

Rice

April 28th -May 05th, 2007

MAJOR ACTIVITY HIGHLIGHTS

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

DOMESTIC AND INTERNATIONAL NEWS

Russia Ban Import of Rice From India

Russia has banned import of Indian rice along with groundnut and sesame from 1st May due to raising concerns over their quality.

In March, a consignment of 125 tons of Indian rice with pests was found. Russia's agriculture watchdog Rosselkhoz nadzor had conveyed its decision to New Delhi in March to impose ban if it failed to take steps to check the export of "hazardous" commodities.

Thai, Vietnam Rice Export Prices Unchanged

Asian physical rice exports prices were steady on Wednesday from Friday amid thin trade, with stable demand were supporting the prices in Thailand and Vietnam's local markets.

In Thailand, the market was on post-holiday mood following Labour Day celebrations. Although absence of many buyers from the market, steady demand from regular buyers like China and Iran mainly support the prices from falling.

Thai 100% grade B was offered unchanged at \$323-\$324/ton, FOB, Bangkok; 5% broken was offered steady at \$312-\$315/ton; parboiled 100% sortexed was offered flat at \$320-\$322/ton.

In Vietnam, prices were also unchanged amid steady exporters demand. However, most buyers were absent from the market as they are apparently waiting for prices to go down. Harvest of the main crop in the country is almost finished.

Vietnam's 5% broken was offered steady at \$300/ton, FOB, Ho Chi Minh City, while 25% broken was offered unchanged at \$285/ton.

USDA: US Weekly Rice Export Sales Highlights

Net sales of 11,400 MT were 74 percent below the previous week and 81 percent under the prior 4-week average. Increases were reported for Canada (4,500 MT), Mexico (3,400 MT), Honduras (2,200 MT), and Jordan (400 MT). Exports of 64,100 MT were 24 percent above the previous week and 5 percent over the prior 4-week average. The primary destinations were Mexico (30,500 MT), South

Korea (15,000 MT), Canada (5,600 MT), Honduras (5,200 MT), Saudi Arabia (3,600 MT), and Jordan (3,100 MT).

Source: USDA

DOMESTIC MARKET COMMENTARY

Rice prices mostly steady to slightly weak in the domestic markets during the week. Lack of buying support coupled with healthy stocks mainly aided rice prices to soften. In Amritsar markets different varieties of rice offered steady to lower 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 on sluggish demand. Harvesting of summer rice is in progress in AP and Orissa. This year progressive procurement of rice is lower so far and reported to 20.93 million tonnes as on April 19, 2007 as compared to 22.58 million tonnes during the corresponding period of last year. So, CACP has suggested Rs. 65 per quintal increase in the MSP for the forthcoming 2007-08-paddy crop for better procurement. 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 be around 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 arrivals. Asian rice prices were quoted steady to slightly firm at the weekend. Vietnam's 5% broken was offered steady Friday at \$297-\$300 PMT, FOB, Ho Chi Minh City, while 25% broken was offered at \$285 PMT. Thai 100% grade B was offered unchanged Friday at \$323-\$325 PMT, FOB, Bangkok, while 5% broken was offered at \$312-\$315 PMT and parboiled 100% sortexed was offered at \$315-\$320 PMT. Indian Basmati rice prices quoted steady during the week supported by stable export demand. At present, Pure Basmati rice new offered at \$940, DB Rice at \$750 and Long grain (Parboiled) at \$280 per tonne.

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

DELHI	05.05.07	28.04.07
Basmati Common	3950	4000
Sharbati raw	2000	2000-2050
Sharbati sella	2050	2100
Parmal raw new	1130-1140	1150
Wand	1200	1200
Parmal sella	1350	1375
DB Rice	2550	2600

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

RUDRAPUR	05.05.07	28.04.07
Parmal paddy	1200	1225
Parmal raw rice	1175-1200	1175-1200
Wand	1250	1250
Basmati paddy	2000	2000
Basmati rice	3950	4000
Sharbati sella	2050	2050
DB sella	2550	2600

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

KARNAL	05.05.07	28.04.07
Basmati rice	4050	4100
Sharbati esteem	2150	2200
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)	05.05.07	28.04.07
IR 36 (super)	1100	1100
Minikit Shankar	1575	1600

Doodh Kalma	1550	1550
Swarna (New)	1100	1100
Pankaj	1075	1080
Swarna parboiled	1100	1100
Govindobhog	2400	2400
Chawl Moni	1800	1800

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

AMRITSAR	05.05.07	28.04.07
Sharbati sella rice	2050	2100
Sharbati raw rice	2000	2000
Sharbati steam	2200	2200
Basmati rice raw	4050	4100
Basmati Paddy	2250	2300
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 amid adequate stock.
- ✍ **Medium Term (1 Month):** Slightly firm on decreased arrivals from major producing states.
- ✍ **Long Term (3 Month):** Firm on higher global demand.

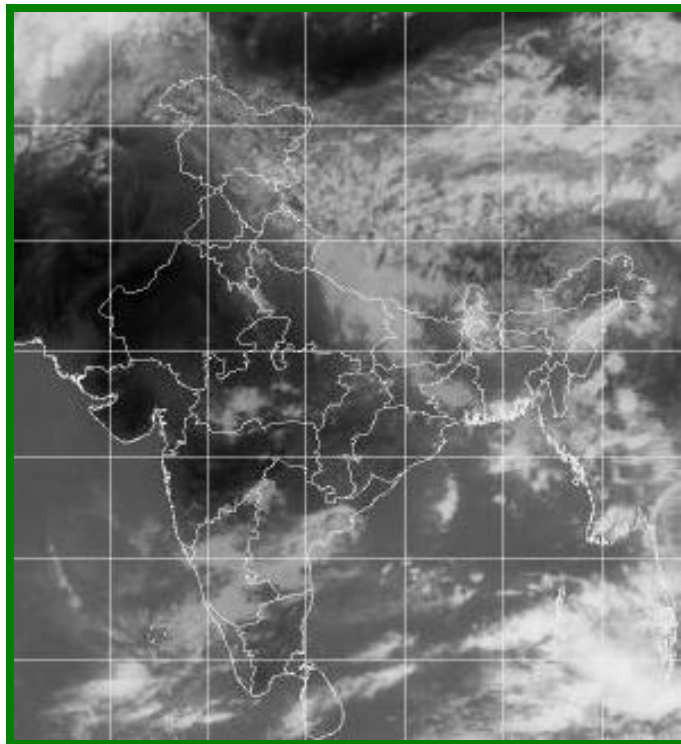
Weather Outlook For The Week Ending On May 9th 2007

- Under the influence of the well marked low pressure area over north Andaman Sea and neighbourhood, which is likely to concentrate into a depression, widespread rainfall with isolated heavy to very heavy falls are likely over Andaman & Nicobar Islands during first half of the week and decrease thereafter. Squally winds with speed reaching 40-50 kmph are also likely over Andaman & Nicobar Islands during next 48 hours.

- Scattered rain/thundershower activity is likely over West Bengal & Sikkim, northeast India and south Peninsula during the week.
- Gradual rise in day temperature over northwest, central and east India.

FOREX (As on 05th May, 2007):

Foreign Currency	Rs. per unit
1 US \$	40.57
1 Euro	55.19
100 Yen	33.82
1 British £	80.97



Source: IMD (07.05.07)

PROGRESSIVE PROCUREMENT OF RICE AS ON 20.04.07

(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	27.75	23.71
Chhattisgarh	32.65	25.20	27.87
Haryana	20.54	17.73	20.40
Kerala	0.94	1.05	0.63
Maharashtra	1.94	0.97	1.45
Orissa	17.85	14.18	10.38
Punjab	88.55	78.15	88.09
Tamil Nadu	9.26	10.38	6.79
Uttar Pradesh	31.51	21.01	25.62
Uttaranchal	3.36	1.74	3.13
West Bengal	12.75	5.19	11.40
All-India	276.56	209.33	225.81

Source: Ministry of Agriculture, GOI

SUMMARY PROGRESS OF RABI RICE

(Area Coverage)

(Area in lakh hectares)

Normal Area	Area Coverage (As reported on 20.04.07)			Area Difference in Important States-This Year vs. Last Year (Absolute, %)
	This Year	Last Year	Difference	
48.7	41.05	42.60	-1.6	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)	\$940
20%	-	DB	\$750
25%	\$265	Long Grain (5% broken)	\$280
Parboiled	-	Parboiled	\$270
		25%	\$265

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