

Rice

October 09th-14th, 2006

MAJOR ACTIVITY HIGHLIGHTS

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

DOMESTIC AND INTERNATIONAL NEWS

Punjab Enjoyed Fresh Arrivals of Paddy

The paddy arrival is increasing in different major markets of Punjab. A total of 40.72 lakh metric tonnes (MT) of Paddy has arrived so far in Punjab mandis. Pungrain has procured 7,34,607 tonnes of paddy, Markfed has procured 6,82,089 tonnes, Punsup 8,50,108, 4,15,775 tonnes by PSWC, 4,43,096 tonnes PAIC, 1,59,835 tonnes by FCI and 7,86,661 MT by various millers in state. Ferozepur is highest in procurement with 8,76,441 tonnes of paddy till now whereas, Nagar Mohali was the lowest with 13,587 tonnes.

Vietnam to export a record 1 MMT of rice

Vietnam is likely to export a record amount of 1 million MT of rice in the fourth quarter in the year. The amount is much higher as compared to years earlier periods of around 700,000-800,000 MT. The country exported about 4.1 million MT of rice in January-to-September.

Rice: USDA Weekly Export Sales Highlights

Rice: Net sales of 11,100 MT--marketing year low--were 78 percent below the previous week and 71 percent under the prior 4-week average. Major increases for Mexico (23,800 MT), Canada (1,700 MT), and Jordan (1,100 MT) were partially offset by decreases for Germany (6,900 MT), Belgium (5,400 MT), and the United Kingdom (4,200 MT). Exports of 84,200 MT were three and two-fifths times the previous week and 68 percent over the prior 4-week average. The primary destinations were Iraq (28,300 MT), Haiti (18,300 MT), Mexico (8,400 MT), Guatemala (8,000 MT), Canada (7,700 MT), and Ghana (5,400 MT).

Source: FAS, USDA

DOMESTIC MARKET COMMENTARY

The different varieties of rice offered flat to some firm prices as compared to last week. Basmati rice remained flat on adequate stocks position whereas, non-basmati rice showed some strength on stockists buying activities. Non-basmati parmal wand and sella offered up by Rs. 15 each at Rs 1195-1265 and Rs 1200-1265 a quintal respectively at Delhi market. Despite the fresh arrivals, the good demand in domestic market as well as higher procurement prices doesn't allow the rice prices to slid down. The arrival of the paddy in the mandis of Haryana, Punjab, Orissa, Kerala is picking up gradually and over 1.20 lakh metric tonnes of paddy has arrived in the Haryana mandis and 40.72 lakh metric tonnes (MT) of Paddy has arrived in Punjab mandis so far. The rising global demand is also underpinning the spot market tone. Export demand is likely to increase in the coming days as demand from China, Africa and Indonesia are rising due to higher consumption rate. Asian rice prices increased 10 per cent in this year as against corresponding period of the last year on lower carry forward stock amidst increasing demand in Global market. Despite the lower acreage of sowing the kharif rice production in India is expected to increase by 2.7 percent in the current season and likely to 76 million MT from the last year's estimation of 74 MT.

DELHI MARKET:

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

DELHI	09.10.06	14.10.06
Basmati Old	2800-2900	2800-2900
Sharbati raw	1600-1630	1600-1630
Sharbati sella	1620-1640	1620-1640
Parma raw	1050-1070	1060-1085
Wand	1180-1250	1195-1265
Parma sella	1185-1250	1200-1265
DB Rice	2200-2400	2200-2400

RUDRAPUR MARKET:**Market Price For Different Varieties Of Rice In Rudrapur Mandis**

RUDRAPUR	09.10.06	14.10.06
Parmal paddy	-	
Parmal raw rice	960-980	980-1000
Wand	1040-1080	1060-1080
Basmati paddy	-	-
Basmati rice	2700-2750	2700-2750
Sharbati sella	1600	1600
DB sella	2250	2250

KARNAL MARKET:**Market Price For Different Varieties of Rice In Karnal Mandis**

KARNAL	09.10.06	14.10.06
Basmati rice raw	2750-2800	2750-2800
Sharbati esteem	1630-1700	1630-1720
Sharbati sella	1640-1680	1660-1680
Parmal raw rice	1020-1050	1040-1060
Parmal sella	1140-1190	1150-1190
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	09.10.06	14.10..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)	09.10.06	14.10.06
IR 36 (super)	1250-1290	1250-1290
Minikit Shankar	1450-1470	1450-1470
Minikit (M- Shankar)	1600-1630	1600-1630
Doodh Kalma	1575-1600	1575-1600
Swarna (New)	980-1000	980-1000
Pankaj	1030-1060	1030-1060
Swarna parboiled	1170-1200	1170-1200

Govindobhog	2400	2400
Chawl Moni	1900-1920	1900-1920

AMRITSAR MARKET:**Market Price For Different Varieties Of Rice In Amritsar**

AMRITSAR	09.10.06	14.10.06
Sharbati sella rice	1530-1550	1550
Sharbati raw rice	1530-1550	1540-1550
Sharbati esteem	1600-1630	1630-1650
Basmati rice raw	3100	3100
Basmati Paddy	-	
Parmal Govt. Quality	975	975
Parmal Wand (New)	1140-1150	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 in Punjab, Haryana and Kerala
- ✍ Increased domestic demand due to festival season
- ✍ 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 13th October, 2006)

'Asha Himani' has berthed at Mumbai Port and continues to deliver 8,000 MT of rice. The port is loading 7,200 MT of rice on the vessel 'Stella M'. Shaan Marine agents will be handling these vessels.

Loading of 12,500 MT of rice is expected at Kandla Port on the vessel 'Man Pung' to Africa. Interocean agents will be handling the vessel. 'Aziza' is expected at Kandla Port to load 14,000 MT of rice to Dammam. The vessel will be handled by Aditya agents.

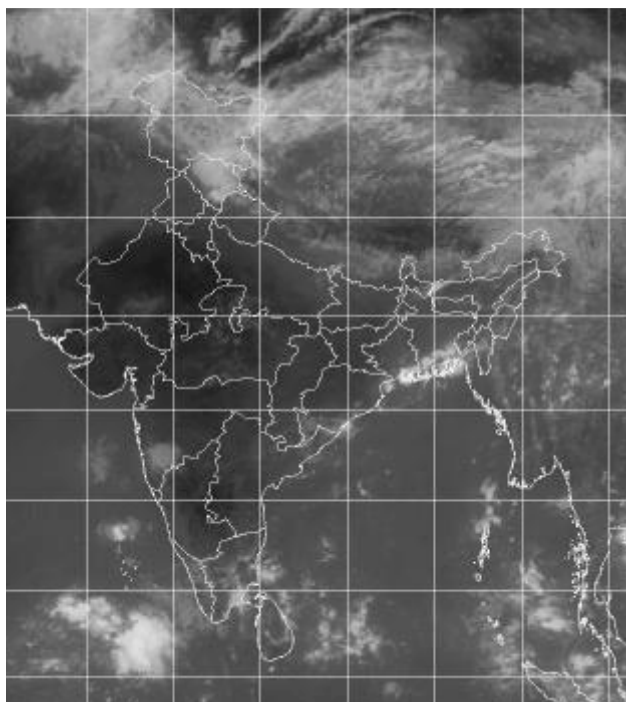
Monsoon Outlook (14.10.06)

- The western disturbance as an upper air system is likely to cause scattered rainfall activity over Western Himalayan region during next 48 hours.
- Under the influence of an east-west shear zone extreme south peninsula is likely to experience scattered rainfall activity during next 2-3 days.

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

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

Source: GOI (IMD)



Source: IMD (14.10.06)

FOREX (As on 14th October, 2006):

Foreign Currency	Rs. per unit
1 US \$	45.49
1 Euro	57.15
100 Yen	38.11
1 British £	54.64

SUMMARY PROGRESS OF KHARIF RICE

(Area Coverage) (Area in lakh hectares)

Normal Area	Area Coverage (As reported on 03.10.06)			Area Difference in Important States- This Year vs. Last Year (Absolute, %)
	This Year	Last Year	Difference	
382	361.00	362.94	-1.92	AP (-0.8, -3.6), Ass (-2.0, -9.5), Blh (+0.5, +1.7), Har (-0.5, -4.9), Jhar (+2.8, +21.2), Ori (+0.4, +1.0), Pun (-0.7, -2.7), TN (+1.2, +36.0), UP (+0.6, +1.0), WB (-3.0, -6.8)

Source: Ministry of Agriculture, GOI

PROGRESSIVE PROCUREMENT OF RICE AS ON 03.10.06

(Lakh tonnes)

State	Total procurement in marketing season 2005-06 (Oct.- Sept.)	Progressive Procurement as on 03.10.06	
		In Marketing season 2006-2007	In Marketing season 2005-2006
Andhra Pradesh	49.45	-	-
Chhattisgarh	32.36	-	-
Haryana	20.49	2.91	0.17
Maharashtra	1.94	-	-
Orissa	17.81	-	-
Punjab	88.52	9.47	3.93
Tamil Nadu	9.25	-	-
Uttar Pradesh	31.51	-	-
Uttaranchal	3.37	-	-
West Bengal	16.94	-	-
All-India	280.10	12.38	4.10

Source: Ministry of Agriculture, GOI

International Asian Rice Prices Per MT FOB (12.10.06)

THAILAND	\$/Mt	VIETNAM	\$/Mt
100%B	\$305	5% DP	\$274
5%	-	5%	-
10%	-	10%	-
15%	\$285	15%	\$265
25%	\$270	25%	\$250
35%	-		
Jasmine	-		
PB 100% Sortexed	-		
A1 super	-		
PAKISTAN	\$/Mt	INDIA	\$/Mt
15%	-	Basmati (fine grade)	-
20%	-	PR 106 PB 5%	-
25%	\$230	PR 106 5%	-
		PR 106 25%	\$235

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