

Rice

March 24th - March 31st, 2007

MAJOR ACTIVITY HIGHLIGHTS

- Domestic and International News
- Domestic Market Commentary
- Domestic and International Rice Prices
- Rice Procurement and Acreages

DOMESTIC AND INTERNATIONAL NEWS

USDA: US Weekly Rice Export Sales Highlights

According to the U.S. Department of Agriculture's (USDA) weekly export sales report, net sales of 76,100 MT were 3 percent below the previous week, but 41 percent above the prior 4-week average. Increases were reported for Cuba (40,000 MT), Jamaica (5,500 MT), Haiti (5,100 MT), Canada (4,800 MT), Guatemala (3,600 MT), and Saudi Arabia (3,500 MT). Exports of 97,700 MT were 90 percent above the previous week and 73 percent over the prior 4-week average. The primary destinations were Costa Rica (33,700 MT), Japan (26,100 MT), Haiti (16,300 MT), Mexico (5,300 MT), Canada (4,700 MT), and Honduras (4,300 MT).

Source: USDA

Thai Rice Prices Higher Amid Export Demand

Thailand rice prices moved up on some export demand. Among the main export deals, Ghana likely to buy 400,000 MT of parboiled rice and 100,000 MT of Jasmine rice from Thailand. In other deals, Thailand has agreed to export a total of 380,000 MT of white rice to the Iranian and Indonesian governments, according to the Thai Commerce Minister. This is divided into 200,000 MT of 15% white rice to Indonesia and 180,000 MT of 100% grade B white rice to Iran, which is coming from the government's rice stock. Wednesday, 100% grade B rice was at \$322 PMT, FOB Bangkok, up \$3 from Monday, while 5% broken was at \$317 PMT also up \$3.

Viet Rice Price Slightly Firm on Global Demand

Vietnam rice export prices were slightly firm on last couple of days amid expected high export demand for rice in the coming months. The harvest of the winter-spring crop has gathered momentum in the rice-producing Mekong Delta provinces. Vietnam's buyers mainly Indonesia and the Philippines, have imported more than 1 million tons of Vietnamese rice to be deliver in June. Friday, the Vietnam Food Association quoted export rice prices for 5% broken rice at \$305-\$310 PMT, free on board, against \$305 PMT on Wednesday. The 10% broken rice was offered at \$303-\$305 PMT from around \$300 PMT on Wednesday.

DOMESTIC MARKET COMMENTARY

Rice markets saw some firmness in prices at most of the markets on strong buying support during the week. Decreasing arrivals along with improved demand from millers as well as exporters has supported its firmness. The arrivals were decreasing in Orissa, West Bengal, UP in this week than previous week. In Amritsar markets different varieties of rice offered slightly higher at: Parmal Wand (New) Rs.1250, Sharbati sella Rs.2100, Sharbati raw Rs.2000, Sharbati steam Rs. 2150 and Basmati rice Rs. 4200 per qtl amidst strong export demand. In Delhi and West Bengal markets rice prices marginally higher due to lower arrivals and increased demand from millers and wholesalers. As per latest report, Rabi rice acreages has been slightly decreased to 40.72 lakh ha as on March 23, 2007 against 41.34 lakh ha during same period of last year. The prices of rice likely to remain slightly firm in coming week with lower arrivals and improved demand from exporters and wholesalers. Asian rice prices were quoted higher at the weekend. 100% grade B rice was at \$322 PMT, FOB Bangkok, while 5% broken was at \$317 PMT. Viet 5% broken rice at \$305-\$310 PMT, free on board, against \$305 PMT on Wednesday and the 10% broken rice was offered at \$303-\$305 PMT from around \$300 PMT on Wednesday. The export rice prices remained higher over the last week along with steady export demand. India is presently exporting different varieties of rice to African countries. Currently Pure Basmati rice new quoted at \$880-890, DB Rice at \$700 and Long grain (Parboiled) at \$270 per tonne.

DELHI MARKET:

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

DELHI	30.03.07	24.03.07
Basmati Common	3850	3800
Sharbati raw	2000	1950
Sharbati sella	2050	2000
Parmal raw new	1100	1075

Wand	1200-1250	1150-1200
Parmal sella	1300-1350	1300
DB Rice	2600	2500

RUDRAPUR MARKET:

Market Price For Different Varieties Of Rice In Rudrapur Mandis

RUDRAPUR	30.03.07	24.03.07
Parmal paddy	1150	1175
Parmal raw rice	1175	1150
Wand	1225	1200
Basmati paddy	2000	1850-1900
Basmati rice	3800	3650
Sharbati sella	1950	1950
DB sella	2500	2500

KARNAL MARKET:

Market Price For Different Varieties of Rice In Karnal Mandis

KARNAL	30.03.07	24.03.07
Basmati rice	3750	3650
Sharbati esteem	2000	1950
Sharbati sella	1850	1800-1850
Parmal raw rice	1100-1150	1100-1150
Parmal sella	1150	1150
DB rice sella	2550	2500
IR8	1020	1020

WEST BENGAL MARKET:

Market Price For Different Varieties Of Rice In West Bengal

WEST BENGAL (Burdwan)	30.03.07	24.03.07
IR 36 (super)	1125-1150	1150
Minikit Shankar	1650	1650
Doodh Kalma	1550-1600	1500
Swarna (New)	1100	1050-1100
Pankaj	1075	1050
Swarna parboiled	1125	1100-1150
Govindobhog	2400-2450	2450
Chawl Moni	1800	1800

AMRITSAR MARKET:

Market Price For Different Varieties Of Rice In Amritsar

AMRITSAR	30.03.07	24.03.07
Sharbati sella rice	2100	2000
Sharbati raw rice	2000	1900
Sharbati steam	2150	2100
Basmati rice raw	4200	4000
Basmati Paddy	2200	2100
Parmal Govt. Quality	1125	1120
Parmal Wand (New)	1125	1200

Price Drivers:

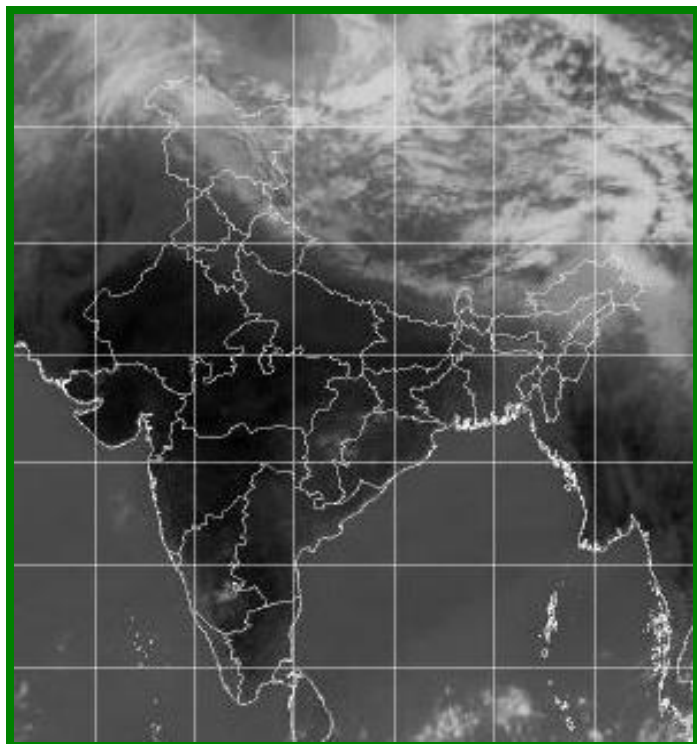
- Decreased rabi rice acreage
- Decreasing arrivals in UP, West Bengal and Orissa.
- Govt. banned rice futures contracts
- Improved demand from millers
- Slightly lower procurement so far
- Good export demand from Middle East and African countries

Outlook:

- ✍ **Short Term (1 week):** Steady to slightly firm on decreasing arrivals from major producing states.
- ✍ **Medium Term (1 Month):** Slightly firm on reducing arrivals and improved export demand.
- ✍ **Long Term (3 Month):** Firm on the expected demand from exporters.

Weather Outlook For The Week Ending On April 05th 2007

- Isolated to scattered rain/thundershowers are likely to continue over northeastern States.
- Slight rise in day temperature over plains of northwest India.
- Under the influence of a fresh western disturbance as an upper air system, scattered precipitation likely over Jammu & Kashmir and isolated over Himachal Pradesh, Uttarakhand, Punjab and north Haryana during 31st March and 1st April onwards.



FOREX (As on 02nd April, 2006):

Foreign Currency	Rs. per unit
1 US \$	43.59
1 Euro	58.14
100 Yen	37.00
1 British £	85.53

Source: IMD (02.04.07)

PROGRESSIVE PROCUREMENT OF RICE AS ON 23.03.07

(Lakh tonnes)

State	Total procurement in marketing season 2005-06 (Oct. - Sept.)	Progressive Procurement as on 23.03.07	
		In Marketing season 2006-2007	In Marketing season 2005-2006
Andhra Pradesh	49.72	25.74	21.37
Chhattisgarh	32.65	24.91	27.29
Haryana	20.54	17.67	20.38
Kerala	0.94	0.74	0.52
Maharashtra	1.94	0.96	1.45
Orissa	17.85	13.30	8.77
Punjab	88.55	77.78	87.42
Tamil Nadu	9.26	9.66	5.99
Uttar Pradesh	31.51	20.94	24.35
Uttaranchal	3.36	1.64	2.97
West Bengal	12.75	4.13	7.33
All-India	276.56	202.52	211.17

Source: Ministry of Agriculture, GOI

SUMMARY PROGRESS OF RABI RICE

(Area Coverage)

(Area in lakh hectares)

Normal Area	Area Coverage (As reported on 23.03.07)			Area Difference in Important States-This Year vs. Last Year (Absolute, %)
	This Year	Last Year	Difference	
48.7	40.72	41.34	-1.5	AP (-0., -6.2), Kar (-0.5, -15.1), Ori (+0.4, +17.7), WB (+0.7, +5.0)

International Asian Rice Prices Per MT FOB (23.03.07)

THAILAND	\$/Mt	VIETNAM	\$/Mt
100%B	\$328	5% DP	\$305
5%	\$313	5%	\$303
10%	\$310	10%	\$295
15%	\$307	15%	\$290
25%	\$295	25%	\$285
PB 100% Sortexed	\$325		
PAKISTAN	\$/Mt	INDIA	\$/Mt
15%	-	Basmati (Pure)	\$880-890
20%	-	DB	\$700
25%	\$260	Long Grain (5% broken)	\$280
Parboiled	-	Parboiled	\$275
		25%	\$265

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