

Rice

October 22nd-28th, 2006

MAJOR ACTIVITY HIGHLIGHTS

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

DOMESTIC AND INTERNATIONAL NEWS

Paddy Harvesting May Hamper on High Moisture in Punjab and Haryana

Some recent rainfalls in Punjab and Haryana likely to obstruct the paddy harvesting. In the rain hit area there might be some delay in harvesting. The high moisture condition is not suitable for crop at this stage. The paddy procurement would be hamper somewhat as there is a strict parameter of paddy crop standard. However, about 75 per cent of paddy has already been harvested and only a few late-sown varieties remain to be harvested.

Paddy Arrivals is Up in Punjab Mandis

The paddy arrival is increasing in Punjab mandis. More than 93.73 lakh metric tonnes (LMT) of paddy has already arrived in different markets of Punjab so far in the current season as compared to 86.14 lakh metric tonnes during the corresponding period last year. The Sangrur district of the state procured maximum paddy at 13.15 LMT followed by Ferozepur district with 10.95 LMT so far.

Haryana Govt. Purchased 16.09 LMT Paddy So Far

The Haryana Govt. has purchased about 16.09 Lakh Metric Tonnes of paddy so far during the current kharif marketing season through six government agencies. The agencies are Hafed, Food and supplies department, Haryana Agro Industries Corporation, FCI and Confed. The total procurement of paddy in the last year during the entire kharif season was about 23.56 Lakh metric tonnes.

Rice: USDA Weekly Export Sales Highlights

Rice: Net sales of 51,800 MT were 78 percent above the previous week and 91 percent over the prior 4-week average. Increases were reported for Mexico (27,100 MT), Canada (8,000 MT), Haiti (7,300 MT), and El Salvador (4,000 MT). Exports of 61,800 MT were nearly two and one-half times the previous week, but 2 percent under the prior 4-week average. The primary destinations were Mexico (36,500 MT), Canada (7,300 MT), Haiti (7,300 MT), and Honduras (5,100 MT).

Source: FAS, USDA

DOMESTIC MARKET COMMENTARY

The rice sentiment is steady to slightly down somewhat on increasing fresh arrivals. The on going harvesting of crops mainly influencing the sentiments. The paddy arrival is reportedly increasing in different states. More than 93.73 lakh metric tonnes (LMT) of paddy has already arrived in different markets of Punjab so far in the current season as compared to 86.14 lakh metric tonnes during the corresponding period last year. However, the smooth procurement at some higher prices in this marketing session is supported the sentiments and doesn't allow to dip the prices much lower sides. The total procurement of rice in the current marketing session is 45 lakh tonnes as on October 16, 2006. This amount is 12 lakh tonnes more as against the procurement in the corresponding period of last year. The higher procurement also have increased the Govt. stocks to 5.96 million tons from 4.84 million tons Oct. 1 of last year. Procurement has already commenced in states like Punjab, Haryana, Andhra Pradesh and Uttar Pradesh while it is scheduled to start on November 1, 2006 in Chhattisgarh, Bihar and West Bengal. The Haryana Govt. has purchased about 16.09 Lakh Metric Tonnes of paddy so far during the current kharif marketing season through six government agencies. Chhattisgarh government is set to break records in procurement by purchasing as high as 40 lakh tonnes of paddy worth over Rs 3000 crore from the farmers this year. The good procurement activities in different states restricted the activities of private stockiest. The sentiments of different rice varieties eased on fresh arrivals. In Amritsar mandis the rice prices offered like Sharbati sells at Rs. 1530-1580, Sharbati raw at Rs.1550, Sharbati esteem Rs. 1650-1680, parmal wand 1150. Asian rice export prices remained steady. Buyers have been waiting for new rice crop to arrive in November. Moreover, Global buyers have been looking for Thai Govt. paddy intervention programme to take further decision. In Vietnam, prices were steady from earlier in the week amid thin domestic supply.

DELHI MARKET:

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

DELHI	20.10.06	28.10.06
Basmati Old	2800-2900	2800-2900
Sharbati raw	1600-1630	1600-1650
Sharbati sella	1620-1640	1620-1640
Parmal raw	1060-1085	1060-1080
Wand	1195-1265	1180-1250
Parmal sella	1200-1265	1185-1250
DB Rice	2200-2400	2200-2400

RUDRAPUR MARKET:

Market Price For Different Varieties Of Rice In Rudrapur Mandis

RUDRAPUR	20.10.06	28.10.06
Parmal paddy		
Parmal raw rice	960-980	960-980
Wand	1040-1080	1040-1080
Basmati paddy	-	-
Basmati rice	2700-2750	2700-2750
Sharbati sella	1560-1600	1560-1600
DB sella	2250	2250

KARNAL MARKET:

Market Price For Different Varieties of Rice In Karnal Mandis

KARNAL	20.10.06	28.10.06
Basmati rice raw	2750-2800	2750-2800
Sharbati esteem	1630-1700	1630-1700
Sharbati sella	1640-1650	1640-1650
Parmal raw rice	1020-1050	1020-1050
Parmal sella	1140-1190	1140-1190
DB rice sella	2200-2350	2200-2350
IR8	950-980	950-980

DEHRADUN MARKET:

Market Price For Different Varieties Of Rice In Dehradun Mandis

DEHRADUN	20.10..06	28.10..06
Basmati Raw	2500-2600	2500-2600
Sharbati New	1525-1575	1525-1575
Parmal Raw	1100-1200	1100-1200
IR 8	985-1000	985-1000

WEST BENGAL MARKET:

Market Price For Different Varieties Of Rice In West Bengal

WEST BENGAL (Burdwan)	20.10.06	28.10.06
IR 36 (super)	1250-1290	1250-1300
Minikit Shankar	1450-1470	1550
Minikit (M- Shankar)	1600-1630	1640
Doodh Kalma	1575-1600	1300-14000
Swarna (New)	980-1000	1100
Pankaj	1030-1060	1050
Swarna parboiled	1170-1200	1200
Govindobhog	2400	2500
Chawl Moni	1900-1920	1950

AMRITSAR MARKET:

Market Price For Different Varieties Of Rice In Amritsar

AMRITSAR	20.10.06	28.10.06
Sharbati sella rice	1550	1530-1580
Sharbati raw rice	1540-1550	1550
Sharbati esteem	1630-1650	1650-1680
Basmati rice raw	3100	3100
Basmati Paddy	-	-
Parmal Govt. Quality	975	975
Parmal Wand (New)	1150	1150

Price Drivers:

- ✍ Fresh arrivals at some market
- ✍ Govt. announced higher MSP for rice
- ✍ Hike in MSP to lose the competitive edge of white rice in Global market.
- ✍ Procurement has started
- ✍ Steady domestic demand
- ✍ Increased Global demand amidst lower stocks.

Outlook:

- ✍ **Short Term (1 week):** Steady to ease on increasing arrivals amidst slightly improved demand
- ✍ **Medium Term (1 Month):** Eased on increased arrivals from Punjab, Haryana and West Bengal of summer crop. However, high global demand will act as support at some lower levels.
- ✍ **Long Term (3 Month):** Firm on the anticipation of global demand.

PORT WATCH (As on 19th October, 2006)

Loading of 13500 MT rice is continuing on vessel Mercs Mahara. Sai shipping agent is handling this vessel. Loading of rice is continuing on vessel 'Ashma' at Mumbai port. Razvi shipping agent is handling this vessel.

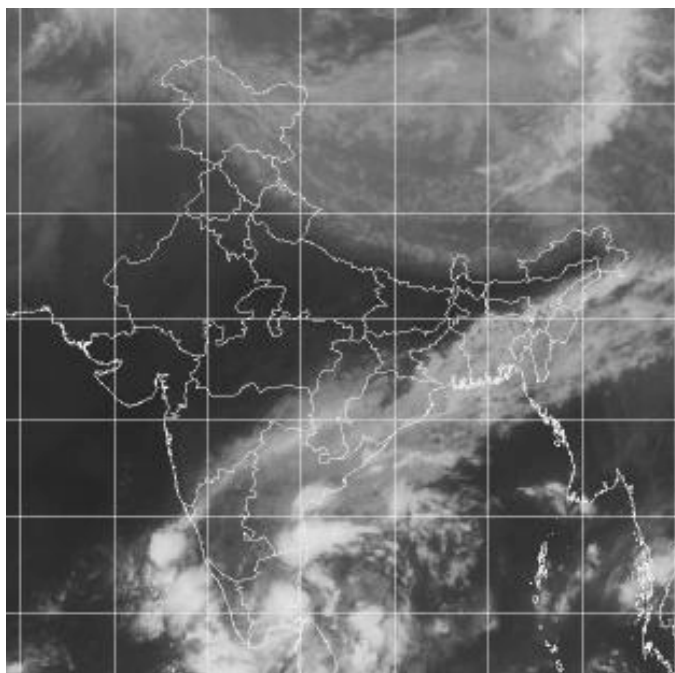
Monsoon Outlook (28.10.06)

- A low pressure area has formed over southwest Bay off Tamil Nadu coast. The cyclonic circulation over southeast Arabian Sea off Kerala and Karnataka coasts persists. Under their influence fairly widespread rainfall is likely over south peninsula during next 3-4 days.

Outlook for subsequent two days (Based on numerical weather products):

- The ongoing rainfall activity over south Peninsula is likely to continue.

Source: GOI (IMD)



Source: IMD (28.10.06)

FOREX (As on 28^h October, 2006):

Foreign Currency	Rs. per unit
1 US \$	45.22
1 Euro	57.34
100 Yen	38.18
1 British £	85.49

SUMMARY PROGRESS OF KHARIF RICE

(Area Coverage) (Area in lakh hectares)

Normal Area	Area Coverage (As reported on 20.10.06)			Area Difference in Important States- This Year vs. Last Year (Absolute, %)
	This Year	Last Year	Difference	
382	370.59	373.26	-2.67	AP (-0.9, -3.5), Ass (-2.2, -10.3), Bih (+0.5, +1.7), Har (-0.3, -3.2), Jhar (+2.5, +18.6), Pun (-0.7, -2.7), TN (+0.8, +10.7), UP (+0.6, +1.0), WB (-3.0, -6.8)

Source: Ministry of Agriculture, GOI

PROGRESSIVE PROCUREMENT OF RICE AS ON 20.10.06

(Lakh tonnes)

State	Total procurement in marketing season 2005-06 (Oct.- Sept.)	Progressive Procurement as on 20.10.06	
		In Marketing season 2006-2007	In Marketing season 2005-2006
Andhra Pradesh	49.45	0.07	0.01
Chhattisgarh	32.36	-	-
Haryana	20.49	10.26	7.80
Maharashtra	1.94	-	-
Orissa	17.81	-	-
Kerala	0.95	0.16	-
Punjab	88.52	46.36	37.47
Tamil Nadu	9.25	0.80	-
Uttar Pradesh	31.51	0.02	-
Uttaranchal	3.37	-	-
West Bengal	16.94	-	-

Source: Ministry of Agriculture, GOI

International Asian Rice Prices Per MT FOB (27.10.06)

THAILAND	\$/Mt	VIETNAM	\$/Mt
100%B	\$307	5% DP	\$285
5%	-	5%	-
10%	-	10%	-
15%	\$283	15%	\$275
25%	\$268	25%	\$260
35%	-		
Jasmine	-		
PB 100% Sortexed	-		
A1 super	-		
PAKISTAN	\$/Mt	INDIA	\$/Mt
15%	-	Basmati (fine grade)	-
20%	-	PR 106 PB 5%	-
25%	\$240	PR 106 5%	-
		PR 106 25%	\$225

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