

Rice

April 07th - April 14th, 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: Latest WASDE Report on Rice

Only minor changes are made to the U.S. 2006-07 rice supply and use projections. On the supply side, all rice imports are raised 1.0 million cwt to a record 20.0 million cwt with long-grain imports up 1.0 million cwt, while combined medium- and short-grain imports are unchanged. Imports of fragrant long-grain rice from Thailand, which are larger than expected through the first half of the marketing year (based on Census data through January), account for most of the increase. No changes are made on the use side from a month ago. Ending stocks of all rice are projected at 31.9 million cwt, 1.0 million cwt above last month, but 11.1 million cwt below a year earlier. The season-average farm price is projected at \$9.75 to \$9.95 per cwt, unchanged from a month ago.

Global production, imports, and exports are raised slightly from last month, while beginning stocks, consumption, and ending stocks are lowered slightly. Global production is raised less than 0.1 million tons on a number of nearly offsetting changes. On the plus side, production is raised for Egypt, Cote D'Ivoire, Burma, Nigeria, and Venezuela, while production is lowered for Pakistan, Japan, and Argentina. Exports are raised for Pakistan, Thailand, and Vietnam and lowered for Burma. Imports are increased for Colombia, Iraq, and the United States. Global ending stocks are projected at 78.9 million tons, about 0.2 million tons below last month, and 2.6 million tons below 2005/06. The slight decline in ending stocks is due primarily to decreases for India, Thailand, and Vietnam; which is nearly offset by increases for Egypt, Cote D'Ivoire, Burma, and Nigeria.

Source: USDA

Vietnam Export Rice Prices Weak

Vietnam export rice prices were offered lower as harvesting of crop was pressurised its prices. Vietnam's 5% broken was offered Wednesday at \$300/ton, FOB, Ho Chi Minh City, while 5% broken was offered at \$285/ton, down \$5/ton from prices offered Friday.

Thailand Rice Prices Steady Amid Strong Export Demand

In Thailand rice export has been increasing in recent weeks as harvesting of the main crop is gathering momentum. However, any price movement in Thailand will depend largely on the exchange rate. Thai rice prices supported by demand importers like Japan, China, Iran and other Middle East countries. Thai 100% grade B was offered Wednesday at \$323-\$324 PMT, FOB, Bangkok, 5% broken at \$317-\$318 PMT, while parboiled 100% sortexed was offered at \$320 PMT. These prices were remained flat from prices offered previous week.

USDA: US Weekly Rice Export Sales Highlights

According to the U.S. Department of Agriculture's (USDA) weekly export sales report, Net sales of 98,500 MT were 7 percent below the previous week, but 40 percent above the prior 4-week average. Increases were reported for Canada (37,800 MT), Iraq (30,000 MT), Mexico (16,300 MT), Haiti (9,000 MT), Ghana (6,000 MT), and Israel (2,200 MT). Exports of 94,900 MT were two and three-tenths times the previous week and 52 percent above the prior 4-week average. The primary destinations were Canada (40,300 MT), Panama (23,300 MT), Haiti (12,000 MT), Mexico (9,100 MT), Honduras (3,800 MT), and Taiwan (3,100 MT). Source: USDA

DOMESTIC MARKET COMMENTARY

Rice prices further strengthen in the domestic markets on account of decreasing arrivals along with stable demand from millers and exporters. The arrivals have continuously decreased in West Bengal, UP and Maharashtra, in this week than last week. In Amritsar markets different varieties of rice offered steady to firm at: Parmal Wand (New) Rs.1300, Sharbati sella Rs.2100, Sharbati raw Rs.2050, Sharbati steam Rs. 2250 and Basmati rice Rs. 4200 per qtl. This year progressive procurement of rice is lower by 10 lakh tonne so far and reported to 20.49 million tonnes. As per latest government estimates Rice production has been revised higher from 90.13 million tonnes to 91.79 million tonnes for 2006-07. But, Rice acreage has gone down 4.2% to 40.82 lakh ha during Rabi season 2006-07 compared to last season's 42.60 lakh ha. The rice prices

likely to remain rangebound in coming week with declining arrivals and steady demand from exporters and wholesalers. Asian rice prices were quoted steady at the weekend. Thai 100% grade B was offered at \$323-\$324 PMT, FOB, Bangkok, 5% broken at \$317-\$318 PMT and parboiled 100% sortexed was offered at \$320 PMT. The Indian export rice prices remained firm over the last week along with modest export demand. Currently different varieties of rice are exporting to African and Middle East countries. At present, Pure Basmati rice new offered at \$940-950, DB Rice at \$750-760 and Long grain (Parboiled) at \$285 per tonne.

DELHI MARKET:

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

DELHI	14.04.07	07.04.07
Basmati Common	4000	3900-4000
Sharbati raw	2020	2000
Sharbati sella	2050	2050
Parmal raw new	1125	1125
Wand	1225	1200
Parmal sella	1350	1350
DB Rice	2600	2600

RUDRAPUR MARKET:

Market Price For Different Varieties Of Rice In Rudrapur Mandis

RUDRAPUR	14.04.07	07.04.07
Parmal paddy	1175	1150
Parmal raw rice	1225	1200
Wand	1225	1225
Basmati paddy	NA	NA
Basmati rice	3850	3800
Sharbati sella	1950	1950
DB sella	2550	2550

KARNAL MARKET:

Market Price For Different Varieties of Rice In Karnal Mandis

KARNAL	14.04.07	07.04.07
Basmati rice	4100-4200	4100-4200
Sharbati esteem	2225	2200
Sharbati sella	2150	2100
Parmal raw rice	1225	1200
Parmal sella	1300	1300
DB rice sella	NA	NA
IR8	NA	NA

WEST BENGAL MARKET:

Market Price For Different Varieties Of Rice In West Bengal

WEST BENGAL (Burdwan)	14.04.07	07.04.07
IR 36 (super)	1150	1150
Minikit Shankar	1675	1650
Doodh Kalma	1600	1550-1600
Swarna (New)	1100	1100
Pankaj	1075	1075
Swarna parboiled	1100	1100
Govindobhog	2500	2500
Chawl Moni	1825	1800

AMRITSAR MARKET:

Market Price For Different Varieties Of Rice In Amritsar

AMRITSAR	14.04.07	07.04.07
Sharbati sella rice	2100	2100
Sharbati raw rice	2050	2050
Sharbati steam	2250	2200
Basmati rice raw	4200	4200
Basmati Paddy	2250	2250
Parmal Govt. Quality	1150	1150
Parmal Wand (New)	1300	1275

Price Drivers:

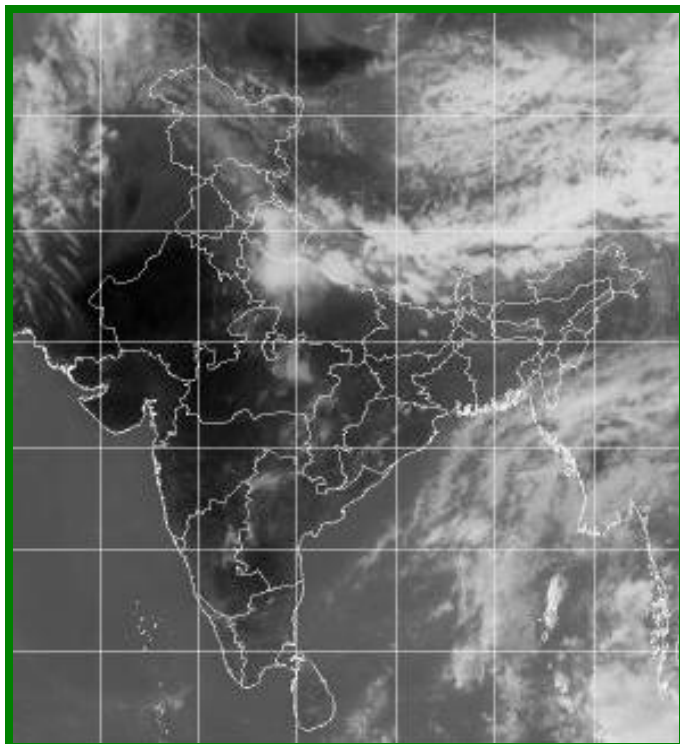
- Decreasing arrivals in Maharashtra, UP and West Bengal.
- Good export demand from Middle East and European countries
- Government revised estimates higher Rice production to 91.79 mln tonnes from 90.13 mln tonnes
- Decreased rabi rice acreage
- Improved demand from millers
- Slightly lower procurement so far

Outlook:

- ✍ **Short Term (1 week):** Steady to slightly firm on improved demand from millers wholesalers.
- ✍ **Medium Term (1 Month):** Slightly firm on reducing arrivals and increasing export demand.
- ✍ **Long Term (3 Month):** Firm on higher global demand.

Weather Outlook For The Week Ending On April 18th 2007

- Gradual rise in day temperatures over northwest and central India leading to heat wave conditions in some areas.
- Scattered rainfall activity over northeastern States and extreme south Peninsula.
- Generally dry weather conditions over northwest and central India.



Source: IMD (16.04.07)

FOREX (As on 16th April, 2006):

Foreign Currency	Rs. per unit
1 US \$	42.30
1 Euro	57.33
100 Yen	35.42
1 British £	84.11

PROGRESSIVE PROCUREMENT OF RICE AS ON 30.03.07

(Lakh tonnes)

State	Total procurement in marketing season 2005-06 (Oct. - Sept.)	Progressive Procurement as on 30.03.07	
		In Marketing season 2006-2007	In Marketing season 2005-2006
Andhra Pradesh	49.72	26.61	22.38
Chhattisgarh	32.65	25.14	27.69
Haryana	20.54	17.13	20.40
Kerala	0.94	0.80	0.52
Maharashtra	1.94	0.97	1.45
Orissa	17.85	13.36	8.87
Punjab	88.55	77.90	87.57
Tamil Nadu	9.26	9.95	6.25
Uttar Pradesh	31.51	20.98	25.62
Uttaranchal	3.36	1.69	2.97
West Bengal	12.75	4.75	7.78
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 30.03.07)			Area Difference in Important States-This Year vs. Last Year (Absolute, %)
	This Year	Last Year	Difference	
48.7	40.82	42.60	-1.8	AP (-0.8, -6.2), Kar (-0.5, -13.9), TN (-0.8, -26.3), WB (+0.2, +1.4)

International Asian Rice Prices Per MT FOB (13.04.07)

THAILAND	\$/Mt	VIETNAM	\$/Mt
100%B	\$325	5% DP	\$305
5%	\$315	5%	-
10%	\$310	10%	\$300
15%	\$305	15%	-
25%	\$292	25%	-
PB 100% Sortexed	\$320		
PAKISTAN	\$/Mt	INDIA	\$/Mt
15%	-	Basmati (Pure)	\$940-950
20%	-	DB	\$750-760
25%	\$258	Long Grain (5% broken)	\$285
Parboiled	-	Parboiled	\$265
		25%	\$260

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