd.