

Rice

November 07th - 13th '2006

MAJOR ACTIVITY HIGHLIGHTS

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

DOMESTIC AND INTERNATIONAL NEWS

Haryana Mandis Received Over 34.10 LMT of Paddy

Haryana mandis received over 34.10 lakh metric tonnes of paddy. The amount is some higher as compared to corresponding period of last year i.e., 32.85 lakh metric tonne. At the total arrivals 7.15 lakh metric tonne was basmati and other superior quality. Six Government agencies procured about 19.79 lakh metric tonnes of paddy at the Minimum Support Price while rest had been procured by the private millers and traders.

Over 121 LMT Paddy Arrived at Punjab Mandis

More than 121 lakh metric tonnes of paddy arrived in the yards of Punjab mandis so far. The present arrivals is somewhat lower from the arrival during the corresponding period of last year. The previous year arrivals at that time was about to 126.90 lakh mt. Majority of the arrivals (over 28.04 lakh mt) was procured by Pungrain. The other procurement agencies are Markfed, Punsup. FCI has procured 2.27 lakh mt of paddy.

Rice: USDA Weekly Export Sales Highlights

Rice: Net sales of 198,900 MT--a marketing-year high--were two and three-fifths times the previous week and nearly four and three-quarters times the prior 4-week average. Increases reported for Iraq (65,000 MT), Panama (63,500 MT), Costa Rica (36,200 MT), Japan (24,700 MT), Haiti (21,500 MT), and Honduras (7,000 MT, including 3,800 MT late reporting) were partially offset by decreases for Canada (30,200 MT, due to reporting errors). Exports of 51,800 MT were 9 percent above the previous week, but 5 percent below the prior 4-week average. The primary destinations were Nicaragua (16,000 MT), Guatemala (14,700 MT), and El Salvador (10,900 MT).

Source: FAS, USDA

DOMESTIC MARKET COMMENTARY

The rice sentiment remains steady to firm on the wholesale grains market during the week on steady demand against fluctuating arrival. The arrivals are seen fluctuating at different mandis. Haryana mandis received higher amount of over 34.10 lakh metric tonnes of paddy as compared to

corresponding period of last year. Punjab mandis received more than 121 lakh metric tonnes of paddy so far. The amount is lower as against the corresponding period of last year. The higher procurement prices in this marketing session is supported the firm sentiments. Paddy stock of Govt. is increase to 5.96 million tons from 4.84 million tons Oct. 1 of last year due to higher procurement policy. In Amritswar mandi the different varieties of rice quoted firm as, Sharbati sela at 1650-1700, Sharbati raw at Rs. 1600-1650, Sharbati steam at Rs. 1700, PR 106 raw at Rs. 1150. Asian physical rice prices remain mostly mix. Thai government's decision to auction out 3.1 million metric tons of rice paddy pressurized the sentiments there. Vietnam prices offered range bound with firm undertone on decreasing supply. 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. Rice production is likely to increase this year to 76 million tones as against last year's 74 million tones.

DELHI MARKET:

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

DELHI	07.11.06	13.11.06
Basmati Old	2800-2900	2800-2900
Sharbati raw	1600-1650	1600-1650
Sharbati sella	1620-1640	1620-1640
Parmal raw	1060-1080	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	07.11.06	13.11.06
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	07.11.06	13.11.06
Basmati rice raw	2750-2800	2700-2750
Sharbati esteem	1620-1690	1650-1690
Sharbati sella	1640-1650	1600-1625`
Parmal raw rice	1020-1050	1020-1050
Parmal sella	1140-1190	1140-1190
DB rice sella	2200-2350	2200-2350
IR8	920-970	920-950

DEHRADUN MARKET:**Market Price For Different Varieties Of Rice In Dehradun Mandis**

DEHRADUN	07.11..06	13.11..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)	07.11.06	13.11.06
IR 36 (super)	1250-1300	1250-1300
Minikit Shankar	1550	1550
Minikit (M- Shankar)	1640	1640
Doodh Kalma	1300-14000	1300-14000
Swarna (New)	1100	1100
Pankaj	1050	1050
Swarna parboiled	1200	1200

Govindobhog	2500	2500
Chawl Moni	1950	1950

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

AMRITSAR	07.11.06	13.11.06
Sharbati sella rice	1530-1580	1650-1700
Sharbati raw rice	1550	1600-1650
Sharbati steam	1650-1700	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 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.

Monsoon Outlook (12.11.06)

- Under the influence of the western disturbance scattered rain/snowfall activity over Jammu & Kashmir region likely to continue for next 24 hours and decrease subsequently.
- Night temperatures are still above normal by 3-4 °C over most parts of north and central India but are likely to show decreasing trend from 13th onwards for next 2-3 days.

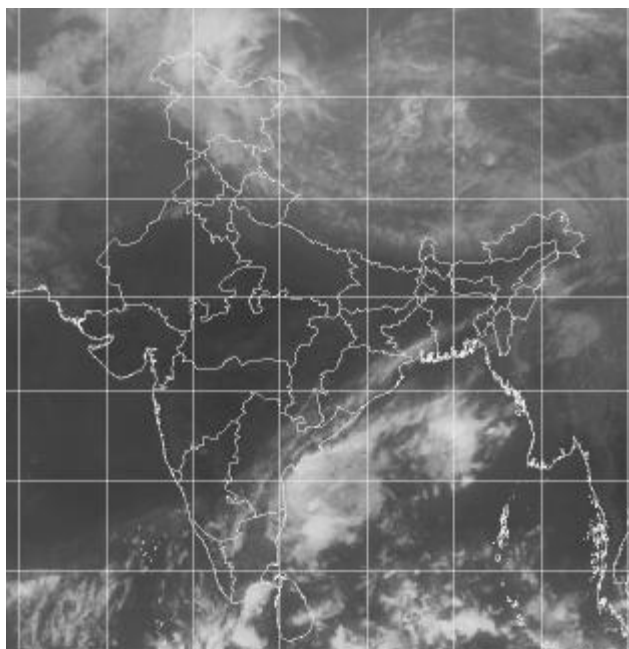
Outlook for subsequent two days (Based on numerical weather products):

- Scattered rainfall is likely to continue over south peninsula.
- Scattered rainfall over Jammu & Kashmir region in view of fresh Western Disturbance.

Source: GOI (IMD)

FOREX (As on 13th November, 2006):

Foreign Currency	Rs. per unit
1 US \$	44.45
1 Euro	57.12
100 Yen	37.82
1 British £	84.83



Source: IMD (12.11.06)

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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