

Rice

05th July- 12th August, 2006

MAJOR ACTIVITY HIGHLIGHTS

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DOMESTIC AND INTERNATIONAL NEWS

Punjab Govt. Demanding Higher MSP for Rice

The Marginal Support Price for common paddy reportedly fixed at Rs.580 a quintal whereas, for grade 'A' it was fixed at Rs.610 a quintal. However, Punjab Govt. demanded of the MSP of Rs.712 per quintal. According to the experts the higher MSP would help the farmers who are in distress situation. The higher MSP also hinder the private traders to regulate the market in near future.

NCDEX to launch basmati rice contracts

National Commodity and Derivatives Exchange (NCDEX) likely to launch Indian traditional basmati rice and Indian pusa basmati rice contracts. The delivery lot is 10 MT. Delhi would be the delivery centre for both the variety of rice. Price quote would be Rs./100 kg. The position limits for both the contracts have been kept as 20,000 MT or 20% of market-wide open position, whichever is higher, for members.

India: Rice Acreage 22.6 MH Till Aug. 7th

Rice acreage of India is increased and estimated to 22.6 million hectares till Aug. 7th, compared to 22 million planted in the previous year. Rice is the most important kharif crop in India. The normal acreage of rice is 39.9 million hectares. The transplantation has been commenced in all the states. The suitable rainfall had favoured the acreage.

Rice Production of China is Likely to Up 3 %

Rice production of China is likely to up 3 % to 186 million MT this year from the volumes last seen in the 1990s. The farmers in central and southern China planted more early rice and this led to increase in the acreage to 1.3 percent this year from last year. Rice production in China is more than 186 million MT every year between 1995 and 2000. However, reached a record production of 206 million tonne in 1997.

Rice: USDA Weekly Export Sales Highlights

Rice: Net sales for the 2006/07 marketing year, which began August 1, were 66,000 MT. The major buyers were

Honduras (20,800 MT), Canada (12,800 MT), and Mexico (9,600 MT). A total of 320,200 MT were outstanding on July 31 (the end of the 2005/06 marketing year) and were carried over to 2006/07. Exports of 87,800 MT for July 28-31 were primarily to Iraq (30,000 MT), Panama (27,400 MT), Mexico (8,300 MT), and the United Kingdom (7,300 MT). Accumulated exports of 3,789,200 MT were 1 percent above the 3,737,500 MT exported during the previous year. Exports of 3,200 MT for August 1-3 were mainly to Jordan (800 MT), France (800 MT), Canada (500 MT), and Mexico (400 MT).

Source: FAS, USDA

DOMESTIC MARKET COMMENTARY

Rice prices seemed to turn towards weakness in different spot market of Delhi, Punjab, Haryana and Uttaranchal on increase arrivals amidst steady demand. The major rice market in North India enjoyed further fresh arrivals of Parmal and Sharbati varieties in this week. This led to eased the prices of different rice varieties. The price of different varieties of rice offered in the Amritsar market like, Sharbati sella Rs. 1650, Sharbati raw Rs. 1610, Basmati raw Rs. 2800-2900, Parmal wand Rs. 1100-1150 etc. The arrivals of sharbati varieties expected to peak in the market in the month of October. However, the price remained firm in West Bengal market on increase demand amidst lower arrivals due to rainy season. Govt. selling also has been regulating the market sentiments. The export demand remained steady on lower stock of different major markets of Asia. On the other hand, India offered competitive export prices. The domestic demand is likely to increase in the coming months due to different festivals. The rice production is expected to increase in the current year on higher acreage and conducive rainfall so far. The sowing acreage of rice is increased and estimated to 22.6 million hectares till Aug. 7th, as compared to 22 million planted in the previous year. The favourable rainfalls also help to commenced transplanting in major rice growing belts. However, higher production is not likely to slid down the prices heavily in near future as Govt. supposed to increase minimum support prices of Kharif rice. The government raised the minimum support prices of Kharif 2006-07 Common Paddy at Rs 580 per qtl, and for grade 'A' it was fixed at Rs.610 a quintal. However, the Punjab Govt. has

been demanding of increase the MSP of Rs.712 per quintal. It is expected that GOI would increase the MSP further to safeguard the farmers' livelihood. The higher MSP also hinder the private traders to regulate the market in near future. The total production and procurement policy 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	05.08.06	12.08.06
Basmati Old	2900	2900
Basmati New	-	
Sharbati raw	1550-1600	1550-1600
Sharbati sella	1575-1600	
Parmal raw	1000-1025	980--1000
Wand	1100	1080-1100
Parmal sella	1125-1150	1100-1150
DB Rice	2325	2200-2300

RUDRAPUR MARKET:

Market Price For Different Varieties Of Rice In Rudrapur Mandis

RUDRAPUR	05.08.06	12.08.06
Parmal paddy	-	
Parmal raw rice	1125	1100
Wand	1100-1150	1050-1100
Basmati paddy	-	-
Basmati rice	2750-2850	2750-2850
Sharbati sella	1700-1750	1700-1725
DB sella	2350-2400	2350-2400

KARNAL MARKET:

Market Price For Different Varieties of Rice In Karnal Mandis

KARNAL	05.08.06	12.08.06
Basmati rice raw	2800	2800
Sharbati esteem	1675-1700	1675-1725
Sharbati sella	1650	1650
Parmal raw rice	1100-1130	1100-1130
Parmal sella	1130-1160	1100-1125
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	05.08.06	12.08.06
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)	05.08.06	12.08.06
IR 36 (super)	1200	1250
Minikit Shankar	1430-1450	1400-1450
Minikit (M- Shankar)	1590-1620	1590-1620
Doodh Kalma	1375	1500-1600
Swarna (New)	950-980	980-1000
Pankaj	1030-1060	1030-1060
Swarna parboiled	1170-1200	1170-1200
Govindobhog	2325-2375	2400
Chawl Moni	1840-1860	1900

AMRITSAR MARKET:

Market Price For Different Varieties Of Rice In Amritsar

AMRITSAR	05.08.06	12.08.06
Sharbati paddy	-	650
Sharbati sella rice	1650-1670	1650
Sharbati raw rice	1600-1620	1610
Sharbati esteem	1750	1700-1750
Basmati rice raw	2800-2900	2800-2900
Basmati Paddy	1400-1450	1400-1450
Parmal Govt. Quality	1000-1080	975
Parmal Wand (New)	1200-1225	1100-1150

CONCLUSION

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

PORT WATCH (As on 11th August, 2006)

Kandla Port is loading 16,000 MT of rice to Nigeria on the vessel 'Pontica'. Aditya agents is handling the vessel. Loading of 23,500 MT of rice is continuing at Kandla Port on the vessel 'Fu Ping Shan' to Nigeria. The vessel is being handled by Interoccean agents. 'Aziza' has been loaded 9,000 MT of rice to Dammam from Kandla Port. Aditya agents handled the vessel. 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. 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 (11.08.06)

Morning's low pressure area over north Bay of Bengal off north Orissa-West Bengal coast persists and is now well marked. The system may concentrate into a depression. Widespread rainfall with heavy to very falls is likely at a few places over Orissa, Gangetic West Bengal and north coastal Andhra Pradesh during next 2-3 days.

The well marked low pressure area over southwest Madhya Pradesh and neighbourhood persists. Widespread rainfall with heavy to very heavy falls at a few places is likely over Gujarat region, southeast Rajasthan and southwest Madhya Pradesh and isolated heavy to very heavy falls likely over Saurashtra & Kutch and Konkan & Goa during

next 48 hours. Subsequently rainfall activity is likely to decrease gradually over Gujarat region, southeast Rajasthan and southwest Madhya Pradesh and increase over Saurashtra & Kutch, Konkan & Goa (including Mumbai) from 13th.

Source: GOI (IMD)

FOREX (As on 12th August, 2006):

Foreign Currency	Rs. per unit
1 US \$	46.52
1 Euro	59.34
100 Yen	40.19
1 British £	87.97

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

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

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