

## Rice

November 13<sup>th</sup> -18<sup>th</sup> '2006

### MAJOR ACTIVITY HIGHLIGHTS

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

### DOMESTIC AND INTERNATIONAL NEWS

#### Basmati Rice Prices is Likely to Travel the Sky in Near Future

Basmati rice price is likely to jump skywards in near futures on sharply decreasing acreage in north belts. According to the latest satellite mapping report on basmati acreage, sponsored by Apeda's Basmati Development Fund the acreage of Pusa varieties reduced drastically and seems to no longer farmers favourite choice. In Punjab area under evolved basmati is down almost 45% comparing to last year. In Haryana, the area under the same variety is down 29%. In UP it is decreased by 25% while in Uttaranchal, it is down by almost 29%. On the other hand, traditional basmati rice variety has increased to 9% in Punjab and Haryana. However, traditional basmati acreage has decreased 41% in UP and 8% in Uttaranchal. The firm sentiments of other varieties of rice in the domestic market are also supported the tight sentiments of basmati rice.

(Source: The Economic Times)

#### Pakistan is expecting Bumper Rice Crop

Pakistan is likely to harvest bumper rice crops in the crop year of 2006-07. According to the Daily Times, the rice production is expected to 5.6 million tons as compared to 5.4 million tons during last year. The acreage has improved significantly this time due to the assured water availability. The bumper crop outlook leads to increase the total rice export. The annual domestic consumption of rice in Pakistan is about 2.3 million tons.

#### Thailand and Vietnam signed a MoU on Rice

Thailand and Vietnam, the major rice exporters reportedly signed a MoU on sharing the information about rice and daily price levels to avoid the price-cutting practices often used by rice dealers of both the countries. This MoU will help them to ruling the global export market. Presently, both the countries have captured over 50 per cent of the global rice export.

#### Rice: USDA Weekly Export Sales Highlights

**Rice:** Rice: Net sales of 43,200 MT were 78 percent below the previous week and 52 percent under the prior 4-week average. Increases reported for Mexico (48,500 MT), Haiti (6,900 MT), Honduras (6,700 MT), Canada (4,000 MT), and Jamaica (3,600 MT) were partially offset by

decreases for Japan (13,000 MT) and Iraq (5,900 MT). Exports of 52,300 MT were 1 percent above the previous week and 12 percent over the prior 4-week average. The primary destinations were Mexico (22,600 MT), Haiti (12,300 MT), Canada (8,400), and Ghana (5,300 MT).

Source: FAS, USDA

### DOMESTIC MARKET COMMENTARY

A tight sentiment is mostly prevailed in majority of rice market in the country. The rice procurement programme of Govt. at some higher prices in allover India supported the sentiments. The Govt. stock has increased to 12.51 million tons as on Nov. 1 from 10.33 million tons of same period of last year. The government has set a target to purchase 27 million tons of locally produced rice from farmers in the current marketing year. Rice production is likely to increase this year to 76 million tones as against last year's 74 million tones. However, significantly lower acreage of basmati rice has seen in major production belts and this leads to increase the price level of the same in near future. Moreover, the firm sentiment of non-basmati rice is also likely to push up the basmati prices. In Amritswar mandi the different varieties of rice remained tight as, Basmati at Rs. 3000-3100, Sharbati sela at 1675-1700, Sharbati raw at Rs. 1625-1650, Sharbati steam at Rs. 1680-1700, PR 106 raw at Rs. 1150. Asian physical rice prices remain mostly steady. The Pakistan's rice production is expected to higher this year at 5.6 million tons as compared to 5.4 million tons during last year. White rice export has slowed down from India due to lower price quotation from Pakistan. However, India is dominating parboiled rice export. The lower prices as well as freight ground helped India to smooth its parboiled rice export and compete successfully with main challenger Thailand.

**DELHI MARKET:**

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

DELHI	13.11.06	18.11.06
Basmati Old	2800-2900	2900
Sharbati raw	1600-1650	1600-1650
Sharbati sella	1620-1640	1620-1650
Parmal raw	1060-1085	1060-1085
Wand	1180-1250	1180-1250
Parmal sella	1185-1250	1185-1250
DB Rice	2200-2400	2200-2400

**RUDRAPUR MARKET:**

Market Price For Different Varieties Of Rice In Rudrapur Mandis

RUDRAPUR	13.11.06	18.11.06
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	13.11.06	18.11.06
Basmati rice raw	2700-2750	2800-2900
Sharbati esteem	1650-1690	1650-1690
Sharbati sella	1600-1625`	1600-1625`
Parmal raw rice	1020-1050	1020-1050
Parmal sella	1140-1190	1140-1190
DB rice sella	2200-2350	2200-2350
IR8	920-950	920-970

**DEHRADUN MARKET:**

Market Price For Different Varieties Of Rice In Dehradun Mandis

DEHRADUN	13.11..06	18.11..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)	13.11.06	18.11.06
IR 36 (super)	1250-1300	1250-1275
Minikit Shankar	1550	1550-1570
Minikit (M- Shankar)	1640	1650
Doodh Kalma	1300-1400	1350-1400
Swarna (New)	1100	1100
Pankaj	1050	1070
Swarna parboiled	1200	1200
Govindobhog	2500	2500
Chawl Moni	1950	1950-1970

**AMRITSAR MARKET:**

Market Price For Different Varieties Of Rice In Amritsar

AMRITSAR	13.11.06	18.11.06
Sharbati sella rice	1650-1700	1675-1700
Sharbati raw rice	1600-1650	1625-1650
Sharbati steam	1700	1680-1700
Basmati rice raw	3000-3100	3000-3100
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 firm on increasing arrivals amidst 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.

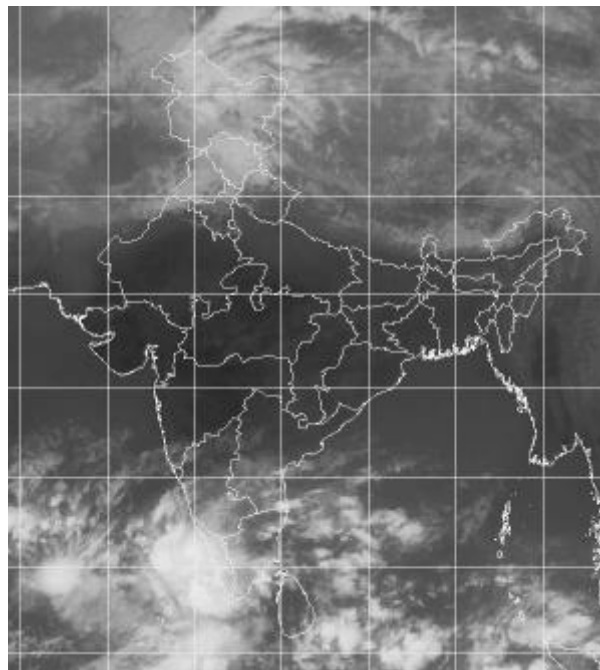
### Monsoon Outlook (18.11.06)

- Fairly widespread rainfall activity over extreme south peninsula is likely to continue during next 48 hours.
- Night temperatures are 3-6 °C above normal over plains of northwest India. They are likely to fall by 2-3 °C over the region during next 2 days due to eastwards movement of western disturbance from Jammu & Kashmir.

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

- A fresh western disturbance is likely to affect western Himalayan region and adjoining plains.

Source: GOI (IMD)



Source: IMD (18.11.06)

### FOREX (As on 18<sup>th</sup> November, 2006):

Foreign Currency	Rs. per unit
1 US \$	45.01
1 Euro	57.48
100 Yen	38.02
1 British £	84.91

### 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 (17.11.06)

THAILAND	\$/Mt	VIETNAM	\$/Mt
100%B	\$300	5% DP	\$297
5%	-	5%	-
10%	-	10%	-
15%	\$277	15%	\$285
25%	\$265	25%	\$280
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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