

## Rice

May 05<sup>th</sup> -May 12<sup>th</sup>, 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

Net sales of 59,700 MT were mainly for El Salvador (12,200 MT), Jamaica (9,000 MT), Mexico (9,000 MT), Haiti (8,000 MT) Saudi Arabia (7,600 MT), Ghana (6,000 MT), and Jordan (4,000 MT). Exports of 113,700 MT were 77 percent above the previous week and 70 percent over the prior 4-week average. The primary destinations were Japan (39,000 MT), Panama (22,900 MT), Mexico (18,800 MT), Honduras (7,900 MT), Haiti (7,000 MT), Guatemala (5,100 MT), and Ghana (5,000 MT).

Source: USDA

#### Thai Prices Steady on Strong Baht

Rice export prices were steady on Thursday despite thin trade as a strong baht supported Thai rice prices. Thai prices may rise next week if new rice contracts materialize. Thai 100% grade B was offered steady Thursday at \$325-\$327 PMT, FOB, Bangkok, 5% broken was at \$313-\$316 PMT, while parboiled 100% sortexed was offered at \$320-\$324 PMT.

#### Vietnam Rice Export Prices Stable on Weekend

In Vietnam, rice prices were steady at higher levels on a strong domestic demand despite the higher arrival. The bulk of fresh rice supply has already been committed for export. Vietnam's 5% broken was offered steady Friday at \$300 PMT FOB, Ho Chi Minh City; 10% broken was offered flat at \$295 PMT, 25% broken was offered unchanged at \$285 PMT. In other news, Thailand's rice exports in 2007 may rise to 9 million MT 7.5 million tons last year, an industry executive said Friday. Rising consumption is likely to push global rice demand higher in 2007 to 418 million MT versus 414 million MT last year.

### DOMESTIC MARKET COMMENTARY

Rice sentiments remained steady most of the markets in the country. Presently healthy arrivals along with improved demand from millers have supported its prices. In Amritsar markets different varieties of rice quoted steady at: Parmal Wand (New) Rs.1300, Sharbati sella Rs.2050, Sharbati raw Rs.2000, Sharbati steam Rs. 2200 and Basmati rice Rs. 4050 per qtl. Harvesting of summer rice is in progress in

AP, West Bengal and Orissa. Whereas in Assam, Tamilnadu and Karnataka, summer rice are in maturity stage. This year progressive procurement of rice is lower so far and reported to 21.54 million tonnes as on May 4, 2007 as compared to 23.15 million tonnes during the corresponding period of last year. As per latest report, Basmati exports totalled 11.6 lakh tonnes during 2005-06 against 11.2 lakh tonnes the previous year and non-basmati rice exports from the country are likely to touch 40 lakh tonnes during the current year. The rice prices are likely to remain steady to slightly weak in short term on lack of demand amid healthy stocks. Asian rice prices were quoted steady at the weekend. Thai 100% grade B was offered steady Thursday at \$325-\$327 PMT, FOB, Bangkok, 5% broken was at \$313-\$316 PMT, while parboiled 100% sortexed was offered at \$320-\$324 PMT Indian Basmati rice prices remained unchanged supported by moderate export demand. At present, Pure Basmati rice new offered at \$935-940, DB Rice at \$740 and Long grain (Parboiled) at \$275-280 per tonne.

#### DELHI MARKET:

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

DELHI	12.05.07	05.05.07
Basmati Common	3950-4000	3950
Sharbati raw	2000	2000
Sharbati sella	2025	2050
Parmal raw new	1125	1130-1140
Wand	1200	1200
Parmal sella	1350	1350
DB Rice	2550	2550

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

RUDRAPUR	12.05.07	05.05.07
Parmal paddy	1200	1200
Parmal raw rice	1175	1175-1200
Wand	1225	1250
Basmati paddy	2000	2000
Basmati rice	3950	3950
Sharbati sella	2050	2050
DB sella	2550	2550

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

KARNAL	12.05.07	05.05.07
Basmati rice	4050	4050
Sharbati esteem	2150	2150
Sharbati sella	2100	2100
Parmal raw rice	1225	1225
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)	12.05.07	05.05.07
IR 36 (super)	1125	1100
Minikit Shankar	1550	1575
Doodh Kalma	1500	1550
Swarna (New)	1100	1100
Pankaj	1075	1075
Swarna parboiled	1100	1100
Govindobhog	2400	2400
Chawl Moni	1800	1800

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

AMRITSAR	12.05.07	05.05.07
Sharbati sella rice	2050	2050
Sharbati raw rice	2000	2000
Sharbati steam	2200	2200
Basmati rice raw	4050	4050
Basmati Paddy	2250	2250
Parmal Govt. Quality	1200	1200
Parmal Wand (New)	1300	1300

**Price Drivers:**

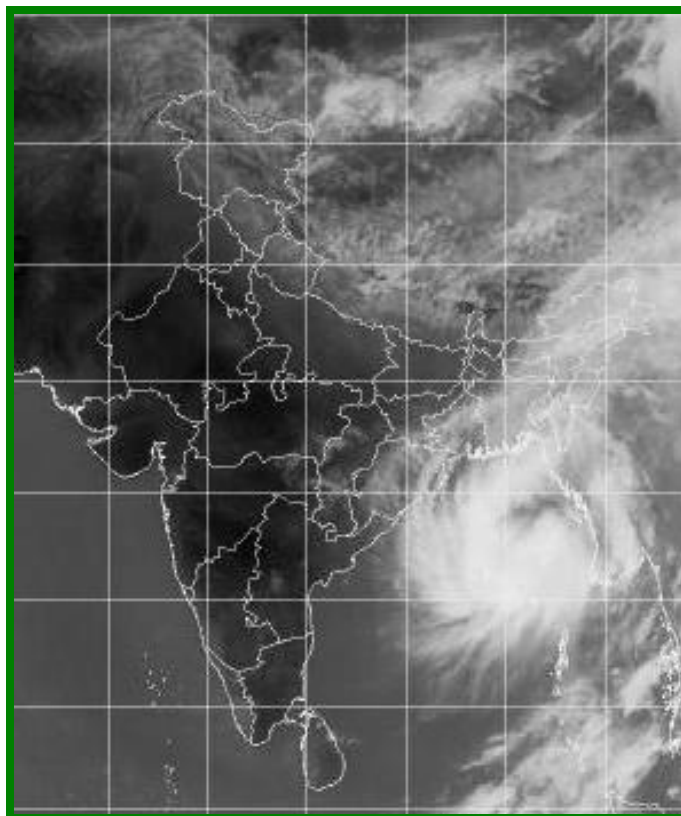
- Centre extended the Rs 40 bonus scheme by 2-6 months beyond 31st March, 2007
- CACP has suggested a record Rs 65 per quintal increase in the minimum support price
- Moderate export demand from Middle East and European countries
- Sluggish demand from millers
- Lower procurement by Govt. so far

**Outlook:**

- ✍ **Short Term (1 week):** Steady to slightly weak on sluggish demand.
- ✍ **Medium Term (1 Month):** Slightly firm on decreased arrivals from major producing states.
- ✍ **Long Term (3 Month):** Firm on higher global demand.

**FOREX (As on 14<sup>th</sup> May, 2007):**

Foreign Currency	Rs. per unit
1 US \$	40.93
1 Euro	55.42
100 Yen	34.03
1 British £	81.20



Source: IMD (14.05.07)

#### Weather Outlook For The Week Ending On May 16th 2007

- Conditions are favourable for onset of southwest monsoon over south Andaman Sea and adjoining southeast Bay of Bengal during next 72 hours.
- A low-pressure area is likely to form over east central Bay of Bengal and adjoining north Andaman Sea around 12th.
- Fairly widespread rainfalls with isolated heavy falls are likely over Andaman & Nicobar Islands and northeastern States during the week.
- Rise in day temperature over south India during first half of the week and fall thereafter. Rise in day temperature over central and east India and fall over northeastern States during the week.

#### PROGRESSIVE PROCUREMENT OF RICE AS ON 04.05.07

(Lakh tonnes)

State	Total procurement in marketing season 2005-06 (Oct. - Sept.)	Progressive Procurement as on 20.04.07	
		In Marketing season 2006-2007	In Marketing season 2005-2006
Andhra Pradesh	49.72	32.79	27.44
Chhattisgarh	32.65	25.20	27.87
Haryana	20.54	17.73	20.40
Kerala	0.94	1.21	0.85
Maharashtra	1.94	0.97	1.45
Orissa	17.85	14.59	11.23
Punjab	88.55	78.17	88.34
Tamil Nadu	9.26	10.55	7.16
Uttar Pradesh	31.51	21.01	25.62
Uttaranchal	3.36	1.75	3.24
West Bengal	12.75	5.41	11.46
<b>All-India</b>	<b>276.56</b>	<b>215.43</b>	<b>231.54</b>

Source: Ministry of Agriculture, GOI

## SUMMARY PROGRESS OF RABI RICE

(Area Coverage)

(Area in lakh hectares)

Normal Area	Area Coverage (As reported on 26.04.07)			Area Difference in Important States-This Year vs. Last Year (Absolute, %)
	This Year	Last Year	Difference	
48.7	41.05	42.60	-1.55	AP (-0.8, -6.2), Kar (-0.5, -13.9), TN (-0.8, -24.7), WB (+0.2, +1.4)

## International Asian Rice Prices Per MT FOB (03.05.07)

THAILAND	\$/Mt	VIETNAM	\$/Mt
100%B	\$320	5% DP	\$300
5%	\$310	5%	-
10%	\$307	10%	\$295
15%	\$300	15%	\$290
25%	\$290	25%	\$285
PB 100% Sortexed	\$318	PB 100% Sortexed	-
PAKISTAN	\$/Mt	INDIA	\$/Mt
15%	-	Basmati (Pure)	\$935-940
20%	-	DB	\$740
25%	\$265	Long Grain (5% broken)	\$275
Parboiled	-	Parboiled	\$270
		25%	\$265

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